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Mair, Andrew, Ph.D.
The Ohio State University, 1988
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UMI
PRIVATE PLANNING FOR ECONOMIC DEVELOPMENT:
LOCAL BUSINESS COALITIONS IN COLUMBUS, OHIO: 1858–1986

Dissertation

Presented in Partial Fulfillment of the Requirements for
the Degree Doctor of Philosophy in the Graduate
School of the Ohio State University

By

Andrew Mair, M.A. (Hons.), M.A.

* * * * *

The Ohio State University
1988

Dissertation Committee:                      Approved by

L. A. Brown                                Kevin R. Cox
K. R. Cox                                  K. R. Cox, Advisor
M. E. O'Kelly                               Department of Geography
R. W. Jackson
W. R. Smith
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March 30, 1958 ......................................... Born – Rugby, United Kingdom
1980 ............................................................... M.A. (Hons), St. Andrews University, St. Andrews, United Kingdom
1980-1982 .................................................... Graduate Teaching Assistant, Department of Geography, Ohio State University
1982 ............................................................... M.A., Department of Geography, Ohio State University
1982 (Summer) ......................................... Graduate Research Associate, Department of Geography, Ohio State University
1982-1983 .................................................... Graduate Teaching Associate, Department of Geography, Ohio State University
1983-1984 .................................................... Graduate Research Associate, Department of Geography, Ohio State University
1984 ......................................................... Graduate Teaching Associate, Department of Geography, Ohio State University
1986 (Winter) ............................................ Graduate Teaching Associate, Department of Geography, Ohio State University
1986 (Spring) ............................................ Visiting Lecturer, Department of Geography, University of Natal, Durban, South Africa
1986-1987 .................................................... Graduate Research Associate, Department of Geography, Ohio State University
PUBLICATIONS


FIELDS OF STUDY

Urban political geography
Social science methodology

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# TABLE OF CONTENTS

ACKNOWLEDGEMENTS ................................................................. ii
VITA ........................................................................................... iii
LIST OF TABLES ........................................................................... ix
LIST OF FIGURES ........................................................................ x

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>LOCAL CLASS FORMATION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I 1.1:</td>
<td>The object of this study</td>
<td>1</td>
</tr>
<tr>
<td>I 1.2:</td>
<td>Class</td>
<td>2</td>
</tr>
<tr>
<td>I 1.3:</td>
<td>Local</td>
<td>4</td>
</tr>
<tr>
<td>I 1.4:</td>
<td>Formation</td>
<td>7</td>
</tr>
<tr>
<td>I 1.5:</td>
<td>Outline of dissertation</td>
<td>8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>COMMUNITY POWER STRUCTURES AND LOCAL BUSINESS COALITIONS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>II 2.1:</td>
<td>Introduction</td>
<td>10</td>
</tr>
<tr>
<td>II 2.2:</td>
<td>Hunter's &quot;Community Power Structure&quot;</td>
<td>13</td>
</tr>
<tr>
<td>II 2.3:</td>
<td>The evolution of the community power structure literature</td>
<td>18</td>
</tr>
<tr>
<td>II 2.4:</td>
<td>The community power structure literature critiqued as a whole</td>
<td>24</td>
</tr>
<tr>
<td>II 2.5:</td>
<td>Local economic interests investigated</td>
<td>27</td>
</tr>
<tr>
<td>II 2.6.1:</td>
<td>Organizational aspects of class formation</td>
<td>33</td>
</tr>
<tr>
<td>II 2.7:</td>
<td>Conclusions to chapter II: the importance of local capitalist class formation</td>
<td>36</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>THE LOCAL DEPENDENCE OF FIRMS AND LOCAL BUSINESS COALITIONS: THEORETICAL CONSIDERATIONS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>III 3.1:</td>
<td>Introduction</td>
<td>43</td>
</tr>
<tr>
<td>III 3.2.1:</td>
<td>Necessary preconditions: local dependence in a context of geographical instability</td>
<td>45</td>
</tr>
<tr>
<td>III 3.2.2:</td>
<td>Territories of interest</td>
<td>46</td>
</tr>
</tbody>
</table>
3.2.3: Immobilities and local dependence ........................................... 51
3.2.4: Instabilities that threaten reproduction ..................................... 57
3.2.5: What individual firms do about problems arising from local dependence ................................................................. 62
3.3.1: Collective strategies and local business coalitions ..................... 67
3.3.2: Participation in local business coalitions .................................. 68
3.3.3: How coalition strategies are determined ................................... 74
3.3.4: The importance of strategy ...................................................... 80
3.4: Conclusions to chapter III ......................................................... 83

IV INTRODUCTION TO THE CASE STUDY LOCALITY .................................. 86

V THE FORMATION OF INSTITUTIONALIZED LOCAL BUSINESS
COALITIONS IN METROPOLITAN COLUMBUS ........................................... 90

5.1: Introduction ................................................................................. 90
5.2.1: The Board of Trade, 1958–1897 ................................................ 92
5.2.2: The unsuccessful attempts to establish a Board of Trade in Columbus ......................................................... 93
5.2.3: A permanent Board of Trade .................................................... 100
5.2.4: Local dependence ................................................................. 101
5.2.5.1: Aims and strategies .............................................................. 103
5.2.5.2: Attracting manufacturers and other sources of value flow .......... 103
5.2.5.3: Lobbying for infrastructural improvements ......................... 107
5.2.5.4: Reforming local government decision-making ...................... 108
5.2.5.5: Other activities ................................................................. 110
5.2.6: Levels of activism among locally dependent firms ..................... 111
5.2.7: Conclusions: the institutionalization of a local business coalition ................................................................. 113
5.3.1: The Metropolitan Committee: 1945–1967 .................................. 115
5.3.2: Origins of the Metropolitan Committee ..................................... 116
5.3.3: Membership ............................................................................. 117
5.3.4: The overall strategy: passage of bond issues ......................... 119
5.3.5: Tactics to secure citizen support .............................................. 122
5.3.6: The Metropolitan Committee as a local business coalition ........... 124
5.3.7: The demise of the Metropolitan Committee .............................. 127
5.3.8: Conclusions: how to organize a coalition, and its value to the growth of a local economy ......................................................... 128
5.4.1: The Development Committee for Greater Columbus: 1956–1986 ................................................................. 131
5.4.2: Origins and aims ..................................................................... 132
5.4.3: Membership .............................................................................. 136
5.4.4: Activities of the sub-committees .............................................. 144
5.4.5: Sub-committees and their strategies ........................................ 148
5.4.6: Private and public planning ................................................... 155
5.4.7: Conclusions: DCGC as a local business coalition, and tensions within ................................................................. 158
5.5: Conclusions to chapter IV ......................................................... 161
VI CONFLICTS OVER STRATEGY AMONG LOCALLY DEPENDENT FIRMS .............................................. 166

6.1. Introduction ................................................................. 166
6.2.1: Federal government funds, local control and crisis at DCGC ................................................. 168
6.2.2: The Scioto Conservancy District and its plan for financing dams ......................................................... 170
6.2.3: The aftermath ............................................................. 176
6.2.4: Conclusions: power struggles among locally dependent firms and the question of local control over strategy ................................................... 178
6.3.1: Conflict over long-term strategy: industrial expansion, 1920–1980 ................................................... 182
6.3.2: The origins of opposition to industrial expansion ................................................................. 183
6.3.3: The Curtiss-Wright factory comes to Columbus ...................................................................... 186
6.3.4: The post-war power struggle, 1944–1963 ................................................................. 193
6.3.5: The propaganda war on behalf of industrial expansion ................................................................. 198
6.3.6: The 1963–1980s period ............................................... 202
6.3.7: The power struggle reviewed ................................................................. 204
6.3.8: Effects of industrial expansion on local capitalist class formation ................................................................. 208
6.3.9: Concluding comments: the nature of the local economy ................................................................. 212
6.4: Conclusions to chapter VI ................................................ 217

VII COLLECTIVE ORGANIZING TO REDEVELOP THE CENTRAL BUSINESS DISTRICT ............................................................................ 221

7.1: Introduction ................................................................. 221
7.2: The importance of the central business district ................................................................. 226
7.3.1: A civic center for Columbus: 1908–1934 ................................................................. 232
7.3.2: Early planning ............................................................. 232
7.3.3: The Chamber of Commerce drive ................................................................. 234
7.3.4: The civic center: discussion ............................................................. 241
7.4.1: Urban renewal in the 1950s ................................................................. 245
7.4.2: Initial reluctance and resistance ................................................................. 246
7.4.3: Local firms coalesce behind urban renewal ................................................................. 249
7.4.4: Conflicts among local firms ................................................................. 250
7.4.5: Conflicts with small firms in areas slated for urban renewal ................................................................. 254
7.4.6: Conclusions: conflict and counter-coalition around urban renewal ................................................................. 256
7.5.1: The Ohio Center: 1971–1980 ................................................................. 260
7.5.2: North versus south in the CBD ................................................................. 261
7.5.3: Battelle rescues the Ohio Center ................................................................. 262
7.5.4: Rising opposition to Battelle's management ................................................................. 264
7.5.5: A new coalition steps in ................................................................. 266
7.5.6: Micro-geographical concerns are renewed ................................................................. 267
7.5.7: Conclusions: personalities, counter-coalitions, and compromises ................................................................. 268
7.6.1: The New World Center: 1984–1986 ........................................ 270
7.6.2: A domed stadium picques interest at the Chamber of Commerce ........................................ 271
7.6.3: Fractional opposition stalls the domed activity center ........................................................................ 274
7.6.4: The push for a New World Center ........................................ 277
7.6.5: Opposition movements ........................................ 279
7.6.6: Defeat ..................................................................................... 282
7.6.7: Conclusions: the unification of locally dependent firms opens up a class-based conflict .............................. 283
7.7: Conclusions to chapter VII ........................................ 285

VIII CONCLUDING COMMENTS ........................................ 290

8.1: Introduction ................................................................. 290
8.2: Local dependence ................................................................. 291
8.3.1: The contingencies reviewed ........................................ 292
8.3.2: Organization ................................................................. 292
8.3.3: Other local actors ................................................................. 296
8.3.4: The wider political economy ........................................ 298
8.4: An afterword: moving beyond contingency .............................. 299

LIST OF REFERENCES ................................................................. 304
LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>59</td>
</tr>
<tr>
<td>2</td>
<td>60</td>
</tr>
<tr>
<td>3</td>
<td>88</td>
</tr>
<tr>
<td>4</td>
<td>89</td>
</tr>
<tr>
<td>5</td>
<td>121</td>
</tr>
<tr>
<td>6</td>
<td>138</td>
</tr>
<tr>
<td>7</td>
<td>142</td>
</tr>
<tr>
<td>8</td>
<td>145</td>
</tr>
</tbody>
</table>

- 2 Changing localization of population across twenty six United States Cities
- 3 Populations of Columbus and Franklin County
- 4 Sectoral shares of employment in Franklin County
- 5 Bond issues supported by the Metropolitan Committee
- 6 Affiliations of DCGC steering committee members
- 7 Sponsorship figures for DCGC
- 8 Sub-committee membership figures for DCGC
LIST OF FIGURES

FIGURES

<table>
<thead>
<tr>
<th>FIGURE</th>
<th>DESCRIPTION</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stylized maps of geographical spheres of interest</td>
<td>50</td>
</tr>
<tr>
<td>2</td>
<td>Major redevelopments in the Columbus CBD</td>
<td>223</td>
</tr>
</tbody>
</table>
1.1 The object of this study

This dissertation is a study of why groups of business people, operating in the same places, join together in pursuit of shared strategies to their mutual benefit. This is a rough definition of local capitalist class formation. The object will be to investigate, both theoretically and through a case study, some of the processes that cause capitalist firms which operate in the same place to eschew competition with each other over the extraction and appropriation of value and instead undertake actions collectively.

Any form of collective action by capitalist firms will be rooted in some attribute of their individual 'everyday' business activities that they share in common, and around which they can forge some consensus that makes joint activities worthwhile. Thus, firms that are engaged in similar types of economic activities may be able to alter the framework of competition among them by joining forces. Thus business coalitions may be formed around shared fractional interests (or economic sectors) such as real estate, extractive industry, finance, retail, and so on. The object of collective action may be to
secure a greater share of value appropriation for that fraction as a group from the total social product, a share which firms within the fraction can divide up, either through competition or through an organized distribution scheme, as in a cartel. It is at least theoretically possible for all capitalist firms to take united actions. The aim might be to ensure adequate levels of value extraction and realization from other classes, especially from workers/consumers.

In this dissertation the focus will be on firms that act in consort in ways that share characteristics with both the example of fractions, cited above, and the example of all firms working together. This is the case when firms are united — across fractions — on the basis of the particular territory in which they all operate; in this instance one metropolitan area, or locality. There then emerges something akin to fractional differences; a fragmentation of firms according to the different localities within which they are collective organized.

The notion of local class formation will be further examined in this introductory chapter, with emphasis placed on the capitalist class. The device will be employed of examining, in turn, what is meant by 'class', 'local', and 'formation'. After this, the organization of the remainder of the dissertation itself is described.

1.2: Class

Class is used here in the Marxist sense, in terms of different abilities to control and appropriate value in the economy. The capitalist class is that group which controls, through its ownership, the major instruments by which people create value, in the production process (machinery, factories); circulate value, in the
form of commodities and money (transportation facilities, the 'machinery' of banking); and distribute value to final customers (retail stores, for instance). 'Fractions' of the capitalist class refer to these different roles. From their various participations in the capitalist economy, institutionalized capitalists (that is, corporations, firms) are able to extract a share of value as a profit, much of which they then reinvest, to ensure the competitiveness, hence long-term survival, of the firms.

Now class in this sense is defined by the structural relationships of firms to the production, circulation, and distribution of value, rather than by income levels, or by how people feel about what class they belong to. Indeed, according to Marxist analyses, it is common in capitalist societies for people not to be aware of the structural class to which they belong. And yet many other people are very much aware of their own class positions. They are also aware of others with similar positions, and with whom they may therefore have common interests. Members of a class may then be able to act in a coalitional fashion in pursuit of those common interests. In this situation, the class per se is taking action. This brings us to the distinction in Marxist analysis between a class in itself and a class for itself (Lukacs, 1971). The former refers to the structural positions as introduced above, the latter to consciousness of those positions and collective action based upon them. It is the processes by which a class in itself becomes a class for itself, and acts as such, that are of interest in this dissertation. This is what is meant by class formation.

Analyses of class formation have been heavily weighted towards the proletariat or working class; how it has emerged as a class in itself, and under what conditions it does or does not become a class for itself (for instance:
Aronowitz, 1973; Davis, 1985; Lipset, 1983; Thompson, 1968). The major issues are the material conditions in which workers live and work, how these influence class consciousness, how particular class-based organizations are formed (political parties, labor unions, revolutionary groups) and the strategies those organizations follow (reformism, revolution, and so on). Less work has been undertaken with respect to organizations formed to institutionalize collective action by the capitalist class. There are histories of particular institutionalized organizations (Galambos, 1966; Griffin, 1983; Schriftgiesser, 1967) and studies of 'power structures' (which usually are said to include state functionaries and politicians) (Mills, 1956). Yet there is much less in the way of analyses of the conditions under which a capitalist class in itself is transformed into a capitalist class for itself. As a means towards investigating local capitalist class formation, this dissertation will focus on 'local business coalitions', as one medium of local class formation.

1.3: Local

The words 'local' and 'locality' are adopted here to denote the scale commonly referred to as the 'urban' or 'metropolitan'. This is in the interest of discarding all of the 'intellectual baggage' that would accompany those words. It is not meant, however, to imply that the methodological and theoretical considerations that will be developed here cannot be transferred to capitalist class formation at other scales, such as the regional or national; on the contrary this is quite plausible. The focus on the local, then, communicates a concern with territory, rather than implying some qualitative distinction between the local scale and other scales.
The notion of 'locality' is one of considerable contemporary interest in the academic discipline of geography, and this dissertation should certainly be seen as a contribution to the understanding of localities. Locality is usually viewed as a concrete phenomenon to be explained. There is considerable disagreement over how to explain geographically uneven development at this scale and the processes by which it occurs (Cooke, 1987; Newby, 1986; Smith, 1987). In a 'top down' approach, for instance, both Harvey (1982) and Smith (1984a) discuss how the circulation patterns of capital as a whole result in geographically uneven development. Alternatively, from the 'bottom up', there are studies of particular localities and the social processes that occur within them (and therefore not necessarily in other localities) (for instance, Murgatroyd et al., 1984). What seems to be missing in these debates is adequate theorization of the 'locality' concept itself; answers to questions such as: why certain objects (social relationships, institutions) are localized, and what their localization means for those objects.

In the context of this study, the object is class, in particular the capitalist class for itself. Thus the important questions refer to the geographical structuring of classes, and in particular to the existence of localized capitalist classes; why are there localized capitalist classes for themselves, and what does this mean for firms implicated in them and for the localities themselves? Here, the concept of 'local-class' is a useful way to place emphasis on classes that incorporate territory into their identity. Moreover, a 'local-class' should not be seen as one portion of an already existing but geographically fragmented class. A 'local-class' is an object itself. The conjoined words imply the necessary role of territoriality in the constitution of the class. Rather than a grand class for itself that is subsequently divided on a territorial basis, then, what actually
exist are classes that are built around particular localities. Local-classes may or may not form alliances with other local-classes. Alliances may be based on either their shared class or their shared locality. This does not, however, preclude the simultaneous existence of classes existing at other scales; such as regional-classes or national-classes. Indeed one of the crucial (and as yet unasked in the discipline) questions informing this dissertation is that of at what spatial scales various what-might-be-termed 'territorial-classes' are formed.

There have been a number of attempts to broach the issue of local-class with respect to workers. These have suggested, or have examined, geographical variations in specific life-practices of people, which make for variations in the existence of working class consciousness; and in turn working classes for themselves in some places but not in others (Cooke, 1985; Hudson and Sadler, 1983; Walker, 1985). But it is the less-studied local capitalist class and its local organizations that is of interest here. Moreover, the main question that informs this dissertation is not why there are differences among places, but the analytically prior question of why there is class organization at the local scale in the first place; and closely connected, why this scale even exists as such.

Often in studies of local-working-classes the capitalist class is implicitly assumed to exist only at a larger scale. Thus, while workers and their organizations are confined to localities, capital is said to be mobile, even 'hyper mobile', with capitalist firms able to switch their investments easily among localities (for instance, Bluestone and Harrison, 1982; Ross, 1983; Urry, 1983). This conception must be rejected immediately, since it automatically precludes the existence of local-capitalist-classes. Of course, whether there are or are not local-capitalist-classes in particular places is an empirical question. The object
here will be to determine the preconditions and contingent circumstances that might lead to coherence of a 'local-capitalist-class-for-itself', in order to better understand the local capitalist classes that do exist.

1.4: Formation

The notion of 'formation' implies a process. And it is the process of local-class formation that is to be investigated here. Formation further implies that forms change, with present organizational structures built on, and evolving out of, past structures, in a process of structuration.

To explain local-class formation, it is necessary to investigate the structural conditions that make it possible. These exist prior to the class formation process itself, and constitute its necessary preconditions. In this dissertation, it is mostly the local, rather than the class aspects, that will be examined. An understanding of class structures and the general workings of the capitalist economy is taken as given (see Harvey, 1982). The focus will be on how capitalist firms obtain an interest in a local territory, that is also shared by other firms. This will reveal a local-class-in-itself, that has the potential to become a local-class-for-itself in the form of a local business coalition. As a process of structuration, local-class formation should be seen as an activity in which business people participate, a process of creation. Certain business people may play a more active role in forming a coalition than others, but all who join must choose to do so, and therefore must have reasons for joint action.
Since local business coalitions are intended to be active, there must be something for them to do. The question of coalition strategy becomes paramount. Strategy plays a crucial role in the formation process, since it is closely related to whether local business people are willing to align their firms with others in a coalition. In turn, strategy will depend partly on the interests of prospective members, which in turn again, will depend upon the very structural relationships that produce a local-class-in-itself. The development of strategy, however, will also depend upon the "organizational class capacity" (Wright, 1979) of local business people, that is, upon their relationships with each other, their resources, and so forth. Thus, tied up in the question of local-class formation are issues of structural positions, relationships among firms, and strategic planning. These must be unravelled to some extent before further examination of local capitalist class formation can even proceed.

1.5: Outline of dissertation

This dissertation has two inter-related aims. One is to advance theory, the other to advance explanation. In broad outline, it will proceed as follows. First, theory is advanced to some extent via abstract research; the development of an understanding of the general logic of local capitalist class formation. This provides the concepts that are then used in investigations of a series of concrete cases of local capitalist class formation in the case study locality. In meshing the concepts derived from abstract research with information deriving from the case studies, both will be altered. So there is not only theoretically informed explanation, but also theoretical advance. This is not, of course, to say that 'the' theory is thus achieved. Rather, particular theoretical advances
are made, and what these are clearly depends both upon the starting point, and upon what actually happened in the case study locality.

The 'community power structure' literature developed in sociology and political science has examined many issues relevant to understanding local class formation. It is therefore examined in chapter II, in order to isolate its positive contributions and to reveal gaps that need to be filled. Local capitalist class formation, and particularly the origins of institutionalized local business coalitions, is then discussed at a relatively abstract level in chapter III. From this, various principles are derived and salient issues laid out. In a brief chapter IV the locality employed in the case study locality — Columbus, Ohio — is introduced. Then, in the three major 'substantive' chapters, some of the processes of local capitalist class formation in Columbus are investigated (and at the same time those formations are explained). The fifth chapter contains examinations of the three major institutionalized local business coalitions that were organized at the 'metropolitan' scale during the nineteenth and twentieth centuries, including discussions of their strategies and memberships. The sixth chapter investigates two conflicts among the firms over what strategies they should collectively follow, conflicts that substantially influenced local class formation. Then, the seventh chapter focuses on how class formation took place around a series of projects undertaken to redevelop the central business district of Columbus, from the 1920s through the 1980s. In the final chapter some of the important contingencies affecting local business coalition formation in Columbus are re-examined, stock is taken of how local capitalist class formation can be explained, and then promising directions for continuing research are laid out.
2.1: INTRODUCTION

The literature developed by sociologists and political scientists on 'community power structures' offers a useful starting point and contextualization for investigating local capitalist class formation. The major questions of interest in the community power structure research program have been: 1) who controls local politics?; 2) is there a dominant group?; 3) if there is a dominant group, who participates in it?; 4) what is the source of power of members of locally dominant groups?; and 5) what are the organizational modes of community power structures?

The community power structure literature deals with broader issues than those that will be studied in the following chapters. It is generally concerned with investigating the power balances among various local class and institutional forces, whereas the processes of collective organization within one local class are of more interest here. Nevertheless, there are considerable overlaps. The distinction is liable to dissolve to the extent that power structure research uncovers a single local dominant group of business people. Moreover,
it is arguable that local class formation often takes place prior to the interactions with other forces from which a community power structure emerges, and is in turn likely to be responsive to the balance of local class and institutional forces. A good case can be made that the whole issue of local class formation should be inserted within the community power structure literature. Class formation, however, has been something of a lacuna in the literature, as will be shown below.

In this chapter some of the basic components of the power structure literature are examined. The aim is not to provide a thorough review, but to extract both concepts and empirical findings that will be useful for understanding local class formation. Since the seminal contribution of Floyd Hunter (1953) set the agenda for most of what followed, his work will be discussed in some detail. The evolution of debate among power structure researchers will then be followed along two strands: the expansion of empirical studies and questioning of Hunter's results; and the methodological criticisms to which his study was subjected. This discussion covers roughly the first decade of the literature's evolution.

After this core debate, the literature branched out in a number of directions. The first, which is least relevant to this dissertation and will not be reviewed here, was characterized by its emphasis on the powers of politicians within community power structures (Dahl, 1961; Salisbury, 1964; Mollenkopf, 1983). The second, which is of greater relevance, was a series of attempts to explain the economic interests that local business people might have in localities, that would both propel them to intervene in 'community affairs' and provide them with the power to achieve their ends. The key contribution here was Harvey
Molotch's (1976) influential essay "The city as a growth machine". The essay prompted some to adopt his approach (Domhoff, 1983), and others to critically elaborate upon it (Friedland and Palmer, 1984). Most recently — though not explicitly connected to community power structure studies — there was Harvey's (1982:419-422; 1985:125-164) highly relevant work on regional and urban political economies. Harvey placed local economic interests (of various classes, in his case) at the heart of local politics, contextualized them in terms of the wider capitalist space-economy, and also added important elements of an understanding of historical evolution.

The third direction was analysis of the organizational processes by which a capitalist class for itself is formed. Much of this work looked at the national capitalist class. Various modalities of class formation were investigated, including 'upper class' social clubs (Domhoff, 1974) and 'inner circles' of business people rooted in networks of interlocking directorates (Useem, 1984).

An examination of the original contributions to the study of community power structures and these more recent second and third paths will provide a useful vantage point for situating this dissertation. A critical analysis will reveal what can be gleaned from them about local capitalist class formation, important themes that remain to be explored, and at the same time, the contribution that can be made by a study of local capitalist class formation.
Floyd Hunter's (1953) pioneering study of Atlanta aimed to establish the existence and describe the modus operandi of a small but powerful group of people who collectively controlled 'community affairs' in the city. He identified the group by the 'reputational method', which involved asking 'knowledgeable' locals for lists of 'community leaders'. While recognizing that he might not have included all of the city's most powerful people, Hunter pared down the nominations he received to a core list of the forty who were most often nominated. One of the major empirical findings was that, despite the presence of two labor union leaders, four politicians or government bureaucrats, and five "social notables", the remainder were all business people. He concluded:

The major economic interests of the community are overwhelmingly represented in the listing. The pattern of business dominance of civic affairs in /Atlanta/ is a fact. No other institution is as dominant in community life as the economic institution (1953:75).

The list of forty, and even the discovery of networks of inter-locking directorates among business leaders, was not, of course, enough to deduce collective business action on local affairs. Hunter therefore interviewed many of those on the list in order to investigate their decision-making process. He discovered a clearly collective process, and described its elements in some detail. A very small clique of the top business leaders operated relatively consensually through open discussions (1953:181–182), and made decisions which could be collectively supported (1953:198–199). Benefits accruing to particular firms were not resented since all would eventually take their turn (1953:176). While there were some disagreements (1953:189, 224), Hunter was more
impressed by the level of accord. The same clique of business people were
dominant no matter what the issue, even though the particular individual who
went "out front" in public (who might or might not be among their number) was
liable to change (1953:33–36, 66). The ruling group was itself composed of
several 'crowds' — long-term alliances among business people — though
Hunter explained little about the origins of these sub-groups or the differences

While the ruling clique made the decisions, the execution of policy was
undertaken by other members of the power structure, whom Hunter dubbed
the "under structure". Policies hammered out by the clique were passed on to
other organizations (the chamber of commerce, for instance) for public
announcement, upon which the clique withdrew from active participation
professionals and younger corporate employees. No dissent was allowed from
these functionaries. Sanctions that might be exercised over them by the ruling
clique included denial of bank credit, social exclusion, firing, and the stunting of
careers (1953:204–205, 212). Potential conflicts were thereby repressed (1953:111,
176–180). This top-down collective decision-making process mimicked the
organizational hierarchies within firms (1953:173–176, 197), and Hunter described it
as pyramidal in form. Although the membership of the pyramid would alter
somewhat as a function of the particular community issue at hand, such
changes were confined to the base of the pyramid, and a stable clique

The role of the local state in community decision-making bears mentioning,
in order to contrast Hunter's interpretation of it with those of the pluralists and
others who have emphasized the powers of politicians. In Atlanta, local state institutions were thoroughly subordinate to the business clique (1953:81):

The local economic interests . . . . tend to overshadow the policy-making machinery of government . . . . The structure is that of a dominant policy-making group using the machinery of government as a bureaucracy for the attainment of certain goals coordinate with the interests of the policy-forming group (1953:102).

Many politicians were themselves business leaders, and even when not, were largely controlled by the clique of business people (1953:151–170).

Hunter also discussed the linkages among members of the business clique that solidified their collective endeavors. Besides the crowds, there were ties through inter-locking directorates (1953:75–77) and social and luncheon clubs (1953:184–186). With respect to the "luncheon circuit", Hunter argued that shared social situations "makes for community solidarity among the leaders" (1953:16).

Local business organizations such as the chamber of commerce and various business clubs, however, functioned as vehicles for policy execution, rather than as decision-making bodies (1953:83–84). Hunter emphasized that informal linkages and behind-the-scenes meetings were the key nexus of collective organization for policy determination, with the pyramids of power incorporating institutionalized organizations only towards their bases; that is, in the policy execution stage. In fact, he said little about institutionalized local business coalitions even when they were mentioned (1953:85–86).

Hunter’s chief contributions towards understanding local capitalist class formation were these descriptions of the internal structure of relationships among business people. However, there are a number of areas in which his explanations could be improved. In the first place, it was simply taken for granted that there were shared interests in the locality that would unite
Atlanta's business people. This is reflective of Hunter's lack of concern with defining the interests of business people that might provide their motivations. Apparently, if he had made moves in this direction, he would have delved into social psychology. With respect to the activism of the local business leaders, he argued:

One might guess at their motivations, but to carry the analysis far would take one into the realm of psychology (1953:26).

Likewise, with respect to the origins of collective activity by business people:

Curiosity will be expressed as to what holds the power structure together and an assumption will be made that an explanation of the "cement" of the relations described must lie in the realm of social psychology (1953:4).

This idealistic approach is consistent with Hunter's views of capitalism and socialism as ideological forces rather than as social structures (1953:5). Nevertheless, from time to time, more material considerations were mentioned by the interviewees and were quoted. Thus bankers were interested in attracting new industry to Atlanta in order to expand their business (1953:175-176), while a common concern over material resources ("goods" and "money") helped "to hold the community structure intact" (1953:105). Further, the central role of institutions (firms) rather than individual people was implicit in Hunter's discussion of how some formerly powerful people lost their power when they no longer held their corporate positions (1953:200-203). Hunter does not, however, proceed to explore any of these economic questions.

The lack of concern with economic interests is also displayed in Hunter's superficial treatment of the strategies pursued by the business clique, some of which he lists but none of which he attempts to explain (there being "no particular merit" in doing so (1953:218)). Accordingly, there is no analysis of what results, if any, were achieved by strategies; a criticism made of the community
power structure literature in general by Friedland (1981).

Relatively, the 'private' relationships of power structure participants (that is, everyday business transactions within the capitalist economy) are utterly ignored by Hunter (this is also characteristic of the literature in general). These might provide a rationale for interest in 'community affairs'. Moreover, that there is a set of issues that are legitimately of 'community concern' was simply taken for granted. Thus was lost a possible explanation for the purpose of class formation, in the politicization of certain issues. Also lost was the potentially revealing chance to contextualize 'community issues' within the broader and 'private' economy and its (as opposed to 'community') power structures; such as those among firms in their market exchange relationships, and those between employers and employees. And this lack of concern with the economy in general and its power structures appears to be a result of more than neglect on Hunter's part. For he clearly stated that power can only be effective when exercised through "associational, clique, or institutional patterns" (1953:6). This statement appears to be derived from the views of his informants that no business persons possessed adequate power to achieve results on big 'community issues' when acting alone. The point, however, is that while this may well be true and is an important insight, it results from such a narrow concept of community issues as to render it almost tautological; community issues are defined as only those in which the clique of firms, acting together, was involved.

There was, in short, almost nothing about locality, economic interests, and capitalism in Hunter's study. When explanation seemed required, ahistoric ecological and organizational theories were applied in broad swaths (1953:232,
104–111). Even when economic disparities (1953:233) or something of a class structure is recognized, there is little in the way of structured social and economic theory even in the background. Hunter's lasting contribution, then, lies mainly in his descriptions of how one local capitalist class organizes itself.

2.3: THE EVOLUTION OF THE COMMUNITY POWER STRUCTURE LITERATURE

In the years following publication of Hunter's study, a number of other studies employed the reputational method to isolate the leaders of community power structures. Several of these studies also attempted to measure the influence of these leaders by enumerating their formal participation in local political affairs, chambers of commerce, community philanthropy, and so on. Interviews with 'community leaders' were excerpted in order to confirm patterns of participation. Principal questions became: 1) are there really such cohesive community power structures as the one Hunter had described?; 2) are business people dominant (again, as Hunter had found)?; and 3) along what lines are community power structures fragmented when they are not cohesive? It should be noted that few of these studies explicitly distinguished between balances of power among competing local class forces, and the level of local capitalist class formation (and possible divisions among business people) when they questioned the degree of power structure cohesiveness. They thus spoke less directly to class formation than had Hunter.

Delbert Miller (1958a) reported the results of a comparative study of Seattle and Bristol, England. His aim was to examine the degree of clique solidarity, to
see if "key leaders" formed "cliques to influence policy making" (1958a:299).
Knowledgeable local respondents were asked to identify 'community leaders'.
Those most often nominated were assumed to be the most powerful.
Respondents were also asked whether there were in fact small cliques in
control of 'community affairs'. The conclusion was that, although various cliques
could be observed forming around particular issues, there was no single clique
in control of overall community affairs. Instead, there were more fluid coalitions

Miller, however, used the word 'clique' or 'crowd' to indicate any sub-
grouping (Hunter had employed 'crowd' specifically with respect to coalitions of
firms), and his crowds included labor union coalitions, and institutional
(education, for instance) blocs. No cleavages among local business firms were
reported. Miller's method, moreover, was clearly biased against finding conflicts
among firms; respondents had been asked to identify business and other
community leaders who would be widely acceptable as leaders for community
projects. And community projects were limited to policy decisions largely
made by local state institutions. Reinterpreted, then, his conclusion is that the
balance of local class forces was less skewed in favor of business in Seattle
or Bristol than in Atlanta. In a companion article, Miller (1958b) reported that
firms dominated the community power structure of Seattle to a greater extent
than in Bristol. He explained this in terms of differing 'value systems',
particularly the prestige accorded to different occupations in the two localities.

Form and D'Antonio (1959) addressed the question of cleavage more
directly, and found that in the cities they studied (El Paso, and Ciudad Juarez,
Mexico) there was no unified local power structure. Again, however, no
differences among business people were found — the possibility was
apparently not even investigated — and their conclusion rests on the somewhat
variant attitudes towards their local political economies held by business people
versus politicians/state functionaries. From this they concluded that a singular
pyramid is an inadequate description of community power structures.

A spate of studies investigated participation by the managers of absentee-
owned corporations (branch plants) in community affairs. Clearly, if these
managers participated less than might be inferred from the size of their
establishments, community power structures in cities that are home to
numerous branch plants might be less dominated by business than had been
revealed by Hunter. Widely varying results were obtained. Pellegrin and Coates
(1956), in a study of Baton Rouge, discovered that branch plant managers were
in fact very active in local affairs, and they described the social structures
internal to corporate organizations — career ladders, various sanctions — that
determined the levels and specific forms in which corporations were
represented by their employees. High levels of local participation were
attributed to these structures, in association with corporate concerns over local
tax rates, local labor relations, and overall public image as this would impinge
upon labor relations (1956:415). The activism of branch plant managers in Baton
Rouge was particularly efficacious because among smaller local firms there
were conflicting crowds which were unable to cooperate, leaving a power
vacuum which the branch plant managers (who tended to agree with one
another on policy) could fill.

A quite opposite finding was reported by Schulze (1958, 1961). Defining
"economic dominants" as individuals with economic power (represented by
numbers of employees, assets of banks, and property ownership), he discovered that in Ypsilanti, Michigan, economic dominants had steadily withdrawn from participation in local politics and from the chamber of commerce over the course of the twentieth century. The result was a contemporary "bifurcation of power" in which community affairs were controlled by people other than the economic dominants. The explanation for this, according to Schulze, lay in the penetration of the local economy by branch plant structures. These had disrupted patterns of local upper-class social cohesion and had put individuals with no particular concern over Ypsilanti per se in charge of dominant economic units. Local involvement by branch plant managers was reluctant (since controversy might damage corporate careers), and tended to be limited to public relations exercises. The contemporary lack of participation in community affairs contrasted sharply with an era, around the turn of the century, of "local capitalism". In this earlier era, the economic dominants lived in Ypsilanti, headed single economic units, and were socially and economically tied to other local economic dominants:

Combined, these factors provided most economic dominants with deep, branching roots in /Ypsilanti/. The business and financial links, in particular, afforded many of them a basis for shared concerns in the local community. The economic networks served to weld together blocs of dominants, giving them frequent and specific occasion for interpersonal contact. By the same token, the very diversity of the "average" dominant's local economic commitments meant that there was always a variety of areas and methods in which local political considerations could impinge upon his pecuniary and related interests. The evidence suggests that these considerations were closely associated with the high incidence of involvement by economic dominants in the socio-political system of the community (Schulze, 1958:6).

Schulze thus stressed the role of connections among local business people — at least incipient class formation — in propelling them to involvement in community affairs. By the same token, when managers lived elsewhere and
firms were absentee-owned, the local networks fragmented and consequently participation declined.

The heart of Schulze's argument was that the delocalization of the economy causes the fragmentation of the local capitalist class. Indeed he conjectured that, because it implied such a fragmentation, a general societal trend towards large multi-locational institutions would have dire consequences for community life (1961:73). However, it should be noted that Schulze fudged the distinction between economic dominance and absentee ownership in his analysis; while the empirical results referred to "economic dominants" (which might or might not be absentee owned), it was the nature of the absentee-owned firms that provided the backbone of his explanation. It is thus not at all clear that Schulze's — admittedly appealing — argument is supported by his evidence.

Schulze's provocative findings did not go unchallenged. Clelland and Form (1964) used an identical method to study Lansing, Michigan, and concluded that Ypsilanti represented an extreme case of corporate withdrawal. They nevertheless reported that business people in Lansing had participated less and less in local politics and the chamber of commerce over the course of the twentieth century. For the first part of the twentieth century they attributed this decline (rather weakly) to time constraints and to the greater excitement of business life (1964:516). In later years, withdrawal was associated with the growth of absentee ownership and a consequent disintegration of local interlocking directorates. Parenthetically, Clelland and Form usefully noted that many community organizations in Lansing had been started up by the larger firms, which had then reduced their levels of participation once policies had been set and smooth implementation assured. (This argument paralleled Hunter's
findings.) Any study undertaken later might miss the roles of business leaders in setting up the organization.

A more pointed critique of Schulze's research was developed by Mott (1970), who re-examined Ypsilanti in an effort to adjudicate the opposing findings of Pellegrin and Coates and Schulze. Mott discovered that, far from lacking interest in local affairs, General Motors and Ford had developed highly coordinated corporate policies for achieving their local interests. These, however, did not include the high-visibility participation by branch plant managers for which Schulze had searched in vain. Instead, other designated functionaries implemented corporate policy towards the locality where branch plants were located. Moreover, there was in fact a high level of involvement in issues that directly concerned the corporations, such as taxes and annexations. There was also a strong sense of a need to retain local good will; indeed avoidance of conflict was a primary reason branch plant managers themselves did not become too involved. Perhaps most importantly, Mott argued that their very dominance over the local economy gave the branch plants the powers to achieve requisite conditions for profitable production without them having to participate. So vital were the health of the local economy that local government institutions were only too keen to implement policies compatible with the interests of the corporations, regardless of whether the corporations explicitly requested such policies.
The community power structure literature that had evolved from Hunter's study was subjected to a sustained critique as a whole, especially on the basis of the reputational method that had often been used to identify the powerful in local affairs. A number of political scientists argued that the origins of policy towards community affairs (particularly in local governments) were best investigated by studying the decision-making process directly. Wolfinger (1960), for instance, suggested that, while the reputational method was a reasonable means of launching a study, it should only be seen as first step. The reputational method was supposedly biased towards finding coherent power structures. If used by itself (although it rarely had been), it would reveal nothing of the complex processes of interactions among the powerful and the "dynamics of policy making" (1960:644).

A classic study of local decision-making, in New Haven, was published by Dahl (1961). He began by distinguishing "social notables" from "economic notables", discovering that few people were in both groups. He then investigated who participated in decision-making in three specific policy areas; public education, choosing mayoral candidates, and urban renewal. The economic notables participated little in the first two areas, and while they were more involved in urban renewal, the mayor of New Haven was very much in charge of policy decisions. Moreover, many other local groups were just as influential as business people. Dahl concluded that, rather than a power structure dominating community affairs, there was a pluralist balance, with power thoroughly dispersed. This was a similar conclusion to the one Schulze
had reached.

The denial of the very existence of community power structures was in turn subject to critique. Domhoff (1978) re-examined New Haven's urban-renewal program and discovered that it had been molded by business people for many years prior to the period of Dahl's research, with the mayor taking over only when it came to implementation (an argument similar to that made by Hunter and by Clelland and Form). An even more penetrating critique of the decision-making approach was mounted by Bachrach and Baratz (for instance, 1970), who argued that it was not necessary to actively participate in decision-making in order to realize goals. With their concept of "non-decision making" they suggested that the crucial power to channel and delimit quite what decisions were to be made was ignored by a decision-making approach that studied only overt and institutionalized processes. To capture the full gamut of power relationships, the net had to be cast far wider than the decision-making approach allowed.

One of the enduring conclusions of these early debates within the power structure literature is the tremendous diversity of empirical findings (see Walton, 1967). While clearly this can be ascribed, in part, to methodological variations, as the repeat studies by Domhoff (1978) and Mott (1970) reveal, it can also be deduced that there were marked differences in the balances of local class forces in different localities. While this finding does not speak immediately to local capitalist class formation, it is doubtless related, since the level and nature of local capitalist class formation is an integral part of that broader balance.
What, then, does the community power structure literature have to say about processes of class formation? Hunter's study remained the most thorough examination of the organizational processes involved until the later rise of a more disciplined approach (see below). But, in the power structure literature as a whole, class formation was not conceived of as a problematic process, replete with divisions, conflicts of interest, and so forth. Indeed the class formation process remained largely hidden away, with more energy devoted to investigating patterns of direct, individual participation by business people, and to the balance between business participation and that on behalf of other class and institutional forces. Arguably, however, local class formation is often historically prior to business activism, and this is neglected when the focus is on participation by individuals representing particular firms.

Perhaps most essentially, the power structure literature remained silent on why business people should choose to be active outside their day-to-day business relationships. For this reason it had little to say about questions of what strategies were pursued, and to what ends local business people were active. With the marginal exception of Schulze's comments on delocalization, the literature is devoid of any consideration of economics, material interests, and possible connections between the requirements of firms and local activism by business people. However, in more recent years there have been some important advances in the direction of specifying economic interests. While still not explicitly concerned with local capitalist class formation, several researchers have attempted to develop explanations of business activism in the light of the economic interests that firms may have in certain localities. We turn now to examine these advances.
Major advances have been made since the original debates over community power structures in the definition of the economic interests that might help explain why some business people participate in local activities above and beyond their everyday business transactions. The work of Harvey Molotch (1976; 1979; also Molotch and Logan, 1984; 1985) is seminal in this regard. In his essay "The city as a growth machine", Molotch (1976) began by arguing that almost all of urban politics can be traced to the issue of local economic growth. The city, therefore, is best understood as a "growth machine". He then suggested that land values are pivotal in local economies, since land is the "basic stuff of place" (1976:309), and since "any given locality . . . . is an aggregation of land-based interests" (1976:310). The result is that it is "rentier" firms, those with interests in the intensification of local land use, that pursue local economic growth. Because of the positive externalities for adjacent landowners that accrue from intensified land use, rentier firms have an incentive to join forces in collective activities (1976:311). They therefore organize coalitions, which Molotch also labels "growth machines". Coalition members are also likely to have "parochial" interests, which make them especially concerned with the economic fortunes of one locality (1976:317).

In their efforts to promote local economic growth, the various rentier interests enter local politics (1976:312), engage in local boosterism (1976:314–315), and develop strategies that will make their locality attractive to production capital (1979:307–308). Molotch contrasted this activism of the rentiers with the relative inactivity of branch plant managers, who "work for corporations which
have no vested interest in the growth of the locality in question" (1976:317).

Rentiers derive their incomes from efficiently "preparing the ground" (literally) for capital, the needs of which they serve (also, Molotch and Logan, 1984). "Land-based elites" in different localities compete with each other to attract "production capital" (Molotch, 1979:294). The strategies open to growth machines seeking local economic growth varying according to the spatial division of labor in the economy as a whole (Molotch and Logan, 1985). Much as Schulze had argued, the delocalization of the economy was said to threaten the viability of the local growth machine (Molotch and Logan, 1984).

Molotch thus constructed a coherent explanation for collective activity by local firms, based in their economic interests. His thesis was elegant and straightforward: production capital needs sites for its activities, local firms with land interests provide the sites, the "rentiers" work collectively to attract capital, since increased land values spill over onto neighboring properties.

Yet the very tidiness of this explanatory framework is problematic. In the interest of accuracy, Molotch was forced to 'leak in' to his discussion all sorts of other local firms whose interest in land use intensification is at best indirect; newspaper proprietors, for instance, and other businesses with local markets for their products:

The people who participate with their energies, and particularly their fortunes, in local affairs are the sort of persons who -- at least in vast disproportion to their representation in the population -- have the most to gain or lose in land-use decisions. Prominent in terms of numbers have long been local businessmen . . . . , particularly property owners and investors in locally oriented financial institutions . . . . , who need local government in their daily money-making routines. Also prominent are lawyers, syndicators, and realtors . . . . who need to put themselves in situations where they can be most useful to those with the land and property resources. Finally, there are those who, although not
directly involved in land use, have their fortunes tied to growth of the metropolis as a whole. At least, when the local market becomes saturated one of the few possible avenues for business expansion is sometimes the expansion of the surrounding community itself (Molotch, 1976:314).

Given these widespread participations, to reduce the growth machine to landed interests is clearly an over-simplification.

What is more likely to unite firms in local business coalitions is a common interest in local economic growth in general. Economic growth can assume many forms, of which land-use intensification is only one. The simple division of firms into local–landed–growth machine, on the one hand, and national–production–mobile, on the other hand, is clearly too simple to account for the complexities of local business coalition formation. Related flaws are Molotch's weak explanations of why firms will be interested in land use intensification in the first place; apparently either merely because their proprietors have a desire to increase their wealth (Molotch and Logan, 1984), or, in functionalist fashion, because capital as a whole requires sites to be provided (Molotch, 1979). While the growth machine thesis represents a major advance over the community power structure literature, its reductionist tendencies prevent it from encompassing many of the complexities Molotch himself recognized.

The growth machine thesis nevertheless proved very influential. Domhoff (1983:157–202), for instance, volunteered it as a more adequate model for explaining local politics than that provided by the power structure literature. Following Molotch, he distinguished "local landed elites" from "the corporate community" (1983:157). He then argued that the supposed lack of involvement by industrial firms in local politics reflects their disinterest in land values, and the supposed ease with which they can abandon production sites (1983:173). The
case he chose to illustrate the validity of the growth machine thesis was urban renewal, which, as an example of land redevelopment, would seem to be the local political issue most likely to fit the thesis. The question remains, however, to what extent there are aspects of local economic growth in which land-use intensification is not the primary issue.

Roger Friedland has devoted considerable effort to the question of how capitalist firms are able to secure local government policies that favor their material interests (Friedland, 1981; Friedland and Bielby, 1981; Friedland and Palmer, 1984). He added an important dimension to both the power structure literature and the growth machine thesis by investigating the circumstances in which firms might not need to participate, whether directly in local politics or in local business coalitions. Friedland and Palmer (1984) examined the growth machine thesis explicitly, and argued that it, along with the community power structure literature in general, presumes active participation to be necessary if goals are to be realized. They suggested that there is indeed a group of firms that are likely to participate actively; precisely the smaller and local firms identified by Molotch. But they further argued that the lack of participation by larger firms, especially industrial branch plants, by no means indicates a lack of local power and influence. Indeed, the "dominance" of local economic growth by large firms, and their ability to "exit" a locality with relative ease, are structural conditions which mean that they have no need to participate in local politics and local business coalitions. In these circumstances, local politicians will actively try to meet their needs for fear that otherwise plant operations will be shifted elsewhere. Even so, Friedland and Palmer suggested that there is a high level of participation by multilocational firms in the localities where they maintain their headquarters (see Friedland, 1982). This general line of argument
shares much in common with those of Schulze and Mott reviewed above. It is useful because it relates the economic interests that firms have in localities to various means of realizing them, of which participation is only one, rather than assuming that lack of participation signifies no interest in the locality. It therefore describes circumstances that mitigate against local capitalist class formation.

David Harvey (1982:419-422; 1985:125-164) was also concerned with the problem of defining local interests and relating these to collective local activities. He concurred with Molotch's basic conception of the city as a growth machine, but added considerable depth by situating localized interests in the context of the workings of the capitalist economy as a whole. While his concern was with local alliances that cross class barriers to include both firms and workers, much of the argument applies equally well to local capitalist class formation.

The core of Harvey's analysis refers to the contradiction between the mobility and immobility of capital that is integral to capitalism. In essence, this contradiction is that capital must remain mobile if it is to seek out the most profitable locations, and yet the production and circulation of value requires investments in immobile physical and social infrastructures. One result is that if immobile capital investments are not to be devalued, value must be attracted to them, and therefore local profitable conditions must be maintained. The owners of immobile investments in one locality can band together in alliances, to become "collective entrepreneurs" (1985:161) who ensure that sufficient value circulates in their locality. This is a constant problem, however, since capital is always seeking out more profitable locations, and hence the space economy is
very fluid. Adding to the problem is competition from actors in other localities who are also trying to attract value flows.

Local alliances are themselves prone to instability, since commitment to a particular territory is determined by the degree of immobility among firms and workers (1982:420). All are directly subject to the immobility/mobility contradiction since they face the choice of staying put and joining a local coalition, or relocating to a more profitable location. There may also be different specific interests among the immobile that cause frictions, making local alliance formation more difficult (1985:150–151). Cohering a local alliance is fraught with problems, and much of urban politics revolves around attempts to organize various local groups into collective action. Harvey (1985:125–164) placed considerable emphasis on the inevitable uniqueness of each territorial alliance that results from the political processes whereby they are forged.

Harvey's discussion offered a coherent understanding of local alliance formation that invoked an analysis of the capitalist economic system as a whole. By transforming Molotch's rentier-capital distinction into the more abstract mobility/immobility contradiction, he was able to encompass all manner of alliances formed on a territorial basis, as well as historical changes in their compositions. However, Harvey does not address the causes of immobility and territorialization completely enough to sufficiently explain local capitalist class formation. In the first place, immobility is said to be rooted in built environment investments (1982:419–422), in privileged access to markets (1985:149–150), and in locational monopolies (1985:136–137). Yet this conception needs to be expanded if all of the types of firms that participate in local business coalitions are to be encompassed. This will be taken up in chapter III.
In the second place, quite what defines the territory in which alliances form is not analyzed fully. The urban area, for Harvey, is a "structured coherence" of social relationships with definite spatial coordinates. More concretely, Harvey (1985:125–164) discussed localities specifically in terms of labor–market areas. Labor–market areas were chosen presumably because it was local worker–firm alliances with which he was concerned (and not local capitalist class formation). While he allowed some important subtleties — locality boundaries can shift over time as spatial coordinates change — he tended to reify the locality as defined by labor–market boundaries, taking this as a given. This would become problematic if one were to consider territorial alliances at larger scales than the urban. What concretely are the relevant spatial coordinates for defining a regional-scale alliance? And when it comes to local capitalist class formation, the spatial coordinates of social relationships other than those with employees will surely be relevant in defining locality. A more thoroughgoing theorization of the boundaries of territories in which alliances are formed is required.

2.6: ORGANIZATIONAL ASPECTS OF CLASS FORMATION

A concern with the internal organization of community power structures was evident in Hunter's (1953) discussion of Atlanta; indeed most of his explanation is couched in organizational terms. However, analysis of organizational forms was subsequently neglected as the debate proceeded along other lines. Thus DiTomaso (1980) complained that power structure theorists had ignored the potentially useful corpus of work in organization theory, and advised them to
look to this literature in order to advance their understanding of how power structures are able to function.

There have, however, been some useful studies of the organizational aspects of capitalist class formation in general. Hunter (1953) had already pointed out the importance of exclusive social clubs in fomenting a sense of camaraderie among business people. This was followed by Domhoff's (1974) revealing expose of the activities undertaken at retreats frequented by members of the national ruling class, which was subtitled "a study in ruling-class cohesiveness". More recently, there have been studies of what are labelled "inner groups" or "inner circles" — after Mills' (1956) notion of "higher circles" — within the capitalist class. The concept of inner groups refers to class formation among a subset of business people. Empirical studies have investigated what organizational structures might lead to class formation among a subset of the class. One focus has been on interlocking directorates as a possible basis for inner-group cohesion. It is hypothesized that a business person holding positions in a number of firms might be able to rise above the parochial interests of one firm to develop a broader consciousness of the needs of capitalist firms as a class. Useem's (1978) analysis at the national level revealed that people holding multiple directorships also tended to be represented in more business and community organizations than those who held none or only one directorship. He did not, though, uncover evidence of a more highly developed sense of class consciousness among those holding multiple directorships (though his measure of this was particularly unidimensional). Useem concluded that, while multiple directorships usefully predicted active participation:
The inner group, however, does not appear to have assumed a class organizing function. This problem remains to be solved by the state or some other institution (1978:238).

Similar studies were undertaken at the local level (Ratcliff, Gallagher, and Ratcliff, 1979; Whitt and Mizruchi, 1986). In their analysis of bankers in St. Louis, Ratcliff, Gallagher, and Ratcliff found that those holding multiple directorships, maintaining ties to exclusive clubs, and whose banks controlled the most financial assets, were more likely to participate in community affairs. They concluded that there was indeed an inner group among bankers.

After an in-depth study of business people in the United States and United Kingdom, Useem (1984) reversed his earlier position and concluded that the existence of inner groups did indeed constitute capitalist class formation. He argued that there were four distinct modalities of social integration among inner-group members; inter-locking directorates, exclusive social clubs, family ties to "old money", and institutionalized business coalitions. While he had previously (1978) found no evidence of class consciousness within the inner group, his broader study, including interviews, revealed a high level of class consciousness and recognition of mutual interests among business people in the inner group. He further suggested that capitalist class formation has been abetted over the course of twentieth century by systematic changes in the managerial organization of firms, with modern corporate management structures more conducive to interaction and cohesion than had been the case with earlier, more entrepreneurial organizational forms. Useem (1984:12) also stressed that there could be great variation in levels of capitalist class formation and in the organizational forms it assumed. The organizational structures of capitalist class formation were thus revealed to be of great significance.
2.7: CONCLUSIONS TO CHAPTER II: THE IMPORTANCE OF LOCAL CAPITALIST CLASS FORMATION

The aim in this chapter has been to review previous research that might shed light on the processes of local capitalist class formation. By starting with an overview of the literature on community power structures that developed during the 1950s and 1960s, and then following two offshoots from this literature, it has been possible both to glean some important insights and to reveal some gaps in our understanding of how firms organize themselves into a local capitalist class-for-itself.

Hunter's (1953) major contributions were, first, to show the existence of a small clique of business people who controlled much 'community decision making' in Atlanta, and second, to describe some of the organizational features within the clique that enabled it to function. Much subsequent writing questioned the very existence of a local capitalist class for itself, or at least questioned whether, if there were such a class, it was able to dominate the local political economy (Schulze, 1958; 1961; Dahl, 1961). While some of the differences among conclusions can be attributed to methodological approaches, it also seems likely that there are sharp differences among the localities studied with respect both to the degree of local capitalist class formation and to the balance of local class forces (Miller, 1958a; 1958b). However, after Hunter, there was little work directly on local capitalist class formation. Empirical studies instead focused upon the formal participation of individual business people in community affairs such as local politics and philanthropies. How to interpret that participation was an object of considerable criticism (Bachrach and Baratz,
Analysis of the economic considerations that might lie behind business participation in community affairs (and equally, though this was not said directly, behind local capitalist class formation) had begun with Schulze (1958; 1961). Schulze had argued that multi-locational corporations have a reduced interest in any one locality. Looking at the obverse of this, Molotch (1976) argued that those firms that did participate were likely to have parochial interests in land development. Friedland and Palmer (1984) added a twist to this neat picture by suggesting that participation was not necessarily a meaningful measure of either interest in the locality or power to achieve desired policy results. Multi-locational corporations could realize their local interests — and they clearly maintained these to at least some degree (Pellegrin and Coates, 1956; Mott, 1970) — without participation, due to their powers of 'dominance' over, and ability to 'exit' from, the local economy. Most recently, Harvey (1982:419–422; 1985:125–164) argued that the key factor in encouraging local collective activism was the relative immobility of certain actors in the context of the relative mobility of flows of value in the economy. Actors immobilized in one locality have an incentive to join forces to attract flows of value, for fear that geographical shifts in economic patterns will otherwise lead to devaluation of their immobile investments.

Work on the organizational aspects of capitalist class formation has included studies of exclusive social clubs (Domhoff, 1974), and interlocking directorates (Useem, 1978). These studies have revealed the importance of these organizational media of capitalist class formation. Empirical studies of institutionalized business coalitions have tended to be more or less descriptive.
(for instance, Griffin, 1983), with little explicit analysis of internal structural aspects of the organizations.

Despite the usefulness of many of the community power structure studies and their derivatives, there remain a number of areas that would benefit from fuller exploration. The first obvious gap is the paucity of theoretical articulation of the locality concept in the literature. While Hunter described the physical setting in which Atlanta's power structure operated, he took for granted that there was indeed a community organized on a territorial basis, and at the metropolitan scale. Many of the succeeding power structure theorists, perhaps out of a concern to construct generalizable theory, made little mention of the localities they studied and still less of the notion of locality (with the singular exception of Schulze). Molotch was more explicit in his use of spatial concepts. For him, the ecological attributes of social structures — that everything must occupy a site, and that sites are contiguous to other sites — lay at the heart of his growth machine thesis. Locality was thus conceived of as an aggregation of sites. This is problematic, however, since no mention was made of when positive spillovers would cease, where aggregation should stop, and therefore, how the boundaries of localities are determined. And both Friedland and Harvey were mostly concerned with mobility and immobility, which are plausible necessary aspects of locality but are certainly not sufficient conditions for it. Harvey's discussions of "structured coherence" and labor market boundaries only point towards something that needs to be more fully articulated. This is a task that will be taken up in the next chapter.

The work of Molotch and Harvey revealed the potential usefulness of investigating the economic interests in localities that might provide impetus to
collective organizing on a territorial basis. It thus represented a significant advance over the original power structure studies. Yet there is clearly room for continued improvement in explanatory adequacy in this area too, and particularly for linking material interests directly to processes of local capitalist class formation. A second area where more work is needed, therefore, is in the definition of material interests that might connect the business person’s role in the firm to that in local participation and/or class formation. Where this has been discussed, it has been in terms of a general interest in local economic growth (Harvey, 1982; 1985), or in terms of the interests of only some local firms (Molotch, 1976). Further analysis is required for several reasons. In particular, it is likely that, by understanding the economic interests of the firms to which business people belong, it will be possible to explain much of the rationale behind local capitalist class formation. This would lead logically to analysis of a related (and also neglected) area, that of the strategies pursued by a local capitalist class-for-itself. Indeed analysis of strategies might well provide an important insight into the rationale for class formation. Investigation of the economic interests of firms would also contribute towards understanding potential problems in class formation, especially if it were to uncover that various types of firms (fractions, for instance) had different interests that might impede class formation. Further, more exact definitions of the concerns of various firms might help explain particular types of local business participation in community affairs, and also the organizational forms of class formation most appropriate to those concerns. These questions will be taken up in the next chapter.

Class formation, like participation, is but one option by which firms can realize their economic interests outside of everyday business transactions.
Some business people may be able to realize the interests of their firms through direct participation in local government institutions, while others might threaten to use their powers of dominance and exit (Friedland and Palmer, 1984). There may in fact be a close reciprocal relationship between class formation and participation. On the one hand, development of a class perspective on certain issues, and willingness to take action in consort with others, may well be prerequisites for successful activism. On the other hand, the need for participation may be reduced if class formation results in an institutionalized class representative, such as a chamber of commerce, that marshalls and funnels class power, with institutional functionaries, paid by subscriptions, taking the place of activist business people. Conversely, if participation by business people must be curtailed, perhaps in order to retain local ideological legitimacy, then class formation may be required to ensure realization of interests through the lobbying of a class representative or some other activities. In the next chapter, a series of other options that firms have, besides local class formation, will be examined.

Assuming that class formation does take place, further analysis is needed of its organization forms. This is a third area in which fruitful work could be undertaken. Institutionalized business coalitions, such as those which will be the focus in this dissertation, are clearly one of the most important modalities of class formation. According to Useem (1984:70–71), institutionalized business coalitions have assumed a central role in establishing common business positions on a range of contemporary public policy issues. Business coalitions may also represent a relatively high 'degree' of class formation. Particularly when it comes to taking class action, institutionalized
business coalitions are often the organizational mode at the forefront of capitalist class formation. While, as Hunter (1953) revealed, much decision-making and raising of class-consciousness goes on 'behind the scenes' — in board rooms, social clubs, and family homes — it is the more formal organizations that pursue strategies on a long-term basis (Useem, 1984). Thus, although it would be inaccurate to assume that institutionalized business coalitions are synonymous with class formation — indeed they should be seen as one of its forms — they may be the most important form as far as class-based action is concerned. While the various forms are not so much mutually exclusive as complementary, it is through institutionalized business coalitions that strategies are likely to be pursued and policies executed.

Finally, there are two further and highly relevant aspects of local capitalist class formation that will be examined, to at least some extent, though neither has roots in the community power structure literature. In the first place, there are the formation processes of other local classes, which may well lead to a reactive type of local capitalist class formation. While this will be discussed in the next chapter, in terms of the local political conflicts it can generate, unfortunately the empirical case study materials allow for little further elaboration. In the second place, there is the evolution of the broader political economy within which the locality is embedded. This is likely to have all sorts of impacts on types of firms involved in local class formation, the strategies the firms adopt, and so on.

The rest of this dissertation is devoted to elaborating these aspects of local capitalist class formation, that is: locality; economic interests and strategies for realizing them; organizational forms; other local classes; and the broader political
economy. In the following chapter, a theoretical framework is assembled that will aid in analyzing the empirical case studies in later chapters. This framework is developed from 'first principles', but incorporates the work reviewed in the current chapter where it is relevant.
CHAPTER III

THE LOCAL DEPENDENCE OF FIRMS AND LOCAL BUSINESS COALITIONS:
THEORETICAL CONSIDERATIONS

3.1: INTRODUCTION

The aim in this chapter is to construct a theoretical argument to explain the relationship between, on the one hand, capitalist firms, and on the other hand, the institutionalized coalitions of some of those firms that are formed on the basis of territorial identity; in the case of this study the territories of interest are localities. By constructing this argument, it becomes possible to theorize and therefore explain not only the *raisons d'etre* of local business coalition formation, but also what types of firms participate in them and the particular strategies they might adopt.

One approach to theorization might be to search for empirical generalizations that *refer* to local business coalitions. That would mean embarking immediately upon the case study. But rather than attempt to reach explanation by arriving at a set of 'empirical generalizations' — something that the weight of evidence from the power structure researchers suggests is
probably not possible anyway (see Walton, 1967) — the aim here will be first to elaborate some general principles at a relatively high level of abstraction; to start with some 'abstract research', if you will. Following Sayer (1984), such general principles will be posited in terms of the relationships among capitalist firms and their environments which amount to necessary preconditions for the formation of institutionalized local business coalitions per se. After this has been completed it will be possible to discuss the contingencies that might affect the particular forms in which business coalitions emerge — including variations in participation in coalitions by firms, and what strategies are adopted — at specific historical-geographical conjunctures. The insights already developed that were reviewed in the previous chapter will be incorporated where appropriate.

The adoption of this approach will reveal that it is fruitless to search for much in the way of empirical generalizations: in several cases the higher-level abstractions that are derived are statements that emphasize the historical and geographical variability of participation in local business coalitions and strategy adopted. Indeed variability with respect to these aspects of local business coalitions is to be expected, and it is only with respect to general preconditions for coalition formation that more general statements can be made.

In the first part of the chapter then, the focus is on the structured social relationships of capitalist firms that are preconditions for their participation in local business coalitions. From this it is possible to deduce the general motives behind coalition formation, and therefore some of the general aims of such coalitions. In the second part of the chapter the focus is turned towards elucidating those contingent conditions that affect whether a coalition will
actually be formed, what firms will participate, its particular membership structure, and the strategies it adopts.

It should be noted that the methodological approach used here, in which necessary conditions and contingencies are separated out, is an instrument that allows analysis of one social structure at a time; in this case, local business coalitions. Necessity and contingency are used here specifically with respect to local business coalitions, and at a certain level of abstraction. Since the effects of interactions with other social structures are at first relegated to mere contingencies, the discussion in this chapter should be seen as a provisional first step in understanding local business coalitions. By the concluding chapter, it should be possible to move beyond this discussion, to make explicit some of the other social structures that interact with local business coalitions to produce some of their more contingent features.

3.2.1: NECESSARY PRECONDITIONS: LOCAL DEPENDENCE IN A CONTEXT OF GEOGRAPHICAL INSTABILITY

What lies behind the participation of capitalist firms in local business coalitions is, first, some form of connection, tie, or attachment to the specific locality in which the business coalition is to be activated, and second, some immediate or potential threat to successful reproduction over time that is shared by a number of firms. These will be the topics discussed in this section. The aim will be to establish clear notions of locality and of the material economic interests, that are relevant to local business coalition formation.
A concept that will be used to capture the attachment to a specific locality that a firm may have is **local dependence**. Local dependence signifies a reliance on the continued reproduction of certain social relationships — for firms these are usually business transactions involving flows of value — within a circumscribed geographical area. Local dependence results from the combined effects of: a) the tendency of certain social relationships towards localization, and, b) the non-transferability over geographical space (between localities) of those relationships; in other words their immobility. These are discussed, in turn, below. We then consider why they may be problematic for firms.

2.2.2: Territories of interest

That capitalist firms have characteristic spatial structures internal to their social organization is well accepted; there are, for instance, the relationships among corporate headquarters, branch plants, offices, and research facilities (Massey, 1984). But of initial concern here are less the spatial aspects of the internal structures of firms — although as will be discussed later, these have an important role to play — than those of the **external** linkages of firms. External linkages are forged with other actors (firms, people, and so on) with respect to the supply of labor power, raw materials, subcontracted components, and money capital, the demand for final products, and so on. These ties must be maintained if the firm is to continue to function and therefore to reproduce itself over time. However, as their label implies, these external linkages are outside the direct control of the firm, dependent as they are on the availability and willingness of the other actors to participate.
Now some of the spatial patterns of these external linkages assume certain characteristic forms. Under particular conditions — for instance, assuming particular technologies and a certain state of market competition — these assume an empirically regular form and in consequence appear to acquire some degree of necessity. What is most important in this context is that under any such specified conditions, there are likely to be definite limitations to the geographical dispersal of actors if they are to maintain external linkages to other actors. The labor market is a good example here. Thus, although the actual territory it covers will vary according to transportation technologies and the ‘willingness’ of people to travel, the labor market of firms for most of their employees tends to be circumscribed by the limits of commuting time. Historically, many large industrial factories drew employees only from particular sections of cities; often the walking-distance neighborhoods around the factory. Today, the metropolitan area may be the labor market. And the labor market for some skilled employees may be at a large scale — even international — though this is only the case with respect to initial hiring, after which the employee will generally be constrained to a domicile within a certain radius around the place of employment; and therefore, within a certain territory. But despite such different situations, the general point remains that under given conditions — of technology, of how long people are prepared to travel — firms must find employees who are located within a certain territory surrounding the firm.

Parallel arguments can be made with respect to the various other external linkages of firms. Another example is linkages forged to sell products. Market linkages may be with other businesses or perhaps final consumers. In the former case locational proximity is often required; in business services, for
instance, where face-to-face contact remains preferable to the use of telecommunications technologies. Likewise, clear spatial patterns can be seen in the distribution of products to their final consumers. These spatial patterns may be quite necessary if the linkages are to be maintained; proximity may be required to preserve the product ('milk sheds'), to allow customers to walk (to a store), or to ensure an intimate personal knowledge of a local environment when only so much of it can be retained at once (in real estate transactions).

Sub-contracting and other forms of vertical disintegration in productive processes also have associated and characteristic spatial patterns (Holmes, 1986; Scott, 1986). Speedy design changes, on-site visits, and co-operative planning may all require locational proximity. Management systems may generate similar patterns. The 'just in time' system of inventory management, for example, requires that external linkages to subcontractors be established within fairly severe spatial limits (see Estall, 1985).

There may also be locational limitations with respect to the availability of raw materials. Transportation costs can preclude long-distance relationships in cases of bulky, low-value materials. Other materials may decompose after harvesting, and hence must be found close by if they are to be obtained at competitive costs. Classical location theory devoted great attention to codifying the locational requirements that would minimize costs, given particular patterns of raw material locations (Weber, 1929).

Finally there are money capital exchanges, which appear to be the least spatially restricted of all linkages, particularly when money assumes its credit form. Nevertheless, the competitive advantage to be gained from personal ties, the development of trust and of routines, and the ability to conclude financial
deals in person, may well place spatial limits on financial flows, and historically at least these have assumed very definite patterns (Conzen, 1975).

The message of these examples is that there do exist characteristic spatial structures (distance requirements especially) to some of the external linkages of capitalist firms, and that not only are certain spatial structures empirically correlated with the linkage, but the former are necessary to the maintenance of the latter given certain technological capabilities and/or market competition contexts. There are, then, spatial structures without which it would be impossible to reproduce the firm's external linkages.

The actual external linkages of any firm can be mapped so as to define their spatial extent, in terms of more or less straight lines between the linked actors (Figure 1, a). It is also possible to define a two dimensional field somewhere within which new linkages would need to be made were the extant links to be broken. The result is the circumscription of what can be called territories of interest for each firm, with respect to the external linkages that it maintains (Figure 1, b). What is of critical concern to the firm with respect to these demarcated territories is that actors exist within them with which the firm can forge external linkages, and hence reproduce itself over time. And not only current external relationships are of interest, but also the potential for possible replacement linkages or even expanded linkages to labor supplies, markets, and so on.

It is possible to define these territories of interest for firms with relative ease at this abstract level. But their empirical definition is far more complex. In some cases all of the external links of a firm may be limited to the same or roughly similar territories. It is more likely that for each firm there is a
FIGURE 1: Stylized Localities of Interest.

a) external links over space
b) a locality of interest defined by limits of linkages
c) different localities of interest for different types of external linkages
hierarchy of territories of interest that is a function of its various external linkages; one possibility would be a firm producing steel, which might have a metropolitan labor market, regional raw material sources, and a national market (as in Figure 1, c). Further complications arise from the fact that while a firm may have a primary interest in its own direct external linkages, it will have a secondary interest in the indirect, or once-removed, links that its customers, suppliers, workers and so on maintain with other actors. Depending on the spatial patterns of those links, this may both deepen its interest in a particular territory and/or widen the scale of its concerns. Thus neighborhood stores have a primary interest in the purchasing power of their neighborhood residents. However, since these residents may be employed throughout the metropolitan area, the availability of jobs in this wider territory will also be of interest.

For the purposes of this dissertation, we can substitute 'locality' for 'territory' in the above discussion. The firms of interest here, then, are likely to be: a) firms with all their linkages constrained to the locality; b) firms with only certain linkages constrained to the locality; and c) firms with substantial indirect interests in the locality (such as the neighborhood store described above).

3.2.3: Immobilities and local dependence

Now in principle, if the need arises, a firm should be able to shift all or some of its specific localities of interest to new places, by relocating its operations. Relocations of production facilities to a different place may allow the establishment of new labor markets. Possibly, the old markets will be supplied from the new site (a firm with regional markets may move to a different city
within the same region). However, it may well be that mobility such as this is constrained over at least short and medium-term periods. It is when this occurs that a firm becomes locally dependent for that duration.

What local dependence means for a firm's behavior is that while it may be able to replace the individual parts-suppliers, consumers, employees, and so on, with which it is linked, it remains constrained (unless, in the unusual case, it introduces innovative and profitable new forms of linkages) to maintaining these external linkages within the geographically circumscribed area that is defined by the characteristic spatial structures of those external links, as described above. The locally dependent firm is therefore "inevitably committed to a given city" (Greer, 1962a:155). In other words, with immobility the locality of interest becomes fixed over a certain time period.

The immobilities that give rise to local dependence have a number of identifiable sources. There are those related to the immobilities of investment in the built environment and other physical infrastructures, those related to the non-substitutability of some external linkages, and those related to more personal aspects of the lives of business people and the local statuses of firms.

With the first case, a problem arises from the fact that built environment investments often represent very large capital sums that are only amortized over long periods of time. It is by no means certain that the value locked up in these facilities will be realized through their productive use and successful devalorization. The firm thus becomes tied to a particular locality by the magnitude and long life of its investments. Classic examples of the combined effects of massive investments in the built environment and geographically
circumscribed external linkages in producing local dependence are provided by public utility companies and finance institutions in the United States. Public utilities are highly capital intensive, and realizing the values locked up in fixed gas lines, power stations, and the like, requires the reproduction of a particular spatial pattern of customers (that is, within the service area) who will provide the utility's value inputs in exchange for service. Greer's metaphor is rather accurate:

Public utilities are earth-bound, their fortunes inextricably involved with those of the metropolitan community as a whole (1962a:155).

Financial institutions likewise have an interest in realizing values invested in the built environment, if at one remove. Banks, for instance, commonly exhibit a highly localized pattern in their lending activities. The retirement of these loans, therefore, depends upon maintaining the existing flow of value through the locality. And since both banks and public utilities have historically been limited by law in the United States to operation within circumscribed areas, they both tend to be highly locally dependent.

While immobilities deriving from the long period required to devalorize the built environment are by now well documented (Harvey, 1982:373–412), also significant are immobilities deriving from the non-substitutability of certain external linkages. Relationships with a labor force or sub-contractors, for instance, are likely to incorporate a structuration of knowledge and skills about particular labor processes, specifications, and requirements. It is costly enough to replace these afresh even in the same location, and perhaps even prohibitively so in a new location requiring wholesale replacements. This is not just a question of protecting an advantageous spatial monopoly (see Harvey, 1985:125–164); it is difficult to escape from even a disadvantageous market
situation.

Immobilities derived in this manner limit firms to markets in single localities. In business services, a firm of lawyers may establish linkages with clients who will only come to trust in its expertise and its contacts after a long-term relationship has been established. A similar case is that of personal services, where local knowledge and contacts are vital to business success. It is therefore at least difficult and perhaps insuperably costly for a local insurance agent to move another city and recreate a network of customers. Likewise, for reasons of customer trust and brand loyalty, department stores are also relatively immobile. They may have, "in plant and clientele, assets that have value in this city but perhaps no other" (Greer, 1962a:155). An indication of this is that after their merger into larger firms, the names of local stores often are purposely left unchanged in order to encourage customer continuity. Finally, and perhaps the clearest case here, there is the local newspaper, confined by its circulation patterns to a localized market and therefore quite dependent on that particular market area for direct sales, advertising revenues, and therefore financial viability.

The third sources of immobility are those aspects of the personal lives of business people and statuses of firms that are resistant to reconstitution in other places. There are the oft-cited residential and cultural preferences of corporate executives and their spouses (for instance, Greer, 1962a:155), which may deter relocation from places like New York City. Also, the status as an 'important' or 'powerful' or 'trustworthy' local person or firm, that is only built up after a lengthy period, may not be easily transferable. And such status, power, and trust may be extremely valuable economically; for instance, when it
comes to persuading local politicians to construct certain infrastructural improvements, or forging business partnerships. Particularly for a large corporation headquartered in a smaller city, high status may be even more difficult to transfer to a large city than are physical assets; the corporation may be a 'big fish' only in a 'small pond'. Moreover, status in a locality tends to have a certain life of its own once acquired; falling off only slowly even after its economic rationale has disappeared; after retirement, or after a local firm has been merged into a firm headquartered elsewhere. All these factors result in tendencies towards immobility.

It must, of course, be recognized that, regardless of the type of immobility in which it is rooted, local dependence is a relative phenomenon that is experienced as a matter of degree which can change; for instance, it is less costly to abandon an unwanted building towards the end of its amortization period than when it was first bought. Nevertheless, whether as a result of investments in the built environment and physical facilities, the existence of particular external linkages that are difficult to reconstitute elsewhere, or for reasons of personal lifestyle or firm status, there do exist clear tendencies for firms to become dependent on being able to reproduce their external linkages within a particular locality. The end result is that such firms are dependent for their own reproduction in the short-to-medium term upon the stability and growth of a local economy.

The degree of local dependence may be quite marked. There will be some firms that are utterly dependent on a specific local economy. As Stacey et al. (1975:27) describe some small firms:

The pattern of business contacts of the small businessman is frequently of a purely local kind, often the contacts could not be
transferred elsewhere. He has no conflict between locality and business, his business tends to enmesh him in the locality.

Other firms may appear to be less locally dependent since they are dependent on one locality only with respect to certain of their external linkages. Yet even in these latter cases local dependence can be intense, for there is a compounding effect once dependence is established for one set of external linkages. To explain this by way of example: a newly organized manufacturing firm may find that even though the skilled labor power it requires is available in a number of localities, the production process requires location adjacent to certain sub-contractors that are found in only one of the localities. Upon starting up operations in the locality where the sub-contractors are situated, however, the firm becomes utterly dependent on the labor force in that locality. Even though adequate labor sources are available in other places, problems such as troubled labor relations cannot be dealt with by relocation because the sub-contractors are not available elsewhere. Hence the state of local labor relations in the locality where it has set up operations will assume a high degree of importance to the firm. Now to put it more abstractly: as a result of the particular spatial structures necessary for the forging of certain external linkages (in this case that a labor pool must be localized), it becomes essential to maintain an interest in the availability of those linkages in the locality which is defined by their characteristic geographical limitations of those linkages even when it is other linkages (in this case with sub-contractors) that constrain the firm to the general locality. Again: once a building has been purchased, the firm becomes dependent on the local availability of all of the 'factors of production' necessary to occupy and use that building. By virtue of the characteristic spatial structures assumed by all linkages, local dependence has a tendency to compound itself once established by one set of linkages.
3.2.4: Instabilities that threaten reproduction

The existence of local dependence is certainly not by itself of great importance to firms. Indeed it is only meaningful to them in, and as a result of, certain other conditions. These conditions, however, are pervasive in capitalism, and only their degree varies. Specifically, local dependence assumes significance as a result of the insertion of the localized sets of social relationships upon which firms are dependent into a wider political economy in which the geography of value flows is unstable.

Changing geographical patterns in the wider political economy have three interrelated causes. First, there are spatial shifts in patterns of linkages among firms and hence value flows within the economy (narrowly conceived), or what is known as 'spatial restructuring'. These may have negative or positive effects for a locally dependent firm. On the one hand, they may threaten to cut off the linkages and value flows which the reproduction of the firm requires. A contemporary example is the economic difficulties that result from the deindustrialization of cities, due to closures of industrial plants. Plant closures lead to declining profitability and even bankruptcy for many locally dependent firms that were linked to these plants. Whole networks of sub-contractors may go out of business when assembly plants are closed (on Detroit, see Luria and Russell, 1982). The ripple effects of plant closure also affect local merchants and retailers, depress the local real estate market, and reduce the fiscal capacity necessary for local governments to produce infrastructures and services (Bluestone and Harrison, 1982:67–81).

On the other hand, spatial restructuring can have positive effects on locally dependent firms through what are known as local 'spinoffs', or 'multiplier
effects. Construction of a new manufacturing plant may mean increased value flows into the locality for many years to come. A big convention meeting brings with it a sharp but short increase in value flows. A whole planning literature was developed in the 1930s and 1940s (the 'economic base' literature) in order to investigate the local multiplier effects of various types of new investment in a local economy (see Alexander, 1954; Andrews, 1953). It should be noted that spinoffs from new investments will be differentially distributed among local firms, according to the new external linkages the firms are able to forge: thus locally dependent real estate interests, business services, banking institutions, and so forth, may benefit to different degrees from different types of new value flows. The same, of course, is true of negative restructurings like deindustrialization.

While the economy of capitalism is always geographically unstable to some extent, there is a certain cyclical pattern to the degree of this instability. This is illustrated in Tables 1 and 2. While these tables present proxy measures — population redistributions — the temporal variability of spatial restructuring is clear. Both of the tables evince troughs (that is, low levels of instability) in the 1930s, and peaks in the 1920s, 1950s and 1970s. The significance of local dependence to firms may be positively correlated to cyclical variations like these, since the greater the degree of spatial restructuring, the more likely it is that some local economies will benefit while others experience problems.

A second source of instability is the geographical distribution of outlays under government programs. State and Federal government programs may be sources of value flows from which locally dependent firms can reap benefits. Military spending, urban renewal funds and the like bear large local multiplier

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* Allentown, Baltimore, Boston, Canton, Cincinnati, Columbus, Denver, El Paso, Fort Wayne, Gary, Houston, Jackson, Knoxville, Little Rock, Milwaukee, New Bedford, Omaha, Philadelphia, Providence, Rockford, Salt Lake City, San Jose, Shreveport, Toledo, Tulsa, Wichita.

# Localization of population across twenty six cities vis-a-vis the proportional distribution across these same cities ten years before.
effects. And there is not only great spatial variation in spending patterns but also substantial geographical instability over time in those patterns (Markusen, Saxenian and Weiss, 1981). Party-political shifts in government control, in particular, may be accompanied by alterations in the spatial targeting of fiscal resources (Mollenkopf, 1983).

The third source of variation in the geographical patterns of the wider political economy is the unevenness of the formation of other classes and of political conflict. This may set firms in certain localities at a disadvantage vis-à-vis firms in other places. Industrial strikes, for instance, can prove damaging to local sub-contractors and merchants. Costs may be immediate (as is the case with lost incomes), but there are also long-term indirect costs which arise from the reputation of a locality as strike or conflict-prone; as having a poor business climate. These costs may well be more important and more widely experienced than the more direct costs. A poor image and reputation may divert value flows with positive local multipliers towards other localities to the detriment of all the firms dependent on the locality that suffers from political instability. Thus political stability and economic spatial restructuring may be closely linked (see Mollenkopf, 1983:213–253). Indeed all three sources of instability may be correlated, with effects that are either cumulative or counter-balance each other.

Local dependence is important to firms because of the chronic possibility of the spatial restructuring of value flows in the economy, shifts in the geographical targeting of government programs, and problematic local political conditions. These various instabilities can create either dire problems, or alternatively, they may provide opportunities to secure the medium-term health
of the local economy, and hence also of the firms that depend on maintaining external linkages and value flows within it.

3.2.5: What individual firms do about problems arising from local dependence

Thus far it has been argued that: a) the external linkages of capitalist firms have spatial structures, which, if they must be maintained at a particular scale, and include immobility, lead to local dependence; and b) that geographical instabilities in the wider political economy in which the locally dependent firm is embedded may give cause for concern or for optimism with respect to the long-term reproduction of the firm. Yet, even when overall geographical patterns are beneficial to firms in one locality, there always lurks the possibility of a reversal of fortunes. It is evident then, that local dependence may be — and always has the potential to be — highly problematic for firms. This raises the question of what firms can do about it. Firms in fact have various options. If they choose to act individually, they may either attempt to escape from their local dependence, or alternatively, accept it and attempt to confront it directly. These options are discussed below.

There are a number of means by which firms attempt to escape local dependence. Some of these require reducing immobility, while others require increasing the geographical scale of operations. For firms that are considering making investments in the built environment that will be amortized only over a long time period, an alternative is to rent buildings. Office space, warehouses, even whole factory spaces, can be rented with leases far shorter than the amortization period of the building in which they are located. This path to escape local dependence requires externalizing its costs by transferring local
dependence from one firm to another. The property company that leases out buildings 'assumes' the local dependence, and becomes responsible for establishing agreements with renters. In return for assuming this risk, the company reaps a profit through the rents it appropriates (this source of rent can be added to its compensation for organizing efficient spatial patterns in the economy (on the latter, see Harvey, 1982:330-372)). Yet, the increased long-term costs, that are then borne by the firm that rents the property, are often worth the reduced risk that is thereby achieved. That this kind of escape from local dependence entails its transfer from one firm to another means, of course, that local dependence -- viewed as a whole -- is not diminished by the rental strategy.

For firms operating in a localized market that might otherwise be constrained to immobility by reliance on local knowledge, brand names, reputations, and so forth, franchising may present a viable alternative. Thus, a potential restauranteur may find it beneficial to open a franchised operation that will more easily attract customers who are already familiar with the brand name. Such franchising now exists in a variety of economic sectors -- from law firms, to realtors, to 'handyman' operations and to travel agencies -- in all of which, trust and reputations are crucial to marketing and where face-to-face contact is often advantageous. Some of the limitations of localized markets can be overcome by engaging in collective advertising on a regional or national scale. A franchise owner also would find it easier to move operations to another locality if necessary. Unlike renting, the franchising strategy does reduce overall levels of local dependence.
Often local government institutions become engaged in mitigating problems of immobility for firms, by assuming some of the costs and risks of immobility and then socializing them over a wide tax base. They may provide the infrastructures and buildings for industrial parks, or provide labor-force training to incoming employees. In either of these cases, local governments are relieving firms of significant aspects of local dependence. The weight of local dependence is thus transferred out of the capitalist economy, onto government, and hence onto local citizens. The tendency for local governments to become involved in these kinds of ventures, while firms take fewer risks, led Robert Goodman (1979) to characterize them as "the last entrepreneurs".

Multilocationality is a further potential source of escape for locally dependent firms. Rather than reducing levels of immobility, multilocationality deals with the other aspect of the local dependence problem, by widening the geographical basis of operations and therefore of external linkages. Multilocationality is sometimes strategically designed to this end. Thus, the property companies that have assumed the risks of immobile investments may reduce their levels of local dependence by assembling portfolios of investments spread out over various cities and regions. Another example of purposeful risk-spreading is the multi-sourcing strategy that has been adopted by automobile assembly firms (see Massey, 1984:75). By maintaining two or more suppliers of the same component, automobile firms have been able to ensure adequate inputs in case of a labor dispute in one locality. Further, if they ensure that the labor markets of the different suppliers do not overlap geographically, the assembly companies are able to prevent labor-dispute contagion effects. In other cases the strategy behind multilocationality may not always explicitly be designed to escape local dependence, yet this may be the
result. For instance, the downtown department store that opens suburban branches to capture new markets reduces its dependence on the economic health of the central business district in which its downtown store is located.

Multilocationality does not necessarily mean a reduction in overall levels of local dependence. There are several reasons why this is so. In the first place, a firm could only reduce its local dependence if its multilocationality took the form of a repetition of operations that were independent of one another (this would likely be the case with the department store example). Second, operations in the various locations of a multilocational firm are vertically integrated, the firm actually multiplies its local dependence, since local political problems (for instance) in any one of several localities place all operations in jeopardy. Third, even if the dependence of a multilocational firm on one particular locality is reduced, the firm is still likely to undertake built-environment investments and investments in organizing external linkages around its individual sites, investments that remain costly (if not necessarily fatal for the firm as a whole) to forfeit. For all these reasons it is important not to exaggerate the ability of a large multilocational firm to "exit" (Friedland and Palmer, 1984) a locality in which it operates.

Multilocationality involves other complications, too. It may entail a certain transfer of local dependence to the parts-suppliers that are linked to the firm's sites. If the multilocational firm does depend to a much lesser extent on its individual sites, it will be easier to close down operations at one of them. This increases the problem of local dependence faced by parts-suppliers. And finally, while multilocationality reduces local dependence at one scale (for instance the metropolitan) it only recreates it at a higher scale (for instance the
regional).

It is not, in fact, possible to eliminate territorial dependence entirely. Moreover the attempts of some firms to do so only magnify the problem for others. Many firms, therefore, are obliged to accept their dependence on a local economy and to squarely confront the problems it entails. Confrontation requires direct action by the firm to secure the external linkages on which it depends. All firms must do this to some extent (through their marketing, labor-force recruiting, and so forth). There are some firms, however, in which such interventions are designed not simply to compete better within a local economy but are highly organized into ongoing programs with the aim of enhancing the size of the total local economic 'pie' that can be cut up by firms operating in the locality. This is why some of the least mobile, most locally dependent firms maintain their own economic development departments. Prime examples were the nineteenth century railroad companies in the midwestern United States, which promoted whole towns along their routes in order to assure freight (Overton, 1941). Today, it is often the highly locally dependent utility companies that supply heating gas, electricity, and telephone services in a particular locality that maintain internal departments the sole purpose of which is to attract economic investments to their service area. Such firms also tend to encourage employees to participate in local politics — as the power structure researchers observed — as a means of influencing the local government provision of various infrastructures, or even merely keeping tabs on local government institutions.

Individual strategies such as these, that accept and then confront local dependence, may have advantages, but they also have disadvantages. To be
truly effective, they may require expenditures (for instance, in the hiring of full-time employees) that are prohibitive to smaller firms because the returns cannot justify them. Moreover, it may not be possible to fully internalize the returns that accrue from such expenditures; unless some new source of value-flow maintains external linkages only with the firm that brought it into the locality, other locally dependent firms will reap substantial benefits at no cost, as 'free-riders'. It is the cost incurred in promoting local economic development, and the potential for such mutual benefits, that raises the possibility of collective strategies by firms for confronting local dependence, and therefore, the possibility that firms will join local business coalitions to effect the strategies.

3.3.1: COLLECTIVE STRATEGIES AND LOCAL BUSINESS COALITIONS

Either as an alternative, or as a complement, to individual strategies which confront local dependence, firms may act cooperatively in attempts to manage their local economies to their mutual benefit. This cooperation marks the formation of a local business coalition. The prerequisites are a) local dependence, and hence a concern with a particular local economy, that is shared by two or more firms; and b) some level of geographically uneven economic or political instability that is perceived either to threaten the reproduction of those firms, or to provide the means for their expansion. As mentioned, the second of these conditions is pervasive under capitalism. The likelihood of the first condition — shared dependence on the same locality — is
enhanced by external linkages at the scale of, or within the scale of, localities, and by the tendency towards concentrated complexes of economic activity in the form of towns and cities.

While necessary, these prerequisites by no means automatically imply the collective strategies that mark local capitalist class formation. There may well be other options available, such as moving elsewhere (Friedland and Palmer, 1984; Harvey, 1982; 1985), or the kinds of local participations described by community power structure researchers, or the various individual strategies of escape and confrontation discussed above. Local class formation is thus only one option. The relationship between local dependence coupled with geographical instability and local business coalition formation, is one of necessity but not sufficiency: it is asymmetric (Sayer, 1984:83). In other words, local business coalitions imply as a prerequisite some measure of local dependence, but the reverse is not the case. Rather, various contingencies must come into play before a coalition will be formed. And it is these contingencies that determine not only whether a coalition will actually be formed but also what the nature of the local business coalition will be: first, what firms will participate and hence what will be the membership of the local business coalition; and second, what the coalition actually does in terms of its aims and strategies (which in turn affects participation by firms). These two aspects are discussed in turn, below.

3.3.2: Participation in local business coalitions

There are some stereotyped general views of the firms that participate in local business coalitions. Some accord prominence within them to utilities, banks, real
estate interests, newspapers, and retailers (for instance Greer, 1962:155; Salisbury, 1964). Molotch (1976) argued that it is the landed interests or 'rentiers' that are the core participants in local business coalitional activities. With respect to patterns of participation in local politics, that might also be reflected in local business coalition formation, others have suggested changes over the long term. Thus both Schulze (1958; 1961) and Dahl (1961) argued that manufacturers had withdrawn from local activism since the early twentieth century. This notion of historical change accords with Harvey's more abstract determination that participation in local coalitions (that include, in the cases in which he is interested, members of classes other than capitalist) is likely to be inherently unstable and is likely to shift over time (1982:420; 1985:148–155).

Variations in business coalition participation by firms, both historical and geographical, may well be inversely related to the availability of alternative strategies for dealing with local dependence. A relationship might thus be expected between evolving corporate spatial structures (including in this both their locational patterning and their levels of immobility) and the composition of local business coalitions; a relationship mediated by changing degrees of local dependence for firms. If either its level of immobility or the geographical bounds of a firm's operations are changed, a firm may become more or less locally dependent, and thus (other things being equal) more or less inclined to participate with other firms in collective activities. Corporate spatial structure is thus an important contingency behind local business coalition formation.

That banks and utilities often figure so largely in accounts of local business coalitions in the United States is a function not only of their very immobile investments, but also of statutory restrictions on the extent of their operations.
If these change, then coalition participation may well follow suit. This is indicated (albeit by eliding geographical and historical comparisons) in the differing involvements of banks and utilities in local business coalitions in the United States and United Kingdom. In the case of the United Kingdom, the heating gas and electricity companies are national monopolies, and banking has a highly multilocational structure. Banks and public utilities do not participate much in local business coalition activities in the United Kingdom, and this has much to do with their markedly reduced levels of local dependence (see Hart, 1983:12).

Corporate mergers may also be a source of changes in business coalition participation, as previously 'independent' locally dependent firms become branches of firms headquartered elsewhere. As Greer explains:

The result of corporate merger has been the freeing of economic organizations from dependence upon, and hence interest in, particular cities (1962b:67).

This is often accompanied by an increased geographical mobility for plant managers, which means a high turnover of personnel that has problematic implications for the organizers of local business coalitions:

Turnover of leadership makes effective organization (the compromising of interests, the assignment of tasks, the integration of action) extremely difficult (Greer, 1962b:67).

Patterns of merger activity evince a strong cyclicality over time. This may therefore be reflected in both declines in participation and shifts in local business coalition compositions. However, close correlations between mergers and coalition participation may not be directly observable. This is because merged firms often retain their local management, and that management is unlikely to drop straight out of local collective activism immediately upon acquisition, particularly if it has previously been deeply involved. Personal ties
and status position may decline only over a period of time, and abrupt changes in participation may only occur if and when new management is brought in from elsewhere. The organizational structure of the multilocalational corporation, especially the degree of independence accorded to local managers, should also be reflected in levels of participation in local business coalitions.

Questions of personal ties, status, and personalities cannot be overlooked in an explanation of local business coalition composition. Particularly important in this respect are the business people’s clubs mentioned in the previous chapter: country clubs, athletic clubs, and so on (Domhoff, 1974). These solidify social ties among business people whose firms are locally dependent, and are important media for a sense of community within the capitalist class which may help build the personal trust necessary for local business coalition formation. Residential concentration/segregation performs a similar role. Likewise, the different political and religious personal backgrounds of business people may affect not only whether they have a sense of noblesse oblige that predisposes them to collective activity for the ‘community good’, but also their abilities to ‘get on’ with one another socially. And status considerations may be important in determining whether a locally dependent firm is invited or ‘allowed’ to participate in an ‘exclusive’ local business coalition.

Since participation by firms in, and hence the particular composition of, local business coalitions should be expected to vary, so too will general levels of activity and rates of activism as a whole; that is, the level and breadth of local capitalist class formation will be variable. According to the theoretical argument outlined above, these will be contingent upon: a) levels of instability in the space-economy, government programs, and local politics that may
magnify problems faced by locally dependent firms and hence prompt them to respond; b) other alternative strategies; c) changes in corporate spatial structures; and d) the mediating influence of various more 'personal' social institutions.

Consideration of these contingencies discloses that local capitalist class formation, and specifically business coalitions formation, should not be expected to manifest patterns of participation, and levels of activism, that are generalizable either historically or geographically. Any urge to generalize about what firms will be represented is therefore methodologically inappropriate to the very nature of the objects to be explained. And yet this is a trap into which a number of researchers have fallen. It frames the early debates within the community power structure literature over the nature of local power structures: are they, for instance, monolithic pyramids, or beset by cleavages, per se? In similar fashion, there is Molotch's (1976) emphasis on the role of landed interests. This appears to derive from a generalization across time from the roles of land speculators in the westward movement of the urban frontier during the nineteenth century (even this perception is not very accurate; see Boorstin (1965) on the roles of other actors).

The point is, that the statements that can be made about local capitalist class formation, and hence participation in local business coalitions, are not at the level of whether there are such things as local business coalitions, or what kind of firms participate in them. Answers to questions of existence and participation depend upon historically and geographically specific conditions, and can thus be best revealed through empirical investigations (which is not to argue that specific conjunctural conditions, such as changed corporate
structures, cannot be theorized; this will be taken up again in chapter VIII).
What can be said at a general level is, first, that local business coalitions will
be composed of locally dependent firms, and second, given changes in local
dependence resulting from changed corporate structures, levels of geographical
instability in the political economy as a whole, and the other contingencies
outlined above, participation and compositions should be expected to vary
historically and from one locality to another.

3.3.3: How coalition strategies are determined

Whether coalitions can be activated, how they must be organized, and what
firms will participate also depends very much on the possibility of reaching
agreement on aims and strategies around which firms can coalesce. Even
though locally dependent firms may share a general interest in a particular local
economy, there are many potential contradictions among their specific interests
that will determine whether strategies can be agreed upon and firms therefore
persuaded to activate and maintain participation in local business coalitions.
Two major sets of contingencies affect the likelihood of mutually acceptable
strategies. The first of these refer to the particular interests of firms, the
second to the specific nature of spatial restructuring and other instabilities in
the wider political economy. These are discussed, in turn, below.

In the first place, there is the question of the precise interests of locally
dependent firms; that is, the particular types of external linkages that are
important to them. While firms may, share an abstract interest in the health of
a local economy, they will often have quite different aspects of it in mind
when considering what strategies to pursue. For instance, firms supplying
business services might wish to encourage the establishment of a complex of
corporate headquarter offices in the central business district. Local tool and die
manufacturers, on the other hand, might benefit from, and be interested in, the
local establishment of an industrial branch plant. Neither set of locally
dependent firms would gain much from the realization of the aims of the other.

There may indeed be serious contradictions among firms with respect to
interests and consequent strategies. Potential plans to attract new industrial
employers to the locality might be supported by many local firms — potential
sub-contractors, real estate interests, retail merchants — that would benefit
from the increases in the local circulation of value that such an investment
would bring. But existing industrial employers might be quite opposed to such
a strategy, since it might bring new and unwanted competition for supplies of
skilled labor, or perhaps the possibility of increased labor union activity (for an
instance of this, Goldman and Luebke, 1985).

Potential conflicts of interest might induce coalitions to adopt strategies
based on a lowest common denominator. The encouragement of local
government infrastructures — water, sewer, and highways — can provide a
useful and important focus of wide consensus (though their actual geographical
layout may still be a matter for dissent). Another widely agreeable strategy
might be the general advertisement, in national publications, of the economic
benefits to be obtained in the locality.

Varying strategic considerations may give rise to local sub-coalitions
organized along fractional lines — real estate, retail merchants, for instance —
which pursue their fractional interests on some issues and unite with one
another in other cases. Sub-coalitions may also form on narrower spatial
bases than the metropolitan area as a whole; firms dependent especially on the central business district, perhaps. Finally, there are the 'crowds' that Hunter (1953:77–79) introduced: sub-coalitions that may be internally based on interlocking directorates and complementary rather than competitive economic roles; perhaps a bank, an insurance company, and some real estate interests in one crowd, and another bank, a utility company and a manufacturer in another. Different crowds may unite to perform certain tasks collectively, but otherwise operate separately and sometimes even in opposition to one another. On exactly what basis crowds are formed remains unclear.

The particular interests of locally dependent firms, and the consequent strategies over which they may or may not be able to agree, are thus an important set of contingencies in the determination of both: a) strategies around which coalitions can be constructed or over which firms will conflict; and b) the composition of local business coalitions. And just as there are historical and geographical variations in the compositions of business coalitions, so there will be variations in strategies, that reflect the particular interests of the firms that are locally dependent at different historical–geographical conjunctures. Strategy and local capitalist class formation thus closely intertwined. Indeed, investigation of strategy is likely to offer a useful window onto the processes of class formation.

What strategies a local business coalition will adopt is also in part determined by a second set of contingencies: the specific nature of threats and opportunities that arise for locally dependent firms from spatial restructuring in the broader economy, from changing government programs, and from local political conflicts.
Local economic downturns may provide an impetus for coalitional activism on a territorial basis (Harvey, 1982:420; Smith, 1984b:126). Firms in deindustrializing localities may join forces in attempts to forestall plant closures, encourage new businesses to locate in the locality, or in pursuit of other strategies. Thus, the Lynds (1929:58-59) reported the concerns of industrialists over the outmigration of skilled workers from Middletown during an economic downturn in the 1920s:

In March 1924 when the long slump of unemployment was commencing and employers in other cities ran 'want ads' in the Middletown papers offering work, two special delivery letters were laid by the plate of the president of the Middletown Advertising Club at one its weekly luncheons asking the Club to use its influence to suppress such advertisements because they tended to draw unemployed machinists from town. The president of the Club agreed that this was something the Advertising Club certainly ought to back, and the representatives of all papers agreed to suppress the advertisements. The sentiment of the club was that it was important that plenty of skilled workers be kept in town.

However, it may be that little can be done to improve the local economy during a recessionary period, especially if, as was the case in the 1930s, recessionary conditions are widespread and there is actually little spatial restructuring under way (see Tables 1 and 2). Accordingly, maintaining high levels of coalition activism in a recessionary period requires that there are strategies available that might boost the local economy and that can be implemented at a local level.

During a period of rapid spatial restructuring local business coalition activists may find themselves in open competition for flows of value with business coalitions organized in other localities. These may offer competitive threats to the local economy that prompt responses. They may also offer examples of strategies that can be mimicked, thus easing the path towards
local cooperative activities among locally dependent firms. The successful implementation of a certain strategy in another locality may persuade locally dependent firms of its value and so to adopt it themselves. Other localities are often visited by groups of local business people who gather information with the aim of stimulating innovative strategies in their own localities.

Spatial restructuring in the economy does appear to boost local capitalist class formation. Thus Judd (1983:177) discussed regional change in the 1970s:

Investment capital flowing to the Sunbelt was footloose — businesses moving their operations or corporate headquarters could settle in Houston just as well as in Denver or Phoenix. Local political and economic leaders were aware of this fact. Each sought a competitive edge, and the result was that every city saw the organization of redevelopment committees or downtown improvement associations.

Similarly, during the rapid spatial restructuring of the 1920s, R. D. McKenzie (1933:158) observed a particularly high level of competition among 'cities' (by which he signalled chambers of commerce). However, he expected that the competition would die down once the pace of spatial restructuring slowed:

Much of the present inter-city rivalry may be regarded as a temporary stage in the process of readjustment to an interregional economy. In time, no doubt, new forms of accommodation and division of labor will develop between the larger cities to counteract the conditions making for the present severity of inter-city competition (1933:158).

The processes of structuring new geographical patterns in the broader space economy present an opportunity for locally dependent firms, and indeed may require them (in the interests of long-term competitiveness) to consider and plan for precisely what role (literally a 'place') their locality can secure in the spatial division of activity in the economy as a whole. For the contemporary period, for instance, Molotch and Logan (1985) considered a number of emergent roles; among them are corporate headquarters center,
manufacturing locus, and retirement resort. In a more abstract vein, Harvey (1985:213-218) describes four contemporary roles in terms of loci of: industrial production; consumption; 'command' functions; targets of flows of government funds. While these different roles may not be mutually exclusive, there are certain contradictions among them that may prevent a locality from assuming some combinations; the example of Detroit appears to indicate the difficulties of successfully implementing a 'post-industrial' strategy in a deindustrializing locality (though recent central business district developments in Pittsburgh and New York reveal a somewhat more complex situation).

At a still more abstract level, periodic and rapid shifts in the geographical patterning of the wider economy (spatial restructuring) appear to coincide with major historical shifts in 'regimes of capital accumulation'. This suggests that there are critical historical junctures at which locally dependent firms would be well advised to coalesce and find strategies to ensure a future role for their locality, and thus ensure their own reproduction. The shift from mercantilism to manufacturing in the mid-nineteenth century prompted many boards of trade in middle western localities to reduce their emphasis on encouraging mercantile activity and instead focus their energies on attracting manufacturing industries to their cities (Still, 1941). Parallel reactions, with different roles at issue and different strategies, may be observable in the shift to a Fordist regime of accumulation in the 1920-1950 period. Likewise, as the burgeoning contemporary literature on local economic development policies (Bergman, 1986; Bingham and Blair, 1984a; Ryans and Shanklin, 1986) bears witness, there is great concern for the future in many localities today. This is a result of the decline of Fordism, uncertainties over new regimes of accumulation, and the possibilities of new roles, as discussed by Molotch and Logan (1985) and Harvey (1985:213-218).
Besides the spatial restructuring of the economy, the restructuring of government programs can also provide conditions conducive to the formation of local coalitions, by either providing ready made strategies for local economic development, or, in cases when funds are cut, forcing locally dependent firms to resort to new strategies. Thus on the one hand, Mollenkopf (1983) described the formation of local business coalitions in alliance with local politicians around the implementation of urban renewal programs in the 1950s. On the other hand, the uncertainties of financing local governments in the 1980s, that have resulted from federal funding cutbacks under the 'New Federalism', have also favored local business coalition formation, this time to secure a local tax base, and again often involving local government officials (Bingham and Blair, 1984b).

Local political conflict may also provide an impetus to the formation of coalitions. The aim here might be to solidify a 'local ruling class' that can undertake strategies against militant labor organizations or urban social movements. Such a collective response is likely to occur when there are problems that affect a number of local firms simultaneously, as is the case with labor disputes that disrupt mass transit, utilities, and local government. Local insurgencies may be met by strategies consisting of long-term cooperative ideological projects (in local schools, for instance) to educate people that 'business knows best' (see also Cox and Mair, 1988), by local efforts to redistribute income towards, and thereby quiet, protesting groups, and so forth. As mentioned earlier in this chapter, far more is at stake than immediate revenue losses: there may be severe repercussions for a local economy that develops a reputation for 'militancy' and in consequence an unattractive business climate. Indeed Mollenkopf makes the argument that much of the regional 'sunbelt shift' in the United States economy after the mid-1960s can be
explained by reference to urban political conflicts in northeastern cities from which footloose firms and finance capital sought refuge (1983:213–253).

3.3.4: The importance of strategy

Having discussed the implications for strategies of both the particular interests of firms, and particular instabilities in the broader political economy, it must be stressed that strategy itself reciprocates by playing a central role in local capitalist class formation. In the first place, questions of strategy and willingness to participate in local business coalitions will be closely connected. The perceived likelihood of success for any proposed strategy will partly determine the support it receives from local firms. In turn, some strategies may not be feasible without the support of local firms that have enough financial and organizational resources to implement them.

Second, resolutions to disputes over strategy may well be resolved by an internal political process that reflects structures of power among locally dependent firms. Proprietors of small firms may not participate in strategic decision-making, as a result of either their lack of financial resources to help implement strategies, or their exclusion from participation for this reason or others. Neighborhood firms often complain that they are left out of decision-making and are even sacrificed to the aims of larger firms that siphon off resources or pursue strategies that lead to the actual destruction of small firms and their neighborhood market areas (through urban renewal or freeway construction, for example). Two or more rival local business coalitions may
arise with different ideas as to appropriate strategies, and there may be intense conflicts among locally dependent firms grouped in separate coalitions.

Third, many strategies are themselves potentially internally contradictory. Some strategies threaten to reduce the control that locally dependent firms maintain over the future development of their local economy. Strategic decisions to encourage local government participation in Federal government projects, while beneficial in terms of value flows, will possibly have the unwanted side effect of usurping local business influence over the implementation of local government policies. Similarly, the attraction of industrial branch plants may provide spinoffs in terms of profitable new local external linkages. But, as a result of their possibly lower levels of local dependence, and their responsiveness to corporate strategies controlled by people who live elsewhere and who locally dependent business people have never even met, attracting branch plants may be seen as reducing the ability of highly locally dependent firms to influence and secure the destiny of the local economy. Perceived losses of ability to control local economic development may then have important negative long-run effects with respect to local business coalition formation.

There are other potential contradictions in strategies. For example, the sources of value flows that are easiest to attract into the locality may also be the least stable. A strategy centered on bringing in conventions and tourism subjugates the local economy to the whims of conventioneers and the vagaries of nature. Moreover, almost by definition, conventioneers and many tourists are unlikely to return another year, even if their visits are highly successful. And it is not only the strategies that rely on the attraction of explicitly short-
run visitors that are sources of future instability. For the same reasons that the local provision of labor-training schemes and industrial parks may attract relocating firms, it is easier for the new firms to leave, since in making far less of an investment than otherwise, they acquire far less local dependence. The general problem illustrated here is that new investors may fail to become locally dependent. They may not devote resources to participation in local business coalitions, and they may also be sources of disquiet for those coalitions. This is the situation facing cities like Phoenix in the 1980s:

Under the pressure of worldwide competition and worldwide reorganization, producing and servicing establishments of the very large firms are becoming increasingly less committed to local economies. They have invested very little in local pools of skilled workers (since they depend mostly on lower-strata workers) and tend to rely increasingly of large multibranch supplier firms (which are themselves becoming highly footloose) rather than on local or regional supplier firms. Thus the continued presence of large semiconductor manufacturers in a place like Phoenix appears to be closely related to a favorable wage structure and an abundant and stable pool of unskilled workers (mostly female and minority workers). If the conditions were to change, one suspects that other locales could quickly offer a replacement site for some of Phoenix's major employers (Stanback and Noyelle, 1982:142).

Thus the very ease with which a firm enters the local economy may allow it to leave at short notice.

Finally, various forms of subsidies designed to attract outside investors may be internally contradictory. Tax abatements often contradict their very ends; that is, enhancing the tax bases of local governments. Subsidies designed to promote local economic growth to benefit local firms may allow new firms an advantage in competition with established firms.

As this discussion of some of the general determinants of strategies has revealed, finding workable ones and getting widespread agreement on them are fraught with difficulties. It is therefore no easy matter to organize local
business coalitions. The potential for internal strife among locally dependent firms is omnipresent, despite their shared dependence on the fate of their local economy. And yet finding a workable and agreeable strategy may be of great importance to the future of the local economy. For the temporal sequencing of business coalition activities means that the strategies followed today place important limitations on future possibilities. What firms are locally dependent and decide to join forces to promote their local economy, and what strategies they choose to achieve this, will materially affect the future of the local economy, and hence future patterns of local dependence, local capitalist class formation, and available strategies. The success or otherwise of strategies and how well local firms work together on one project will partly determine their ability to organize themselves in the future. Disagreements over some strategies may lead to problems in organizing collective activity with respect to later issues. There is then, a layering effect over time with respect to local business coalition activism, in much the same way that Massey (1979) described in terms of a 'geological metaphor' for regional economic development. This is why the notion of formation is so important. For local business coalitions can be most usefully thought of as a process, as continually undergoing construction and deconstruction, such that past strategies will affect present coalitions, and current strategies will affect future possibilities.
A number of conclusions can be drawn from the relatively abstract discussion in this chapter about why local business coalitions are formed, what firms participate in them, and what strategies they adopt. In terms of necessary preconditions, it has been argued that local dependence is crucial to the explanation of business coalitions that are organized on the basis of a shared locality. The local dependence of a firm signals that it is reliant upon a healthy local economy for reproduction over time. The roots of local dependence lie in the combination of; a) geographically circumscribed external linkages; and b) a certain level of immobility. In a geographically unstable political economy, local dependence can be highly problematic, prompting attempts by firms to either escape or confront it. If firms are to join forces to confront their local dependence, they must be dependent on the same local economy. These, then, are the necessary prerequisites for local business coalition formation, and hence for understanding it at the most abstract level.

Activation of a coalition even under these circumstances is no easy matter. All manner of contingent conditions affect the need for, and willingness of, locally dependent firms to participate in local business coalitions, and, bound up with this, what strategies they can adopt. This means that 'empirical generalization' is unlikely to be successful as a means of constructing theory that refers to the compositions and activities of local business coalitions. The only general statements that can be made are at the more abstract level; for instance that local dependence is a necessary prerequisite, that coalition participation and strategies will vary historically and geographically according to
various contingent circumstances, and that previous strategies will materially affect what firms are currently locally dependent and what collective strategies are adopted. This is not to preclude theorization of the causes of the contingent circumstances and how they interact with the local dependence of firms to produce more specific features of particular local business coalitions. Indeed, many of the causes have been mentioned in this chapter. Further speculations in this area will be left to chapter VIII.

It is also clear that contradictions and conflicts among the firms that share the necessary preconditions for local business coalition formation perpetually threaten to cause rifts that prevent collective activity. The internal politics of coalition building will involve differences over what their aims and strategies should be, with accompanying conflicts among both fractions (such as real estate, manufacturing, finance and retail sectors), and among sub-coalitions and 'crowds'. All in all, then, local business coalitions are likely to be neither monolithic power structures -- at least not for any period of time -- nor always able to function coherently even when that would benefit many potential participants. A local capitalist class for itself is unlikely, therefore, be easy to organize and maintain.
CHAPTER IV

INTRODUCTION TO COLUMBUS

In this very brief chapter some general remarks are made about the historical development of the Columbus, Ohio local economy. These will aid in contextualizing the case studies of local business coalitions that follow.

Columbus is located in the center of Franklin County, itself almost at the center of Ohio. The state’s capital was established at its site in 1812, opposite a small trading post on the Scioto River. Columbus functioned at first as both state capital and agricultural entrepot, and was linked to the trans-Ohio canal system in 1831, and to the railroad network after 1850. Until the 1870s, products manufactured in the city were mostly sold in surrounding agricultural districts, the city also being a center of wholesaling (Studer, 1873).

During the late nineteenth century and early twentieth century there was an industrial boom, premised on the availability of coal in southeastern Ohio and wood in Ohio and other Appalachian states, and on a railroad network that had become extensive. Major industries produced carriages and wagons, iron products, cigars, boots and shoes, railroad equipment, and mining machinery (Hunker, 1958). Industrial growth was reflected in steady increases in population between 1860 and 1930 (see Table 3). However, the locations in Columbus of
the seat of state government and the Ohio State University meant, however, that a smaller proportion of workers were employed in manufacturing in Columbus than in other major Ohio cities. Thus, by 1936 the two largest sectors of the Franklin County economy in terms of total wages paid out were classified as 'service' and 'trade', with 'iron and steel' third. By contrast, for the State of Ohio as a whole, 'iron and steel' was ranked first, paying approximately twice the total wages of each of the second-ranked 'service' and third-ranked 'trade' sectors (Bureau of Business Research, 1939). Figures such as these gave some the false impression that Columbus was not an industrial city; it would be more accurate to say that there was less industry than its overall size might lead one to expect.

For two decades after 1940 there was a renewed industrial boom (see Table 4) which was again reflected in large population increases (Table 3). This slowed in the 1960s and by the 1970s had reversed, with the industrial workforce shrinking. By the 1960s and 1970s the fastest growing sectors in terms of employment were finance, insurance and real estate; wholesale and retail; and education. The first two of these, plus government, continued to grow rapidly during the 1970s. However, the populations of both city and county stagnated during that decade.

Throughout the twentieth century, local opinion has held that the Columbus economy was diversified, with significant employment levels in a number of economic sectors. Even with the growth of manufacturing in the 1940s and 1950s other sectors 'kept pace'. The 'breadth' of the Columbus economy supposedly resulted in less local reaction to economic cycles in the broader space economy than in more industrialized localities.

<table>
<thead>
<tr>
<th>Year</th>
<th>A</th>
<th>Percentage Increase</th>
<th>B</th>
<th>Percentage Increase</th>
<th>A/B</th>
</tr>
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<tr>
<td>1860</td>
<td>18,554</td>
<td>73.9</td>
<td>50,361</td>
<td>25.2</td>
<td>.37</td>
</tr>
<tr>
<td>1870</td>
<td>31,274</td>
<td>64.0</td>
<td>63,019</td>
<td>37.7</td>
<td>.50</td>
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<tr>
<td>1880</td>
<td>51,647</td>
<td>70.7</td>
<td>86,797</td>
<td>43.0</td>
<td>.60</td>
</tr>
<tr>
<td>1890</td>
<td>88,150</td>
<td>42.4</td>
<td>124,087</td>
<td>32.5</td>
<td>.71</td>
</tr>
<tr>
<td>1900</td>
<td>125,560</td>
<td>44.6</td>
<td>164,460</td>
<td>34.7</td>
<td>.76</td>
</tr>
<tr>
<td>1910</td>
<td>181,511</td>
<td>30.6</td>
<td>221,507</td>
<td>28.2</td>
<td>.82</td>
</tr>
<tr>
<td>1920</td>
<td>237,031</td>
<td>22.6</td>
<td>283,951</td>
<td>27.2</td>
<td>.84</td>
</tr>
<tr>
<td>1930</td>
<td>290,564</td>
<td>5.3</td>
<td>361,055</td>
<td>7.7</td>
<td>.81</td>
</tr>
<tr>
<td>1940</td>
<td>306,087</td>
<td>22.8</td>
<td>388,712</td>
<td>29.5</td>
<td>.79</td>
</tr>
<tr>
<td>1950</td>
<td>375,901</td>
<td>25.4</td>
<td>503,410</td>
<td>35.7</td>
<td>.75</td>
</tr>
<tr>
<td>1960</td>
<td>471,316</td>
<td>14.5</td>
<td>682,962</td>
<td>22.0</td>
<td>.69</td>
</tr>
<tr>
<td>1970</td>
<td>539,469</td>
<td>4.7</td>
<td>833,249</td>
<td>4.3</td>
<td>.65</td>
</tr>
<tr>
<td>1980</td>
<td>564,866</td>
<td></td>
<td>869,132</td>
<td></td>
<td>.65</td>
</tr>
</tbody>
</table>
TABLE 4: Population of Franklin County employed in selected economic sectors, 1930-1980*

Source: U.S. Population Censuses.

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Total employment</td>
<td>154,488</td>
<td>139,891</td>
<td>199,977</td>
<td>256,684</td>
<td>336,132</td>
<td>408,874</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>41,054</td>
<td>32,504</td>
<td>50,045</td>
<td>67,209</td>
<td>77,108</td>
<td>69,655</td>
</tr>
<tr>
<td>(26.5%)</td>
<td>(23.2%)</td>
<td>(25.0%)</td>
<td>(26.2%)</td>
<td>(22.9%)</td>
<td>(17.0%)</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>10,039</td>
<td>7,606</td>
<td>11,687</td>
<td>15,372</td>
<td>18,357</td>
<td>18,629</td>
</tr>
<tr>
<td>(7.5%)</td>
<td>(5.4%)</td>
<td>(5.8%)</td>
<td>(6.0%)</td>
<td>(5.5%)</td>
<td>(4.6%)</td>
<td></td>
</tr>
<tr>
<td>Finance, Insurance, and Real Estate</td>
<td>6,337</td>
<td>6,511</td>
<td>10,369</td>
<td>13,682</td>
<td>23,351</td>
<td>34,274</td>
</tr>
<tr>
<td>(4.1%)</td>
<td>(4.7%)</td>
<td>(5.2%)</td>
<td>(5.3%)</td>
<td>(6.9%)</td>
<td>(8.4%)</td>
<td></td>
</tr>
<tr>
<td>Wholesale and Retail</td>
<td>25,178</td>
<td>30,041</td>
<td>43,375</td>
<td>48,894</td>
<td>72,166</td>
<td>93,538</td>
</tr>
<tr>
<td>(16.3%)</td>
<td>(21.5%)</td>
<td>(21.7%)</td>
<td>(19.0%)</td>
<td>(21.5%)</td>
<td>(22.9%)</td>
<td></td>
</tr>
<tr>
<td>Government</td>
<td>7,377+</td>
<td>9,562</td>
<td>14,636</td>
<td>17,076</td>
<td>21,715</td>
<td>29,293</td>
</tr>
<tr>
<td>(4.8%)</td>
<td>(6.8%)</td>
<td>(7.3%)</td>
<td>(6.6%)</td>
<td>(6.5%)</td>
<td>(7.2%)</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>9,558</td>
<td></td>
<td>33,333</td>
<td>39,269</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4.8%)</td>
<td>(9.9%)</td>
<td>(9.6%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Big inconsistencies in methods of tabulation from decade to decade prior to 1930 preclude presentation of statistics for earlier years.

+ For 1930 only: "Not elsewhere classified" (i.e. an undercount).
CHAPTER V

THE FORMATION OF INSTITUTIONALIZED LOCAL BUSINESS COALITIONS
IN METROPOLITAN COLUMBUS

5.1: INTRODUCTION

In this first substantive chapter the three major institutionalized local business coalitions that have existed in, and on the territorial basis of, the Columbus metropolitan area are discussed. These are the Board of Trade (later the Chamber of Commerce), the Metropolitan Committee, and the Development Committee for Greater Columbus.

The Board of Trade is followed through several abortive attempts by local firms to set it up in the third quarter of the nineteenth century, which culminated in success in 1884. After 1884, the Board's organizational structure, strategies, and its membership and their participation are examined, for the period ending in 1897. The year 1897 marks the end of a phase of stable membership during which the Board was thoroughly institutionalized. After 1897 there was a period of considerable growth and new activity, which is not discussed here since only fragmentary evidence is available.
The Metropolitan Committee, formed in 1945, is traced until its demise in the late 1960s. As with the Board of Trade, its organization, strategies, and membership are discussed. Unlike the Board, which was broad-ranging in both activities and membership, the Metropolitan Committee had a small membership, and focused on specific issues. It had one strategy in particular; the provision of infrastructural improvements. It was also the least institutionalized of the three coalitions examined in this chapter.

The Development Committee for Greater Columbus was formed in 1956, and its activities are followed until 1986. Again, strategies, membership, and organization are each discussed. The Development Committee fell somewhere between the Board of Trade and the Metropolitan Committee in terms of both the breadth of its membership and the variety of its strategies. Like the Board, it was thoroughly institutionalized.

The object in this chapter, then, is to investigate the three major institutionalized local business coalitions that were formed on the territorial basis of the Columbus metropolitan area. The concern is generally with what each saw as its role, the strategies it pursued (particularly as these related to the local dependence of members), what firms participated, and how each was organized. Each of the coalitions will also be discussed further in later chapters, with respect to specific activities in which they were involved.¹

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¹ The two main sources for information on the Board of Trade were the contemporary histories of Columbus referenced in the text, and the Board's annual reports. The latter are highly detailed, up to sixty pages long, and contain descriptions of the many activities each year, including 'blow-by-blow' accounts of some events.

Evidence on the activities of the Metropolitan Committee is somewhat fragmentary, for the coalition kept no records, even of its membership (by
5.2.1: THE BOARD OF TRADE, 1858-1897

The history of the Board of Trade between 1858 and 1897 reveals a number of the various contingencies that can prompt locally dependent firms to organize a local business coalition. It also shows very clearly some of the difficulties of organizing and sustaining collective activity, for there were actually four attempts to organize a Board between 1858 and 1880 before one was permanently established in 1884, and problems remained in maintaining the coalition even after 1884.

Local Boards of Trade or Chambers of Commerce were organized in many cities in the United States in the middle to late nineteenth century, and it was not uncommon for them to face difficulties. New York's was started as early as 1768; Boston's in 1836. In both cases there were later periods when the Boards were inactive; Boston's Chamber of Commerce was dissolved due to lack of interest between 1842 and 1854 (Sturges, 1915:11-26). In 1858, when the

its nature it had no need to do so). Moreover it kept a low public profile (Slowter, 1975:3) as a 'behind the scenes' coalition. Often the only member whose name was made public was Paul Gingher, local lawyer and insurance company president, who chaired the committee for all of its twenty-three years (Barlow, 1968:153). Despite these limitations, it was possible to construct a reasonable picture of its activities since there have been a number of retrospective evaluations (referenced in the text). Other information was derived from two contemporary sources (Gingher, 1959; Meckstroth, 1951).

The main source of information on the Development Committee for Greater Columbus was its annual reports, available with few exceptions from 1956 through 1975. Also used were several annual reports issued since 1975, as well as reports refering to specific activities during the 1980s. The annual reports for most years contain descriptions of the year's activities as undertaken by various sub-committees, as well as full information on membership.
first attempt was made to set up a Board of Trade in Columbus, there were still only thirty Boards or Chambers in the whole of the United States. By 1913, however, there would be over 2,900 local business coalitions with these or similar names. Some continued to face difficulties, however; the locally dependent firms of Cincinnati still could not sustain an institutionalized coalition (Sturges, 1915:42, 46).

5.2.3: The unsuccessful attempts to establish a Board of Trade in Columbus

The population of Columbus in 1858 was approximately 18,000 (see Table 3). The local economy was organized mostly around its links to Central Ohio agricultural production. Manufacturing industries produced agricultural implements, tools, household goods, beer, coffee and spices, and so on (Martin, 1858:429-437). The largest maintained less than one hundred employees.

The meeting that was held that year to establish a Board of Trade was attended by business people from Columbus and also from a number of small towns that were within ten to fifteen miles of the city, in the south-east quadrant of Franklin County. Five of the sixteen directors and committee members who were appointed lived outside the city. This was the only time that non-Columbus business people were substantially involved in the Board. Why this occurred becomes evident upon examination of the particular towns represented, the explicit aims of the Board, and its organization. With respect to the first, the other towns represented were located on major trade routes; either the road to the Ohio River, or the feeder canal linking Columbus to the State-owned canal that connected Lake Erie to the Ohio River. With respect to the aims of the Board, the stated purposes were as follows:
"to promote integrity and good feeling and just and equitable principles in business transactions" and to "protect the rights and advance the commercial, mercantile and manufacturing interests of the city" (Lee, 1892:366).

Besides a board of directors there was also a 'Committee on Arbitration', that presumably adjudicated disputes. In 1859 the Board sent delegates to a convention in Columbus to oppose the possible sale by the State of the canal system, which supposedly would have resulted in, amongst other things, "the deprivation of a home market for the products of our soil and manufactures" (Lee, 1892:366).

This first Board of Trade, then, was organized to protect mercantile interests, and in particular to assure not only adequate local markets, but also a proper regulation of local exchange links so that they could be entered into without fear of unfair trade practices. This was in the interest of the wholesalers selling products to the small town retailers, the retailers themselves, and the grain and other dealers who traded in both Columbus and in the small towns.

While this first Board rented out meeting rooms for daily use, it did not survive long (quite why is uncertain; likewise the extent of its membership). But in 1866, shortly after the termination of the Civil War, there was a second attempt to establish a permanent organization. The war had brought something of an economic boom to Columbus, where soldiers were stationed, prisoners of war incarcerated, and materiels of war manufactured (Studer, 1873:71–72). While no direct connections can be made to the second Board of Trade, the war had also been accompanied by an increase in collective activities in the city, particularly those directed towards philanthropy. The 1866 Board was also established two months after passage of a new State law authorizing the
incorporation of Boards of Trade. The various roles of these factors in the establishment of the Columbus Board is uncertain.

This time, a proposal to add "and Franklin County" to the name of the organization was rejected. All nineteen identifiable members from a sample of twenty-five of the charter group of fifty-seven had Columbus addresses (Lee, 1892:367). Of the eighteen whose business affiliation is also identifiable, there were six wholesalers, four manufacturers of household goods or agricultural implements, three railroad agents, two bankers, a State employee, a hotel and a newspaper proprietor. The nineteenth was probably retired.

The purposes of the Board remained largely the regulation of local market exchange:

The objects of the said association are to promote integrity and good faith, just and equitable principles of business; to discover and correct abuses; to establish and maintain uniformity in commercial usages; to acquire, preserve and disseminate valuable business statistics and information; to prevent or adjust controversies or misunderstandings which may arise between persons engaged in trade; and generally to foster, protect and advance, the commercial, mercantile and manufacturing interests on the city (in Lee, 1892:367).

To these ends, three committees were established; on arbitration, on reference (presumably for credit purposes), and on inspection (presumably to guard against the adulteration of produce).

When and why this Board floundered is not clear, but by 1869 it had either already collapsed or was in deep trouble. For its secretary, who was also editor of a local newspaper, was promoting another such an organization, still in terms of the need to regulate local exchange relationships and protect the local market:
Columbus needs a Board of Trade. There are questions of comity between wholesale and retail dealers continually arising of which no written law takes cognizance, but frequently of as much importance to the trade of the city as matters regulated by statute. So long as we have no Board we shall never have a clean wholesale trade, protecting the interests of retail customers fully and properly. There is also another great grievance complained of by the local trade. Agents of foreign houses are constantly selling on our streets by sample, competing at an advantage with our houses, which pay municipal and State taxes. The State and the city are both deprived of their just rights by these dealers, who have no local habitation or name among us. Our dealers who pay rents and add to the business reputation of the city by tasteful storerooms, and who pay taxes to State, county and city, have no even chance against these men, who pay none of these. It is due the city (at least) that they should be required to pay license, or some equitable assessment into the city treasury to offset the amounts paid by our own people. These matters can be properly regulated only through a Board of Trade, bringing them to the notice of the proper authorities (in Lee, 1892:367-368).

The third Board was started in 1872. A series of meetings brought together over 191 business people (Studer, 1873:535: "over," because some signed only the names of the firms they represented). They appointed directors and four committees. The president was the proprietor of the city's oldest and largest manufacturing firm. Of the twenty-five officers and committee members, ten were manufacturers, seven were wholesalers, and four were bankers. Two retail firms (some wholesalers likely also sold retail), a hotel, a railroad and a coal mining firm were also represented.

Part of the impetus for organizing afresh was once more the regulation of local trade. This much is clear from the facts that: three of the four committees appointed were the same as previously, with the fourth appointed merely to organize a meeting space; and that the formal objectives mirrored those of the earlier Boards (Studer, 1873:537, 539). But there was also something quite new afoot. A group of mostly Columbus business people had organized a company
to construct a railroad from Columbus that would penetrate into the hills of the Hocking Valley district in southeastern Ohio. The Columbus and Hocking Valley Railroad was opened in 1870 (see Studer, 1873:489-503; also Tribe, 1978). While by 1873 twenty railroad companies would have constructed lines to and through Columbus since the first had opened in 1851, this particular railroad had potentially unique implications, since it connected the city for the first time to the large Hocking Valley coalfields. These implications were very clear to Columbus business people, and they were made explicit in the 1872 call to organize the third Board. The notice issued to advertise the first meeting (written by local historian Jacob Studer, the 'out-front' organizer of this effort) stated, in part:

Columbus is so situated as to be the natural outlet by railroad of one of the greatest coal-fields of the world — one that abounds in iron and other minerals. Our city has railroad connections with all parts of the country equal to any, and superior to many other inland towns. It has men of capital and enterprise who compare favorably with those of their class in the more thriving business centers of the country.

Our facilities for manufacturing are not surpassed anywhere. Right at our door, as it were, and coming to us on its way for consumption and distribution, is that article of prime necessity — COAL. Vacant lands in the immediate vicinity of the city, well adapted to manufacturing purposes, can now be bought at one-third or one-fourth the prices they will bring four or five years hence, even if we advance no faster in the next than during our last decade.

The things thus briefly alluded to are but a few of our great manufacturing and commercial advantages. By availing ourselves of these in due time, while on a progressive career, our city will speedily become great, rich and prosperous. Neglecting these, she will soon begin to retrograde, and be outstripped in the race by her more enterprising rivals. An organization is needed to do by united action, in a few years, what the isolated efforts of individuals, however enterprising, can never accomplish.

The almost superhuman efforts for our advancement made within a few years past, and now making /sic/ by some of our citizens should be encouraged and aided by all the power and energy at the command of the entire community. This can only be done by
a proper organization — a board of trade — of which our manufacturers, merchants, bankers, business men, professional men, and other citizens should become members and assist in the general advancement of all our interests, public and private . . . .

As the primary object of a board of trade is to collect, record, and diffuse special, as well as general statistical and reliable information respecting manufacturing, commercial, and financial interests, and especially to guard, foster, and develop manufacturing and other industrial resources, let there be full attendance at the meeting on to-morrow evening of all such as desire to see an efficient board of trade in Columbus, and are disposed to assist in its formation (Studer, 1873:533; emphasis added).

It was this stress on the possibilities of developing manufacturing industry, given the new railroad connection, that was quite new in Columbus (though Boards of Trade elsewhere were also making explicit decisions to concentrate their efforts on encouraging manufacturing at this time (Still, 1941)). The excitement at the prospect of a manufacturing boom is evident from the analysis presented to the Board at its second annual meeting by its president (who had been secretary of the 1866 Board). With “almost the certainty of an exact science” (Board of Trade, 1874:5), the president laid out in the abstract the locational requirements of manufacturing industries; chief among them, cheap fuel. He proceeded to describe how Columbus now more than met all the requirements. There was only one thing missing:

We lack precisely that sort of organized effort which can be achieved in no other way than through such an institution as THE COLUMBUS BOARD OF TRADE. (Prolonged applause.) (Board of Trade, 1874:20).

He finished by urging action, participation, and “devotion to the common weal” (Board of Trade, 1874:21).

The chief executive’s speech was followed by that of the vice-president, who echoed his sentiments, emphasizing both the need for a Board in Columbus and the benefits that would accrue to locally dependent firms that chose to
No town can ever gain any prominence without the assistance of the combined effort of her citizens, through a Chamber of Commerce or Board of Trade. Natural advantages and the force of circumstances, we all know, have much to do with the growth of cities, but it is now equally certain that no city in America has reached any degree of prominence, without determined will on the part of her citizens; though for this laudable determination possibly the city may be indebted to a mere handful of her children . . . .

I believe, gentlemen, there is no one here to-night so narrow or so sordid as to be incapable of some sacrifice for the public good. We are all willing and anxious to do all that could be reasonably expected of us; but looking at it in a more selfish light, who of us is not aware that with the growth and prosperity of Columbus our own private interests are largely identified? Our purpose is to make this Board a public benefit, and a benefit to the community is a gain to the individual (Board of Trade, 1874:23, 24; final emphasis added).

Yet despite this boosting (or perhaps the necessity to boost reflected inherent problems), the longevity of this third Board was in doubt from the start. At the same second annual meeting, the Governor of Ohio, invited to address the meeting, reminded his audience that many who had been favorably disposed towards the Board nevertheless expected its existence to be only temporary (Board of Trade, 1874:21). And the skeptics proved correct. There was soon to be "languishing interest" (Lee, 1892:368), and while the Governor had congratulated the Board on weathering the start of the depression of 1873-1879, by 1876 its last officers had been elected.

While this Board had apparently gone to great lengths to devise projects that would arouse interest among business people (Board of Trade, 1874:21; Lee, 1892:368), there is no evidence that it actually progressed so far as to advance any definite strategies to encourage manufacturing industry. Nevertheless, and also despite the depression, the city's population increased rapidly, from 31,000 in 1870 to 51,000 in 1880 (see Table 3). Quite why there was such a lack of
interest is therefore as unclear in this case as in the previous two attempts. The effects of depression on some businesses; the lack of strategies; that economic growth was occurring anyway without Board of Trade intervention; all are plausible explanations.

The penultimate attempt to establish a Board took place just after the end of the 1873-1879 depression, in 1880. The president and vice president this time around were those who had been elected in 1876 (to further emphasize the continuities, the president had been treasurer of the 1858 coalition). Just as previously, however, "this effort did not produce satisfactory results" (Lee, 1892:368-369).

5.2.4: A permanent Board of Trade

In 1884, there was yet another endeavor. This time, at last, a permanent Board of Trade would be established. The first meeting drew 111 people, and 140 had declared their interest a month later (Lee, 1892:369). There were the now familiar doubts about "the stability and usefulness of such an organization as ours," and concern that some business people had "failed to discover pecuniary benefit" in it (Board of Trade, 1886:6-7). But this time membership continued to grow, reaching the target of five hundred after only twenty months (Board of Trade, 1885b:14).

Precisely why this fifth attempt was successful is as unclear as are the previous failures, but a feeling of harmony among members, well attended open meetings, and spirited discussions were all said to indicate a great mutual interest in the growth and prosperity of Columbus (Board of Trade, 1886:3).
According to one contemporary observer, this Board was organized by "the younger and more ambitious element" (Welch, 1888:716). And in what was presumably an indictment of earlier efforts, a local newspaper reported that it had been decided to establish a more extensive and thorough association that will embrace not only the grain, flour and produce interests of the city, but all other branches of trade and also the manufacturing interests (in Lee, 1892:371).

While it is not otherwise evident that manufacturers had previously been left out, there was clearly an effort to broaden interest in a Board. The effort paid off handsomely. Despite having been organized during a depression (1883–1885) — a circumstance that both earlier and later appeared to provoke difficulties — the Board grew rapidly, and by 1887 had started to erect its own building, partly as a meeting place, and partly in order to rent out offices to defray expenses.

5.2.3: Local dependence

The constitution of the new Board's leadership reveals what types of firms were collectively active in Columbus during the late nineteenth century. Of the fourteen officers and directors elected for 1886, other than the full-time secretary there were four manufacturers, four wholesalers (one of whom was also a retailer), and one representative of each of the gas company, banks, railroads, attorneys and coal mining interests. Ten years later, in 1896, there had been further diversification. The thirteen officer's and directors would consist of four manufacturers, two wholesalers, two financial institutions, two attorneys, two retailers and one from each of railroads and real estate. The local dependence of these active firms, and the relevance of this for their
Board of Trade activism, was emphasized in this self-description of the coalition:

The Board of Trade, the business men's organization, the sole object of which is to contribute to the advancement of this their immediate home, where they have cast their lot for better or worse; always hoping for the better (Board of Trade, 1893:17).

While many members were indeed limited in operation to Columbus and the surrounding small towns, others were also economically dependent on the Hocking Valley coal mines. Some owned the mines, others transported the coal, still others used it in industrial production. There was therefore some consternation during the miners' strikes there in 1884 (on these see Levistik, 1976). Concern was expressed that the question of the "respective rights of capital and labor /was/ assuming dangerous proportions." The Board implored the State government to prevent "lawlessness" and offered its services — those of a "committee of practical business men" — in arbitration (Board of Trade, 1886:9, 18, 9). That the Board was a local capitalist class organization, with definite views as to the rights of labor, was made clear two years later in a commentary on the Chicago Haymarket bombings of 1886:

It is the province of this Board to use its influence to suppress the pernicious propagation of the ideas of socialism, communism, nihilism and anarchy, that are not only poisoning the principles of our republicanism, but subtly subverting the safety of our property and lives of all law-abiding citizens. Our business men can have no higher purpose than to protect by every legitimate means the welfare of the community in which they live and strive to thrive (Board of Trade, 1888:7).

Besides this evident interest in the defense of the local class to which its members belonged, the 1884 Board had also declared much wider interests than had its forebears. It intended to concern itself with such issues as public improvements, water supply, public health, freight rates paid by Columbus firms, taxation and the fiscal efficiency of government institutions (Board of
Standing committees were established to focus on these and other matters. By 1886 there were already twenty-four such committees, by 1896 twenty-nine, and by 1906 there would be fifty-seven (Board of Trade, 1886; 1896; United Commercial Travellers, 1906:50).

5.2.5.1: Aims and strategies

The Board and its standing committees embarked upon a number of strategies during the 1880s and 1890s, strategies that would clearly benefit locally dependent firms in Columbus. They attempted to attract sources of external linkages and value flows to Columbus. They lobbied the city government for infrastructural improvements that would smooth local business transactions. They attempted to change the structure of local government decision-making to induce greater responsiveness to their particular needs. And they embarked upon a number of ad hoc activities. These various strategies are discussed, in turn, below.

5.2.5.2: Attracting manufacturers and other sources of value-flow

One of the very first actions by the Board in 1884 sent the new "Committee on Manufactures" to nearby Newark, Ohio, with the intent of persuading a machinery firm to relocate in Columbus following the destruction of its previous premises by fire. Several months later representatives of this firm met with the directors of the Board (Board of Trade, 1886:18). This was an early example of what would prove a key, and regularly maintained, strategy of the Board.
The committee on manufactures was composed almost entirely of other manufacturers, both large and small (twelve of the thirteen members in 1886; five of the seven in 1896 (Board of Trade, 1886; 1896). They evidently felt no conflict over attracting other manufacturers to the city (an opposite case will be discussed in chapter VI). Plausibly, the advantages of possible vertical integration links outweighed any worries about competition for labor supplies: certainly the labor situation in Columbus was hardly difficult for employers during the late nineteenth century (Mair, 1982). Members of the committee visited many other places and entertained potential relocators in attempts to get them to come to Columbus. A brochure was printed in 1885 describing the benefits of doing business in Columbus, and 5000 copies were distributed nationally (Board of Trade, 1885a). The maintenance in Columbus of home industries was also seen as vital: Board members were urged to do their best to create a hospitable environment for firms contemplating leaving the city in order to discourage them from so doing (for instance, Board of Trade, 1889:19; 1892:20). While by no means always successful, the work of the Committee on Manufactures was consistently lauded in the Board's annual reports. New business starts were listed each year (there were up to seventy) and while there was no pretense that the committee on manufactures had been entirely responsible for all this growth, its work was held to be exceedingly important in this regard.

By 1889 the committee was searching for ways to attract industry other than persuasion. Faced with boards of trade in competitive localities that were offering financial inducements, the committee and Board held an open discussion on how best to attract new manufacturers to Columbus (Board of Trade, 1890:7, 21). In 1890 the Board considered offering its own subsidies to
"these winged enterprises", but decided that such direct aid would only "wet nurse" weak industries with little long-term stability. It was also determined that a proposed scheme to have the Columbus city government subsidize new firms from its tax base would be found unconstitutional by the State courts (Board of Trade, 1891:5, 13).

By the next year, however, the committee had set up a contributory fund that would pay relocating firms for their moving expense and hire a professional promoter for the city. The fund, it was announced, would be used discriminatorily; not simply to make cash payments to induce location in Columbus (Board of Trade, 1892:3). Soon two hundred subscribers were contributing $2 each per week (for an annual total of $20,800). In 1892 the committee reported that it had assisted twelve manufacturing firms that wished to start operations in Columbus, at least eight of which had relocated from elsewhere, and one of which had 'cost' the committee $500. Most of these firms employed only 15-20 people, but while they were therefore not very visible, it was said that attracting a large number of small firms would keep the local economy more stable than bringing in one large firm. Flushed with success, the committee sought local investors for the co-operative erection of a large factory shell in which neophyte manufacturing firms could rent out small spaces (an early industrial park) (Board of Trade, 1893:34-37).

By the depression year of 1895, however, the competition with other localities for new industries was becoming difficult. The demands of relocating industries were becoming too great, and the committee was unable to raise the money deemed necessary to stay in the field. Indeed it was soon running out of funds: presumably the two hundred subscribers had failed to follow through
on their pledges (Board of Trade, 1896:17; 1898:15).

Not only manufacturers, but other sources of potential external linkages and value flows for Columbus firms, were actively pursued by the Board of Trade. Committees were dispatched to other cities, and visitors entertained, in hopes of securing the location in Columbus of the headquarters of various fraternal orders and a railway conductors' organization (Board of Trade, 1887:12–14; 1892:20–21; 1886:22). Decisions by conventioneers to hold their meetings in Columbus were highly celebrated. The Board acted as guarantor that hotel rates would remain stable, and it organized night-time fireworks displays to persuade visitors to the annual State fair to visit the downtown area and stay overnight in the city (Board of Trade, 1892:6–7). Expositions for various centennials (Ohio, Columbus, and so on) and fairs were encouraged and organized. All these were seen to be valuable not simply for the incomes they brought to local firms, but also as the best form of advertising the prosperity and attractiveness of the local economy that Columbus could possibly get, since tens of thousands of delegates and attendees would disperse to their home localities and spread good news about the city (Board of Trade, 1889:4; 1890:9–10).

Board members were warned by their president, however, not to put too much effort into such ventures, since despite all their pecuniary advantages, conventions and expositions were less valuable to the local economy than the attraction of merchants and manufacturers: the money and effort that had been put into the former would have accomplished "more substantial good for the city" had they been invested in attracting manufacturers (Board of Trade, 1898:5). The rationale for this view had been laid out previously in a
comparison of manufacturing industry with supposedly speculative and unstable sources of growth:

The Board of Trade Committee on Manufactures is exercising a telling influence in advancing the prosperity and growth of the industries of this city. With an independent organization, this committee is most active in forming new manufactories and in attracting here old and established works. The aim is to build up the city in a substantial manner. While Columbus has advanced continually the past twenty years, it has never been visited with the dangerous boom, but all her strides forward have been legitimate and abiding. To quote a report before the committee, they "realize that an increase in population means increase of buildings, increase of general business, increase of money in circulation, increase of real estate values, and increase of wealth and prosperity to its citizens. Manufacturing industries prove to be the only substantial method, discovered to retain, as well as increase population; steady, regular employment will keep the mechanic and laborer a life time resident, and his established home becomes the home of his children. Sales of town lots to speculators, who make no improvements, produce no permanent good. Booming land sales on climatic influences fade out. Emigration without employment finds the settler wandering when the excitement dies away. Nothing but good, honest manufacturing plants hold and increase the population" (Board of Trade, 1892:91).

As this rhetorical debate attests, resolute and consistent efforts were made by the Board from the start to ensure that local economic growth would be of a stable and permanent nature. Of course, the fits and starts of conventions and meetings were nonetheless welcomed.

5.2.5.3: Lobbying for infrastructural improvements

The Board's second major strategy was to encourage the infrastructural investments by the Columbus city government that would make an expanded local economy and population sustainable. The paving of streets and the vertical separation of railroads from streets, where they crossed, were foci of much attention (see also Speer, 1972). Some committees were sent to other cities to report on their street-building schemes (Board of Trade, 1886:30), and
others were organized to present recommendations to the city council on how best to separate railroad crossings with viaducts (Board of Trade, 1889:16; 1890:5–6). These expert inputs were apparently gratefully accepted by the councillors.

The Board frequently lobbied the State's legislature (this in the era before municipal 'home rule') to allow the city government to issue bonds for construction of street lights, sewers, and the like (Board of Trade, 1888:10; 1889:19). It also lobbied the Columbus city council in support of such diverse local improvements as an expanded public library (Board of Trade, 1898:9–10), and more mechanical training for boys in the city's public schools (Board of Trade, 1887:6–7). Judging from the Board's own reports of successful campaigns, sometimes waged over several years, claims such as the following as to the local power of the Board were scarcely exaggerated:

The record of the year last past has fixed more firmly than ever the commanding position which the Board of Trade holds in the city of Columbus, and has shown conclusively that whatever works for the interest of the city, if it does not emanate from the Board, has its co-operation and support (Board of Trade, 1898:3).

5.2.5.4: Reforming local government decision-making

During the 1880s and 1890s, members of the Board of Trade became dissatisfied with the functioning of the Columbus city government on three counts. First, on a number of occasions the government showed itself to be incapable of handling its own finances (Board of Trade, 1888:8). Second, in the absence of municipal home rule, the State legislature was forever interfering in city politics. Every time a new legislature was elected a slew of new political appointees were made to local positions. Board members tired of such frequent
changes (Board of Trade, 1892:4-5, 13). And third, party politics, political machines, and corruption — including at least occasional ballot stuffing — supposedly prevented 'rational' local decisions from being made (Board of Trade, 1886:10; 1893:7-8). The city government was, in essence, over politicized, and this was detrimental to its operations from a business viewpoint.

There is no more reason in having politics run the business of the citizens collectively (that's what municipal government is, after all,) than that politics should take a hand in your individual business (Board of Trade, 1893:10).

While as early as 1885 municipal corruption was said to be on the verge of demanding "the attention of deliberative bodies of business men" (Board of Trade, 1886:10), by 1892 these problems had assumed center-stage in the activities of the Board of Trade. In a booming economy, they were eclipsing the attraction of new economic activities, and were deemed the local economy's most serious drawbacks (Board of Trade, 1893:20).

Part of the strategy in response was a house-cleaning within the business coalition itself. For business people were not entirely innocent with respect to the problems. Few would become actively involved in politics, and many put their national party-political loyalties above their concerns over the efficiency of local government. The Board's president pleaded with local business people:

We must learn to decide local questions with our reasoning faculties and not by our national political prejudice — with our brains rather than our passions (Board of Trade, 1893:17).

But most energy was devoted to proposing, lobbying for, and in most cases successfully organizing the implementation of, a number of institutional reforms to attack the problems (see also Speer, 1972). To deal with fiscal problems the Board proposed the appointment of a city government auditor, and met with local officials to jointly devise solutions (Board of Trade, 1888:8; 1890:19).
with state legislative interference, it championed municipal home rule legislation — calling it a "local revolution" (Board of Trade, 1892:4, 14–15) — as a means of increasing local control over local government and therefore over the local economy. And to combat over-politicization in general, it successfully pressed for the 1895 implementation of a 'federal system' for the Columbus city government, in which the mayor and city councillors would be elected separately, with the mayor chosen at large rather than being one of the councillors (Board of Trade, 1893). Less successfully, it also argued the case for requiring primary election voting as a precondition for voting in general elections (Board of Trade, 1892:14–15).

5.2.5.5: Other activities

The Board engaged itself in sundry other activities which round out the picture of its strategies and can be described briefly. Besides regular conventions, its members put great energy (as mentioned already, some believed too much) into massive expositions and meetings: there was a war veterans annual meeting in 1888; and a failed attempt to secure the 1892 World's Exposition (the president consoled disappointed members with the suggestion that a proposed statue of Christopher Columbus on the statehouse lawn would "remain with us long after the World's Exposition has passed from memory"(l) (Board of Trade, 1890:14)). There was general lamentation about the lack of natural gas deposits in the vicinity of Columbus, which was quickly superceded by jubilation upon its nearby discovery a few years later (Board of Trade, 1887:3; 1890:22). The United States Congress was occasionally lobbied in the interest of certain bills on economic matters. Marketing of local products was also supported: by
attempting to deepen Columbus markets with calls to the 'patriotic' duty of citizens to 'buy local' (Chamber of Commerce, 1900); by pressing for a collective reduction in dependence on local markets through encouraging contacts with business people in prospective South and Central American markets (Board of Trade, 1890:10-13; 1898:10); and by cooperation with railroad entrepreneurs whose schemes would open up new rural markets to Columbus wholesalers (Board of Trade, 1898:16). There were also open meetings, at least once per month, often to hear invited experts; there were regular receptions for members of the Ohio General Assembly at the start of its sessions; and for several early years there were annual trips for members and families to faraway places (from Virginia to Minneapolis) that drew up to two hundred participants. When considered in combination with the other activities described in this section, these efforts indicate on just how broad a front the Board of Trade was involved in intervening in the local economy in order to secure its stability and growth, and how active it was as a local capitalist class organization.

5.2.6: Levels of activism among locally dependent firms

Lest the discussion of these many strategies and forms of activism give a false impression, it must be stressed that widespread participation from local firms was by no means easily obtained. While the Board's membership had quickly reached the 1884 target level of five hundred, this proved to be almost its apogee. Thereafter it fluctuated within twenty members either side of this number until 1897, indicating a bare replacement of the few members who died each year. During the 1893-1897 depression, membership fell from its high point to its low point in only two years, and by 1897 the Board found itself in
precarious financial straits, with both declining membership and empty offices for rent in its building. Of the approximately 3,500 firms operating in Columbus during 1897 (a rough estimate derived from the Columbus city directory for that year), at most fourteen per cent even belonged to the Board (the actual proportion was doubtless lower, since many firms were represented by more than one member).

While in some years the annual reports depict great activity, in others a picture is painted of "apathy" and "growing lethargy" (Board of Trade, 1891:3, 15). In 1890, for instance, it was complained that only twelve of the twenty-eight standing committees had convened even once during the previous year; and by 1894 this had sunk to six of thirty (Board of Trade, 1891:14–15; 1895:3; see also 1889:23; 1896:10–11; 1898:12). And even as membership had peaked, there was poor attendance at the open meetings. This was a sore point among the executive members that organized them (Board of Trade, 1893:3). Several attempts to gather statistical information on local firms that might then be compiled in order to advertise the benefits of doing business in Columbus were thwarted by the refusal of many firms to divulge information, despite guarantees of anonymity (Board of Trade, 1888:21–22). Members were said to elect their directors and then disappear from sight for the next year (Board of Trade, 1891:10–11). In an attempt to come to grips with its financial woes, by 1897 the Board's directors were threatening to revoke the memberships of 87 (of a total of 483) business people who were delinquent in paying their annual fees. They did halve the fee required to join the coalition (Board of Trade, 1898:6).
The lack of interest was apparently due to a perception among many business people that the activities of the Board had few positive impacts on the Columbus economy (Board of Trade, 1889:8; 1896:25; 1898:10-11). The Board's presidents routinely replied to this criticism by suggesting that inactive business people had only themselves to blame. Presumably, then, although many local firms did participate enthusiastically in the Board, a large number of local business people did not deem collective action (at least of the sort pursued by the Board) worthwhile.

5.2.7: Conclusions: the institutionalization of a local business coalition

The Columbus Board of Trade was a coalition into which some firms put a great deal of energy (there were up to seventy meetings of the directors each year). Yet these represented only a fragment of all the locally dependent firms, most of which did not even take out memberships, let alone actively participate. Although given the lack of adequate data on the sizes of firms, the following observation can only be impressionistic, it is apparent from the annual reports of the Board that it was the larger local firms whose business people participated to the greatest extent.

Notwithstanding this conclusion, the Board of Trade in late nineteenth century Columbus did represent a highly active local business coalition comprised of locally dependent firms. It is clear from analysis of its various strategies that its general aim was to secure a stable or growing local economy, either by directly attracting in sources of value flows, or by ensuring the smooth functioning of local business relationships by 'improving' local infrastructures and government institutional mechanisms. Moreover, the Board
was an important institutional mechanism for the consolidation of local business people into an active local class-for-itself. Its frequent meetings offered opportunities for the formation of business viewpoints on local affairs, and its continued existence through periods when little was actually done allowed for quick and concerted action when issues of special relevance arose.

To active participants in the Board, the rewards seemed manifold:

The success of many of the suggestions and movements here originated and piloted into public favor, attest very forcibly to the usefulness of this organization as a factor and aid to the general prosperity of the city, with its bright prospects for the future (Board of Trade, 1888:15).

A retrospect over the few years of its active life is sufficient; the evidences of its usefulness may be seen in every direction, and the benefits derived directly and indirectly more than repay us for what has been done in a spirit of patriotism and loyalty to the interests of our city. I am proud to say that I am a citizen of Columbus; its name is synonymous with hospitality, enterprise, and success (Board of Trade, 1890:15).

And as one brochure designed to advertise Columbus opined:

Closely allied to geographical location and transportation facilities, among the potent influences in promoting the material prosperity of a city, is a board of trade of progressive membership . . . . This city is fortunate in having an organization composed of just such progressive, energetic, and liberal-minded members . . . . That the board has been both conscientious and successful in laboring to make Columbus the great city it is today is evidenced in its history of the past ten years (Mercantile Advancement Co., 1897:36).

Four further observations should be made in conclusion. In the first place, the Board embarked upon a very wide variety of strategies. It intervened in all manner of local government activities, as well as in the local economy more directly. Second, the evidence of the Board of Trade's history emphasizes the difficulties of organizing and sustaining local business coalitions. Even while its activities were thought by some business people to be highly advantageous,
even absolutely necessary, to the economic health of locally dependent firms in Columbus, for others this was by no means the case. Third, the evidence of the depression of the 1890s points to the difficulties of maintaining collective participation during periods of economic downturn, when they might be thought most necessary to locally dependent firms. This finding is somewhat contrary to the expectation that collective activity on a territorial base would be stimulated by local economic problems. Fourth, there is the very interesting shift in Board aims and strategies that took place in 1872, as the expansion of an economy increasingly dominated by manufacturing industry raised the possibility that Columbus might stake a new place (figuratively and literally) in an evolving space-economy. This is a clear illustration of the interrelationship between local capitalist class formation and the spatial restructuring of the broader space economy. This theme will be taken up again in chapter VI, when the role of local business coalitions in determining how the Columbus economy would fit into an expanding twentieth century Fordist regime of accumulation is discussed.

5.3.1: THE METROPOLITAN COMMITTEE, 1945–1967

The Metropolitan Committee was active for twenty-three years, between 1945 and 1967. Its members were the top executives of some of the largest locally dependent firms. Membership was self-selected and was restricted to small numbers, at most seventeen. The major aim of members was to secure the consent of voting citizens that was necessary to raise taxes. The Metropolitan
Committee was almost exclusively interested in taxes that would pay off local
government bonds issued to fund capital improvements programs for the
Columbus city government, the Franklin County government, and the Columbus
Public School system.

5.3.2: Origins of the Metropolitan Committee

A number of the original members of the Metropolitan Committee had
previously worked together on 'civic improvement' projects during the 1920s
(Slowter, 1975:41), when they had encouraged construction of a downtown civic
center for government offices (see chapter VII) and a municipal airport. Since
then, local business coalition activism had apparently fallen to a low ebb. But
by the close of World War Two, a series of problems was threatening the
functioning of the Columbus economy, and solutions seemed attainable only
through the concerted efforts of the largest locally dependent firms. In the first
place, no bond issues for infrastructural and other improvements had been
approved by the local citizenry since the 1920s (Meckstroth, 1951:11). Moreover,
the legal constraints of the war economy had prevented government spending
on infrastructural improvements at a time when the size of the local economy
had grown substantially, due principally to the establishment at the airport of a
Curtiss Wright warplane factory that employed up to 25,000 people (see
chapter VI) — and Franklin County's population was rising accordingly (by 29.5
per cent between 1940 and 1950 (see Table 3).

The result of the long lull in construction was that investments in all types
of infrastructures, from schools to sewers to roads and public hospitals, were
necessary, "if Columbus was to retain the economic growth it had realized from
the war years", and lest recent immigrants "would leave for other communities" (Meckstroth, 1951:11). However, fiscal problems amidst the stresses of the 1930s had left severe questions among local citizens as to the ability of the city government to manage its funds, and this public delegitimation reduced the likelihood of citizen approval of bond issues to finance the necessary infrastructural improvements (Meckstroth, 1951:15–16). It was into this void that the Metropolitan Committee was to step.

5.3.3: Membership

Three people were separately credited with suggesting that a committee of 'prestigious citizens' be formed to resolve the dilemma of organizing infrastructural improvements. One was Herbert Lape, Sr., proprietor of a medium-sized local shoe factory and president of the Chamber of Commerce. Lape had visited Pittsburgh and had been impressed with its local business coalition; the Allegheny Conference (Meckstroth, 1951:11). The second was the mayor of Columbus, James A. Rhodes (a three-term mayor, and later three-term governor of Ohio). Rhodes called a select group of business people into his office in 1945 to formally suggest the establishment of a coalition of 'citizens' who would encourage public acceptance of the need for infrastructural improvements (Columbus Citizen-Journal, 12/19/51; Gingher, 1959:2; Meckstroth, 1951:11). Credit was also given to a third person, Edgar T. Wolfe, who had been a primary backer of the 1920s airport drive, and was co-head of the most powerful family in Columbus (Adams, 1970:128–129). It is likely that all three played roles.
Accounts of the original membership suggest that it consisted of only five business people:

They were Mr. Lape, Edgar T. Wolfe, co-publisher of the Ohio State Journal and the Columbus Dispatch; Simon Lazarus of the F. & R. Lazarus & Co, Paul Gingher, prominent attorney and civic leader, and Edwin M. Tharp, then vice-president of the Ohio Fuel Gas Co. (Meckstroth, 1951:11).

This group controlled a set of archetypal locally dependent firms. The two key members were Lazarus and Wolfe (Bosworth, 1979:74) who represented families owning, respectively: the largest local department store; and two of the three Columbus daily newspapers, the largest bank and the largest investment securities firm. Lape and Gingher had long been very active in local collective business activities and 'community affairs' in general. Lape, proprietor of a medium-sized manufacturing firm, had been president of the Chamber of Commerce, while Gingher, lawyer and president of a medium-sized insurance company, had been, among other things, secretary of the Columbus Auto Club, two-term State Senator, and war-time civil defense organizer. Finally, there was Tharp, representing one of the most highly locally dependent firms, the heating gas utility.

These five soon invited new members to join their committee. In a subsequent account, Paul Gingher (1959:2) would claim that two early additions had been in the Committee from the start. These were Paul McCarthy, president of the Columbus Federation of Labor (the only non-business organization to be represented), and Roy Brenholts, property owner and past president of the Columbus Board of Realtors. The explanation for this discrepant account probably lies in the early expansion of the Committee outwards from its core to co-opt potential opponents to its plans (see below).
The Committee had grown to twelve members by mid-1945 (Meckstroth, 1951:11) as, among others, the third newspaper and the other major downtown department store were recruited. By the late 1950s there were fourteen (Barlow, 1968:154; Gingher, 1959). Membership remained quite stable. Three of the early dozen remained members until the demise of the committee in 1967, and three others were replaced upon their deaths by their sons or brothers. A complete list of members is available for 1959. Among those represented in that year were two medium-sized local manufacturers (employing 943 and 911 in 1953; Hunker, 1958), the 17,000-employee North American Rockwell (successor to Curtiss-Wright, the warplane manufacturer), the two largest downtown department stores, all three local newspapers, the two largest of three local banks, and the telephone utility (Gingher, 1959). North American was the only firm owned outside Columbus to be represented, despite the fact that the four largest industrial employers at the time were corporate branch plants that had located in Columbus between 1941 and 1957 (the others being General Motors, White-Westinghouse, and Western Electric; see chapter VI). Moreover, and less easy to explain, there is no record of any participation on behalf of the two largest locally-owned manufacturers (Buckeye Steel Castings and Jeffrey Manufacturing).

5.3.4: The overall strategy: passage of bond issues

The Metropolitan Committee served as a conduit for virtually every bond issue placed before Columbus and Franklin County voters between 1945 and 1967. The committee itself determined in 1945 that bond issue proposals should be clustered, with several years between each cluster, so that a large-scale
publicity campaign could be mounted around a number of issues at once. It also carefully chose the timing of the ballot (for instance, whether to hold a special election or coincide with a general election), in light of what other decisions citizens would be making so as to maximize the likelihood of success. The Committee only met in order to plan and execute the campaigns to pass bond issues, and did not function for periods of three-to-five years when no campaign was contemplated. It was thus institutionalized in only a limited way.

When the Committee was in session, various proposals were brought to it by government officials and interest groups. The members then screened the proposals, according to a) whether they were clearly of wide benefit — not favoring particular people, firms, and so on (obviously an important factor in maintaining harmony among the members) — and b) whether they would be likely to attain necessary levels of public support. City and county government and school board officials agreed to accept whatever the Metropolitan Committee recommended (Gingher, 1959:2). So much did it come to dominate the decisions over what local government infrastructures would be constructed that its approval was seen as absolutely vital to passage of any bond issue (Adams, 1970:131; Barlow, 1968:123–124).

The bond issues that the Committee supported were generally to provide for the expansion of physical infrastructures such as roads, sewers, school buildings, hospitals, recreation facilities, and so on, mostly designed to cope with the outwards growth of the built-up area (see Table 5). The Committee promised to act as a ‘citizen watchdog’ to ensure nothing went awry in the execution of plans that the citizenry had approved (Slowter, 1975:34). The Metropolitan Committee was thus substantially in control of local government
TABLE 5: Capital Improvement Projects Supported by the Metropolitan Committee, 1945-1967, (Millions of Dollars). Source: Columbus Dispatch for relevant dates

<table>
<thead>
<tr>
<th>Date of Election</th>
<th>Roads/Freeways</th>
<th>Sewerage</th>
<th>Airport</th>
<th>Convention Center</th>
<th>Urban Renewal</th>
<th>Fire Stations</th>
<th>Courthouse/Jail</th>
<th>Hospitals</th>
<th>Schools</th>
<th>Playgrounds/Recreation</th>
<th>Flood Control</th>
<th>Miscellaneous</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 6 1945</td>
<td>0.65</td>
<td>5.5</td>
<td>1.5</td>
<td></td>
<td></td>
<td>0.5</td>
<td>1.5</td>
<td>2.0</td>
<td>6.5</td>
<td>0.775</td>
<td></td>
<td>1.275</td>
<td>24.7</td>
</tr>
<tr>
<td>Apr 10 1951</td>
<td>5.85</td>
<td></td>
<td>3.5</td>
<td>4.5</td>
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<td></td>
<td></td>
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<td></td>
<td>11.5</td>
<td></td>
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<td>28.35</td>
</tr>
<tr>
<td>Nov 2 1954</td>
<td>2.0</td>
<td></td>
<td>1.25</td>
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<td></td>
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<td>1.5</td>
<td></td>
<td></td>
<td>5.75</td>
</tr>
<tr>
<td>Sep 14 1956</td>
<td>11.2</td>
<td>3.975</td>
<td>5.0</td>
<td>15.0</td>
<td>12.9</td>
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<td></td>
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<td>48.075</td>
</tr>
<tr>
<td>Nov 8 1960</td>
<td>6.9</td>
<td>9.58</td>
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<td></td>
<td></td>
<td>5.278</td>
<td>3.25</td>
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<tr>
<td>Nov 3 1964</td>
<td>14.7</td>
<td></td>
<td>6.0*</td>
<td>1.15</td>
<td>15.0</td>
<td>34.65</td>
<td>4.45</td>
<td>4.8</td>
<td>1.9</td>
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<td></td>
<td></td>
<td>76.650</td>
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<tr>
<td>Nov 2 1965</td>
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<td>6.0*</td>
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<tr>
<td>Nov 8 1966</td>
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<td>5.5</td>
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<td>5.5</td>
</tr>
<tr>
<td>Nov 7 1967</td>
<td>11.2</td>
<td></td>
<td>0.8</td>
<td>6.0</td>
<td>3.0</td>
<td>5.0*</td>
<td>6.0*</td>
<td>27.0</td>
<td></td>
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</tbody>
</table>

* Issue failed to pass

Underscore denotes Columbus City government or school board bond issue; others issued by Franklin County government
infrastructure provision for over twenty years.

While most of its energies were directed towards passage of bond issues, the Metropolitan Committee made occasional forays into other areas in which their members had concerns, particularly in the period before the 1956 establishment of the Development Committee for Greater Columbus (see below). It publicly supported the first Columbus city government income tax proposal when this was opposed by the Columbus C.I.O. (Meckstroth, 1951:13–14). Gingher (1959:5) credits the Committee with securing passage of a state law which allowed local tax resources to fund private hospitals (though Barlow (1968) emphasizes the primacy of Wolfe interest involvement). And, as Gingher would cryptically describe it, the Metropolitan Committee had "lent, shall I say, its moral support" to the establishment of a Franklin County Regional Planning Commission, that was expected to engage in overall infrastructural planning.

5.3.5: Tactics to secure citizen support

After the issues that would be presented to the citizenry had been chosen, the Committee set out to neutralize possible opposition (Gingher, 1959:3). The first campaign, in 1945, proved the most difficult. It was necessary to neutralize potential opposition from real estate interests (Barlow, 1968:155), that feared property-tax hikes. This was accomplished with promises that taxes would rise only minimally, and that property values would rise if the proposed issues were approved (Meckstroth, 1951:11). The early inclusion of a real estate representative (Brenholts) on the committee presumably also played a role. Later, potential Catholic Church opposition to public school funding would be neutralized by supporting the use of tax funds for Catholic hospitals (Barlow,
The only opposition to cause real problems came with white-voter rejection of urban renewal levies in 1954, 1964, and 1965, out of fear of the racial mixing that might follow residential displacement (Adams, 1970; Hoffman, 1966).

However, the Metropolitan Committee took no chances during its first campaign. It invited all interested parties to a public meeting at which the issues were to be explained. Attendees (450 or so) were rewarded with 'membership' of the Committee; the twelve core members then declaring themselves to be merely an executive committee for this "Metropolitan Committee of One Hundred Organizations". Even though the larger committee's approval would essentially be "little more than an endorsement of the actual work of the Metropolitan Committee" (Slowter, 1975:5; also 12-13), this strategy resulted in widespread endorsements from all manner of local organizations (Meckstroth, 1951:12). There were only ever two or three of the wider meetings, and these all took place during the first campaign (Slowter, 1975:40).

Most tactics in the first campaign — and virtually all in subsequent campaigns — revolved around the use of public media; hardly problematic since all three large daily local newspapers were represented on the Committee. The members raised some funds for each campaign among themselves ($20,000–$30,000: Bosworth, 1979:73; Slowter, 1975:39), and at least the heating gas utility donated the services of employees to work full time on some campaigns (Slowter, 1975:37). Local advertising agencies were hired to plan publicity (City of Columbus, 1954:42). But tight media control meant that few other resources were actually necessary. Gingher would later describe how a typical campaign worked:
You bring in every group in the city, you neutralize or capture any potential opposition. The newspapers assign reporters to you and give you all the space you need, all the propaganda you want. It was massive. The packaging of the proposals was important. It was a matter of putting enough things together for enough people (in Bosworth, 1979:73).

Some of the early propaganda used a theme of aiding returning war veterans and civilian employees of war industries by securing them a thriving local economy (one member was still declaring this to have been the object of the Committee thirty years later (Slowter, 1975:39)). For its first few years the Committee styled itself the "Metropolitan Committee for Jobs and Progress." But the consistent message was one that emphasized the destiny of the Columbus 'community' and the important choices the bond issues represented for everyone's health and welfare. Seldom did these issues fail (Table 5). Indeed in the majority of cases passage was secured with over 70 per cent of the vote.

5.3.6: The Metropolitan Committee as a local business coalition

Several descriptions of the Committee stress that its success resulted in large part from its ability to resolve underlying tensions among its members. Some saw its very existence as a triumph. Here is Gingher, for instance:

Serving on the Columbus Metropolitan Committee has to be the highlight of my career. It demonstrated that here in Columbus, political, religious, competitive and personal differences could be put aside in the advancement of causes which serve the whole community (in Thomas, 1986:121).

The Committee's organization was carefully orchestrated to ensure cohesion.

To be selected, members had to possess certain characteristics:

The executive committee selects its own members. A member may have only one interest — that of wanting to do something for the community. He /sic/ must "fit." That is, he must know and
like the other members and he must respect their confidence. He must speak his mind freely, without fear or favor.

The executive committee has always resisted the orthodox pattern of choosing a member for his representation of a certain section or a particular group (Me:kstroth, 1951:14).

While the last statement is not entirely true, given the attempts to incorporate labor and real estate representatives, it is nonetheless clear that the Committee did not attempt to bridge all local business interests and gain a complete consensus. An adequately hegemonic strategy could be forged, it seems, by a select few. As mentioned, large industrial employers, whether based in Columbus or elsewhere, did not participate. While the reasons for this are unclear, other firms were purposefully excluded. The executives of the very large Nationwide Insurance Company, for instance, were left out because of suspicions over their "liberal" leanings (Bosworth, 1979:74). Members were "primarily Republican" (Slowter, 1975:13), and Nationwide executives were not. However, even without Nationwide, three of the four 'crowds' of large locally dependent firms were represented (see Barlow, 1968:154).

The participation of the Wolfe and Lazarus interests was crucial to the attainment of a hegemonic position. They were the key members (Bosworth, 1979:74; some believed that the Wolfes dominated the Committee (Barlow, 1968:154)). But the two families had not always mixed well together socially; there was apparently a degree of "pettiness" between them (Bosworth, 1979:74). In resolving this tension the choice of a neutral chair was critical, and Paul Gingher proved to be just the person. According to Preston Wolfe, Gingher was the "harmonizing element" (in Slowter, 1975:41–42). Gingher worked hard to analyze situations and organize workable agreements within the Metropolitan Committee (Barlow, 1968:149–150).
Some basic agreement on issues of shared concern was a crucial prerequisite, of course. While, according to one member, the Committee was composed of the "downtown establishment" (Slowter, 1975:39), its focus was usually on the metropolitan area as a whole. Moreover, according to Gingher, the committee had one rule, and that was that we wouldn't support any issues that benefitted one vested interest or one end of town . . . . The members were important people, but they were completely unselfish (in Bosworth, 1979:74).

The result of all this careful organization, Gingher would recall, was that "we all worked beautifully together" (in Bosworth, 1979:74). Edgar Wolfe and Simon Lazarus, "two men who did not always see eye to eye, 'got to sort of like each other' " according to one member (in Slowter, 1975:38; see chapters V and VI on conflicts between them). Members came to enjoy their activities:

It was fun. When we had a campaign we'd go out and talk to groups. We'd campaign like candidates (Gingher in Bosworth, 1979:74).

Moreover, working together apparently infused a real sense of solidarity among members:

Not only did the members of the committee cooperate well in their task of passing bond issues . . . . but they were also more than acquaintances. During the process of interviewing many of the original members it became quite clear that they were not only business and committee associates, but they also held each other in high regard as personal friends (Slowter, 1975:7).

Further evidence for this spirit of camaraderie was said to be that members would break off vacations just to attend a Metropolitan Committee meeting (Bosworth, 1979:74) (although it is equally likely that this reflected the importance of its activities to the membership).
5.3.7: The demise of the Metropolitan Committee

The Metropolitan Committee engaged in its final major campaign in 1966. One of the two levies it supported failed (see Table 5). The following year saw a drastic change in tactics: the members reviewed and selected proposals, as was normal practice, but then hired an advertising agency to run the whole campaign, rather than actively work for it themselves. Seven of eight issues were passed (Bosworth, 1979:74).

This change in tactics presaged the demise of the Metropolitan Committee. Although there would be an attempt to revive it in the late 1970s, at a time of considerable crisis in local business circles over both the future of the local economy and the organizational form most appropriate for local capitalist class activities (see Bosworth; 1979; Columbus Dispatch, 1/18/76:B1), the 1967 campaign proved to be its last.

Part of the reason for the Committee's demise lay in the age of its members; many were close to retirement (Barlow, 1968:154; Slowter, 1975:6), and were more elder statesmen than vital leaders by then. But this may only have been a contingent catalyst: after all, if the Committee was felt to be necessary, other business people could have stepped in. More important were the roles being played by other local business coalitions in the late 1960s (Slowter, 1975:6, 38, 43, 45). Many of the largest locally dependent firms had become more active in the Columbus Area Chamber of Commerce than they had been for many years (see chapter VI), and this coalition in turn became more active in public campaigns. Moreover, many members of the Metropolitan Committee had helped spawn a more thoroughly institutionalized business coalition, the Development Committee for Greater Columbus, in 1956 (see below, this chapter).
While the Chamber of Commerce usurped the role of the Metropolitan Committee on the publicity front, the Development Committee did the same with respect to deciding what infrastructural improvements were needed; indeed the Development Committee took a far more active role than the Metropolitan Committee had done.

The dissolution of the Metropolitan Committee, then, was due to the transfer of its functions to other local business coalitions that were far more institutionalized and operated in a less ad hoc manner. As such, the cessation of the Committee after 1967 did not represent a decline in local capitalist class formation, so much as a substantial advance in the level of collective organization among locally dependent firms.

5.3.8: Conclusions: how to organize a coalition, and its value to the growth of a local economy

The Metropolitan Committee was an extremely powerful local business coalition, consisting of a small elite among locally dependent firms. Its strategy was oriented almost exclusively to securing the passage of bond issues by local citizens that would fund the physical infrastructures that its members felt were necessary to sustain local economic growth. A process of self-selection and careful internal organization, coupled with the success of campaigns, allowed the committee to continue for over twenty years. In this process, rifts were mended and new relationships forged among a significant fraction of the largest and most locally dependent firms in Columbus.
Chairperson Paul Gingher described three "cardinal rules" that explained the importance of strategy in ensuring both participation by firms and successful propaganda campaigns. These are rules that might be applied to any local business coalition concerned with improving infrastructures:

1). Any proposal must, so far as possible, serve the whole community, and, conversely, no issue will be supported which is in the sole interest of a particular section of group.
2). There must be a definite need to be served now or in the near future, as distinguished from what some called the "dream type of planning".
3). The cost must be within reasonable bounds, and capital improvement bonds must be issued only as the money is needed so that there will be no sudden or drastic impact on the tax rate (Gingher, 1959:3).

These rules point to the necessity for mutual and clearly identifiable tangible benefits, and gradual escalations of costs, to ensure both that firms are able to join and support coalitions, and that requisite citizen approval is forthcoming.

The Metropolitan Committee members frequently characterized themselves as dedicated and efficient servants of the public good (for instance, Gingher, 1959:i). One described the committee as "thinking of nothing but Columbus" (in Slowter, 1975:43); a signal of both collective activity in the cause of common goals, and also the strong attachments of members to the city. Yet despite much insistence that 'special interests' were not served (Columbus Dispatch, 1/18/76:B1), Gingher would admit that all was not philanthropically motivated as far as participant business people were concerned:

Well, of course, if Columbus was a good place it had an indirect influence on their businesses (in Bosworth, 1979:74).

Indeed the importance of the committee to the prosperity of the local economy (and therefore to its locally dependent firms) was well understood (Meckstroth, 1951:14). The virtues of the Metropolitan Committee, especially its value to development of the local economy, were extolled in an article that appeared in
Reader's Digest in 1959:

In Columbus, the construction hiatus plus the extra wear and tear of the war accentuated a long-growing need for improvement. Years of civic neglect had left an inheritance of rutted, washed-out streets, overcrowded and outdated schools, ramshackle firehouses and a dilapidated garbage collection and disposal system. Residents repeatedly sued the city for water pollution. Bond issues couldn't pass the politically indifferent electorate. Local and county administrations relied on gambling and traffic fines to meet the payrolls. The drought of 1944 brought a real crisis: the city ran out of drinking water.

What saved Columbus was the same kind of organization that you find active in so many cities today: a volunteer group of top people whose sole objective is to breathe new life into their city. In Columbus, this is the Metropolitan Committee, 15 leading business and professional people headed by a former state senator and insurance executive and attorney, Paul R. Gingher . . .

As a result, Columbus already shows physical signs of what the city of tomorrow will be — a cleaner, brighter, more efficient hub of commerce, surrounded by better-zoned industry and laced with expressways and boulevards.

Even more important, Columbus exhibits a spirit and impetus toward further improvement that seems to quicken rather than diminish as each new accomplishment is celebrated.

Less than two decades ago, Columbus told a bleak and hopeless story indeed. Perhaps, in times like these — when progress is relatively commonplace — the significance of what Columbus now tells about the future can be fully understood only in light of what might have been (Inside Test City U.S.A., 1959:37–38).

The Metropolitan Committee was later recalled by its participants with just this sense of mixed wistfulness and awe (Bosworth, 1979; Columbus Dispatch, 1/18/76:B1).
5.4.1: THE DEVELOPMENT COMMITTEE FOR GREATER COLUMBUS, 1956–1986

The Development Committee for Greater Columbus (DCGC) was established in 1956, and was still in operation in 1986 after over thirty years of continuous activity. This coalition was originally formed to help overcome institutional bottlenecks that were slowing the construction of physical infrastructures for the Columbus economy. It was mostly concerned with Franklin County, but from time to time also with surrounding jurisdictions (hence the dual meaning of 'Greater Columbus'). Composed of between one and two hundred members, almost all of them local business people, DCGC maintained various subcommittees that focused on particular issues, often consistently for a period of years, as well as an executive committee that formulated overall policies. Although its origins were in the behind-the-scenes opening of bottlenecks, DCGC evolved to become a key locus of physical infrastructure planning for the Columbus economy. Over the thirty years of its operations, myriad evaluations of needs, new local government programs, ideas to finance them originated in DCGC and were successfully implemented in the same form the coalition gave to them.

DCGC did, however, undergo some important changes over the thirty year period. Its evolution in terms of membership, strategy, and internal organization, was substantial. In particular, as will be seen, in the early 1970s it appeared to assume a less and less vital role for the larger locally dependent firms.
5.4.2: Origins and aims

The origins of DCGC can be traced to two sets of conditions present in Columbus in the middle 1950s. First, local firms had requirements in terms of infrastructural planning that were going unfulfilled. Second, these firms needed a formal body in which issues related to infrastructures could be debated, so that differences among the firms could be resolved, and a unified capitalist class position could emerge. These two conditions are discussed, in turn, below.

First organized in 1956, DCGC aimed to ensure that physical infrastructures for which local government institutions were responsible, from sewers to roads to parks, were planned and constructed at a pace and in a manner consistent with the growth of the local economy. DCGC described its mission as follows:

to push ahead in the planning and construction of public capital improvements desperately needed in the Greater Columbus area (DCGC, 1959:1).

A local business coalition was deemed necessary because there were "a number of frustrating bottlenecks in civic improvements" (DCGC, 1958:1). Many of the problems lay in the inadequacies of local government planning bureaucracies at the time. Neither the Franklin County Regional Planning Commission nor the City Planning Commission had budgets adequate to the tasks DCGC members saw as necessary. The City Planning Commission, for instance, complained of the "severe limitations of insufficient personnel", and argued that it needed to double its staff if it were to cope with its workload (City Planning Commission, 1956:3, 2; also 1953). Indeed there was very little in the way of coordinated planning for the future. To undertake a one-time comprehensive planning effort earlier in the 1950s, the local governments had been forced to employ private consultants from out of town (see Bartholomew

The construction of physical infrastructures was seen by DCGC to be reciprocally related to economic growth. On the one hand, the rapid growth of the local economy during the Fordist post-war boom period demanded better planning:

The committee was organized in 1956 when it became apparent that existing organizations and local governments needed organized citizen support in their efforts to make significant improvements in a community laboring to keep up with an exploding population (DCGC, 1968:2).

On the other hand, economic growth was evidently desirable and could be further encouraged by sound infrastructure provision:

What is the objective of the Committee? Continuing, orderly development of a better community which results through proper planning, programming and execution . . . . This alone can assure the economic growth necessary to make the Greater Columbus area a better place in which to live and a better place in which to make a living (DCGC, 1962:n.p.)

And DCGC members saw themselves as dependent upon the local economy:

We of the Development Committee can do no less than our best for the community to which we owe so much (DCGC, 1964:2).

This best was not expected, however, to go unrewarded. For instance:

Responsible civic planning protects and enhances the value of land by creating a flexible framework for growth (DCGC, 1963:3)

Thus one of the conditions that explains the formation of DCGC was the lack of infrastructural planning at a time it was sorely needed to encourage further economic growth. The strategy of DCGC, then, would be to help conduct local physical infrastructure planning in such a manner as to cope with ongoing economic growth, and to press for construction of new infrastructures that would encourage further growth, thereby ensuring continued prosperity for firms already doing business in Columbus.
DCGC was to be highly activist, and it would intervene whenever necessary to press government officials into action. According to one member, DCGC was to be "our action committee":

In short, if heads needed to be knocked together to achieve results, the Development Committee would do it (Adams, 1970:159).

With a high level of institutionalized activism, DCGC differed substantially from the Metropolitan Committee. Nevertheless, the two maintained a close relationship. For a start, they shared members in common (see below). But more significantly, DCGC functioned as a "clearing house", a "general staff" (Adams, 1970:161) for the Metropolitan Committee. Rather than the Metropolitan Committee awaiting inputs from government officials as to what infrastructural improvements were necessary, it now had a local business coalition making the necessary studies. This would guarantee that local business needs would be adequately represented. Moreover, DCGC would ensure that projects for which the Metropolitan Committee had sought tax funds would be undertaken in as prompt and efficient a manner as possible (Adams, 1970:160-162).

To further these ends, DCGC hired a professional staff of five (the Metropolitan Committee had no staff). The employees gathered and evaluated information, and explained DCGC strategies to sundry civic organizations and to the DCGC membership itself. More than one hundred organizations were so addressed in 1962 (DCGC, 1963:18). In order to provide the permanent income necessary for its operations, DCGC members were recruited as sponsors. Sixty-one thousand dollars was spent in 1957, the first full year of operations (DCGC, 1958:3).

DCGC also had a second set of origins, one apart from, though very necessary to the realization of, those that determined its strategies. This was
the need to consolidate a large number of locally dependent firms into an organizational form in which they could discuss and agree upon strategies towards infrastructures, and work for them collectively. DCGC, then, was to be a vehicle for forging consensus. The need for such a process as a prelude to implementing satisfactory infrastructure planning was amply described by Robert Mott, DCGC executive director for its first eight years:

/Mott/ explained the origins of the DCGC as a reaction to the ineffectual, faction-ridden, leadership of the community "power structure." On nearly every problem for which concerted, private leadership was necessary, Mott asserted that division, petty squabbling, ignorance of complex issues, and sharp differences in time and effort expended characterized the so-called community power structure in Columbus. In short, he felt there was no power structure in the sense of a unified, continuously interacting elite able to formulate policy on all issues (Adams, 1970:160).

This, said Mott, was in stark contrast to what had been observed in other cities to which "key people" from Columbus had travelled (Adams, 1970:161).

DCGC thus had twin origins. On the one hand, the infrastructural planning deemed necessary by local firms to long-term local economic growth was not forthcoming from the apparatuses of local government. On the other hand, if locally dependent firms were to make an input from which, presumably, they might benefit, it was necessary for them to start acting in concert by forging consensuses on what were their most important needs, and to use their joint influence to ensure that these needs would be met. And a formalized local business coalition was seen to be the answer. How successful DCGC was to be in fulfilling these roles is examined below (and again in chapter VI).
5.4.3: Membership

Supposedly the key figure in organizing DCGC was a business person who, like Herbert Lape Sr. (credited with originally suggesting a Metropolitan Committee) and Paul Gingher (that coalition's chair) did not represent one of the largest and most powerful of local firms. That this was once more the case was likely due to some need for a non-controversial figure to take the lead if others were to follow. Thus it was that Preston Davis, retired head of a local publishing company and well known local business activist, could later be described as "a leading force in the creation of the organization" (Barlow, 1968:167) and was its first president.

Whatever the specific means by which the coalition was institutionalized, on the first executive board of forty people were "represented all major factions of the city" (Barlow, 1968:155). It included a wide selection of local firms, including all three utilities (telephone, heating gas, electricity), all three daily newspapers, all three banks, and three of the four industrial branch plants (North American, Western Electric, and General Motors). All were represented by their highest officers. For an unknown reason, no savings and loan companies were represented, but otherwise there was an assortment of local firms, engaged in manufacturing (five), insurance (three), construction (three), food distribution (three), the hotel trade (two) real estate (two), retail (two) and so on. Also included were the presidents of the Columbus C.I.O. and A.F.L., although they were never to play any role in making major decisions.

That DCGC was intimately related to the Metropolitan Committee is revealed by the extent of cross-memberships. Of the fourteen business people who would be members of the Metropolitan Committee in 1959, nine (if one member
of the same family is included) were founding members of this first DCGC board of 1956 (DCGC, 1957; Gingher, 1959). Gingher, wearing his Metropolitan Committee cap, would call the DCGC "a great civic organization" (Gingher, 1959:6) in a manner suggesting no connection between the two, but the truth was otherwise. Gingher later declared that Metropolitan Committee members had "helped organize" DCGC (Slowter, 1975:45).

A steering committee was appointed and charged with making overall policy decisions for DCGC. Its members were highly active and met regularly; twice per month in the first year, and by 1962 twelve times during the year (DCGC, 1957:4; 1963:18). This steering committee was elected at first by the executive board of forty, and in subsequent years by the members/sponsors at large.

Following the composition of the steering committee over time reveals a great deal about the historical evolution of DCGC. Table 6 categorizes affiliations of steering committee members at four year intervals over a thirty year period. There was at once a high degree of continuity, and at the same time some important changes in steering committee membership between 1956 and 1984. On the one hand, there was consistent activism by the utility companies and one large insurance company (Nationwide). A number of individual people maintained participation over three decades, even following their retirement. There was also a low level of involvement by local manufacturers. And despite their presence on lists of sponsors, hotel owners, labor organizations, and local food distributors were never represented on the policy-making steering committee. At least to some extent these patterns of non-participation can be explained by the lack of power and influence accorded these local dependents: certainly in the case of food distributors.
TABLE 6: Representatives of Different Types of Firms on DCGC Steering Committee, and their Continuity, at Four Year Intervals. Source: DCGC Annual Reports

<table>
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<tr>
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<td>Publishers</td>
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<td></td>
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<td>1</td>
<td>1</td>
<td>1</td>
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<td>Retired</td>
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<td>1</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Retailers</td>
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<td>2</td>
<td>2</td>
<td>2</td>
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<tr>
<td>Local manufacturers</td>
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<td>1</td>
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<td>1</td>
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<td>2</td>
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<tr>
<td>Real estate</td>
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<td>Savings and loans</td>
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<td>1</td>
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<td></td>
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<td>Construction</td>
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<td>2</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td></td>
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<tr>
<td>Research institutes</td>
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<td>9</td>
<td>15</td>
<td>21</td>
<td>25</td>
<td>27</td>
<td>33</td>
</tr>
<tr>
<td>Number of firms and/or individuals continuing to next period</td>
<td>7</td>
<td>8</td>
<td>18/19</td>
<td>19</td>
<td>20/22</td>
<td></td>
</tr>
</tbody>
</table>

* 1964 not available
θ List above sums to more since on person represents two sectors
+ Individual firms increase representation
(dairy companies, for example) there was no lack of participation on sub-committees (that on transportation, in this instance).

On the other hand, there was considerable change over the thirty-year period. The changes are perhaps more intriguing than the continuities, for they reveal some of the shifting relationships among locally dependent firms and the changing role and importance of DCGC to them. While across each four year period there was considerable continuity of membership on the steering committee, over the longer time period there were a number of gradual shifts, with the result that the composition of the 1984 committee was quite different from that during early years.

A relatively sudden change in 1964, occasioned by an internal rift in DCGC (to be discussed in chapter VI) ended participation by newspaper proprietors and simultaneously brought on board sundry industrial branch plant managers and other local managers of firms headquartered elsewhere (supermarkets, insurance companies, for example), though over time this new participation tapered off. But more significant was the gradual broadening of the steering committee in two directions. First, there was the inclusion of educational and research institutions starting also in the middle 1960s. Second, there was a swing, by the middle 1970s, towards representation by construction industry suppliers and sub-contractors, and local professionals associated with the construction industry (architects, engineers, and so forth). All of these tended to be locally dependent by virtue of local reputations and business contacts, so their desire to participate, particularly in a coalition concerned largely with constructing physical infrastructures, is understandable. Yet these were hardly large firms, and none would be considered powerful local actors. Few of them
would have been able to gain representation on the steering committee in the late 1950s or early 1960s.

Part of the explanation for the participation of education and construction interests (the contingent condition, if you will) lies in the gradual withdrawal of the business people who were considered powerful locally. There were no steering committee members in 1980 or 1984 who made a Columbus magazine's list of the ten most powerful people in either 1980 or 1985 (Brown, 1980; Brown and Bosworth, 1985). If such a list had been drawn up in 1956 it is likely that all ten of the most powerful would have been represented on the executive board of forty, and would have been over-represented on the steering committee of nine. This is not to suggest that powerful firms were not active in some capacity, but rather that their presidents and chief executive officers no longer appeared to accord DCGC quite the prominent role that it originally played for them. Indeed a significant trend in later years was for large firms to be represented by their "corporate gunslingers" (Osborne, 1978). These were often vice-presidents whose more or less full-time occupation was participation in various 'community affairs', in order both to show the firm's face and to act as a conduit for information back into the firm (see Osborne, 1978). And among these minor representatives there was considerable turnover. Thus while twenty two firms with representatives on the steering committee in 1972 were also represented in 1976, nine had delegated new people; a pattern not detectable in the 1950s and 1960s.

It is possible that the larger firms withdrew as soon as the coalition had been thoroughly institutionalized and their active participation was no longer necessary (see Clelland and Form, 1964). But it seems more likely that DCGC
became less important to the largest locally dependent firms, allowing smaller firms to be represented and top corporate officers to withdraw their personal participation even while their firms maintained some presence. There is certainly no reason to suspect that physical infrastructures per se became of less concern to these larger firms over the period of DCGC activities. Rather, what appears to have happened is that local government institutions gradually usurped the role of DCGC, with the result that its activities became less vital. That usurpation was clearly in the nature of a 'friendly takeover' (as will be discussed further below), but it had to some extent sidelined DCGC by the early 1970s. This thesis is also supported by analysis of changes in the specific activities of DCGC after approximately 1970 (see below). It is also possible that the withdrawal of some large firms was connected with the earlier withdrawal of other firms during the 1964 internal rift, in the sense that if the former wanted to continue collective activities with the latter, DCGC was no longer a useful forum.

It remains to consider who were the sponsors of DCGC; its membership at large, as opposed to the more active and prominent steering committee members. What statistics are available on sponsorship are presented in Table 7. Although sketchy, they are of some interest. The early years reveal growth in the numbers of sponsors as DCGC was first organized. In these years DCGC maintained a membership committee charged with finding sponsors, as it sought both to involve local business people and achieve the level of funding necessary to its operations. The membership committee attempted to recruit from "all segments of the community, rather than any special interest" (DCGC, 1957:5). At the same time, sponsors were carefully chosen; they had to be elected by the steering committee. Eligible sponsors were expected to rise
TABLE 7: Numbers of Sponsors of the Development Committee for Greater Columbus. Source: DCGC annual reports.

<table>
<thead>
<tr>
<th>Year</th>
<th>Sponsors</th>
<th>Year</th>
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<td>84</td>
<td>1972</td>
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<td>1957</td>
<td>91</td>
<td>1973</td>
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<td>1974</td>
<td>198</td>
</tr>
<tr>
<td>1959</td>
<td>136</td>
<td>1975</td>
<td>191</td>
</tr>
<tr>
<td>1960</td>
<td>190</td>
<td>1976</td>
<td>207</td>
</tr>
<tr>
<td>1961</td>
<td>N.A.</td>
<td>1977</td>
<td></td>
</tr>
<tr>
<td>1962</td>
<td>N.A.</td>
<td>1978</td>
<td></td>
</tr>
<tr>
<td>1963</td>
<td>N.A.</td>
<td>1979</td>
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</tr>
<tr>
<td>1964</td>
<td>N.A.</td>
<td>1980</td>
<td>191</td>
</tr>
<tr>
<td>1965</td>
<td>N.A.</td>
<td>1981</td>
<td></td>
</tr>
<tr>
<td>1966</td>
<td></td>
<td>1982</td>
<td></td>
</tr>
<tr>
<td>1967</td>
<td>214 (40)*</td>
<td>1983</td>
<td></td>
</tr>
<tr>
<td>1968</td>
<td>214 (40)</td>
<td>1984</td>
<td>113</td>
</tr>
<tr>
<td>1969</td>
<td>212 (44)</td>
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<td>1970</td>
<td></td>
<td>1986</td>
<td>108</td>
</tr>
<tr>
<td>1971</td>
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</table>

* Indicates number of co-sponsors included in total
above personal desires (DCGC, 1958:3), and were recruited with an eye to their participation in one of the various sub-committees. By 1962 the membership committee reported that it had just about reached its limits (approximately two hundred) given such requirements (DCGC, 1963:18), and since more income was deemed necessary, DCGC contemplated raising the annual fee expected of sponsors (this was not publicized, but averaged perhaps $500 per year in the early 1960s). Although statistics are not available for every year, it is probably safe to assume that the number of sponsors hovered around two hundred between 1960 and 1980, which means that although DCGC had a much broader base among business people than the Metropolitan Committee, there was still only a small proportion of Columbus firms represented. Lists of sponsors reveal that there were no neighborhood-level firms; DCGC was an organization for somewhat larger firms, locally dependent at the metropolitan scale.

Two other aspects of the statistics on sponsorship are worthy of note. The first is the introduction of a 'co-sponsor' category in or before 1967 (see Table 7). While there is only a brief window in which co-sponsors are labelled as such in annual reports (the practice ceased after 1972), inspection of the affiliations of the significant fraction who were co-sponsors indicates them to have been either employed by firms already represented by a sponsor, or to have represented institutions that might not be expected to pay the annual fee (later on the League of Women Voters, for instance). In either case, presumably the motive for such a categorization was to encourage the participation and activism of valuable people by eliminating the possible barrier of the annual fee. The second other feature of note is the decline in sponsorship that was posted during the 1980s, the response to which was resurrection of the long-dormant membership committee (DCGC, 1986a).
Finally, the sketchy statistics that exist on the rates of active participation among sponsors reveal that in 1960, 105, or 55 per cent, of sponsors belonged to one or other of the sub-committees (sponsors only ever participated on one sub-committee at a time). In 1971, 62 per cent of sponsors were active on a sub-committee. There was never any indication of difficulties in encouraging sponsors to be active; sub-committees were often composed of twenty to thirty members at a time (see Table 8).

5.4.4: Activities of the sub-committees

Most of the actual work of DCGC was undertaken through its sub-committees. In 1956 three standing committees were organized, and with periodic expansions, by 1965 there were six. Each was responsible for a particular facet of the physical infrastructure complex of the metropolitan area. The first three facets to receive attention were selected by a vote of the executive committee of forty in 1956. In order of concern to local firms, they were transportation (expressway construction, mass transit, downtown parking problems), the long-term planning of the water and sewer system, and slum clearance/urban renewal in the inner city. To the committees with these foci were soon added committees on parks and recreation and on land use planning. The former pressed local governments to allocate resources to buy up land for parks in expanding suburban areas. The latter provided guidance for, and input into, the Franklin County Regional Planning Commission's regional planning process, which had been mandated by the Federal government as a condition for local use of federal funds (see Prospectus for preparation . . . . 1964). A human resources committee which was started up with only three members in
TABLE 8: Continuity of Participation on DCGC Sub-Committees.
Source: DCGC annual reports.

<table>
<thead>
<tr>
<th>Year</th>
<th>Transportation</th>
<th>Water Management</th>
<th>Slum Clearance/Urban Renewal</th>
<th>Parks and Recreation</th>
<th>Land Use</th>
<th>Human Resources</th>
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<tbody>
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<td>1956</td>
<td>14</td>
<td>12</td>
<td>13</td>
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<td>(11)⁺</td>
<td>(10)</td>
<td>(9)</td>
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<td>(14)</td>
<td>(7)</td>
<td>(11)</td>
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</tr>
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<td>1965*</td>
<td>28</td>
<td>31</td>
<td>23</td>
<td>12</td>
<td>18</td>
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<td></td>
<td>(23)</td>
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<td>(9)</td>
<td>(15)</td>
<td>(3)</td>
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<td>(13)</td>
<td>(9)</td>
<td>(11)</td>
<td>(5)</td>
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<td>1972</td>
<td>26</td>
<td>24</td>
<td>16</td>
<td>9</td>
<td>15</td>
<td>16</td>
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</table>

* 1964 not available
⁺ Number of firms and/or individuals that continue to next period
$ Individual firms increase their representation
1965 was supposed to deal with problems experienced by the inner-city poor — housing in particular — but it never became as active or interventionist as the other committees.

Only the slum clearance (later "urban renewal") committee and the human resources committee had missions to an area smaller than the metropolitan area as a whole. The other committees' metropolitan-scale focus reflected the integration of the local economy as far as most participant firms were concerned. A number of potential areas of interest were ignored; education and welfare programs, for instance. Presumably this was a reflection less of their relative importance than of a perception that local government apparatuses were well-enough equipped to handle necessary programs in these areas: the human resources committee argued this to be the case with respect to its charge. Education and welfare programs may also have been too 'hot', politicized issues, and therefore best left to local government institutions even when problematic.

The memberships of the DCGC sub-committees reveal what was achieved over thirty years in terms of class formation. Statistics on memberships of the standing committees display levels of continuity over four year periods similar to those on the steering committee (see Table 8), indicating a long-term interest on behalf of firms in the particular infrastructures for which the committees were responsible. There was also something of an organizational division of labor within the overall sponsor group, which is revealed by sub-committee participation. A very clear example was the 1972 transportation committee. Of its twenty six members, twenty held the following affiliations: six product distributors (foods, freight, and the like), four construction consulting engineers,
three downtown stores, three construction industry suppliers, the bus transit company, the taxi-owners association, a parking lot owner, and an auto dealer. All of these had some direct interest in freeways and in mass transit. While such clear patterns were not always evident (neither should that be expected, given the mutual interest in many areas that allowed diverse firms to cooperate in DCGC) there was evidently some degree of allocation of sponsors to particular committees, based on both their expertise and their particular material interests.

It is likely (though it was never explicitly stated) that the functions of some committees were deemed more important than those of others, at least by the largest and most influential local firms. Circumstantial evidence for this is the presence on the parks and recreation and slum clearance committees of numbers of women (wives of corporate executives) and other non-sponsors. A further obvious pattern is the over-representation on the human resources committee of corporate gunslingers and representatives of firms headquartered elsewhere. This points towards the dependence of these firms on their local corporate image, and points away from the committee's existence signalling any concerted attempt to resolve problems of inner-city poverty on behalf of the larger locally dependent firms.

The evidence suggests that the water and sewer (later water management) and transportation committees were at the heart of DCGC. This can be deduced from their particular memberships, the fact that they were originally voted first and second priorities by the first executive board, and also their longevity. Further, a retrospective evaluation by the 1977–1986 DCGC executive director laid heavy emphasis on achievements in these areas (see Sanford, 1977). For this
reason, the activities of the water and sewer and transportation sub-committees are examined in more detail below.

5.4.5: Sub-committees and their strategies

The water and sewer committee began its activities in 1956 by reviewing the master plan for sewerage that had been drawn up in 1954 by the out-of-town private consultants (Bartholomew and Associates, 1954d). The committee praised this plan, but was soon suggesting revisions in the system it envisaged. In particular the committee recommended the establishment of a single sewer treatment plant (the Southerly plant) instead of the two that had been proposed. The new facility was to be operated by the Columbus city government, but would serve the whole metropolitan area, including suburban jurisdictions (some suburban jurisdictions had been planning to construct their own disposal plants (Sanford, 1987:8)). This revision was adopted by the Columbus city government. The committee proceeded to recommend precisely the bond package to fund the scheme that was approved by local citizens in 1960; this after DCGC had secured State legislation allowing an extension, from twenty five to forty years, of the period in which sewerage improvement bonds could be repaid. Moreover, the committee then recommended precisely how the city government of Columbus might negotiate contracts with the suburban jurisdictions. Finally, DCGC sponsored ceremonies at the opening of the sewerage treatment plant in 1967. The plant's careful location was later credited with having opened up the whole eastern section of Franklin County for development (DCGC, 1981:11).
As soon as the sewerage project was under way, the committee turned to issues of water supply and flood protection. It pressed the Franklin County Regional Planning Commission to institute a water-needs survey (which it did), and successfully sought the reorganization of the State water conservancy district that included Franklin County, reducing it to the few counties directly downstream from Columbus. Conservancy district executives and representatives of the U.S. Army Corps of Engineers attended the committee's meetings in the early 1960s as a new dam (Alum Creek) was planned. Although the site was outside Franklin County, it was recommended that the dam be owned by the Columbus city government. Federal funds were secured by declaring the main purpose of the dam to be flood protection, with water supply only the secondary aim (there was a great deal of controversy over whether to use federal funds for this project: this was the issue that caused a rift in DCGC in 1964; see chapter VI). The funds were eventually secured in 1968 after much DCGC lobbying in Washington D.C., and the project was finally completed according to DCGC specifications.

Once this project, in turn, was under way, what had been renamed the water management committee turned to storm-water drainage and began to press for the separation of storm-water from waste-water sewers. In 1974 it persuaded the also renamed Mid-Ohio Regional Planning Commission (MORPC) to begin the policy planning necessary to implement such a scheme. This particular action was seen as exemplary of DCGC activities:

In our view this was a classic illustration of the role of the Development Committee. Conceived and marketed by our sponsors, the original task force report was accepted by local government officials as a help toward solution of a problem requiring joint action. Recognition of its value brought forth the resources to implement our recommendations (DCGC, 1975: n.p.).
The following year MORPC announced a plan for the construction of storm-water sewers.

The major frustration of the water management committee was its failure to achieve, even after sustained pressure, a region-wide governmental body that would plan all water-related infrastructures. However, the same result was obtained in a de facto manner by ensuring that nearly all municipal jurisdictions within Franklin County would be tied to the water and sewerage systems controlled by the Columbus city government.

For the transportation committee, the most urgent task facing it in 1956 was to accelerate the process of land acquisition and residential displacement assistance necessary to expedite the construction of a freeway system in Columbus and Franklin County. DCGC therefore 'lent' its executive director, free of charge, to the city government's engineering department for a period of eight years. He served as 'expressway coordinator' for the city government, ensuring that engineering reports were completed, and that projects were not delayed by problems related to household displacement. In a break with previous local business sentiment, DCGC openly supported public housing projects because they would increase the supply of low-income housing for the displaced and hence speed up completion of the expressway system. The transportation committee took part in negotiations to help acquire land parcels needed for the inner-city stretches of freeway. With interventions like these, the committee helped ensure that the inner sections of the freeway network would be completed very quickly: early enough and fast enough to forestall possible protests by inner-city residents; a strategy that would be recalled with some pride by the 1977–1986 executive director (in Sanford, 1987).
The transportation committee was involved in several other projects. In 1960 it lobbied the City Planning Commission to accelerate its work on a regional transportation plan that the Federal government required by 1965. But perhaps its most vital work came in the late 1960s with its leading role in the transfer of the privately held bus firm, the Columbus Transit Company (CTC), to public ownership under a new Central Ohio Transit Authority (COTA). As soon as the Columbus and Southern Ohio Electric Company (C&SOE) had announced plans to sell off its transit subsidiary in 1963, DCGC's transportation committee had formed an institutionally separate 'citizens committee' to examine the issue with the aim of retaining an adequate mass-transit system. There followed several years of studies and negotiations between C&SOE and various Franklin County political jurisdictions before, in 1968, an 'Advisory Committee on Transit' (ACT) was hived off from DCGC, taking with it the organization's executive director. It was ACT that later metamorphosed into COTA. DCGC strongly supported the tax levies necessary to subsidize COTA's operations during several ballot campaigns in the early 1970s. The push to secure a mass-transit system was seen as arduous but ultimately rewarding in economic terms:

This remains a worthy example of the dogged efforts of civic leadership to tackle a difficult and complex problem, coalesce varied interests, encourage cooperative planning, and try to convey to the public the need for citizen action to maintain the momentum for public improvements that will aid the growth and development of the entire region (DCGC, 1973:3).

As these examples of the strategies of the water management and transportation sub-committees attest, DCGC played a highly active, interventionist role in many aspects of physical infrastructure provision from the middle 1950s to the middle 1970s. So many of the innovations and programs introduced by local government institutions during that period originated from
DCGC that it was hardly an exaggeration for one observer to state at the time:

In short, the DCGC governs capital improvements policy development in Columbus (Adams, 1970:162).

And yet DCGC's standing committees were becoming increasingly active by the 1970s. One by one, the sub-committees had slowed down during the late 1960s as government planning agencies grew in size and in ability to handle their responsibilities. Thus the urban renewal, parks and recreation, water, and then land use committees found less and less to do (for instance, DCGC, 1969:7-8). As early as 1969, DCGC announced that it had entered a phase of standing back to take stock of its role (DCGC, 1970:4-5). In retrospect, it is evident that two future directions (not necessarily exclusive) were on the cards at this point. The first, and most ambitious, was to continue the drive towards instituting full-fledged regional-level government planning bodies with complete authority over various infrastructures for a large area (possibly including counties surrounding Franklin County). In several annual reports between 1969 and 1974 DCGC made clear its desire for such bodies. But it had to remain satisfied with the partial achievement of regional-level planning in various ad hoc formats (such as COTA for mass transit, the Columbus city government for water and sewer). DCGC continued to offer its services in mediation among various local government officials, and always encouraged their cooperation.

The second direction possible in the early 1970s was the dissolution of the standing committees and reformulation of the internal organization of DCGC in order to revivify the coalition. This process was started in 1973, when a new sub-committee structure was announced. It turned out to be an ongoing affair, in that DCGC moved increasingly towards undertaking a series of ad hoc projects which became the mainstay of its activities (though it is notable that
water management and transportation planning continued to require their own committees and remained central foci of concern).

Ad hoc activities, as opposed to ongoing permanent concerns, in a sense began with the intervention discussed above to secure a government-run mass transit system (COTA) to replace the private CTC, in which DCGC had become actively involved not only in planning, but also in a series of bond-issue campaigns. After the late 1960s, in fact, DCGC was active in various bond issue campaigns, to some extent filling the void left by the demise of the Metropolitan Committee after 1967 (although the causality implied here should probably be reversed). In 1969, for instance, DCGC suspended its other activities for part of the year in order to maximize its members’ input into a campaign for voter approval of a higher city government income tax (DCGC, 1981:24). Then in 1971, DCGC endorsed six bond issues and lent assistance to its temporary sibling organization — "Citizens FOR Progress" — in the effort to persuade citizens to support the issues (DCGC, 1972:5).

In 1979, DCGC was invited by the Mayor of Columbus to evaluate the prospects for holding a financially viable 1992 World's Fair in the downtown area. Seven of the largest local firms, together with a research institute (Battelle) and the Columbus city government, paid for the study (all seven firms were represented on a list of the city's ten most powerful people in 1980 (Brown, 1980)). DCGC heartily endorsed a 1992 World's Fair, which in its view would expedite the restructuring of riverfront land uses, provide positive exposure for Columbus to the world at large, and increase local pride-in-community (DCGC, 1980). DCGC reported, however, that

the most important uncertainty concerns the development of a necessary commitment and cohesiveness among local leadership,
and the complementary support of local citizens (DCGC, 1980:IX-2).

This commitment did not emerge. In the context of DCGC's enthusiasm for the undertaking, this reveals the extent to which DCGC no longer spoke directly and with confidence on behalf of the largest local firms.

In 1985, DCGC became the central organizing point for a comprehensive evaluation by local firms and local governments in Franklin County of infrastructural needs; particularly water, sewerage, roads and bridges. Representatives of all local governments in Franklin County cooperated in information-gathering, financial appraisal, and prioritization of projects (DCGC, 1986b). That there was still a desire for regional planning institutions was evinced when, at the start of the project, a new region-wide planning agency was mooted by the executive director as a possible outcome of the cooperative effort (Tri-Village News, 10/1/85). In the event, priorities were decided, possible sources of funds evaluated, and the need for a computerized data base stressed, but nothing further was said about a regional planning authority.

Other ad hoc activities included: a 1976 study of how Ohio coal might be used to solve the 'energy crisis' (DCGC, 1981:31); lobbying the State government to ensure funding for a freeway connector from the central business district to the airport (DCGC, 1984); and pressuring Columbus city council between 1977 and 1980 to pass measures to enforce historic preservation of buildings that were far less stringent than those originally proposed, but would still pass muster with federal funding agencies (DCGC, 1981:31,33). In 1984 DCGC's executive director represented the coalition on various committees studying ways to streamline the management of the Columbus city government as its
administration changed hands (DCGC, 1984).

As these illustrations of its activities suggest, DCGC was still a highly active organization in the 1970s and 1980s. It remained devoted largely to ensuring that local government institutions provided adequate infrastructures to cope with and foster economic growth in the Columbus local economy.

5.4.5: Private and public planning

From the discussion of DCGC thus far, it will be obvious that the coalition's strategies were closely related, indeed almost exclusively directed towards, restructuring the policies and programs of local government institutions. And, as already indicated, DCGC was usually successful in getting local governments to adopt its proposals (although it may not have publicly raised projects deemed impossible). This raises the question of the precise relationship between DCGC, as an institutional representative of the local capitalist class, and local governments in the Columbus area.

From the start, DCGC sought to publicly deny that it interfered with local government operations, and stressed that it respected the independence of local governments:

Does the Committee assume normal government functions? Definitely not. Its ideas and recommendations see the light of day only through the normal public officials and agencies (DCGC, 1962:n.p.).

The object, then, was "to help get the job done, not do it ourselves" (DCGC, 1981:7).
Yet at the same time, DCGC was very evidently attempting to define for local government officials just what was the job to be done. While declaring that it did not seek to impose its views, this coalition — representing the tiniest fraction of metropolitan Columbus citizens — early on declared its intention to “act as a full-fledged partner of public officials in metropolitan endeavors” (DCGC, 1957:11; emphasis added). Its ‘citizen activism’ was boldly defended: “The committee . . . typifies democracy at its zenith” (DCGC, 1960: frontispiece). While Robert Mott, the first executive director, tried to foster an image of an “apolitical study group at the service of policy makers in government” (Adams, 1970:163), quite who was at the service of whom is at least debatable. In the following comment, for instance, it hardly appears that DCGC was subordinate to local governments:

Interested citizens and effective staff would mean little were it not for sound cooperation with our elected officials — city, county, state and federal. Open door policies extended to our committees are based upon meaningful reciprocity and are a significant reward to all of wholesome intentions who participate in government. To those elected officials who assist the Development Committee in formulating non-political positions on public issues we express our thanks (DCGC, 1966:n.p.).

DCGC thus essayed to define particular goals within pre-existing government programs (for instance, precisely how to organize the sewerage system), and then to ensure that government officials would complete the tasks DCGC felt were designated to them.

But more than put pressure on extant structures, DCGC clearly, and by its own admission, did act directly in lieu of local government agencies in several instances in which it felt local governments were performing inadequately. Examples that DCGC proudly cited included lending executive director Mott to the city government as expressway coordinator, organizing the relocation of
displacedes from slum clearance projects, lobbying for federal grants for urban renewal on behalf of the city government, and organizing the Advisory Committee on Transit which pushed for the regional public transit authority (COTA) (DCGC, 1981:7). Yet, while the members were proud of these interventions, DCGC sought to downplay its usurpation of government roles:

In only a few instances did the Development Committee become an "Action Agency" and this was in specific cases where there was no agency directly responsible for attacking a problem and doing a specific project. However, as soon as the pattern was established, the process in place and it was possible to turn over the responsibility to the appropriate organization or agency, DCGC did just that (DCGC:1981:7).

All this said, DCGC was clearly very happy for government agencies to adopt new roles, provided they performed them 'adequately'; that is, with the needs of locally dependent firms in mind. The coalition stimulated and supported the expansion of the Franklin County Regional Planning Commission into a Mid-Ohio Regional Planning Commission (DCGC, 1972:5; 1981:24). Indeed, with one of its goals being to get local government agencies to plan and implement infrastructural projects in a timely, efficient fashion, it is hardly surprising that after a decade of successfully pressing for this, the standing committees found less and less to do. DCGC then turned its hand to a more ad hoc form of internal organization, and perhaps not coincidentally, executives of the more powerful locally dependent firms began to withdraw active participation with the assurance that infrastructures were now being better planned by government agencies.

Undoubtedly, then, DCGC would have preferred local government agencies to independently undertake all the work required of them to provide for the needs of local firms. And more and more during the 1960s and 1970s this was
the case. But still DCGC’s mission was incomplete. For so long as there was potential opposition to business-oriented projects from voters, and local government institutions remained open to popular pressure from the citizenry at large; and so long as there were differences among locally dependent firms with respect to correct strategies, DCGC as an institutionized local business coalition was required to ensure that locally dependent firms agreed on strategy, and were at least well represented in policy-making decisions.

5.4.7: Conclusions: DCGC as a local business coalition

By bringing together locally dependent firms from many different sectors, the founders of DCGC sought to ensure a local business coalition that represented a united local capitalist class view on local infrastructural needs. Through the deliberations of its steering committee and sub-committees, DCGC was “striving always to provide a crucible for the forging of united community thought” (DCGC, 1957:1). In so doing, DCGC became a vehicle for more active and interventionist strategies than was the Metropolitan Committee, the strategy of which was defined more narrowly in terms of public campaigns on infrastructural bond issues. DCGC also incorporated a wider spectrum of the local capitalist class.

DCGC members considered the coalition to be a regional-scale organization. The regional focus was thought necessary because the city as a functional economic unit was far larger than Columbus city government boundaries would suggest. Therefore, it was explained, “our real city is the regional community” (DCGC, 1975:n.p.). DCGC sought to play catalyst to a greater sense of local dependence at this regional scale, particularly when it was pressing for
regional-scale government institutions:

A new kind of citizenship role is emerging throughout the country and especially in Central Ohio as persons who are concerned about resolving complex urban problems don the hats of "regional citizens." This is not a role which replaces other styles of citizenship — citizenship in the nation, in the state, in the central city or the suburbs. It is an additional responsibility, one which focuses on those community problems which transcend the neighborhood or local concerns (DCGC, 1972:n.p.).

DCGC was not without its internal conflicts. As described earlier, there had been considerable friction within local business circles during the 1950s (see also chapter VII, on conflicts over urban renewal). It remained a challenge to satisfy all interests. But in part, this could be achieved by adopting the regional-scale focus, in which all locally dependent firms could be included. Thus,

The regional scope of interest of the Development Committee also acts as a protection against narrow provincialism of single interest representation affecting the activities of the committee (Adams, 1970:163).

Though doubtless many conflicts were not made publicly known, there was a significant overt rupture in DCGC in 1964 (see chapter VI).

DCGC strategies were not without their internal contradictions. The Housing and Human Resources Committee made this plain in a surprisingly blunt manner:

As the goals of the Housing and Human Resources Committee became known, other organizations turned to the committee for assistance. Many questions related to problems existing in the Inner City, brought on by the physical improvements urged by other DCGC committees (DCGC, 1970:16).

One of these problems was housing for people with low incomes, thousands of units of which had been demolished to make way for freeways and urban renewal projects. Housing indeed appeared a very difficult problem for DCGC (DCGC, 1969:5), and although assuming responsibility for it in 1969, the Human
Resources committee subsequently relinquished it to the Urban Renewal Committee in 1972. Thereafter, housing was never raised as an issue in which DCGC ought to be involved. While the urban unrest of the 1960s had provided the beginnings of a DCGC response in the form of the Human Resources committee, concern died down with the unrest.

How to collectively plan without restricting the behaviors of member firms was part of the problem in dealing with housing, and it proved to be a vexatious issue all round. There was much anxiety over this problem as DCGC moved to favor long-range and regional-scale planning in the late 1960s. The word "goals," it was announced, was to be used "advisedly": "Goals should not be altered whimsically, but they should not be set in cement, either" (DCGC, 1969:3). In the event, it proved very difficult to walk the tightrope between planning and not impinging upon the freedom of firms. Local capitalist class formation thus reached its limits when it came to imposing unwanted restrictions on the economic activities of member firms.

As DCGC worked itself out of its job during the late 1960s, when MORPC and other government agencies assumed a greater responsibility for infrastructural planning, DCGC composition began to shift, with executives of the larger firms withdrawing, to be replaced by professionals and representatives of institutions. Yet DCGC continued its remarkable role of coordinating the activities of local government officials through its ad hoc interventions, remaining a key locus of innovation in Columbus as far as physical infrastructures were concerned. Its history reveals that large numbers of locally dependent firms can be brought into a coalition to press for strategies that will serve their collective interests in the long-term growth of a
local economy, and that many business people will expend considerable amounts of energy in joint activities to that end.

5.5: CONCLUSIONS TO CHAPTER V

In this chapter three business coalitions have been examined. In each case, local firms joined forces to form an institutionalized organization in order to bring about results to their mutual benefit. Each was thus an instance of the formation of a local capitalist class–in–itself.

The Board of Trade was first mooted in 1858 but was not finally institutionalized until 1884. The difficulties faced by its founders emphasize that local capitalist class formation cannot be taken for granted. After 1884, the Board established itself as a highly active coalition which adopted a number of different strategies. Some of these involved attracting new sources of value flows to Columbus in order to promote growth in the local economy. Other strategies were aimed at ensuring that local government institutions embarked on various infrastructural programs. These were desirable because they would allow local firms to maintain their operations by improving the internal efficiency of the local economy. New infrastructures lay a groundwork (literally) for the further expansion of the local economy.

Both the Metropolitan Committee and DCGC were organized with just the latter of these strategies in mind; viz., the provision of infrastructures that would allow for the physical reproduction of the external linkages of local
firms. The Metropolitan Committee was the least institutionalized and active of the three coalitions, limiting itself to making decisions on what infrastructural improvements were necessary and engaging in publicity campaigns to ensure the availability of funds. Despite the intermittent nature of its activism, the Metropolitan Committee performed a highly important role, and with great success. During its twenty-three year life, nearly all of the bond issues it supported were approved. This meant that infrastructural planning could proceed relatively smoothly, with projects organized in a timely fashion.

DCGC was organized in order to perfect this system, both by opening up bottlenecks that were holding up extant projects, and by undertaking long-range planning for future projects. Thoroughly institutionalized and maintaining a full-time staff, DCGC served as a permanent locus for the coordination of local capitalist class intervention, and was responsible for promoting, even designing, many of the infrastructural schemes constructed in Franklin County over a thirty year period.

While the Board of Trade attempted to encompass all firms operating in Columbus, the Metropolitan Committee and DCGC were purposefully more exclusive. The former was limited to only a dozen or so members. The ability of such a small group to forge a hegemonic strategy bears witness to the uneven distribution of resources and power among local firms which very much complicates the processes of local capitalist class formation. The latter, while much larger, limited its membership to those who would devote time and not just financial support. It was thus a truly activist organization, to which members other than its executive board often devoted considerable amounts of energy.
However, in none of these three cases were a large proportion of local firms involved. The Board of Trade soon reached a membership plateau, with most business people choosing not to participate. DCGC came closest to inclusiveness, given its metropolitan-scale interests; in the 1960s its recruiters announced that they could find no more firms of the type required. The Metropolitan Committee was purposely exclusive, encompassing just sufficient firms necessary to wield a hegemonic strategy. These findings are strongly supportive of Useem's (1978, 1984) thesis that capitalist class formation takes place among an "inner group", rather than involving all or most firms.

With respect to internal organization, the roles of particular individuals in the formation of these institutionalized coalitions is notable. Acting as catalysts, but not thereafter assuming significant leadership roles, were the person who organized the third Board of Trade in 1872 (Jacob Studer, local historian), Herb Lape, Sr., who suggested a Metropolitan Committee, and Preston Davis who presided over the original DCGC. This recurrent feature of local business formation is doubtless a reflection of the problems of coalescing local firms that were often in economic competition with one another, and may have distrusted each others' motives.

It was also no easy matter to maintain harmony. Paul Gingher's role, as chair of the Metropolitan Committee, in reconciling the divergent interests of its members was widely noted. Moreover, the Metropolitan Committee was only able to function (as was suggested in chapter III) by restricting itself to 'lowest common denominator' strategies, which its member firms could all support. DCGC's statements that planning for the future should not be viewed as restricting the activities of member firms reveals the care that had to be taken
in formulating strategy, if the consent of member firms was to be retained. On the other hand, success in unifying local firms bred further success, as comments on the increasing camaraderie of Metropolitan Committee members indicate.

Investigation of these three coalitions also reveals that more than one coalition can exist at the same time. Up until 1945, the Chamber of Commerce (as the Board of Trade had been renamed) was the main vehicle for collective action. In the post-1945 period there emerged something of a division of labor among local business coalitions. This had first been tentatively attempted during the 1920s, when the Metropolitan Committee's short-lived forerunner had become involved in construction of a municipal airport for Columbus. A clear division of labor emerged after 1945, when the Chamber of Commerce devoted considerable energies to a controversial local economic development strategy of industrial expansion (see chapter VI), while the Metropolitan Committee, and later DCGC, concentrated on the provision of the new physical infrastructures necessary to sustain economic growth. As has been mentioned, these last two coalitions were closely related to each other. Their relationships to the Chamber in the post-1945 era will be discussed in chapter VI.

Members of the Board of Trade, Metropolitan Committee, and DCGC by no means saw local capitalist class formation as an end in itself. With respect to the provision of infrastructures, all three coalitions attempted to work themselves out of existence by transferring the roles they had assumed elsewhere: the Board of Trade to the Columbus city government; the Metropolitan Committee to DCGC and the Chamber of Commerce; and DCGC to the Franklin County, and then Mid Ohio, Regional Planning Commissions. So long
as these other institutions performed 'adequately', then, local business people were quite happy not to organize themselves collectively. As DCGC, for instance, insisted, its interests lay not in drawing attention to the coalition itself, but in the success of its programs (DCGC, 1957:10).

Finally, it is clear that economic considerations were paramount in these three instances of local capitalist class formation. The role of local dependence as a motive for participation in local business coalitions is clear not only from comments made about the importance to business coalition members of the health of the local economy, but also from the strategies that were pursued. All three coalitions were heavily involved in ensuring that local infrastructures were adequate to cope with economic growth, and expected tangible benefits for their members from that growth. In the case of the Board of Trade, the role played in local capitalist class formation and in the determination of strategy by restructuring in the broader space-economy was strikingly clear. As the possibility emerged of Columbus becoming a locus of manufacturing, in the early 1870s, it became a rallying cry for formation of a Board in 1872. Even though this Board failed, the manufacturers committee of the permanent Board was one its most active. And as will be seen in the next chapter, restructuring in the broader space-economy was to play a crucial role in determining both the strategies of the Columbus Chamber of Commerce during the middle twentieth century, and divisions among local firms which prevented many from working together.
CHAPTER VI

CONFLICTS OVER STRATEGY AMONG LOCALLY DEPENDENT FIRMS

6.1: INTRODUCTION

In the previous chapter the focus was on the formation of local business coalitions around strategies upon which locally dependent firms could agree. In this chapter, by contrast, the focus will be on conflicts among firms when they disagree over the strategies that should be adopted by local business coalitions.

It is difficult to analyze conflicts in a comprehensive manner. As a result of the often private nature of decision-making in local business coalitions, there are likely to be many conflicts that are never publicly revealed. Many differences will eventually be resolved through compromises if solutions are possible (this is sometimes the very nature of coalition formation). Others will leave no written or public record to verify their existence even if they are deducible on the basis of circumstantial evidence. Still other differences will never emerge as overt struggles because, as a result of the power relationships involved, the result is a foregone conclusion.
The two conflicts discussed in this chapter, however, were relatively open. This openness was no accident. It was in both cases partly a result of purposeful decisions by one or more of the antagonistic parties to thrust the issues into the public arena. These tactics were attempts to gain advantage from the support of the local citizenry at large. As a result of this feature, however, the conflicts discussed here cannot be taken as 'typical' conflicts (if such a thing exists). Nevertheless, a great deal about the internal politics of local capitalist class formation can be revealed by examining them.

In both cases the loci of struggle were institutionalized local business coalitions. The first that will be discussed was a conflict within DCGC that erupted in 1964. The issue was whether local government institutions should apply for Federal government funds to help construct a new dam needed for flood protection and to increase the supply of water available in the local economy. The central question was thus the specific strategy for funding an infrastructural improvement. The conflict was overt and intense, but lasted only a matter of months before the withdrawal of some local firms from participation in DCGC.

The second conflict, by contrast, lasted sixty years, from 1920 to 1980. In this case, the Chamber of Commerce was at the center. The issue was whether local firms should, through the Chamber, encourage a particular form of local economic growth: the attraction of industrial branch plants. The differences among firms over this strategy emerged publicly (though somewhat obliquely) from time to time over the sixty years, and they simmered under the surface throughout the period.
Although there were many contrasts between these conflicts, they shared several features in common. The most important was that at the heart of each lay the question of the extent to which control over the local economy was to remain in local hands. Both conflicts thus reveal important aspects of the relationships among locally dependent firms, the local economy, and the wider political economy.¹

6.2.1: FEDERAL GOVERNMENT FUNDS, LOCAL CONTROL, AND CRISIS AT DCGC

The formation and activities of DCGC were described in chapter V without discussing conflict within the coalition over strategy. Yet in 1964 DCGC was the focal point of a deep crisis of collective organizing among locally dependent

¹ The major source of information for reconstruction of the events of 1964 was a PhD dissertation by Henry Barlow (1968). Barlow's investigation focused primarily on the process of collective business organizing around hospital construction during the 1950s. However, he devoted substantial attention to the question of a business power structure in Columbus (1968:142–160), and also examined the 1964 conflict in some detail (1968:164–180), treating it as an example of power-structure interactions quite different from the relatively consensual process of decision-making over hospitals. Barlow interviewed many of the people involved in both issues shortly after the conflict over funding the dam was resolved. Information supporting the arguments made in sections 6.2.2 and 6.2.3 below was drawn in large part from his account.

Following the penchant of sociologists investigating local power structures, Barlow mystified matters by according anonymity not only to his interviewees but to everyone concerned (and to Columbus itself). Fortunately it was easy in most cases to work out that, for instance, the "X" family were the Wolfes, that the "Action Committee" was DCGC, and so forth, and I have therefore taken the liberty of automatically converting Barlow's cast of characters into their real-life counterparts. The few cases in which such deciphering proved more difficult did not bear on the discussion in this chapter.
firms. The issue that brought the crisis to a head was the planning of new
dams, to aid in flood control and to supply water to satisfy the burgeoning
demands of a growing local economy. Two separate coalitions of locally
dependent firms emerged with radically different views about whether to seek
Federal government funds for water projects. As these differences erupted into
overt and public conflict, the matter was resolved by means of a power
struggle among the largest locally dependent firms; a struggle in which clear
winners and losers emerged. DCGC was a focal point of the conflict because it
was the institutional vehicle which local firms had set up eight years previously
for making collective decisions about matters of infrastructural planning.

The question of appropriate strategies for financing infrastructural
improvements exposed two intimately related issues: a) the benefits and costs
associated with financing local infrastructures either through locally raised taxes
or with Federal government intervention; and b) the sometimes very conflictual
--- rather than consensual --- process by which locally dependent firms make
their collective decisions. In the first part of the following discussion the
concrete outlines of the 1964 dam financing conflict are laid out. Second, the
aftermath of its resolution is discussed. Third, some conclusions are drawn with
respect to the issues of outside versus local control, and the politics of

A primary source for understanding the often publicly submerged
debate over industrial branch plant expansion was Delmar Starkey, who
was employed by the Columbus Chamber of Commerce from 1925 until his
retirement in 1963, from 1937 onwards as its general manager. Starkey's
analysis of events was contained in a number of newspaper articles
published in the 1950s, 1960s, and 1980s. An oral interview with him was
undertaken in 1987. The cassette tape is deposited at the Ohio Historical
Society in Columbus. Only sentences in the text referenced as "(Starkey,
1987)" are drawn from this interview. That Starkey's perspective as one of
the protagonists is accurate was confirmed by a number of the many
independent sources that are also referred to in this chapter.
collective decision-making among locally dependent firms.

6.2.2: The Scioto Conservancy District and its plan for financing dams

With the 1959 flooding of parts of Columbus as a spur, in 1960 DCGC recommended that the water conservancy district (a special governmental unit separate from state and local governments) which covered Franklin County and several other Ohio counties be reduced in size, reorganized and revamped as State laws allowed. Shortly thereafter, in 1961, a "Scioto Conservancy District" (SCD) was established, with the agreement of politicians in the four counties downstream of Franklin County which made up the five-county territory to be covered by the new institution.

While it was created in the guise of a flood control agency, SCD's real importance to Columbus firms, which had promoted it through DCGC, lay in other activities. For, in organizing the construction of dams on the rivers upstream of Columbus to regulate water flows, SCD would also be able to enlarge the water supply available to enhance economic development in Columbus. Barlow (1968:166) suggested that this was indeed the major purpose behind the DCGC push for a revamped conservancy district, an opinion supported by the fact that the first proposed dam was to straddle a river other than the one which had caused the most flood damage in 1959.

Under State laws, control of SCD resided in directors appointed by judges from the relevant counties. Thus two directors were chosen to represent the four downstream (most rural) counties. The third, however (who was also the chair), was a Columbus representative, and it is apparent that SCD was actually
formed as, and generally operated as, a tool of locally dependent firms in Franklin County (see DCGC, 1981:16). Further evidence for this conclusion is that when it quickly moved to hire staff and retain a Columbus engineering consulting firm to prepare plans for dam construction, its preliminary operations were funded by a large loan from the Columbus city government. The city government also agreed that SCD should control future water projects and should have its own powers to assess taxes on property owners to pay for its projects. It is highly unlikely that the Columbus city government would have been so keen to apparently give away these powers unless a high degree of control was retained in Columbus.

Not only was SCD a special government district designed primarily to serve Columbus economic interests, but it was in narrower hands than even this. The chair was the former editor of a newspaper owned by the Wolfe family and was a close advisor to the family. The Wolfes were widely recognized as by far the most powerful single economic interest in Columbus (Barlow, 1968:152). The Republican mayor of Columbus (Ralston Westlake) and the Republican city council president were 'Wolfe men' (Adams, 1970:269; Barlow, 1968:177). And SCD was viewed as a Wolfe-instigated project. Moreover, the Wolfes were well represented on the DCGC water management sub-committee. Not surprisingly, DCGC would be able to praise the close cooperative relationships that emerged among the city government, SCD, and the DCGC sub-committee (DCGC, 1963:16).

During 1962 and 1963, SCD and the water management sub-committee of DCGC (officials of the former attending meetings of the latter, revealing the true locus of decision-making) worked on plans for an SCD scheme to build
new dams using SCD's taxation powers. The U.S. Army Corps of Engineers (USACE) was also represented at DCGC meetings, though only in an advisory capacity. SCD was to run the whole project, and it would be built entirely with locally raised funds: thus maintaining control in Columbus hands, and specifically Wolfe hands.

Opposition to the plans DCGC and SCD were making surfaced in early 1964 with complaints that SCD was not seeking the cheapest option to finance its dams. In particular, it was suggested that SCD was pursuing plans for an entirely locally financed and controlled project without investigating the possibility of securing Federal government funds which might well be available for 'flood control' projects (and which USACE reported had been used for several similar dams in Ohio).

The central person in mobilizing what was to become, during 1964, a wide movement in opposition to the SCD plans was Trent Sickles, the 'corporate gunslinger' of the Lazarus department store. Lazarus was the second most powerful local firm by reputation (Barlow, 1968:152), and as mentioned in the discussion of the Metropolitan Committee in chapter V, the Lazarus and Wolfe firms often differed on appropriate strategies for local economic development (see also Barlow, 1968:149). Sickles began to organize a coalition to counter the combination of the Wolfes, SCD and DCGC's water management sub-committee. The avowed purpose of the Sickles coalition was to hold back increases in local taxation by securing Federal government funds for the proposed dams. With the support of Lazarus, the Nationwide Insurance Company (the ninth most powerful firm by reputation) and the editor of the non-Wolfe morning newspaper (the Columbus Citizen-Journal), Sickles was himself appointed to the
DCGC water management sub-committee in June of 1964. He soon sought and attained the further support of a fraction-based local business coalition; the Columbus Board of Realtors. The realtors were concerned about the impact of the increased property taxes that were entailed in SCD plans, and began to raise the question of why SCD was not even investigating applying for Federal government funds.

The issue was brought to a head when DCGC sub-committee members met with city government officials and the congress-person who represented Columbus. The congress-person declared that he had not been approached by any local organization with a view to obtaining Federal government funds, and that anyway he favored local control of the project (the Wolfe position). In reporting the meeting, the Wolfe-owned Columbus Dispatch attacked Sickles as an outsider (he also had business interests in another city) who was interfering in the local decision-making process. This signalled the start of a pitched battle, that would be fought for two months in local newspapers, over whether to pursue SCD plans with local tax funds or to lobby for Federal government funds.

The Wolfes and their allies tried to force through the SCD plans, maintaining that the city council had already looked into funding alternatives. The Wolfe-allied city council president for his part stood ready to ratify the SCD scheme, and introduced a resolution to put the question of local funding to a citizen ballot (even though this was not necessary given SCD powers). He criticized Sickles, blaming him for stirring up the whole issue, and pointed out that the SCD plan had been widely accepted until Sickles had entered the scene. DCGC's water management sub-committee continued (by a 10-4 margin) to
support the SCD plan, and the DCGC executive director (Robert Mott) spoke publicly in favor of them. The Columbus Dispatch defended the SCD plan in editorials, chastised Sickles, and suggested that Federal government funding was uncertain and would anyhow take many years to come through. A local plan, it was argued, would involve reasonable tax increases, an early completion date (with quick and efficient action by SCD), and would leave the whole project under local, rather than outside, control. As the Wolfe coalition pushed the project ahead, SCD moved to notify property owners of the taxes they would be assessed.

While the Wolfe coalition sought to achieve its end through a public offensive once the opposition group led by Sickles had tried to thwart SCD plans from within DCGC, that opposition group in its turn launched a public campaign. This campaign exposed the political weakness of the SCD plan. The Achilles heel of the Wolfe position was the question of the costs of the SCD plan to local property owners. Once this issue had been raised and the Columbus Board of Realtors had begun to speak out, the battle was in fact all but over. Claims that the city council had already investigated alternative funding sources notwithstanding, SCD's refusal at first to release cost estimates for its locally controlled scheme further damaged the public credibility of the Wolfe position.

The Board of Realtors condemned the SCD plan and questioned city council support of SCD. It claimed, moreover, that 'private interests' had reaped great benefits at public expense during construction of a locally financed dam some years earlier. The immediate material interest of the realtors in maintaining low rates of property taxation lent a fractional air to the dispute. Their director
spoke against DCGC director Mott at a public meeting at which the costs of the SCD plan were finally announced.

Meanwhile, Sickles had also approached the League of Women Voters, whose members then met with USACE representatives to obtain estimates of what would be the local cost were the Federal government to be involved. The Columbus Citizen-Journal, whose editor supported Sickles' investigation, argued that Federal government funding would be a far cheaper alternative, and would also assure public recreational facilities at the dam site, something for which the SCD plans had made no allowance. Hundreds of property owners filed requests for exemptions to SCD's new tax assessments in protest against its scheme.

The Wolfe-backed Republican mayor (Ralston Westlake) had already been unseated in 1963 by his Democratic opponent (Maynard Sensenbrenner), who was generally supported by the Columbus Citizen-Journal and by Sickles and Nationwide Insurance. While he had remained publicly neutral until SCD finally announced its cost estimates, upon receiving them the new mayor declared his opposition to the Wolfe position. Sensing the direction of aroused public sentiment and its potential meaning in the electoral arena, one of the Republican city council members introduced and had passed (over the objections of the council president) a resolution in support of applying for Federal government aid. The Wolfe coalition was defeated.
6.2.3: The aftermath

The immediate result of the conflict was the dissolution of SCD and the rescinding of the property tax assessment. The Chamber of Commerce, DCGC and the Columbus city government had all in the end agreed that seeking Federal government funding would be a better strategy than raising local taxes. But while the Columbus Citizen-Journal asked that the hatchet be buried in the interests of the community as a whole, the Columbus Dispatch remained adamant in defense of its position until the bitter end, lamenting the desertion of the SCD plans by the supporters on which SCD (i.e. the Wolfes) had counted (the Chamber of Commerce, and DCGC). Somewhat ironically, the Dispatch decried the lack of a public campaign on behalf of the SCD plan, while it claimed that USACE (sic) and its supporters had mounted an adept propaganda effort.

There were also long-term repercussions, particularly for DCGC. The defeat of the Wolfe interests led to the complete withdrawal of the Wolfes and their allies from DCGC, apparently because they were no longer able to get what they wanted out of the coalition (Barlow, 1968:146). DCGC was forced into a swift period of reorganization. Executive director Mott, who had supported the SCD plan, resigned and was replaced. The coalition symbolically moved its offices from next door to the Columbus Dispatch building to the City National Bank (later Bank One) building, where several members of the Sickles-led coalition were also located.

How many sponsors joined the Wolfes in withdrawing from DCGC is hard to ascertain, since no figures were published for the relevant years. But DCGC was soon able to attract new sponsors to replace the departed. Comparing
1960 to 1965, turnover in the steering committee was slightly higher than over other periods (see Table 6). As noted in chapter V, a number of local representatives of firms headquartered elsewhere were brought in to temporarily bolster the steering committee. The water management sub-committee was expanded from twenty-one to thirty-one members between 1960 and 1965 at a time when other sub-committees were maintaining stable memberships. However, seventeen people retained their participation, a higher fraction than in the other sub-committees (see Table 8). Overall then, DCGC went through a period of some turmoil, but was not substantially damaged by the withdrawal of the single most powerful local economic interest.

There continued to be problems in implementing the dam projects. While DCGC pushed hard, it never succeeded in its attempts to constitute a regional-scale water and sewer authority after the dismantling of SCD (which might have been just the vehicle for achieving this). Moreover, the Wolfe interests received some justification for their strategy of local control in ensuing years, as DCGC grappled with planning the first new dam (Alum Creek). The Federal government proved to be just as awkward and slow in providing funds as the Wolfe coalition had predicted. The dam project was cut from the Federal budget in 1967 and a whole season's construction work was lost until, after "a great deal of patient, persistent work" (DCGC, 1968:8), DCGC secured the funds once more in 1968. There were also problems in getting the scheme under way when the Federal government criticized local plans for not providing enough public recreational space around the dam site (DCGC, 1969:7).
6.2.4: Conclusions: power struggles among locally dependent firms and the question of local control over strategy

One of the issues that this conflict raises is that of the structure of power within the group of locally dependent firms. This was neither the first nor the last conflict between the Wolfes and their allies on the one hand, and other locally dependent firms on the other. In the period around 1960 there were four identifiable and distinct 'crowds' among the larger locally dependent firms, each with somewhat different notions of what strategies their collective activities should pursue. The Wolfes and their allies constituted one of these crowds. Lazarus and Nationwide Insurance belonged to separate, crowds. It is difficult to isolate what economic interests might have separated the crowds from each other since Barlow's discussion of them is mostly in idealistic terms ('progressive'/"conservative") or in terms of partisan politics. He did, however, identify them on the basis of both interviews and structures of inter-locking directorates, revealing at least some economic ties among firms within crowds. Moreover, the separation of the banks into distinct crowds indicates that firms within each crowd perhaps had complementary rather than competing economic interests, perhaps working together to finance and organize certain of their operations.

The Wolfe crowd was the single most powerful of the four, both before and after its 1964 defeat over the funding of the dam. Wolfes were singled out for their roles in the central city restructuring and airport construction of the 1920s (chapter VII; Slowter, 1975:41; see also Gunther, 1947:451–453). Barlow devotes much of his investigation of the power structure of Columbus to the planning of hospital expansions in the middle 1950s. He revealed that the Wolfes
had effectively vetoed efforts to finance new construction until they decided to get involved, upon which State laws were soon changed, bond issues were passed, and so forth. In Barlow's interviews in the middle 1960s they rated first in terms of local power.

Crowds like these might be viewed as a possible first stage in the consolidation of a local capitalist class--for--itself. They represent long--term consensual groupings that might later coalesce with each other. However, crowds might also conflict. And the Wolfe family had a long history of conflict with members of other crowds. For the Wolfes were not content to remain leaders of one crowd among several. From his interviews Barlow concluded:

The most striking observation was the widespread belief that members of this /Wolfe/ set of interests sought to dominate the affairs of the community. For almost every major sphere of community activity, they were believed to have a policy which was promoted with vigor and fairly frequent success. Almost everyone else was perceived in lesser or secondary roles . . . .

Rather than being accorded the recognition of a leadership grouping pursuing the better interests of the larger community, /the Wolfes/ have come to be seen as a veto group with the capacity to veto major proposals for the welfare of the city . . . .

The nature of the conflict between the position of the /Wolfe/ group and others in the city has led to an atmosphere of distrust and suspicion. Prominent citizens expressed fear of the consequences for important public organizations should the head of the organization get too far out of line with accepted practice as seen by the /Wolfe/ interests. Such a move could lead to retaliation and damage to the organization as well as to the person directing its operations (Barlow, 1968:142, 143, 144).

In this context, the 1964 defeat of the Wolfe strategy becomes quite remarkable. Certainly their plans had to some extent been thwarted before (see chapter VII on urban renewal, for instance). But the result of the dam funding conflict of 1964 was an absolute defeat.
While some credited Trent Sickles with having almost single-handedly killed the SCD plan (Barlow, 1968:165), this is true only in the sense that he formed a visible pole to which other potential opposition was attracted, and actively sought to attract others to his pole. The defeat of the Wolfe strategy was in fact accomplished by a broad counter-coalition that eventually succeeded largely as a result of a tactical decision to meet the Wolfes in the public arena. The deciding factor proved to be the question of the legitimacy of local politicians among the electorate in the context of the differences in costs between strategies. The existence of a non-Wolfe daily newspaper may also have been a necessary condition for mobilizing the counter-coalition. It printed sixty-one articles on the matter over a seventy-one day period (Barlow, 1968:165). But it was the unity of the other crowds of locally dependent firms that was the key structural feature of the conflict.

However, while the outcome of the struggle was clearly a setback for the Wolfes, that would have ramifications in later years (Barlow implies that heavy local Republican party losses in 1965 and 1967 city government elections were a consequence of the positions of most of its politicians in 1964), it was by no means a fatal blow. In other circumstances the Wolfes had their way. For instance in 1979 they decided that the public transit authority, COTA, should not receive proceeds of a local sales tax, and had the issue defeated by the citizenry through a series of negative articles in their Columbus Dispatch (Brown, 1980: 53, 57, 59). This was reportedly because they disliked the Nationwide Insurance 'gunslinger' who chaired COTA (Paprocki, 1986:46). And in reputation-based surveys of the power structure of Columbus, the Wolfes rated first in 1971, 1976, 1980 and 1985 (Brown, 1976; 1980; Brown and Bosworth, 1985).
Yet the 1964 water supply conflict was not simply one over which locally dependent firms would dominate the local capitalist class. It also raised questions of strategy that revolved around control over the Columbus economy. This, in turn, appears to have been closely related to the structure of power among locally dependent firms. The Wolfe position was that Federal government funding would dilute the ability of local firms to control the local economy. This position was enshrined in localistic ideologies that opposed the 'socialistic' interference of the Federal government (on this with respect to public housing in the 1950s, see Adams, 1970). Barlow (1968:158) interpreted strong Wolfe support for a local philanthropy — The United Appeal — as a reflection of their preference for "local initiative apart from government".

The question of outside intervention from the Federal government had arisen several years earlier, with respect to the construction of another dam:

Personal interviews with many CBD leaders produced a recounting of the manner in which the Scioto River Griggs Dam was built through the use of local funds alone. The Wolfes opposed the use of Army Corps of Engineers funds because, according to informants, the use of federal funds would dilute local, i.e. Wolfe financial control over an important project (Adams, 1970:290). The dam in question was probably the Hoover dam on Big Walnut Creek, constructed in the early 1950s: Meckstroth (1951:33) reports controversy over who would build this dam; the Griggs dam had been built in 1905–1908. But this statement makes it clear that there was a close relationship between local control and Wolfe control, in which the dilution of the former was seen to dilute the latter. Thus, the question of whether to seek outside funds would have important consequences for relationships among locally dependent firms. It is, therefore, perhaps not coincidental that it was those firms lower down the ladder of local power that were more willing to accept outside interventions,
since for them the question of local financial costs outweighed the question of local power (they would lose far less from outside intervention). Moreover, a change in strategy to welcome Federal government funds might bring in the resources necessary to help shift the balance of power within the group of larger locally dependent firms away from the Wolfes. The 1964 water supply conflict is thus a fascinating example of the relationships among the formation of a local capitalist class, the local economy, and the wider political economy.

6.3.1: CONFLICT OVER INDUSTRIAL EXPANSION, 1920–1980

As described in chapter V, the attraction of new manufacturing industries to Columbus was a principal aim of the founders of the Columbus Board of Trade. And this continued to be a crucial aspect of Board activities into the twentieth century. The committee on manufactures was among the most active, and the whole subject was also of wide local interest. In the early twentieth century, for instance, studies at the Ohio State University were suggesting what new industries might be attracted to the city that would be advantageous in terms of vertical integration relationships with local firms (Ketcham et al., 1907). In 1910, the now renamed Chamber of Commerce organized an "Industrial Bureau" that would devote its full attention to expanding the industrial base of Columbus (Chamber of Commerce, 1911:9; 1912:3).

Yet at some stage during the early twentieth century, some local firms began to oppose the Chamber strategy of attracting industrial plants to Columbus, and to do so openly (at least within business circles). This marked
the start of a debate, and sometimes overt conflict, over the industrial expansion strategy that would last from the 1920s, through the post-Depression location of several industrial branch plants in Columbus, until at least the late 1970s. At the root of the debate were matters crucial to locally dependent firms: the rate and stability of local economic growth; the nature of competition among local firms; the availability of skilled workers for Columbus firms; the extent to which the future of the local economy would reside in local hands; and the precise hands those would be.

The context and content of the debate is discussed below, beginning with the rise of opposition to industrial expansion before the Depression of the 1930s. Conflict over the Chamber of Commerce role in welcoming a Curtiss-Wright aircraft factory in 1941 is described prior to outlining further conflicts over the post-war industrial expansion strategy. Finally, the implications of this ongoing struggle for questions of the internal politics of local capitalist class formation for the nature of the local economy as a whole, are investigated.

6.3.2: The origins of opposition to industrial expansion

The Columbus economy has often been thought locally to always have been non-industrial. But census statistics hide the extent of manufacturing industry in Columbus during the early twentieth century. Many large factories were located just outside city boundaries, both to avoid taxes and to obtain suitably large tracts of land. The Chamber of Commerce’s Industrial Bureau had complained of the resulting statistical aberration in a 1914 brochure on the advantages of Columbus to prospective industrial investors (Chamber of Commerce, 1914). Industrial Columbus was further hidden from view by the
volume of State government business which warped impressions of the
absolute contributions of the different economic sectors.

Columbus was indeed a medium-sized industrial city by the early twentieth
century, if one that had been "joined on to" loci of government and education
activities (Lord et al., 1908:9). In 1920 there were nearly 700 manufacturing
plants within the boundaries of Columbus (this was thus a gross undercount of
the local economy), employing over 23,000 workers. The Jeffrey Manufacturing
Company, with over 3,000 employees, and Buckeye Steel Castings, with over
2,000 employees, were among the largest. A great variety of products were
manufactured in the local economy.

By the first quarter mark of the twentieth century, continued industrial
growth seemed to be on the cards. Local business leaders -- acting collectively
in a forerunner of the post-1945 Metropolitan Committee (see Slowter, 1975:41)
-- had persuaded Columbus voters to approve funds for a municipal airport in
1928 by repeatedly promising that, with such a facility, Columbus would soon
expand as a center for aircraft manufacturing (for example: Ohio State

Yet there were already doubts that local firms, acting through the Chamber
of Commerce, were being as aggressive as they might be in securing new
industry for Columbus. In one of the few contemporary public expressions of
these doubts, a "taxpayer" would comment sarcastically in a letter to the Ohio
State Journal:

If airplane factories that are seeking locations receive the same
encouragement (?) from our Chamber of Commerce that other
industries have in the past, will they not seek other locations,
where they will be offered inducements that will secure them?
(11/2/28:4).
Moreover, from inside the Chamber the view had come to look very similar. As an employee of the Chamber between 1925 and 1937, Delmar Starkey was aware that business people visiting Columbus with the intent of locating factories in the city were not receiving much encouragement from local business leaders:

I saw case after case of a prospective industry or big business come in and talk with my boss, the chief executive at that time, and several times they'd stop at my office when they were leaving and say they couldn't understand why they got no encouragement. They were all discouraged (Starkey; in Columbus Citizen-Journal, 1/24/84:19).

Starkey (1987) recalled that policy-making at the Chamber was dominated, at the time, by the largest of the locally dependent firms, firms like: the Wolfe empire of banks, newspapers, and shoe manufacturing and distributing; the Lazarus department store; and the large Jeffrey and Buckeye Steel manufacturing plants.

The primary reason these firms opposed attracting new industry was their concern over the labor force on which they were locally dependent. Three aspects of this were especially important. Most directly, there was fear of the competition for a workforce that new industries would entail, with wages rising as a result of labor shortages:

The big industries wanted no competition with their labor, that was the problem. They didn't want to have the increases in labor expense we were going to have (Starkey; in Columbus Citizen-Journal, 1/24/84:19).

Second, one can deduce from later complaints that some employers feared losing the local skilled workforce upon which they were dependent. As Hunker (1958:93) would explain with respect to the local forging industry:

One of the effects of the expansion of manufacturing in Columbus upon the older concerns in this industry is an increase in competition for labor... The older industries have followed a
pattern of training their workers for jobs and can ill-afford to lose them.

Likewise the metal stamping and extruding industry would later lose "many semi-skilled or trained workers to.../new/ industries through the lure of higher wages and attractive incentive programs" (Hunker, 1958:108).

The third reason new industry was feared, and a reason that broadened opposition to industry beyond those whose labor forces would be directly affected, was its potential for spreading the contagion of labor unionization directly into Columbus (Starkey, 1987; also Garrett and Lentz, 1980:147). This partly explains the otherwise curious opposition to industry of the Lazarus interests, whose retail department store would surely have been a major beneficiary of new employee spending. Indeed it was fear of unionization that Robert Lazarus Sr. would later stress in explaining the "insular attitude" of "Columbus" towards new industry prior to the Second World War (in Columbus Citizen-Journal 10/1/69). Certainly Lazarus was "in cahoots with the big industries" (Starkey, 1987).

6.3.3: The Curtiss-Wright factory comes to Columbus

Despite the effects of Depression during the 1930s, the most powerful of Columbus' locally dependent firms remained opposed to new industry. Yet for many other Columbus firms the most important aspect of their local dependence lay in local linkages other than those with their labor forces. The paltry efforts of the Chamber of Commerce to secure the industrial expansion of the local economy was criticized by many local firms. Particularly concerned were those dependent upon tapping the expenditures of the
employees of other firms. The interests of these firms in both wage levels and new industry were therefore diametrically opposed to those of the firms resisting new industry:

The smaller industries, the smaller businesses, in Columbus, thought we were holding back, we weren't growing the way we could, and they weren't getting the number of industrial employees in the community. Our industrial employees number was low . . . . The general attitude was, "why can't we get some new industries?", because other cities were expanding (Starkey, 1987).

Delmar Starkey was close friends with — and a member of the same social clubs as — many who shared this pro-industry attitude, and he agreed that more should be done (Starkey, 1987). While fulfilling one of his duties as an employee of the Chamber of Commerce, he had managed to stack its board in his favor (Starkey, 1987). And so, when he was appointed Chamber general manager in 1937, he was immediately able to change the way the Chamber operated:

When I first became general manager, in 1937, one of my first objectives was to set the stage and the background for encouraging new industries to Columbus (Starkey, 1987).

It was this shift in policy that would lead to a prolonged conflict over industrial expansion.

In 1940-1941 perhaps the most important single event in the industrial development of Columbus occurred. Secretly approached by the Curtiss-Wright corporation, manufacturer of airplanes, Starkey was told that Columbus had been selected as the site for a major warplane factory to be paid for by the Federal government (Starkey, 1987). The plant was expected to employ 25,000 workers, which was ten times as many as any existing factory in the city. Moreover, there were only approximately 140,000 people employed in the local economy in total (see Table 4).
This was just what Starkey had been waiting for, and he immediately put the Chamber at the service of this massive industrial expansion project. He instructed a real estate dealer to purchase an option to buy one hundred acres of land at the city airport (Starkey, 1987), which had yet to acquire the big industries promised by the Committee for Metropolitan Columbus thirteen years previously. In short order a massive plant was under rapid construction, and within ten months (three days before war was declared) it was officially dedicated (see Columbus Dispatch, 11/30/41, supplement).

Many small business proprietors in Columbus were delighted. The plant would provide a “huge market for local subcontractors” (Hunker, 1958:62). The nature and extent of its spinoffs, and hence the nature and extent of local support for its location in Columbus, can be gauged from the list of firms that purchased advertisements in the Columbus Dispatch’s “Salute to Curtiss–Wright” (11/30/41, supplement). There were the many local building contractors and suppliers that had helped construct the factory, and dozens of machine shops and metal fabricators (only a few were located in other cities like Detroit) which hoped to repair machinery and supply components for the warplanes to be manufactured. There were also firms that sought to capture the expenditure of employees’ wages; jewellers, clothing stores, bakeries, coal suppliers, dairy suppliers, building and loan companies. And there were the Columbus electricity and heating gas companies. In all, one hundred and thirteen firms put themselves on record as welcoming Curtiss–Wright. It seemed that, as the advertisement placed by the gas company maintained,

New employment promised by this industry means increased payrolls to enrich all channels of local trade. Experience has shown that the benefits to business are shared by the people of the entire community (Columbus Dispatch, 11/30/41, supplement:E13).
To further disperse local benefits, Starkey and the then small-scale local land developer John Galbreath persuaded the Federal government to allow local builders to construct housing for the expanded local workforce that the plant required, rather than following the normal pattern with defense plants of having a large out-of-town contractor organize such a massive and rapid project (Starkey, 1987). About ninety local builders were thus able to share in the spinoffs, and that kept a lot of these big /sic/ contractors in Columbus in business, otherwise they'd have been out of it (Starkey, 1987).

It was hardly surprising, then, for Starkey to later comment that the smaller businesses were very supportive, they liked what we were doing (Starkey, 1987).

However, the reaction of the larger local firms was quite the opposite. Besides the small subcontractors, only one (medium-sized and adjacent) manufacturer and one bank (which was in fact, and inexplicably, the Wolfe bank) took out advertisements in the Columbus Dispatch to welcome the plant and its employees. Also conspicuously absent were the department stores that surely would have benefited from employee spending. For the larger local firms, Curtiss-Wright represented their worst fears come true.

One of the Lazarus brothers called a meeting of the city's major industrial and retail establishments to protest the Curtiss-Wright plans (Starkey, 1987). Although the Chamber's president was invited, Starkey was not. At the meeting, the Chamber president was the only person to support Starkey's actions in expediting the process of constructing the Curtiss-Wright factory (Starkey, 1987). But there was nothing opponents could do, especially given the Federal government's involvement in the process. Starkey, though, had not heard the last
of it. He came in for sustained criticism:

We had one meeting after another, when business people would want to sit down with me: “what are you doing, what are you saying?” They thought I was playing some underhanded stuff. It wasn’t, you know, it was open (Starkey, 1987).

As this comment indicates, the secrecy with which negotiations were carried on between Starkey and Curtiss-Wright had bypassed and sidelined the most powerful locally dependent firms, and they were not pleased. As Starkey (1987) summed up with some understatement: “We never got on very well with the Lazaruses as far as this was concerned”.

The result of the affair was that some Chamber members stopped paying their dues (Starkey, 1987). The Chamber continued to support Curtiss-Wright (Starkey, 1987), but the local opposition forced it to expend considerable energies in defense of the plant’s location in Columbus:

As a matter of fact, during World War II, Curtiss-Wright’s public relations were our major problem. And believe me, it was quite a chore because of the great public criticisms developed at that time against many government war plants (Starkey; in Columbus Area Chamber of Commerce, 1958:5-6).

While Starkey did not specify the precise content of public criticism, some hint of this can be gleaned from a number of defensive remarks made by the manager of the Curtiss-Wright plant even before it was opened. He asserted what many had already discovered to their benefit: that local sub-contractors would have a chance to supply the plant equal to that of Curtiss-Wright’s previous suppliers to its other factories. He further promised that Curtiss-Wright would become as locally dependent and active in collective business affairs in Columbus as were other firms:

Curtiss-Wright is a definite part of Columbus. Already, we are rooted deeply in the soil and are definitely here to stay. We have tried to enter various community enterprises, the recent
Community Fund drive, for instance, in which our employees made a showing of which we are quite proud. We hope to be one of the staid, old organizations of Columbus (in Columbus Dispatch, 11/30/41, supplement:3E).

He also reached out a hand of friendship to local firms, in the process putting his finger on the issue that would make or break relationships:

It has been our policy to maintain a harmonious relationship with industry in Columbus. We are attempting to maintain the prevailing rates of pay for comparable work. We have endeavored not to be sniping employes from other industry (in Columbus Dispatch, 11/30/41, supplement:3E).

To these latter ends it was announced that the new plant's employment manager had launched a "nationwide program to secure men" (Columbus Dispatch, 11/30/41, supplement:2E).

Finally, the Curtiss-Wright manager addressed the issue of the questionable longevity of a plant constructed expressly for war production. He declared himself one of the pessimists about the length of the war, expecting it to last at least five, and perhaps ten years: this was presumably to be interpreted as good news for Columbus. Moreover, he predicted that the future imperialist needs of the Federal government would justify the post-war maintenance of war plane production:

Whether or not England is defeated, this nation is going to occupy the number one position in the world after this is over. It is going to need more planes to preserve that position (in Columbus Dispatch, 11/30/41, supplement:3E).

And even if the factory had later to be converted to commercial aircraft production, he promised a bright future for the plant, and therefore for the city's role in aircraft production.

Along with this good news, however, there was also a warning. All the good that might result from having the plant in Columbus was contingent upon
a supportive local community:

If we can make this plant fully efficient, receiving the full cooperation of the public, as well as our own management and workers, this plant will maintain itself as an active cog in aircraft production and in the local community (in Columbus Dispatch, 11/30/41, supplement: 3E).

Whether with or without local cooperation, the Curtiss-Wright factory would have some very important long-run effects on the local economy. Since it was a plant financed by the Federal government, it was unionized (Garrett and Lentz, 1980:135), thus marking the first major industrial union beachhead in the city. Other local firms soon were faced with unionization drives. At the thirteen hundred employee Buckeye Steel plant, for instance, an organizing drive begun in 1941 was successful in 1942 (Blackford, 1982:125–127). Whether or not this was directly related (in a 'contagion' sense) to the Curtiss-Wright plant, the latter clearly contributed to the severe shortage of labor that weakened the Buckeye management position vis-a-vis labor throughout the war (see Blackford, 1982:124):

The new plant broke a "strangle-hold" on industry held by a few old-line firms. It brought a new concept of manufacturing to the city and, with it, high-wage, unionized labor policies not common to Columbus (Hunker, 1958:62).

Even for those locally dependent firms that benefited from sub-contracting relationships, the new plant sometimes had contradictory effects. The number of machine shops, for instance, none of which had links beyond Columbus (due to the importance of meeting deadlines), expanded considerably during the war thanks to Curtiss-Wright. But at the same time, the machine shops found their workforce siphoned off and consequently felt pressure on wage levels (see Hunker, 1958:112–115).
6.3.4: The post-war struggle, 1944–1963

The debate over Curtiss-Wright proved to be only the first of several that took place while management of the Chamber of Commerce was in Starkey's hands. For the Chamber went on to actively pursue other industrial branch plants. As the end of the war became imminent, the Chamber organized a local Committee for Economic Development in an attempt to smooth the inevitably difficult transition to peace-time production. This Committee undertook studies of labor-power availability and produced a brochure appraising the local economy (Committee for Economic Development, 1945a; 1945b). The question of local unemployment -- due to workforce reductions at Curtiss-Wright (employment fell from its peak of 25,000 to 3,000 after the war (Meckstroth, 1951:1)) and to the return of war veterans -- was prominent; particularly as it would affect economic conditions for local firms:

The purpose of the Committee for Economic Development is to reduce unemployment in Columbus to the very minimum; which, of course, is the best insurance for the future prosperity of Columbus enterprises (Committee for Economic Development, 1945b:n.p.).

Meanwhile, Starkey had also been busy, gathering statistics on local economic conditions, the school systems, the availability of utilities, and so forth (Starkey, 1987). He wanted to be able to provide information to firms that might wish to take advantage of the labor pool generated by Curtiss-Wright's operations (one estimate has it that the warplane factory had trained 84,000 workers over the the course of the war (Meckstroth, 1951:1)). The rapid industrial restructuring involved in the conversion from war to peace economies meant that, as the Ohio Board of Realtors was told at its meeting in Columbus, industry was "vitally interested in new locations for its production
and distribution" (Columbus Dispatch, 11/13/45:4A). In this context, the realtors were told, Columbus and other cites needed to be prepared for a struggle between various cities, states and industrial areas to keep all the production and employment that they now enjoy and secure more (Columbus Dispatch, 11/13/45:4A).

Playing his part in this struggle between 'places', Starkey had already distributed information on Columbus to large corporations, including an estimate that there would be 12,000 unemployed people in the local economy by the war's end (Starkey, 1954:2). One of the first responses came early in 1945, from General Motors. The giant automobile producer was searching for a suitable location and labor pool for a Fisher body plant for its Ternstedt division, and it contacted Starkey (Starkey, 1987). The Chamber immediately became the pivotal link between the automobile producer and the Columbus economy (Starkey, 1954:2; 1987). Starkey quickly began what would be several weeks of negotiations with city and county government officials to ensure the extension of sewer and water facilities to the site tentatively selected by General Motors.

The importance of such local cooperation (and, therefore, the potential power of opponents to sabotage new industry) is evident from the fact that Columbus was by no means the first choice for General Motors; the corporation had already been discouraged from Chicago and Cincinnati sites by, respectively, too-high property prices and opposition in the form of citizen petitions (Hunker, 1958:150). Corporations, in other words, could easily choose more amenable locations should problems arise. And not surprisingly, there were Columbus firms that did not want to cooperate with General Motors. When word got out of the negotiations, there was in fact furious opposition
from some established local firms. As Starkey describes it:

It happened right along. At the time we were negotiating with Ternstedt Division . . . . the president of the chamber . . . . was a man by the name of Herb Lape Sr. The head of the Jeffrey Manufacturing Co. called Mr. Lape, raising Cain with him about playing around with a new industry (Starkey; in Columbus Citizen-Journal, 1/24/84:19).

The plant was nevertheless built with Chamber cooperation, starting its operations in 1946. By 1950 it was employing over 4,000 workers (Meckstroth, 1951:5).

Over the next fifteen years, there were confidential negotiations with several other corporations in attempts to encourage them to build branch plants in Columbus. There were a number of successes. In 1950 the North American Aviation Corporation purchased the Curtiss-Wright factory at the airport, and by 1953 had boosted employment to over 17,000 (Hunker, 1958:250). Then, in 1951, several months of talks brought the Westinghouse Corporation to Columbus to manufacture electrical appliances (Columbus Area Chamber of Commerce, 1958:5). The Westinghouse plant opened in 1953 and was employing over 5,000 workers by 1955 (Hunker, 1958:247). In 1957, Western Electric announced that it would open a 4,000 employee plant in 1959 to manufacture telephone equipment (Columbus Area Chamber of Commerce, 1957). All this activity made it appear to some that Columbus was undergoing a major transition in its economic base (Garrett and Lentz, 1980:147). And the Chamber was playing a central coordinative role in aiding the outside corporations; supplying information, lobbying for land annexations, negotiating property acquisitions and utilities: "whenever they had a problem, they'd come and see me" (Starkey, 1987).
The biggest setback to Starkey’s industrial expansion strategy came in 1955-1956, when the Chamber failed to lure the Ford corporation to Columbus to construct a 3,000 employee plant to produce steering gear and small parts for its automobiles. The Columbus city council was required to rezone the proposed site from residential to industrial use. Expecting the council to support the rezoning, which had already been approved by the city government’s planning commission, Starkey was surprised to lose the vote 4–3 (this was in early 1956). After the Chamber had visited Detroit along with a council member who had been persuaded to change sides, the decision was reversed 4–3. But a residents’ opposition movement had been organized in an upper-middle class neighborhood (Beechwold–Clintonville) in the vicinity of the proposed site, and it threatened to have this last vote reversed again, by means of a city-wide referendum. When the residents’ movement had collected enough signatures to put the issue on the ballot, the Chamber began to conjure up ways to oppose it. But the city council changed its mind once more, and dropped the rezoning variance that would have allowed Ford to build. This was despite strong support for the plant from residents and businesses in a blue-collar neighborhood (Linden) also adjacent to the site. Ford immediately announced that it had selected another site. In its press release it scratched out “Columbus” and replaced it with “Indianapolis” (Columbus Chamber of Commerce, 1956).

One apparent reason for the council’s decision to cave in quickly to the resident’s opposition movement and to not push the rezoning forward lay in plans for the Metropolitan Committee to present a series of infrastructure bond issues to the citizenry in 1956, and a consequent desire not to inflame citizen-activism during the campaign (Columbus Chamber of Commerce, 1956). The
bond issues were evidently deemed strategically more important than the Ford plant by city council members and the local firms to which they had connections.

But more than this, there was substantial opposition to the Ford plant from a number of local firms. Twenty years later, an Ohio State University professor (Paul Craig) would recall that "Ford was discouraged from coming in," and an unattributed "according to some recollections" suggested that the discouragement came from "the city's downtown leadership" (Columbus Dispatch, 10/10/77:A1). Another business person added that he believed Ford would have chosen Columbus had there been a more positive climate among local firms (Columbus Dispatch, 10/10/77:A3). The opposition to Ford was described in more detail by Starkey, who stressed the role of the same Wolfe interests that had opposed industrial expansion in the 1920s and 1930s (and who owned the Columbus Dispatch):

Preston Wolfe was involved because one of the members of city council was in his pocket. I thought we had at least four members of city council on our side, but it turned out this one man voted against us; Preston Wolfe's man. So one of the executives, who was president of the chamber, and myself, went over Saturday morning to talk to Preston, and he said: "Well, we just can't help you, that area up there has a lot of our subscribers, and they don't want any industrial expansion." So that killed that (Starkey, 1987).

Wolfe's claim that his hands were tied by his local dependence on upper-middle class subscribers in Beechwold-Clintonville is an unlikely story, especially given the newspaper's perhaps equal local dependence on subscribers in the blue-collar Linden neighborhood where the plant's location was supported. Starkey was not particularly surprised, however; opposition to his industrial expansion strategy went "on and on and on" (Starkey, 1987). An attempt by International Harvester to locate a factory also "ran into a stone wall" sometime in the
mid-1950s (Columbus Dispatch, 10/10/77:A1). And the Wolfe newspapers continually either ignored Starkey's exploits at the Chamber in bringing industry to Columbus or were critical of him (Starkey, 1987).

6.3.5: The propaganda war on behalf of industrial expansion

The immediate response of the Chamber to the Ford debacle was to press the Franklin County Regional Planning Commission to declare industrial parks in the county (see Columbus Area Chamber of Commerce, 1958:16), so that the rezoning obstacle would no longer be available as a weapon for the opposition. But Starkey also continued the publicity campaign he had earlier been forced to inaugurate on behalf of Curtiss-Wright. This proved a most useful tactic in the conflict. Opponents of industrial expansion were faced with a difficult task in debating Starkey in the public arena, for it was hardly possible to legitimately argue openly against new jobs and taxes.

Neither was Starkey alone in arguing the benefits of new industry. As general manager of the Chamber, he was in fact the coordinator of a local alliance in pursuit of the industrial expansion strategy. The alliance joined the Chamber, representing smaller businesses that found the industrial expansion strategy very beneficial, and were therefore attracted to participate in the Chamber (Starkey, 1987), with the managers of the new industrial branch plants themselves. The branch plant managers had filled the places of the larger local firms that had ceased to be active in the Chamber (this according to Starkey's successor, Kline Roberts: see Columbus Citizen-Journal, 1/24/84:26).
Both Starkey and the branch plant managers publicly stressed the symbiotic relationship that existed between the branch plants and the Columbus economy, and the benefits of the Chamber's efforts to attract industry. At a 1954 speech to a luncheon given by General Motors, Starkey praised the firm's Columbus plant:

The building and beautifully landscaped grounds, with adequate parking facilities for employees and visitors alike, may be pointed to with pride by every civic-minded resident of the COL-MET /Columbus/ area (Starkey, 1954:2).

He continued by elaborating the benefits to the Columbus economy of the plant. Not only did its 4,700 employees spend $22m annually, but General Motors bought $3.5m of "supplies" locally each year. It also paid substantial taxes to local governments. Moreover, a Chamber of Commerce study had purported to show that for every 4,000 industrial jobs brought into Columbus, over 4,000 other jobs were also created. Starkey argued that the benefits of the plant could be "felt in almost any field of local endeavor you can mention" (Starkey, 1954:3).

Starkey hosted a local television series, one episode of which dramatized the necessity of bringing industrial plants to Columbus. He countered the claim (certainly made often and explicitly later by large local firms: see Columbus Dispatch, 10/10/77:A3; Columbus Citizen-Journal, 1/24/84/26) that the branch plant managers were not good 'corporate citizens' because they did not become involved in local affairs. Starkey praised the local manager of General Motors for the activism of the firm's local executives, which included taking up directorships in the Chamber, acting as president of United Appeals, and an eight year stint as president of the Columbus Industrial Association (Columbus Area Chamber of Commerce, 1958:8). The plant's manager reciprocated, lavishing
praise on the Chamber. (The manager’s speech is identical in many parts to Starkey’s 1954 speech, suggesting that it was written by Starkey (Starkey, 1954; Columbus Area Chamber of Commerce, 1958)).

A similar pattern of mutual support emerged with respect to the Western Electric plant. As part of the propaganda campaign, the local announcement of the corporation’s new, 4,000 employee plant in 1957 was much fanfared by the Chamber, which took full credit for bringing the factory to Columbus. Its positive spinoffs for local residents were stressed. The post-war baby boom meant that thousands of high school graduates would be seeking work in future years (Columbus Dispatch, 2/19/57). This reason alone was enough to make it the civic duty of local citizens to encourage new industry (Columbus Area Chamber of Commerce, 1958:22–23). Moreover, it was announced that a Chamber study of the years 1947–1954 had revealed that alongside every 4,000 new industrial jobs in Columbus there had been created nearly 16,000 other jobs (Columbus Citizen, 2/19/57). This correlation was presented as implicitly a causal relationship, thus magnifying the extent of positive spinoffs that might be expected. And in a pitch to local citizens it was made clear that most of Western Electric’s employees would be drawn from Columbus and surrounding communities (this could hardly have been designed to endear local business opponents to the new plant (Columbus Dispatch, 2/19/57)).

Cooperation was again stressed as necessary to industrial expansion. In announcing the plant, the Chamber emphasized the need for a “proper community attitude” if new business was to be encouraged and assisted (Columbus Area Chamber of Commerce, 1957:1). The Chamber’s research director elaborated on the same point, and also drew attention to the
widespread benefits that could be expected from cooperation with new industries:

The overall explanation of what the new plant — or any new industry — can mean to the community .... is a good lesson in the American free enterprise system. The economics professors and business experts sometimes compare the system to a huge ferris wheel, and if everyone cooperates, everyone can go along for a ride. And this economic process begins the day ground is broken for a new industry (in Columbus Citizen, 2/19/57).

Starkey would use precisely these words a few months later in extolling the virtues of industrial expansion on his local television program (Columbus Area Chamber of Commerce, 1958:22).

During its first years of operation, Western Electric in turn would go to great lengths to advertise the beneficial impacts of its plant on the Columbus economy and its involvement in Columbus as a 'good corporate citizen' (that it needed to do so is indicative of undercurrents of local criticism; see below). The firm suggested that its operations helped keep our community growing. In effect, the Columbus works has a favorable balance of trade with the rest of the United States. It employs Columbus labor skills and material to make telephone equipment which brings a flow of dollars to Columbus (in Columbus Citizen-Journal, 1/3/66).

Later, a local brochure issued to celebrate the one hundredth anniversary of the parent corporation would point proudly to the activities of employees in community affairs:

Likewise, these same people in their off-hours give freely of their time and talent to assure that Central Ohio will continue to grow and prosper. They are active in the affairs of United Appeal, Junior Achievement, churches, schools, civic and cultural associations and nearly all worthwhile community projects (Western Electric Company, 1969:n.p.).

This ongoing propaganda campaign cut the ground from under opponents of industry by making it far more difficult for them to take any overt actions to
sabotage Starkey's campaign.

6.3.6: The 1963–1980s period

Starkey retired from the Chamber after thirty-eight years in 1963, still very much in a fighting mood, and still boosting industrial expansion (see Columbus Citizen-Journal, 6/15/63:2). And yet only one major industrial plant was opened in the city after Western Electric started operations in 1959: a Busch beer plant employing 1000 workers that opened in 1967. One reason for this change was Starkey’s replacement, Kline Roberts, who, according to Starkey, never went against the Lazarus and Wolfe interests (Starkey, 1987). During the Roberts years (1963–1979) the larger local firms (including Lazarus, Galbreath, Nationwide and Jeffrey) — a number of which Starkey had alienated from the Chamber — were cajoled back by Roberts (Columbus Citizen-Journal, 1/24/84:26). While the Chamber maintained a pro-industry facade, its leadership was now ambivalent at best about industrial expansion. For, in the absence of Starkey, there was no organized pro-industry voice.

The ambivalence of the Chamber after Starkey’s retirement was illustrated in 1976, when the Volkswagen corporation was seriously considering purchasing the by-then defunct Westinghouse factory site to construct an automobile assembly plant. One Chamber spokesperson claimed that Columbus was in fact Volkswagen’s first choice. However, the corporation decided on a location in Pennsylvania. The official story for this in Columbus was that Westinghouse had simply wanted too high a price for the factory site.

Presumably aware of subterranean local sentiment that little had been done
to persuade Volkswagen to come to Columbus, one of the Chamber's directors (Mel Schottenstein) defended the coalition's role in the affair:

We knocked ourselves out to get Volkswagen. The business about Columbus trying to keep out heavy industry is just an old wives' tale (in Columbus Dispatch, 10/10/77:A1).

However, those who were protected by anonymity told a different tale:

"I'm not a great backer of developing heavy industry here," explained one prominent business leader in off-the-record remarks. "I didn't hear any basket of tears being shed in Columbus over the Volkswagen decision (to locate in Pennsylvania). And I must say, there wouldn't have been unrestrained jubilation if we had gotten the plant in Columbus" (Columbus Dispatch, 10/10/77:A1).

In fact, while on the surface a great effort was being made to attract Volkswagen, downtown leaders were agonizing over the Volkswagen bid and thus making less than an all-out effort (Columbus Dispatch, 10/10/77:A1).

A number of local business people were therefore very much relieved when an alternative location was selected.

The establishment during the late 1970s of giant Honda automobile and motorcycle plants in nearby Marysville was greeted with some apprehension by Columbus business people. This plant however, changed local attitudes somewhat. Local business leaders who toured the facilities were impressed by the lack of unionization and by Honda's approach towards employee management (Cremean, 1986). Yet many local business leaders maintained their anti-manufacturing attitudes. This was particularly evident during the wave of deindustrialization that hit Columbus from the late 1970s through the middle 1980s. Local firms evinced very little concern when the major branch plants reduced their operations and several other factories (from Buckeye Steel to Jeffrey to firms that manufactured roller-bearings and glass) severely cut back
or entirely closed down their operations (see Maher, 1981). Even as a fifteen-
hundred employee glass factory was shut down, wiping out a $25m payroll, $12m in local purchases and nearly $1m in taxes annually, a local bank
executive and another business person declared that they had little sympathy
for the firm's plight (Garvey, 1979:72). Many local business people evidently
agreed with Ohio State University economist Paul Craig, who had told a group
of them in 1977: "If you lose a Levi–Strauss overall factory, be grateful" (in
Columbus Dispatch, 10/10/77:A1).

6.3.7: The power struggle reviewed

The question of attracting industrial plants to locate in Columbus was a focus
of considerable conflict -- mostly publicly submerged but sometimes overt --
among locally dependent firms between the 1920s and the 1980s. On the one
side of the conflict was a local pro-industry coalition, which was successful in
negotiating with, and laying the infrastructural ground necessary to attract, five
large industrial corporations to locate branch plants in Columbus during the
1940s and 1950s. The pivot of the pro-industry coalition was Delmar Starkey
at the Chamber of Commerce. While Starkey did not aggressively recruit
industry in the same way that the Board of Trade's committee on manufactures
had done during the nineteenth century (see chapter V), the Chamber's role was
central in two practical respects. First, Starkey acted as a conduit for
corporations considering location of a branch in Columbus. In this, the
Chamber's role was relatively passive, involving the collation of information
about the Columbus economy that firms might require, together with knowledge
of local firms and government institutions that might be useful to the industrial
corporations. While the Chamber disseminated the results of its end-of-war studies, in most cases it was the Chamber that was approached by the outside corporations. Second, it was the Chamber that persuaded city and county government officials to provide the physical infrastructures that were required, such as water and sewerage facilities, something which in Starkey's view they would not otherwise have endeavored to do (Starkey, 1987).

But in playing these roles, the Chamber of Commerce faced formidable opposition. For on the other side was an anti-industry coalition that had discouraged branch plant location in Columbus in the 1920s and 1930s, and effectively kept out automobile plants in the 1950s and 1970s, by openly flaunting the lack of what the Chamber had called a 'proper community attitude'. The opposition to industrial expansion derived from the concerns of several major local firms over the labor market on which they were locally dependent. There were fears of rising labor costs due to competition, losses of skilled workers, and the nation-wide trend towards unionization from which local firms wanted to shield themselves: fears which the aftermath of the establishment of the Curtiss-Wright plant in 1941 showed to be quite justified.

Opposition was also rooted in the important question of who controlled the local economy and its future direction. The requirement of anonymity and secrecy that outside corporations placed on Starkey worried the larger local firms, which were used to having things their own way. No longer could they be sure of what was going on, of what branch plants might, at short notice, usurp the labor force on which they depended. These firms also lost the control over the Chamber as a representative of the local capitalist class that they had previously enjoyed (Columbus Citizen-Journal, 1/24/84:26), something
they "didn't like" (Starkey, 1987). Furthermore, large and powerful firms with less local roots were coming to play crucial roles in determining the long-run economic stability of the Columbus economy, and even to participate in local business coalitions. The firms that opposed new industry found one after another branch plant locating in Columbus, revealing that they were losing much of what control they had over the whole pattern of development of the local economy.

In the face of this strong opposition, the question arises of quite how it was that Starkey was able to pull off an industrial expansion program from his base at the Chamber. When it is remembered that the opponents of industrial expansion included the firms that dominated almost every issue with respect to the Columbus political economy — they had for instance built the airport in 1928, largely restructured much of the central business district during the 1920s (see chapter VII) and formed the Metropolitan Committee and later DCGC (see chapter V) — Starkey's achievement becomes all the more remarkable.

The answer to the question of Starkey's success resides first in the coalition that coalesced around the Chamber, and which Starkey did his best to congeal (he was, he said, the "spark" that ignited the pro-industry strategy (Starkey, 1987)). The industrial expansion strategy was actively supported by many Chamber members; Starkey was only "trying to do the job that the rank and file of the membership wanted" (1987). There were many local firms that would benefit from construction, sub-contracting, and the disbursements of employee incomes. The larger firms opposed to industrial expansion tended to withdraw from the Chamber rather than fight from within it (as mentioned earlier, Starkey had strategically stacked the Chamber's board of directors in his
favor through his choice of its nominating committee (Columbus Citizen-Journal, 1/24/84:19; Starkey, 1987)). Moreover, the branch plants themselves were eager to find local allies so as to be able run their operations smoothly, and they formed the other pole of the pro-industry coalition's axis. They participated in Chamber affairs and in all manner of local philanthropies in their efforts to be 'good local citizens' and thus stabilize their local relationships with other firms, their labor force, and local governments, for they too had acquired a degree of local dependence when they made investments in Columbus.

This pro-industry coalition proved powerful enough to function even in the context of constant harassment by the opposition coalition. That the large local firms were unable to get their way is evinced by the length of Starkey's tenure as the Chamber manager (1937–1963), and of course by the successes of the industrial expansion strategy itself. The power of Starkey's coalition was incidently revealed when Lazarus threatened to cease paying Chamber dues in response to what it perceived as Chamber criticism of its hiring of non-Columbus sub-contractors. In response, Starkey was able to turn the tables and demand higher dues from Lazarus by informing the firm that this threat did not amount to much since many other local business people would be delighted to make up whatever funds Lazarus withdrew (Starkey, 1987).

But the choice of tactics within the overall industrial expansion strategy was also crucial to the success of the pro-industry coalition. In the first place, as the conflict over Ford showed, all barriers that might be placed in the way of industry had to be removed. Second and perhaps decisive, was the public campaign. Without ever mentioning opposition from local firms, Starkey used radio, television and newspapers whenever possible to 'sell' industrial expansion
in the public arena. With the support of small firms, not only in the vicinity of
the plants but throughout the city, already behind him, he emphasized that jobs
would be created and taxes brought in. Direct public opposition to the
industrial expansion strategy was therefore virtually impossible; even by 1984
the Chamber’s chair (Mel Schottenstein) denied that he had any knowledge of
firms that had wanted to locate in Columbus ever being rebuffed (Columbus
Citizen-Journal, 1/24/84:26). The opposition was thus placed at a considerable
disadvantage when faced with a pro-industry coalition with widespread popular
support that was ready to be tapped if necessary. And the Chamber had
certainly been willing to fight a public battle in 1956 to clear the Ford rezoning
had the Columbus city council not been controlled by the opposition coalition
and had Ford not been easily scared off.

6.3.8: Effects of the industrial expansion strategy on local capitalist class
formation

Although with respect to industrial expansion the battle-lines were clearly
drawn, the struggle did not necessarily spill over into other matters of concern
to locally dependent firms. The issue of infrastructural improvements is
instructive here, and particularly the relationship between the Chamber and the
Metropolitan Committee. This in turn reveals more of the complexities and
fluidities of local capitalist class formation, of how some issues divide locally
dependent firms while others unite them. The core of this complexity was the
symbiotic relationship between industrial (or any other type of) expansion and
infrastructural provision.
Several of the firms that formed the Metropolitan Committee in 1945 were those that Starkey was alienating from the Chamber (among them the Wolfe interests and Lazarus). It certainly appears that the formation of a Metropolitan Committee in 1945 that was quite detached from the Chamber was to some extent related to dissatisfaction with the Chamber among some of the larger local firms (Starkey hints at this; 1987). But it was precisely the local infrastructural crisis brought on by the economic growth emanating from the establishment of the Curtiss-Wright plant that forced members of the Metropolitan Committee to take action. Moreover, the new industries continued to create enormous infrastructural problems after the war. The opening of the General Motors plant, for instance, led to a sharp increase in commercial water usage when it turned out that the plant consumed ten times as much water as General Motors had publicly forecast (Meckstroth, 1951:32). Many local firms complained of other problems that were the wake of new industry. With respect to the forging industry, for instance:

"The labor problem is not the only one created by new concerns. In exchange for increased business and an enlarged local market, disadvantages have occurred in parking and housing. Many representatives of this industry believe that Columbus has experienced a rapid growth in industry without corresponding social growth. Inadequate housing and parking facilities, unsatisfactory highways, and delayed development in the extension of public utilities, have been the results of this expansion" (Hunker, 1958:94).

There were also tremendous traffic problems around the North American aircraft factory (that had taken over Curtiss-Wright's facilities) during the early 1950s, as thousands of workers converged on it and diverged from it by automobile, from and to every corner of the city (Hunker, 1958:143,145). The resolution of this problem may be one reason why the plant's general manager was a member of DCGC's first steering committee in 1956 (DCGC, 1957), and of
the Metropolitan Committee in 1959 (Gingher, 1959).

For the Chamber's part, the coalition was vitally interested in the city's economic growth, and infrastructural expansions were very beneficial when it came to attracting new industry. It is hardly surprising, then, that the Chamber was fully supportive of Metropolitan Committee campaigns (Starkey, 1987). In discussing the 1957 announcement by Western Electric of its new plant, the Wolfe-owned Ohio State Journal pointed out in an editorial that while credit was certainly due to the Chamber for the part it had played,

credit should also be shared with all those who, year in and year out, labor diligently to provide the economic, social and educational climate in Columbus which results in a sound community attractive to business enterprises seeking new locations (2/20/57).

This was a clear reference to the Metropolitan Committee and the citizens who supported its bond issues; the most recent set having been passed only a few months previously.

For his part, Starkey would soon counter by suggesting that in the absence of the industrial expansion strategy the local economy would not be healthy enough to afford expressway systems and other public works projects necessary to an "expanding economy" and "modern living" (in Columbus Area Chamber of Commerce, 1958:4). Turning full circle, it is obvious that many of the Metropolitan Committee's projects would not have been necessary at all but for the industrial expansions. Yet, given that branch plants were locating in Columbus, Metropolitan Committee members were forced to back further infrastructural improvements not only to service the new industries but also to maintain the viability of their own firms. The relationship between industrial expansion and infrastructural improvements was indeed complex.
While the conflict over industrial expansion by no means led to a complete breakdown in collective activity among locally dependent firms, the immigration of branch plants did have effects with respect to the patterns of local dependence among the firms that were doing business in Columbus, and therefore had important implications for local capitalist class formation. The role played by the branch plant managers was the central issue here.

Starkey and the branch plant managers went to great lengths to stress the local activism of the newcomers; that they functioned as an integral part of the local 'community'. And indeed they were active on a number of fronts, particularly in the Chamber and in philanthropic organizations like the United Appeal, and also to some extent in the metropolitan-scale local business coalitions; the Metropolitan Committee and DCGC. They also continued to try to calm troubled waters by voicing their concerns that they not be seen as 'pirating' the labor supplies of other firms dependent on the Columbus labor market (for instance, Columbus Area Chamber of Commerce, 1958:18). As Pellegrin and Coates (1956) and Mott (1970) argued, branch plant managers went to great lengths to assure a local environment conducive to their operations.

Nevertheless, branch plants were viewed by the large locally dependent firms as outsiders, as separated from the local business 'community', much as Schulze (1958, 1961) had suggested. Robert Lazarus, Sr. complained that branch plants had a deleterious effect on collective philanthropic organizations: "Only the home-based business gets truely philanthropically involved with the community" (in Columbus Citizen-Journal, 10/1/69). A local real estate developer (John Kessler) expanded on this argument with respect to collective activities as a whole:
General Motors, North American Rockwell, Western Electric — they're all branch managers here. They come in and they're here for two years and they're all represented on the chamber board, but then they're transferred out. They don't develop roots here, and they're not active downtown (in Columbus Dispatch, 10/10/77:A3).

In this concise statement of the issue we have three arguments: a) that while branch plant managers are active; b) as a result of their career structure they do not, however, become locally dependent; and, therefore c) they so not become part of the local capitalist class. This last point is evident from the reference to "downtown": which might also refer to the complete lack of involvement by branch plant managers in collective projects related to the central business district (see chapter VII).

Branch plants were thus viewed coolly in part because they weakened the collective coherence of locally dependent firms, and thus made local capitalist class formation more difficult. For precisely this reason there was considerable local consternation over a wave of takeovers of local firms in the mid-1980s (Columbus Dispatch, 1/25/87:E1). The point is that as the local economy became 'delocalized', if you will, it was harder for those that remained locally dependent to muster adequate resources for their collective projects.

6.3.9: Concluding comments: the nature of the local economy

Besides its effects on local dependence and local capitalist class formation, the outcome of the struggle over industrial expansion carried important consequences for the nature of the local economy in general, thus revealing the importance of the processes of capitalist class formation for local economic development.
At the simplest level, the contribution of manufacturing to local employment (and value circulation) was at issue. A substantial rise in the number of manufacturing employees in Columbus followed the establishment of the Curtiss–Wright plant. The proportion of the workforce engaged in manufacturing rose from 26 per cent in 1939 to 43 per cent in 1944, with the absolute numbers doubling over this five year period. By 1951, however, with the growth of other sectors and the temporary decline in aircraft production at Curtiss–Wright before employment at North American picked up, only 29 per cent of local employees worked for manufacturing firms. Despite the opening of the General Motors plant, the total number of manufacturing employees declined by 19 per cent between 1944 and 1951 (these figures from Meckstroth, 1951:3–4). Thereafter, census statistics reveal a rapid rise in the absolute numbers of manufacturing employees during the heyday of Starkey’s program in the 1950s (by 34 per cent), and then a lesser rise (by 15 per cent) in the 1960s (see Table 4).

These shifting statistics on manufacturing, however, are less important in themselves than for how they were interpreted locally. The rate of local economic growth and the stability of the local economy were the key issues here. Both of course were of vital concern to locally dependent firms. The economic growth that resulted from branch plant operations was continually emphasized by the pro–industry coalition. Besides the particular spinoff effects of particular plants in terms of local wages, taxes, and so on, it was argued, using graphic organic metaphors, that industry in general was the "heart pumping blood through the arteries of a town" (Committee for Economic Development, 1945a:1) and was "essential to the life blood of the community" (Starkey, in Columbus Area Chamber of Commerce, 1958:21). In a slightly
different "vein", but to the same effect, the director of the Columbus Industrial Association emphasized not the circulation of value but its production:

Most people are aware that /manufacturing/ .... is where the community wealth is usually created. Various other activities, like sales, real estate, fast foods, do not have the value enhancement of manufacturing, and this is why I decry the relative strength of manufacturing here (in Columbus Dispatch, 10/10/77:A3).

The Columbus Dispatch reporter drove the point home:

In other words, service and retail business does a good job of circulating money in a local community but it's manufacturing that turns raw materials into wealth (Columbus Dispatch, 10/10/77:A3).

But rapid economic growth was not the only goal among local firms. An Ohio State University economist (Wilford L'Esperance) agreed that manufacturing would certainly lead to fast economic growth in Columbus. But, he added, Columbus could certainly experience "slow, steady growth" without industrial expansion (Columbus Dispatch, 10/10/77:A3). And it was such 'slow, steady growth' that the large local firms preferred. Indeed 'stability', and with it 'balance', were watchwords among local business people. The local business self-image was one of proud conservatism. Thus the Board of Trade in the nineteenth century had boasted of the stability of Columbus' economic growth, and the absence of 'boom and bust' patterns locally (see chapter V). And the value of the location of the State government in the city was appreciated in this respect when the 1930s depression was felt less immediately in Columbus as a result of ongoing State building programs (Moore, 1930:300).

In this context, the stability and balance arguments were appropriated by both sides in the dispute over industrial expansion. The pro-industry coalition argued that industrial expansion was necessary to create the right local "balance" (Meckstroth, 1951:3). Starkey suggested that a community needed the
correct proportion of industrial employment if its economic stability was to be assured, and that while 50 per cent might be too much, there was no need to worry about Columbus becoming too industrialized since the local figure was still under 30 per cent (in Columbus Area Chamber of Commerce, 1958:3-4; see also Columbus Chamber of Commerce, 1956).

From the other side, however, it was suggested that the local economy was better off for having relatively little industry:

The city's low level of blue-collar manufacturing jobs has even been cast as one of the city's greatest strengths (Maher, 1981:64). This attribute was said to be particularly beneficial once the 1970s wave of deindustrialization hit Columbus. The Columbus economy, it was boasted, was not very harshly affected, since it was 'recession-proof' (the common local term). This was due to its reliance upon appropriating value circulating through sectors other than manufacturing, according to economist Wilford L'Esperance:

Against this storm of national economic turbulence, Columbus has been and still remains an island of relative tranquility. The stability of the economic structure of Columbus, namely the research, education, government, real estate and insurance activities, provides for the relatively low unemployment rates and the resistance to the worst effects of national recessions (in Maher, 1981:64).

But it was a local banker who made the key connection in pondering the reasons behind the stability of the local economy:

Is it the absence of major manufacturing and therefore, its independence of the cyclical nature of that kind of business? (in Maher, 1981:64).

This local predilection for economic stability rather than rapid growth, coupled with the post-war dramatic fluctuations in manufacturing activity, may have helped coalesce a somewhat wider set of local firms in opposition to industrial expansion than those that would be directly affected in the labor market and
by unionization.

Relatedly, other sources of potential instability were also feared. There were the potential political instabilities that were expected to accompany labor unions. And still other problems might emerge. Economist Paul Craig made this clear:

When you attract a $7,000–$8,000 factory job, you have just committed this community to serious problems, in my opinion, in the long run (in Columbus Dispatch, 10/10/77:A1).

He went on to explain that not only would labor costs be driven up and infrastructural resources drained, but blue-collar workers might end up unemployed and requiring government funds to support them.

Finally with respect to how the struggle over industrial expansion related to the nature of the Columbus economy, the issue should be broadened to ask what it meant for the role of Columbus in the spatial division of labor in the economy as a whole. For while the Board of Trade in the nineteenth century fully embraced the new -- manufacturing -- regime of accumulation in which it seemed possible for the Columbus economy to attain a place (see chapter V), the investigation above has revealed that the advent of a Fordist regime of accumulation was a very different matter. The Chamber-led pro-industry coalition pressed for and partly attained a role for Columbus as a locus for a number of archetypal Fordist production plants, with their unionized labor, producing consumer durables or war materiel, and spawning thousands of high income, homeowning blue-collar workers. Yet opponents would have been more than content to let the production side of Fordism pass Columbus by, despite the implied loss not only of subcontractual relationships but also of the circulation of employee incomes (from both of which, of course, many in the
pro-industry coalition sought to benefit).

The opponents of industry thus sought a quite different role for their local economy in the overall spatial division of labor. As far as they were concerned,

*Columbus . . . has traditionally taken pride in not being a bustling, sprawling, blue-collar town. It enjoys the image of a rather sedate white-collar center of government, education and business (Maher, 1981:64).*

In the end, however, these did not prove entirely contradictory roles (despite the antagonisms over the effects of new employers), at least as long as the internal spatial planning of the local economy kept industry separated from other uses of space (this had been part of the problem in the Ford case).

*Columbus maintained its position as a locus of government, education, insurance, and other financial activities even as industrial plants were constructed during the 1940s and 1950s. Nevertheless, very diverse futures for Columbus were envisaged by the pro-industry and anti-industry coalitions. If either coalition had been able to dominate local capitalist class formation, the development of the Columbus economy might have been quite different.*

6.4: CONCLUSIONS TO CHAPTER V

This chapter has examined two separate conflicts among locally dependent firms in Columbus over issues of strategy. The first was the intense, brief struggle in 1964 over whether to use local or Federal government funds to construct a dam. The second was the extended, simmering conflict between
supporters and opponents of a collective strategy of industrial expansion for the local economy.

Both cases reveal how differences over strategy can prevent locally dependent firms from working in a unitary coalition, and even cause overt conflicts among them as local capitalist class formation takes the form of countering coalitions that are organized around alternative strategic positions. In the case of the dam funding question, a powerful crowd was defeated by the combined resources of most other locally dependent firms. The end result was that DCGC ceased to represent the broad alliance of local firms for which purpose it had been formed. In the case of the industrial expansion strategy, for over twenty years a coalition of smaller firms and industrial branch plant managers took control of the Chamber of Commerce and was able to implement a strategy with considerable success even though it was opposed by a group composed of some of the largest firms.

There are other revealing similarities between the two cases. For instance, what brought both conflicts to light to some extent was one of the tactics employed in struggle, namely decisions to 'go public' in order to forge cross-class coalitions that coopted local citizens (see Harvey, 1985:125-164). In this sense the cases examined here may be somewhat unique, and should not be taken to represent a 'cross-section' of conflicts. Indeed still more and somewhat different conflicts will be discussed in chapter VII, involving many of the same cast of firms as those which participated in the confrontations over dam funding and over industrial expansion.

A further point of similarity was the prominence, in provoking conflict, of questions of control over local economic development in Columbus. The
important issues here were those of outside influences versus local control, and what local firms would dominate local capitalist class decisions on strategies for local economic development. That there was an issue of outside control is important not least because it reveals that at least some local business people considered themselves to have a considerable degree of power over local economic development despite the insertion of the Columbus economy into a much wider political economy, a power which they were unwilling to relinquish. And the issue of what local firms would dominate strategic decision-making is important especially because it so clearly reveals the highly political processes internal to local capitalist class formation. The existence of internal power structures, crowds, and counter-coalitions bear testimony to the difficulties of forming a unitary local capitalist class—for-itself that were not fully revealed in chapter V. The very long conflict over whether to pursue a strategy of industrial expansion also revealed how different forms of local dependence, defined by different interests in the local economy, can play a crucial role in thwarting the formation of a single local capitalist class—for-itself, while at the same time encouraging the formation of separate coalitions.

The conflict over industrial expansion further points to the importance of local capitalist class strategy in determining the path of local economic development and the possibility of future local capitalist class formation, since it posed alternative future scenarios for the nature of the Columbus economy and what firms would be locally dependent on it (quite apart from the question of the extent to which it could be controlled locally). If either of the two strategies (pro- or anti-industry) had been followed exclusively, the Columbus economy might have evolved in quite different directions. Certainly it seems
that a united local capitalist class would have been able to entirely prevent industrial expansion had it so wanted. And to the extent that the industrial expansion strategy was followed, some local firms saw deleterious consequences from the location of branch plants in Columbus in terms of local capitalist class formation, as a result of the perceived lack of participation by branch plant managers.

Finally, however, investigation of these two conflicts shows that opposing positions with respect to one strategy do not necessarily spill over into other areas of local concern, at least if mutually acceptable strategies can be forged in these other areas. This is not to suggest that there are not after-effects, perhaps with respect to the development of distrusts and even personal animosities. Nevertheless (and this will become clearer in the next chapter) differences can be patched up when there are issues of mutual concern which require a common front if they are to be dealt with.
CHAPTER VII

COLLECTIVE ORGANIZING TO REDEVELOP

THE CENTRAL BUSINESS DISTRICT

7.1: INTRODUCTION

A number of collective actions by locally dependent firms during the twentieth century had the goal of redeveloping sections of the central business district (CBD) of Columbus. Four major projects will be investigated in this chapter with respect to local capitalist class formation around them. The first will be the construction of a civic center for government buildings. The civic center was completed mostly during the 1920s, though planning for it dated back to the first years of the century (see Figure 2 for the locations of all the projects). The second will be the urban renewal program of the 1950s, in which Federal government funds were used to finance the acquisition and clearance of tracts of land in preparation for new developments. The third will be the construction of a new convention center during the 1970s. And the fourth will be an attempt, in the middle 1980s, to expand that convention center and possibly construct a sports arena.
Most redevelopment of the built environment in the Columbus CBD was undertaken by firms acting alone or with limited numbers of partners in purely business transactions. The projects that will be discussed here were distinguished from these in two ways. First, government funds and powers (especially to condemn already-occupied properties and to amass contiguous land parcels) were used to achieve redevelopment ends. Second, a large group of local firms were involved in the planning and implementation of the projects, even without direct financial involvement of their own. There was a strong correlation between these aspects in the four projects investigated in this chapter.

Analysis of collective activities around CDB redevelopment will reveal many of the general features of local capitalist class formation that have been discussed in previous chapters: the ways in which local business coalitions are consolidated, for instance; and discussions and debates over strategies within them. Also revealed will be several different types of conflict among locally dependent firms that caused problems in class formation: some of them rooted in contradictory fractional interests; some of them among 'crowds' vying to control the redevelopment process in their interests; and some of them between large firms with only their headquarter offices in the CBD and small firms with all their economic transactions within the CBD.

Something particularly important that will also be explored here is what might be called a micro-political geography of CBD redevelopment. The object of this politics was to determine the particular geographical loci and directions in which present and future redevelopment would occur within the CBD. The participants in such conflicts were firms with buildings already in the CBD.
FIGURE 2: Central Business District Redevelopments.
which had different visions of its future geography. As might be expected, this extra divisive factor further complicated matters, leading sometimes to the formation of competing coalitions of firms, and sometimes to compromises and trade-offs when this was necessary if all redevelopment projects were not to grind to a halt.

Local capitalist class formation around CBD redevelopment occasioned two other complications. Both of these resulted from the focus on what was only a fraction of the area of the metropolis. In the first place, some of the firms involved were locally dependent on the economy of the CBD itself; while others had wider interests. The former, especially retailers and other merchants, relied totally upon drawing customers into the CBD. For these, the economic stability and growth of the metropolitan area as a whole were only relevant to the extent that consumer spending could be channeled into the CBD. Moreover, they found themselves participating in an intra-metropolitan territorial competition, particularly with firms located in suburban shopping centers.

Other firms, however, were not restricted to the CBD. These tended to be the larger firms with headquarters offices in the CBD but with economic links throughout the metropolitan area and perhaps beyond. To these firms, the importance of the CBD per se was not strictly economic, and had much to do with such diverse issues as aesthetics and atmosphere, factors largely relevant to the 'status' of Columbus among its peer cities. When the plans and strategies of these.headquarter firms differed from those of the smaller firms that depended entirely on the CBD there was a potential for conflict, although the local economic might of the firms that were merely headquartered in the CBD and their general ability to dominate local business coalitions tended to
give them an edge.

A second and related complication arose when it was intended to appropriate local government finances for the redevelopment projects. These were usually collected either from the city of Columbus, an area vastly larger than the CBD, or from the even larger Franklin County. Yet not only was their disbursement to be concentrated on a small area, but that area was one of which very few citizens were actually resident. This meant that many direct benefits were transparently channeled directly to benefit CBD firms and were often (unlike road improvements, water and sewerage facilities, for instance) for facilities only indirectly used by firms with suburban locations. The upshot was that it was necessary to pull together a much wider coalition than one consisting only of CBD firms if government funds and powers were to be used to fund local capitalist class strategies directed narrowly at the CBD.

This chapter is organized as follows. First, the role of the CBD in the local economy will be discussed, in order to suggest the importance it might have had for Columbus firms, whether or not they were directly locally dependent on the CBD. Second, the four projects which saw a high level of local capitalist class formation will be described in turn, in order to reveal the processes of local business coalition formation and the politics among firms involved in strategic decision-making. In each case the salient issues will be introduced and then explored in further detail. Finally, in making concluding comments, the problems of formulating cohesive strategies for the whole of the CBD (as opposed to collectively organized but separate projects of the type represented in the four cases presented here) will be briefly evaluated. These discussions will reveal much about economic interests that lie at the heart of local
capitalist class formation, about strategies to realize these interests, and about the organizational forms of local capitalist class formation appropriate to CBD redevelopment.¹

7.2: THE IMPORTANCE OF THE CENTRAL BUSINESS DISTRICT

The importance of specifically CBD redevelopment to locally dependent firms in Columbus is not immediately obvious, despite often being taken for granted. And yet it appears to receive an unusual amount of attention from local business coalitions. There are certainly some economic interests at stake which may provide motives for collective activities. As already suggested, some firms

1. Diverse sources were used in this chapter. The planning and implementation of the civic center projects of the 1920s were the most difficult to piece together, with the result that many details remained sketchy, especially with respect to the roles of particular local firms. The discussion of this project was drawn from many separate sources referenced in the text. The whole process is described in more detail than are the later projects, in order to contribute a fuller record of the events than currently exists locally. For the 1950s urban renewal projects and the 1970s convention center, however, the picture was much clearer, largely due to the large quantity of relevant information that could be appropriated from two Ohio State University dissertations (respectively; Adams, 1970; Andrews, 1982). Adams' work was especially useful since he interviewed many of the participants in the urban renewal program soon after it had been organized. Andrews conducted some more wide-ranging interviews on CBD redevelopment. Both also made extensive use of newspaper reports. Reconstruction of the fourth project — the middle 1980s activities over the convention center expansion/sports arena — is due entirely to a thorough examination of the local press (which has been indexed since 1980). Various private and public documents were also used in constructing the arguments made in this chapter. It should be pointed out that the projects investigated here are four of the six such major schemes that have taken place in Columbus during the twentieth century. Missing are the 1950s construction of a Franklin County convention center (Veterans
— smaller retailers especially — do not have facilities outside the CBD, and are therefore simply locally dependent at the CBD scale. There is an intra-metropolitan competition between the firms that are locally dependent exclusively on the CBD and the firms dependent upon the various suburban business/shopping centers is of concern. Firms reliant upon the Columbus CBD have long been aware of their need to act to protect and improve it in order to compete with the outlying business districts (Bartholomew and Associates, 1955b:preface). This would explain the interest of those firms.

There are other directly economic reasons for concern over the CBD too. For employers located there, efficient traffic flows are important, although these are subject mostly to the workings of freeway and public transit systems, and not CBD redevelopment projects. There are also the property owners and developers who want to secure the long-term futures of their investments in the built environment of the CBD. Their concerns are definitely recognized in Columbus as legitimate reasons for government activities to protect CBD investments. As planner Vincent Ponte argued when submitting plans to improve the Columbus CBD during the construction boom of the early 1970s:

Private developments of such considerable dimensions can rightly expect the kind of services and amenities that will buttress their investments (1973:3).

All these material concerns do not, however, sufficiently explain the inordinate attention given to the CBD by local business coalitions in comparison

Memorial), and the 1970s–1980s redevelopment of Capitol South (later Columbus City Center). However, these are mentioned when relevant to the other projects.
to other geographic sections of the Columbus economy; in other words, why it is such a "small, but unusually important portion" (Bartholomew and Associates, 1955b:preface) of the locality. Part of the explanation lies in the politics and power structures of local capitalist class formation itself, especially in the fact that many of the largest locally dependent firms — those that dominate metropolitan-scale activities — have their headquarter offices in the CBD, and thus 'CBD interests' in general have more power. But there is more to it than this. For locally dependent firms, particularly those headquartered in the CBD, themselves discuss the CBD as if it were a quite unique part of the local economy, and as therefore deserving of special attention. There is, of course, a problem here: to work out to what extent the CBD is really viewed as unique, or whether the argument is merely being used in a power struggle over the intra-metropolitan location of infrastructural investments.

There are both directly economic and less obviously material arguments made in favor of the strategy of concentrating resources (especially government disbursements) on the CBD, though in practice they often tend to be mixed together in phrases like the metaphoric "heart of the urban community" (Bartholomew and Associates, 1955b:1). With respect firstly to economic concerns, the health of the local economy as a whole is said to depend very much on the level of economic activity in the CBD. Therefore, the protection and even more, the improvement, of the central business district are of vital importance to Columbus. Not only do many downtown business establishments have a direct stake in its future, but the city itself depends on the district for a substantial part of its tax income (Bartholomew and Associates, 1955b:1).

And not only is tax income generated disproportionately in the CBD, but the CBD is portrayed as the irreplaceable functional core of the local economy. For instance, it was said to be vital that the "Regional Center" of the Columbus
metropolitan area, as it was called in local planning documents in the late 1960s, be kept vibrant in order to ensure a stable local economy (Marcou et al., 1968). A local planner later expanded on the role supposedly played by the CBD, in discussing:

The realization that communities all over the country have made sure /sic/ we're only as strong as that central core. Most communities call that Downtown, but that always has been where the action is, and I think it always will be where most of the action is. It's the viable meeting place, shopping place, or whatever, simply because it is centrally located. And, again it has a terrific infrastructure. It's got all those arteries coming in from all directions . . . . We're interested in the Downtown. We should be carrying out public and private actions to make sure we don't lose the viability of it and again restore it to its maximum potential (in Andrews, 1982:647).

But it is limp arguments like this — central location is hardly meaningful given the extent of freeway facilities, and almost any location in Franklin County could, and many do, fill the roles ascribed here to the CBD — that suggest statements like this to be part of the efforts of CBD firms to establish a hegemony over decision-making for the metropolitan economy. It is not, then, at all clear that the metropolitan economy 'needs' the CBD per se, even if the functions that are performed there are in general necessary.

There is, however, a second set of arguments wielded in defense of 'upgrading' the CBD, arguments with apparently less direct connections to economic interests. This is a curious pastiche of concerns about the aesthetics, image, and symbolism of the CBD. Interestingly, it may be that this plays a larger role in uniting locally dependent firms around CBD projects than the strictly economic arguments adumbrated above.

In the first place, it is suggested, the CBD plays a very important role in the image that residents of Columbus have about the place of which they are
citizens. It provides a symbol of local unity, functioning in the manner of a plaza or central temple. Hence, according to a high-ranking planner in the Columbus city government:

Historically and emotionally the community can't function with downtown as just one of several nodes (Kight, 1986; emphasis added).

A vibrant and aesthetically attractive CBD, then, has beneficial psychological effects on residents. And this can prove most useful in gaining their approval of bond issues for infrastructural improvements (see Cox and Mair, 1988). Now of course it must be asked (though this is not the place for an answer) how the CBD has come to play this role. For it appears less likely that there is some in-born empathy for skyscrapers that channels local energies, than that the attraction to the CBD has been historically and locally produced, so that it is now self-evident to many (though by no means all) that Columbus as a whole is symbolized and spoken for by its CBD and "skyline".

Mirroring the image of the CBD inside Columbus is the image it presents outside the local economy. Here, CBD symbolism is directed outward further than the extent of the locality. Often, the CBD is the only part of a city that separates its appearance from that of any other city in the United States. The very identity, almost personality, of a city is thus established by its CBD, according to the executive director of DCGC (Cremean, 1986). The executive director of the Mid-Ohio Regional Planning Commission agreed (note that these are both organizations with an explicit metropolitan-scale scope). And he drew attention to the aspect of that identity that is of the greatest interest to locally dependent firms and outside investors alike; its profitability. An economically healthy core, he argued, presents an attractive image of the metropolitan area to the outside corporations that local firms may want to attract to Columbus.
It reveals a positive “mentality.” And it reflects well upon local business leaders: by contrast, a less vibrant CBD would be seen by outside investors to indicate the inability of local business leaders to arrest economic decline (Habig, 1986).

Thus it is that the apparent level of economic activity in the CBD was considered by local firms and planners in Columbus since at least the 1920s to be a particularly important facet of the ‘image’ of the local economy, which in turn was thought to be partly determinant of the flow of value into the local economy as a whole. For this reason, pictures in brochures and articles on Columbus tended to emphasize the CBD (for instance, Chamber of Commerce, 1927; Ross, 1986).

None of this is to deny that there are considerable material interests at stake in the CBD which some very powerful firms will wish to defend. Yet the question is why the CBD, almost alone, should have been seen by local business people to embody and reflect economic conditions in the local economy as a whole. By quite what historical processes this came about is uncertain; though that it is the central business district is surely relevant, or at least was at some previous time. The exaggerated emphasis on the CBD, then, seems to be the result of a complex historical process, involving interactions among, perhaps: a) a period when most business was conducted in the CBD; b) the intra-metropolitan competition among firms located in the CBD and in the suburbs; c) the fact that many large local firms remain headquartered in the CBD (and there is considerable consternation when firms contemplate moving their headquarters to suburban areas); and d) the process by which a local economy develops an ‘image’ to outside potential investors. At any rate, the
end result was that it received a great amount of attention from locally dependent firms in Columbus, and CBD redevelopment was a strategy around which local capitalist class formation was visible on a number of occasions.

7.3.1: A CIVIC CENTER FOR COLUMBUS, 1908–1934

The construction of the civic center of government buildings, which was mostly completed during the 1920s, was the first large-scale redevelopment project in the CBD of Columbus. Built along the banks of the Scioto river as it cut along one side of the CBD, the civic center was in fact only one facet of a rapid restructuring of the CBD during the 1920s. Many factories, wholesaling operations, and workers’ houses were replaced by a built environment of private offices, and other buildings for financial companies, hotels, theaters and government. The CBD’s economy, land uses, and image were thus radically altered. Of all the changes, however, it was the civic center (and to some extent the removal of the housing and industry it replaced) that was organized by locally dependent firms acting in consort.

7.3.2: Early planning

The civic center was a massive project. It was the largest CBD redevelopment, in terms of acreage and numbers of buildings constructed, that would be organized collectively by local firms. Planning took place over a twenty year period of agitation, lobbying, securing the passage of bond issues, and so on.
The Board of Trade (later the Chamber of Commerce) was the primary institutional locus of collective organizing activity.

In the years around 1900, the Board had planned and achieved implementation of a significant expansion of city government infrastructures, deemed necessary to cope with the burgeoning industrial growth of the 1890s (see Lord et al., 1908). Soon afterwards, the Board pressed the Columbus city council to establish a commission that would plan for a system of urban parks. The Board itself funded preliminary studies until the council appropriated adequate funds to pay for a group of outside planning authorities to undertake a systematic study of park needs and to present some ideas for their accomplishment.

While much of the report by the outside planners attended to the furbishing of parks and boulevards, especially along the city's river banks, it was also here that the idea of a grand civic center seems to have been first mooted (see Lord et al., 1908). The report called for a splendid mall on the model of Washington, D.C., that would start east of the State capitol building, envelop it, and sweep down to cross the river, there to be anchored by an armory. City, County, State and Federal government buildings were to be arranged alongside the mall, and would be clustered together in the very heart of the CBD. A scheme like this, it was predicted, would be very beneficial to Columbus. Not only would there be a magnificent set of structures, creating a beautiful image for the city, but

this must result in increasing its wealth not only by improving the natural conditions, but by attracting legitimate investment, and above all, by making Columbus a better and pleasanter place in which to live (Lord et al., 1908:56; emphasis added).

Neither the planners themselves nor the local press expected immediate action
to construct this civic center (see Saladino, 1986). The planners opined that it might be implemented gradually over a period of years. Recognizing the difficulties of organizing such a massive redevelopment scheme, they stressed that a spirit of local cooperativeness was necessary if the erection of a civic center was to be accomplished. To this end they recommended the appointment of a permanent local planning commission that would be 'impartial' and whose leadership in collective activities could be followed because it was "composed of citizens of the highest intelligence and greatest public spirit" (Lord et al., 1908:56).

This scenario proved to be right on the mark. It took twenty years to see a much redrafted version of the 1908 plan implemented, and not before the establishment of a planning commission, and considerable collective activism on behalf of a civic center.

7.3.3 The Chamber of Commerce drive

In 1911, the Chamber of Commerce supported a bond issue that would have allowed the Columbus city government to start constructing a civic center following closely the 1908 plan. But the citizenry rejected it. One of the reasons for the rejection was apparently the belief that private owners of land adjacent to the site would be disproportionate beneficiaries of the scheme, when the values of their properties rose as it was completed. In 1912, the matter was again being agitated (see Log Cabin Intelligencer, 1.5, December 1912, p.2).

In the following years there were several attempts to persuade the State government to start the scheme off by locating an office building east of the
State’s capitol building. By 1916 the State government was contemplating such a building. The Chamber was highly supportive:

Having been vitally interested in the proposal to provide a civic center for Columbus, the Chamber of Commerce has exerted every effort to that end (Monthly Bulletin, Columbus Chamber of Commerce, 3.4, March 1916, p.2).

Part of that effort was an attempt to ensure that problems in securing finances from the Columbus city government would not delay the project. To that end, Chamber members discussed forming a syndicate to buy property adjacent to the State’s proposed building for future sale at no profit to the city government when the latter was ready to construct its part of the civic center.

However, the State’s plans were slow to develop. There was a setback, too. Earlier in 1916 the city council had dismissed a Chamber proposal to form a city planning commission. It was viewed as a wasteful expenditure, since its tasks could supposedly be performed by existing institutional structures (McMaster, 1986:209). But then in early 1917 local business people became optimistic once more when the State governor announced before the Chamber itself his intention of getting construction of the State’s office building under way in short order. The Chamber was very pleased, and it broadcast the good tidings:

Columbus is near to its heart’s desire, its most cherished dream and its fondest hope — a substantial, worthy and permanent civic center. Governor Cox has placed his stamp of approval on the project which has been fostered by the Chamber of Commerce for years (Monthly Bulletin, Columbus Chamber of Commerce, 4.3, February 1917, p.1).

But by November the State had done nothing to purchase land for the building, and the plan had once more been shelved.
Meanwhile, in early 1913 had occurred the first of two dramatic events that would prove most fortuitous for Chamber of Commerce backers of the civic center. The Scioto river had broken through its embankments, and a flood had engulfed much of the western part of the city opposite the CBD, killing over one hundred people. Later in the year, a report by a firm of Chicago engineering consultants recommended drastic measures to prevent a recurrence of the disaster. The river ought to be considerably widened to open up the bottleneck in its channel as it curved through the center of the city, and revetments and levees should be constructed to contain the river's flow. The consultants went even farther than this; the whole channel should be shifted several hundred yards westwards (away from the CBD) to eliminate the curve (Alvord and Burdick, 1913).

While this last part of the proposal was deemed a little too drastic, the plan to widen the river channel was welcomed by the Chamber:

A great opportunity exists in the flood protection plans, and it seems that this should be taken advantage of (Monthly Bulletin, Columbus Chamber of Commerce, 4.12, November 1917, p.1).

The opportunity here was to start to beautify the river banks, as had been contemplated in the 1908 plan. At the time, the river banks were occupied by houses and small workshops. These would have to be torn down, which would be most beneficial. The proposed change of river bank land uses was described by a local academic geographer in language redolent of the later phraseology of urban renewal (and then some):

Instead of the unsightly, ancient, tumbled-down, unsanitary houses and shops now crowded along the river . . . . from Broad Street south, a broad, shady drive or walk on a large levee could be built, which would devote natural scenic beauty to the uses for which it is best adapted, and not strain it beyond recognition to make sites for hovels of squalor. The people living along these alleys would be vastly better off, too, if forced to find more
cleanly, homelike quarters in real residence sections (Hubbard, 1917:167).

The Chamber was soon lobbying for just such a restructuring of landuses along the river banks. In the middle of 1916 it adopted policies of imploring business people not to make any commercial improvements within 200 feet of the river, and of requesting that the Columbus city council acquire all land on the river banks in preparation for beautification. The street railway company for one had already agreed not to build an electric power facility adjacent to the river, and had indicated its willingness to sell its property there to the city government (Monthly Bulletin, Columbus Chamber of Commerce, 3.7, June 1916, p.3). There was additional good news when, in 1916 and 1917, the citizens of Columbus and Franklin County agreed to back $5.5m of bond issues with their taxes; $3.5m for a city government project to appropriate land, widen the river and construct revetments, and $2m for the county government to rebuild two downtown bridges over the river that had been destroyed in the 1913 flood.

Yet while these river-bank schemes were undertaken over the following five years, hopes for a civic center continued to ebb away. In 1919 the Chamber's monthly magazine carried no reports on the civic center save for a suggestion that the Chamber "revive" the idea (Civic Progress, Columbus Chamber of Commerce, 5.11, February 1919, p.3). But the civic center appeared to be no longer a pressing and/or viable project. In July of that year it was absent from a list of the Chamber's many future plans and strategies (Civic Progress, Columbus Chamber of Commerce, 6.2, July 1919, p.1; also 6.3-4, August 1919, p.7).
However at some stage around 1920, it evidently occurred to someone (possibly to local architect Frank Packard, who would be credited with having spearheaded the effort; see later) that the restructuring of river-bank landuses provided a chance to move beyond merely replacing slums with parks. Indeed it provided a perfect opportunity to obtain a location for the civic center. By 1920 there was already action. In that year the Columbus Board of Education embarked upon a massive expansion program which would eventually consist of sixteen new buildings before the decade was out. And it began this program by purchasing the land on the west bank of the Scioto that had been recommended in 1908 as an armory site, and starting to construct an imposing Central High School facing the river. This building would soon become the cornerstone of the new plan for a civic center, which would now be laid out along the banks of the Scioto rather than perpendicular to it.

It was the second fortuitous event that really set the seal on this new civic center plan. In early 1921 the old Columbus city hall building, constructed next to the State capitol building in 1872, was largely destroyed by a fire. The natural elements, it seemed, were coming to the rescue of those who would restructure the built environment of the CBD. The old city hall had been "long an eyesore in Columbus", according to the Columbus Dispatch (1/13/21:1). Less than twenty-four hours later, the newspaper was suggesting that, rather than reconstruct on the old site, a new city hall should be built next to the Scioto river on what was now officially known as the "civic center site". The same edition of the newspaper carried interviews with one after another local business leader, who all gave their opinions on what should be done. They were unanimous that the civic center site should be made use of, although it was agreed that this, of course, would depend upon what the citizenry at large
wanted. The Dispatch, however, had no doubt about what the citizens should want.

By 1923 the major improvements to the Scioto river channel had been completed. Two new bridges had been constructed, land parcels had been obtained, the river itself had been considerably widened, revetments built, and a small dam constructed just downstream of the CBD in order to raise the water level of the widened channel for aesthetic purposes (Packard, 1923:15). What the Columbus Dispatch was now calling the “enterprise underlying the building up of a civic center project” (1/1/22) was complete. Left over was a seventy-five acre tract on both sides of the river.

The City Planning Commission (launched at last in 1921) had already drawn up plans for civic center buildings on the site (see Money and Commerce, 1923:11). To be included were the Central High School, the new city hall, a Federal government post office and courthouse, and a police headquarters building. All of these were eventually built by 1934, as was the long-awaited State office building and an annex to the new city hall. Also envisioned in the early 1920s but never actually completed were a new railroad station, a Masonic Temple, an Odd Fellows Temple, a building for the City Federation of Women’s Clubs, and possibly a municipal general hospital (Packard, 1923:15; Manufacturers and Jobbers Association, 1924:53). A contemplated convention hall was constructed on the civic center site much later, during the 1950s (the Veterans Memorial).

The Chamber of Commerce was deeply involved in bringing all these projects to fruition. It led a ‘state-wide’ drive to prevent the State government from erecting its office building away from the civic center on the grounds of
the State capitol (Columbus Commerce, Columbus Chamber of Commerce, 1.1, January 1925:1). And, perhaps more importantly, it tried to persuade citizens to support some of the building projects with bond issues, a process that was by no means easy.

The Chamber mounted several propaganda campaigns, stressing both the civic duties of citizens and the civic pride that would be their reward upon completion of the project. In 1926, for example, the coalition was urging passage of funds to buy extra land to provide for an annex to the as-yet-incomplete city hall. The proposal had apparently been rejected by voters several times previously. Arguments in its favor were couched in terms of the image of Columbus, the future prosperity of the local economy (including its ability to attract outsiders), and its competitive situation with respect to other cities:

Columbus is beyond the stages of a small village which has no great hope of future growth. Columbus does have a future and what that future will be depends largely on how well we plan our city now, so that it will be attractive and convenient to future residents.

The most rapidly growing cities in the country are those which have civic pride in their own development and their own resources (Columbus Commerce, Columbus Chamber of Commerce, 2:10, October 1926, p.2).

The Chamber’s advertising club developed an appropriate slogan:

Will you beautify or bury your city hall? Civic pride demands “Yes” on the bond issue! (Columbus Commerce, Columbus Chamber of Commerce, 2.10, October 1926, p.4).

Neighborhood and religious presses were urged to aid in the campaign. The issue passed by a narrow margin. Thereupon, the Chamber lavished praise on its own efforts (Columbus Commerce, Columbus Chamber of Commerce, 2.11, November 1926, p.7).
7.3.4: The civic center: discussion

The planning and implementation of the civic center in the CBD was only one of a number of collective efforts undertaken to boost the Columbus economy by local firms during the 1920s. There was an expansion of the water supply system, with a new dam completed in 1925. And there was an intense and successful propaganda campaign to persuade citizens to support construction of a municipal airport in 1928, after a smaller bond issue for the project had failed miserably the previous year. The Chamber was the center of all this organizing activity, although as mentioned in previous chapters, promotion of the airport bond issue had also seen the emergence of a "Committee for Metropolitan Columbus", a short-lived forerunner of the 1945 Metropolitan Committee, whose members were just as publicly anonymous as its successor's, and which had as its figurehead former mayor and city-booster George J. Karb.

Neither was the civic center the only restructuring of land uses to take place in the CBD. Indeed the decade of the 1920s witnessed a massive change in the CBD economy and built environment, of which the civic center was but one, albeit integral, part. Out went much of the housing and industry. Much central-city housing was torn down to make way for the civic center and riverfront improvements. Manufacturing industries continued what Hunker termed their "flight from downtown", with dozens of firms moving to new, often suburban locations (Hunker, 1958:74–78). In their places came a new complex of non-industrial land uses, ushered in by a massive construction boom during the 1919–1928 period (see Bureau of Business Research, 1943), which was also responsible for the extensive development of suburban housing. In the CBD there were numerous new buildings. A brand new financial district
was created (Gay Street) by the construction of buildings for three building and loan companies. The Lazarus department store was greatly expanded, as was the headquarters of one of the banks (Huntington Bank). One hotel was refurbished (the Southern), another expanded by six hundred rooms (the Deshler), a third entirely reconstructed (the Neil), and yet another was newly constructed (the Fort Hayes). At least three large theaters were built, mostly to show movies (the Loews/Ohio Theatre, on the site of the old city hall; the RKO/Palace/Keith; and a third opposite the Keith). The first office tower devoted entirely to commercial tenants was constructed (the Beggs building). The Columbus Dispatch moved to occupy a new building on the prestigious site opposite the State capitol on which the civic center was originally to have been built. And the crowning glory within the CBD was the erection next to the new city hall of an art-deco skyscraper twice the height of any others, to house an insurance company. Outside the CBD itself there were other, related developments. A Gallery of Fine Arts was constructed close by, while at the Ohio State University a massive stadium was built for the football team and the Battelle Memorial Institute (originally conducting research in metallurgy for industry) was established (sources: Columbus Commerce, Columbus Chamber of Commerce, 2.6, June 1926, pp.4-5; Garrett and Lentz, 1980:121; Maddox, 1927:16-17; Money and Commerce, 1923; Moore, 1930:297-301, 392).

With the addition of the civic center and related river channel improvements, the face of the CBD had been utterly restructured in only a decade. The new CBD was a place for office work, financial transactions, conventioneering, and entertainment. The "municipal beautification" (Moore, 1930:300) entailed by the changes would "command the admiration of all citizens of Columbus who take pride in their home city" (Manufacturers and Jobbers...
Association, 1924:53). It was also expected to attract more convention business (see Chamber of Commerce, 1927). Convention and residents alike were informed of the entertainment facilities and the shows that were now available by a weekly magazine established for this purpose and for further civic boosting (Columbus This Week, Volume 1 = 1925).

While most of the construction was not promoted by the local business coalition that organized the civic center (rather, by its constituent firms acting separately), the collective efforts that led to the construction of the civic center were a vital, and planned, part of the overall transformation. And yet it is difficult to reconstruct exactly what form those collective efforts took, other than that their institutional vehicle was the Chamber of Commerce; in particular it is hard to work out exactly what local firms were involved. Neither is anything in the way of conflict among them left on the record.

There was evidently a wide degree of support among local business people for the civic center project, as the fact of Chamber of Commerce activism testifies. But the issue of who, if anyone, was at the center of the effort, remains cloudy. One person consistently credited was architect Frank Packard (for instance, Garrett and Lentz, 1980:128). But it is highly unlikely that he was the force behind the strategy, even if, like other individuals in other cases of local business coalition activism, he did perform a figurehead and unifying role. In retrospect, it was another person who was most mentioned: Robert F. Wolfe, co-head of the Wolfe family empire of banks, newspapers and shoe manufacturing interests which was regarded as the single dominant firm in Columbus during the first half of the century (Gunther, 1947:451-452). Setting the roles of both Wolfe and Packard in perspective, it would later be reported
that with the completion of the civic center,

the dream of the late Robert F. Wolfe and his loyal co-worker, Frank L. Packard has been realized (Columbus in the gay nineties, 1937:n.p.).

Wolfe involvement was further confirmed still later by his relatives, as was the vital long-term importance of the civic center project to the Columbus economy in the eyes of business people whose firms were locally dependent:

Special committees and groups worked with the Chamber of Commerce to improve the city. Preston Wolfe, who had relatives serving on several civic committees at one time or another, described the people as "drawn together to protect the future of the city and its best interests." The bond issues the groups supported to rebuild the downtown in the '20s and '30s "pioneered the incredible growth" Columbus was to make in successive decades (Garrett and Lentz, 1980:128).

And, half a century after the civic center had first been mooted, the Metropolitan Committee's Paul Gingher would pay tribute to the efforts that had been made during the 1920s, at the same time nicely encapsulating the perspective of locally dependent firms on what had been achieved through the construction of the civic center:

We are not the first to see the needs of Columbus and to do something about it. We meet here today, adjacent to a civic center which has long been the envy of other cities. This is a dream of fifty or more years ago, and as a result of that dream and tremendous planning, effort and patience, beautiful and useful buildings reach into the sky and beautify the scene, replacing a slum of poverty and delinquency along our water front (Gingher, 1959:5).

The civic center project, then, was a clear example of what could be achieved in the CBD through the efforts of locally dependent firms acting through an institutionalized local business coalition. The Chamber of Commerce had initiated the study that led to the original plan, and then pushed and lobbied for its construction for twenty years until it was completed. In the process, it had helped to entirely restructure the very nature of the Columbus CBD.
In 1955, the private consultants who had been hired to produce a set of comprehensive studies of the Columbus economy and its infrastructural needs released a report on the CBD (Bartholomew and Associates, 1955b). They observed that there had been virtually no construction within the bounds of the CBD for at least seventeen years (there probably had been very little in the previous twenty-five years save for the completion of the final civic center buildings during the early 1930s). At any rate, between 1937 and 1954 only eight acres of land had been improved, and most of that was due to an expanded Lazarus department store and the erection of one new insurance company headquarters. Twelve acres of buildings had been torn down to make way for parking lots. The rental values of properties in most blocks of the CBD had barely risen over the seventeen years: in a number they had fallen. And all this was during a period in which the city's population had risen substantially as a result of the war-time manufacturing boom, with five major suburban shopping centers constructed and more on the way (Bartholomew and Associates, 1955b:3–6).

Yet there was little initial response from local firms when substantial Federal government funds became available under the 1949 Housing Act that local governments could use to acquire deteriorated properties for redevelopment purposes. Indeed the first major attempt to latch on to this program came from the Columbus Metropolitan Housing Authority (CMHA), which saw in the act an opportunity to demolish slum housing and replace it with public housing projects. However, there was some opposition, to such a
strategy among local firms. It was not until passage of the 1954 Federal act, which revised the urban renewal provisions to allow for more commercial redevelopments (see Weiss, 1980), that local business interest was piqued. By 1956 the Metropolitan Committee had successfully pushed an urban renewal bond issue to provide the local matching funds required, and DCGC had been formed with its urban renewal sub-committee.

Progress was then to be held up by a series of disagreements among local firms over exactly what form urban renewal should take in Columbus. Not only were there conflicts among the headquarter firms and a micro-geographical politics to contend with, but there was also considerable opposition from small firms in one of the areas to be redeveloped. These problems would imperil the whole scheme as the Federal government threatened to cut off funding and land developers became reluctant to commit themselves. It took the 1959 consolidation of a new local business coalition, the Downtown Area Committee, which was devoted solely to the CBD, to overcome opposition and break the logjam.

During the crucial years from 1955 to 1961, then, the implementation of an urban renewal program in Columbus revealed some very interesting aspects of the processes of local capitalist class formation. These are discussed in detail below.

7.4.2: Initial reluctance and resistance

On the face of it, the Federal urban renewal program represented an attractive source of funding, a large resource flow that could be used to the benefit of
the local economy and hence of locally dependent firms in Columbus. But local firms were suspicious of any program emanating from Washington, D.C. The same issue of local control that was prominent in the water supply controversy and in conflict over the industrial expansion strategy (see chapter VI) was raising its head:

With a few notable exceptions, "downtown people" either were indifferent or only mildly attracted to urban renewal at first. They were long accustomed to seeing the hand of Washington as one that interfered in local affairs (Adams, 1970:287).

Matters were not helped by the appointment of the director of the public housing agency, CMHA, to head the Columbus Urban Redevelopment Authority (CURA) when the program was launched in Columbus in 1952. Neither were they helped when CMHA proposed to redevelop what was to be the first urban renewal project (Goodale/Flytown) with public housing, which was a socialistic anathema as far as most Columbus business people were concerned.

Even though both the Mayor of Columbus and CURA rejected this plan, the spectre of public housing was still a major stumbling block, since displaced residents would have to be rehoused. The director of the new CURA spent much of his first few years trying to eradicate "the image of federal paternalism and the stigma of public housing" (Adams, 1970:68). The Columbus Citizen-Journal also attempted to shift local opinions, carrying editorials arguing that Federal urban renewal funding by no means represented Federal government usurpation of local control, but was in fact the return of tax funds that rightfully belonged to Columbus. The Columbus Dispatch, however, found itself in an awkward position, especially given its post-New Deal history of railing against the 'socialism' of Federal government programs. For the Dispatch, as for many local business people,
trying to make a fine distinction between "socialized public housing" identified with the hated welfare state and public housing serving the practical needs of downtown economic interests would be difficult (Adams, 1970:94).

Neither were many local firms convinced that urban renewal could be made to work in their interest. The CURA director had to bring Federal government officials to Columbus to explain to local business people that local firms would be able to control the whole process, with government institutions acting only in their aid. Moreover, despite the long economic stagnation of the CBD, some CBD firms saw no pressing need for urban renewal:

There were other businessmen whose interests were so secure, e.g., the Lazarus family, that urban renewal, while generally and potentially beneficial, was not a crucial matter of survival to them (Adams, 1970:66).

As a result of this indifference, there was little effort at first among locally dependent firms to organize themselves so as to be able to capture the program and appropriate this source of outside funds and opportunities for possible CBD restructuring. In the absence of local capitalist class activism, urban renewal in Columbus was failing to get off the ground.

The Metropolitan Committee nevertheless agreed to place on the 1954 ballot an issue requesting citizen approval of local matching funds, in order to at least get an urban renewal program started. But this bond issue would be the first supported by the Metropolitan Committee to fail (the next failure came ten years later in 1964, on the same question). Analysis of voting patterns revealed racial bigotry — especially the fear of displaced black households moving into white neighborhoods — to have been an important factor (Adams, 1970:137-139; see also Hoffman, 1966).
7.4.3: Local firms coalesce behind urban renewal

The passage of the new Federal Housing Act in 1954 had, however, considerably liberalized the rules governing urban renewal projects. It allowed for more redevelopment to be commercially oriented, and mandated less replacement of housing demolished. Columbus business people became more interested in the program as a strategy for CBD development (that it was already being implemented in other cities may also have stimulated interest). In 1956, when DCGC was formed, one of its three sub-committees was a standing committee on urban renewal (see chapter V).

Action by DCGC would prove absolutely vital in implementing an urban renewal program in Columbus. DCGC quickly became far more involved in the program than the Metropolitan Committee had been:

Strong business support would develop with the advent of the Development Committee for Greater Columbus in 1955-1956. This organization would shore up the staff resources of CURA and the City Planning Commission, providing access to skills and management talent not available within the official renewal policy-making structure. Perhaps even more important, the Development Committee would provide a trouble-shooting, bottleneck-breaking function, in short the continuous prodding, checking, and oversight necessary to keep the renewal program moving ahead steadily. Freed from the detail of technical, routine activity which occupied so much of CURA's efforts and the political responsibility of a governmental body, the Development Committee would inject energy and purpose into the lagging renewal program.

The Development Committee would also give the renewal program the broad base of business and industry support it did not have at the time of the bond issue defeat. Organized, focused business support would replace the more or less random, discontinuous, largely token support given by CBD leadership during the first three years of CURA's existence.

The Metropolitan Committee certainly represented business and civic power in Columbus but only in a very limited way. It was a special purpose group, concentrating its energies on the actual waging of bond issue and tax levy campaigns. Its function was very important in the business of seeking support for any major
community project affecting downtown. The problem was that the Committee did not enter the picture until too late in the game to help an agency like CURA whose goals and reasons for being were far from self-evident to rank and file citizens or "elite" groups (Adams, 1970:142–143).

It was DCGC, then, which initially "molded a CBD coalition able to take advantage of the opportunities afforded by the Housing Act" (Adams, 1970:158).

A repeat urban renewal ballot was organized for September 1956. The issue was supported far more strongly than in 1954 by the Columbus press, which exhorted citizens and 'civic leaders' alike to get behind urban renewal to boost the local economy. The September date (not coincident with a general election) meant that, under State law, a 65 per cent majority would be needed to pass all the issues presented. But with concentrated business support, the local matching funds for urban renewal were secured by a 72–28 per cent margin, larger than that of any of the other issues presented to citizens.

7.4.4: Conflicts among local firms

With the program now securely funded, however, a host of new problems arose in the form of conflicts over the implementation of the urban renewal projects. Officials of the Slum Clearance and Rehabilitation Commission (SCAR, as CURA had been renamed after the 1954 loss) had hoped that concerted DCGC leadership would overcome opposition from small businesses about to be displaced in the tracts slated for urban renewal, and from what the Mayor of Columbus (Maynard Sensenbrenner) called a "selfish little clique" of real estate interests that were opposed to the construction of non-profit public housing for displacees (Adams, 1970:207). But while these problems eventually were overcome, what proved to be the biggest threat to the program was conflict
among the big firms that were headquartered in the CBD, that were represented on the Metropolitan Committee, and that were prominent in the leadership of DCGC.

As early as 1955, disagreements had begun to emerge over the specific locations and nature of redevelopment. Conflict eventually broke out in the months before the 1956 bond issue was passed. The issue was a SCAR plan to reserve a site for an office skyscraper for the State of Ohio in its Market-Mohawk renewal scheme to the south-east of the State Capitol building (see Figure 2). The main dissenters were the same Wolfe interests who had been prominent in the 1920s civic center project and would later be in the midst of DCGC's 1964 rupture (see chapter VI). Their newspaper, the Columbus Dispatch, launched an attack on the economic viability of the entire Market-Mohawk scheme. Underlying the Wolfe position was their concern over the micro-geography of CBD development: in what precise direction the CBD should grow. The Wolfes were opposed to locating the State building in Market-Mohawk because they had in mind continued development of the civic center:

To many observers the Dispatch article was the start of a premeditated effort to sabotage the whole Market-Mohawk project because of the Wolfe interests' opposition to redevelopment in this area of the city. Since the Wolfes were committed to riverfront development many CBD leaders thought that the "Dispatch people" saw Market-Mohawk as a threat to their conception of where the city should concentrate its redevelopment efforts. Market-Mohawk, with the state office building as its main attraction, would attract other development so strongly that any chance of riverfront or across the river expansion would be forever lost (Adams, 1970:228).

The crowd that gathered around the Wolfes consisted of executives of their enterprises, some members of the Metropolitan Committee (chair Paul Gingher included), and owners of property adjacent to the civic center (the old Wolfe shoe factory had been located close to the riverfront, and they owned the Neil
House hotel, also between the State Capitol and the riverfront). With this group blocking plans, the issue simmered for several years. The Franklin County Regional Planning Commission urged a riverfront civic center site for the State's building. Columbus city government planners, on the other hand, claimed a riverfront site would be prone to flooding. Although redevelopment of the Goodale area proceeded, the urban renewal of Market-Mohawk came to a halt.

After three years of frustration, a counter-coalition arose to oppose the Wolfe crowd. It consisted of "every other significant CBD leader" (Adams, 1970:262). The leader was Trent Sickles, the same Lazarus 'gunslinger' who would later lead opposition to the Wolfes in the 1964 DCGC dispute. Members of the counter-coalition were concerned that the Market-Mohawk urban renewal project would become permanently stalled as a result of Wolfe intransigence. And they still wanted the State office building in Market-Mohawk, in order to boost the chances of a successful renewal there. With the State office building, they hoped, attorneys, good restaurants, and shops and perhaps more branch offices of the kind of industry wanting to be close to the seat of state government would be encouraged to come in (Adams, 1970:265).

Members of the counter-coalition moved to form their own institutionalized local business coalition that would focus specifically on the CBD. Approximately fifty of them organized the "Downtown Study Committee" in 1959. The small executive committee included representatives of Lazarus, the second major CBD department store, the Galbreath development company, an architect, and two owners of CBD real estate (DCGC, 1961:1).

When the Wolfes managed to get a candidate they supported (Ralston Westlake) elected mayor, also in 1959, the problem became even more urgent.
For Westlake appointed members to SCAR who both engaged in considerable obstructionism over SCAR's as yet unrealized plans for Market-Mohawk and also advocated a civic center site for the State building. As the new appointees to SCAR began to obstruct its operations, the SCAR director found it impossible to attract any potential developers to the Market-Mohawk scheme because of fear of embroilment in continued conflicts. The project remained at a standstill, and the Federal government threatened to cut off funds. A dramatic fifteen minute meeting in the Governor's office — involving Mayor Westlake, SCAR commissioners and representatives of the Downtown Study Committee — finally killed the notion of locating the State building in Market-Mohawk and led to a mass resignation of non-Westlake SCAR commissioners. The whole Market-Mohawk project was looking less and less likely to succeed.

But the Wolfe crowd had an Achilles heel; its lack of any alternative plans for Market-Mohawk. And it was here that the counter-coalition struck. The Downtown Study Committee had invited outside expert representatives of the Washington D.C. based Urban Land Institute to Columbus for a week of intense discussions on the future of the CBD (see Urban Land Institute, 1959). Out of this came a Downtown Area Committee (DAC), which employed a small professional staff, affiliated itself to DCGC in 1960, and moved to simply bypass SCAR and the Wolfe interests, by presenting a scheme for the redevelopment of Market-Mohawk as a fait accompli. DAC approached local developer John Galbreath (a member of its own executive committee) with a view to getting an alternative plan off the ground. The Galbreath company, in turn, formed a "United Redevelopment Corporation" with Nationwide Insurance, and proceeded to draw up its own plans. In 1961 Mayor Westlake was publicly presented with a scheme that was impossible to reject (not a single other developer had
approached SCAR with an interest in redeveloping Market-Mohawk. The Market-Mohawk urban renewal project was finally under way, after over six years of power struggle.

7.4.5: Conflicts with small firms in the areas slated for urban renewal

There were other conflicts besides those among the CBD headquarter firms. Small firms located in both Market-Mohawk and the other major renewal project (outside the CBD in Goodale/Flytown) were generally opposed to the physical destruction of the neighborhoods on which they were locally dependent. Many suspected that urban renewal was tailored to meet the needs only of firms like the Wolfe enterprises and Lazarus. Firms in Goodale, for instance, relying on low rents, localized markets and a neighborhood labor force, expressed concern over their fates through their "Near Northside Businessmen's Association", and objected to their properties being turned over to other developers. This coalition, however, never succeeded in organizing sustained protest.

For small firms in the Market-Mohawk area the story was quite different. Many were opposed to a complete redevelopment, lobbying instead for the rehabilitation of their buildings. Some of them formed the "Main-Fourth Association" (after the two major streets in Market-Mohawk), which represented the larger firms in the area in negotiations with SCAR in an attempt to arrange a redevelopment plan congruent with their business interests. At the same time a much larger coalition of 275 members -- generally smaller firms with some landlords and even tenants -- formed the "Market-Mohawk Boosters Association" in order to press SCAR into rehabilitating rather than destroying their properties. Both of these coalitions were organized strictly around the
urban renewal issue, to defend their neighborhood business interests in the context of the looming threat of complete destruction.

While the defeat of the 1954 ballot issue gave the Market–Mohawk coalitions breathing space in which to campaign in defense of their interests, in 1956 SCAR succeeded in gaining their approval of the general concept of urban renewal in time for the second vote. The SCAR director argued in terms of broad community interests and growth potentials. The neighborhood coalition members wondered whose particular interests and whose growth were at stake. But both Market–Mohawk organizations agreed to postpone the question of exactly what renewal would mean. This may appear to have been foolish in tactical terms, but they were perhaps bolstered by the support they were receiving in the Wolfe newspapers, which were engaged at the time in their attempted sabotage of SCAR plans for Market–Mohawk.

The Main–Fourth Association did eventually exert considerable influence on the project. With the support of the Chamber of Commerce, it forced SCAR to discard a plan that would have made Main Street into a pedestrian mall. In the end, SCAR decided to coopt this coalition by leaving the precise area (Main–Fourth) in which its firms were located out of its plans. The Boosters Association was not, however, so lucky. Nor was the "Mohawk Area Association", which was composed of firms adjacent to the exempted Main–Fourth area and which claimed, with Wolfe newspaper support, that their inclusion in the renewal project (and hence the likely demolition of their buildings) amounted to discrimination against them. And a final small business coalition was also unsuccessful. The "Central Market Association", was organized by occupants of the city government–owned public farmer's market in Market–
Mohawk. When SCAR sought to forestall the opposition of this small business coalition by searching for a new site for their market, the two hundred member "Columbus Retail Grocers Association" protested to the city council that to open another site for a government-subsidized market would be tantamount to "granting special privileges to a few" (in Adams, 1970:248). No new site was forthcoming.

Thus a number of neighborhood-scale business coalitions were formed to defend their neighborhood economies, and they engaged in considerable activity. However, this did not in general amount to much more than harassment, and in all but one case they failed to substantially alter the urban renewal strategy.

7.4.6: Conclusions: conflict and counter-coalition around urban renewal

The Market-Mohawk project was eventually redeveloped with a hotel, a bus station, apartments, university buildings, and a number of low-rise office buildings. But it was an unspectacular redevelopment, and the area remained largely isolated from the center of the CBD. Keeping the State office tower off the site probably was instrumental in reducing its success. Given the nature of the three other urban renewal projects in Columbus, which were all outside the CBD — Goodale, where slum housing and small businesses were replaced by housing for the elderly and a shopping center, and the Ohio State University and Children's Hospital sites where the Federal funds were used to demolish housing to make way for institutional expansions — urban renewal in Columbus never came close in its magnitude and importance to the 1920s CBD restructurings. This was the result of several factors besides the initial uncertainties and later conflicts over the program among business people,
including: the easy availability of land in the CBD that could be developed without encroaching on housing areas; and the city government's land annexation policies during the 1950s which reduced concerns over the tax-productivity of CBD properties. Certainly the construction of a freeway system including an innerbelt to encompass the CBD was of greater concern to locally dependent firms during the late 1950s than was urban renewal in the CBD (as revealed in part by the choice of the former as the primary concern of early DCGC members (DCGC, 1957).

This said, analysis of the involvement of local firms in the urban renewal program reveals some interesting features of local capitalist class formation. First, as with the question of Federal aid to build dams, it was at least unclear, and different positions developed on, whether Federal urban renewal funds did in fact represent a resource to local firms. This was not at all obvious, and in the end Federal officials had to persuade local firms that they could indeed benefit by undertaking in-person visits and then by passing a revised statute in 1954. Second, when it was determined that urban renewal could help restructure the CBD, the idea was given widespread support via two new institutional vehicles; the urban renewal sub-committee of DCGC and then the Downtown Area Committee, coalitions that were focused specifically on the CBD. These are examples of institutionalized business coalitions organized to pursue single strategies.

Third, unlike other cities where politicians and political machines reportedly played a central, at least coordinative role (see Dahl, 1961; Mollenkopf, 1983), in Columbus this did not occur. This was partly due, perhaps, to the fiscal strategy of land annexation upon which the Democratic mayor concentrated his
efforts. It was also due in part in the inability of the Republican party machine
to unify behind the specifics of urban renewal because of the tensions among
its business backers (see Adams, 1970:179). The result was that, to be
successful, urban renewal in Columbus had to be led by local firms rather than
politicians. This was the context for the eventual formation of the Downtown
Study/Area Committee in 1959.

Fourth, there was the inability at first to reach a consensus as a result of
the micro-geographical politics of the State office building location and the
struggle for dominance among CBD headquarter firms, which threatened to
endanger the whole project. The problems caused by this conflict revealed the
absolute necessity for collective and consensual action by a sufficiently
hegemonic section of the local capitalist class if Federal urban renewal funds
were to have any benefits in Columbus. As with the contemporaneous struggle
over industrial expansion and the later conflict in DCGC over Federal funding
for dams (see chapter VI), the question of power within the class of locally
dependent firms took precedence for some (the Wolfes, in particular) over
economic growth itself. This was indeed a period in which previous Wolfe
dominance as the single most powerful set of firms locally was in question,
and for them this fact was apparently a more important issue than was
collective unity in pursuit of a larger 'local economic pie', if you will. Thus
other CBD leaders viewed Wolfe intransigence over locating a State office
tower in Market-Mohawk as

a desperate, obvious attempt to hold onto a declining position of
community leadership. It appeared that the Wolfes were willing to
sacrifice even the good of the city to get their way (Adams,
Fifth, it was partly questions of tactics and strategy that decided the outcome of the struggle. The Wolfe crowd failed to present a positive strategy for Market-Mohawk beyond supporting the protests of neighborhood firms in that area. Thus a gap was left for the counter-coalition Downtown Area Committee to unify firms in opposition behind the Galbreath-Nationwide plan.

Sixth, almost as a lesson in CBD politics, most of the smaller firms that were entirely locally dependent on the CBD economy were sacrificed to the requirements of the headquarter firms; or as it was broadcast, a 'sectional' interest was sacrificed for the good of a 'wider community'.

Seventh and finally, despite the fractures over urban renewal among the larger locally dependent firms, as with the conflict over industrial expansion, this did not prevent firms from cooperating on other strategies of mutual interest; notably in support of the Metropolitan Committee's bond issues for infrastructural improvements. While the urban renewal conflict may indeed have presaged the 1964 DCGC rift, as Barlow was told by his interviewees (1968:155), the same firms that fought bitterly over strategy in some instances were still able (even if perhaps with more difficulty) to work together on other issues of mutual concern.
A convention center had been constructed by the Franklin County government during the 1950s (Veterans Memorial). By the 1970s were were plans for another convention complex, to be called the Ohio Center. This new project had potentially large spinoffs for many CBD firms, especially hotels, restaurants, and stores. Originally to be built by the Columbus city and Franklin County governments, the Ohio Center was stalled in the early 1970s by financing difficulties, until the city's largest research institute — Battelle Memorial Institute — became involved, and in a unique circumstance. Battelle then took over management of the whole project with the support of an Ohio Center Board of Trustees representing the largest locally dependent — and CBD headquartered — firms in Columbus. However, Battelle's inability to get the convention center and an adjacent hotel under way despite its considerable financial resources prompted considerable criticism, the end result of which was the emergence in 1977 of a new business coalition — spearheaded by the same Galbreath-Nationwide alliance that had rescued the urban renewal program some twenty years earlier — which was able to get construction started in short order.

Part of the context of the Ohio Center saga was a second, parallel redevelopment project at the opposite end of the CBD. A protracted period of micro-geographical politics had preceded the original decision to choose the particular location of the Ohio Center. The result of this dispute was a tacit agreement that all the large CBD firms would act in concert to support both projects. Over the Ohio Center, however, there was little of the conflict with
small firms that had plagued the urban renewal of Market-Mohawk.

With this brief overview as background, several of the issues it raises about local capitalist class formation are discussed in more detail below.

7.5.2: North versus south in the CBD

The 1971 decision of the Ohio Center Commission to build the new convention center at the far north end of the CBD was preceded by a long and intense debate over its micro-geographic location. The debate had started only a decade after the Franklin County government had opened its Veterans Memorial convention center in the civic center site, across the Scioto river at the western edge of the CBD, in 1956. Competition for the location of the Ohio Center pitted firms located at the southern end of the CBD against those located at its north end, in what was termed a "mini Civil War". The result was victory for the north:

In a quiet but intense struggle from the late 1960s until 1971, the forces of the north — led by Nationwide Insurance — had eventually bested the forces of the South — led initially by members of the Lazarus family (Cook, 1977:37).

This was not, however, a case of total victory and defeat, since in the end something of a compromise had been wrought. While the apparent losers were landowners' and firms at the southern end of the CBD — including Lazarus, the second major department store (the Union), landowners in Market-Mohawk and the Southern Hotel — who would not now be able to capture much in the way of convention center spinoffs, compensation was soon forthcoming. It arrived in the shape of a new urban renewal project west of Market-Mohawk and due south of the State capitol building, which was designated in 1974 as "Capitol
South" (and in 1987 as "Columbus City Center"): It probably overstates the case a bit to call Capitol South a payoff to the southern side of downtown for yielding gracefully on the hotly debated convention center site. But . . . . the downtown establishment had no intention of allowing the southern sector to deteriorate (Cook, 1981:94).

Indeed there had emerged a

tacit agreement among downtown business and financial leaders that both north and south would receive major developments (Cook, 1977:37; also 1979:76).

CBD firms, then were able to maintain local capitalist class cohesion (for instance Lazarus was represented on the Ohio Center board) through a mini­geopolitical compromise. This was concluded at the cost of stretching the CBD in a north–south direction for well over a mile, putting it in danger of becoming multi­centric in a way some felt was risky to its functional cohesion (the primary problem was the potential loss of interactive spinoffs between nodes spread too far apart for linkages to be made) (Andrews, 1982:647). Yet it was felt that neither project could be completed in the absence of a cohesive local capitalist class.

7.5.3: Battelle rescues the Ohio Center

A bond issue to acquire land for the Ohio Center on the site of, and incorporating, the city's passenger railroad station was approved by the citizenry in 1971. The funds were appropriated in 1973. In that year other construction projects for the northern end of the CBD were also announced, including a new Federal government office building and a massive skyscraper for the Nationwide Insurance company. The latter had been persuaded not to build its new headquarters in a suburban location by a complex and generous
tax abatement program whereby the city government would channel
Nationwide's property taxes into physical improvements in the immediate vicinity
of its new building. The same year also, Columbus business people successfully
steered through the State of Ohio legislature a bill to allow further tax
abatements to private firms redeveloping 'blighted' areas.

By 1974, however, Ohio Center commissioners had become reluctant to ask
citizens for the further bond issue that was needed to pay for the center's
construction, and the whole project was stalled. Then, by coincidence, a
remarkable source of financing emerged. The Battelle Memorial Institute,
established in the 1920s to undertake metallurgical research for industry, and by
the 1970s a massive institution headquartered next to the Ohio State University,
was ordered by a local court to disburse nearly $60m of its accumulated
earnings to local philanthropic organizations, in accordance with the will of its
original benefactor (whose wishes had been ignored for fifty years). Battelle
offered to use the major part of this fund to completely finance a $37m Ohio
Center. The Ohio Center was then declared a charity (!), with its future profits
(though it was well known locally that a convention center would not actually
make a profit) to be distributed to local philanthropic organizations.

The local business leadership was elated. Both the particular source of the
funds and the new life breathed into the Ohio Center were celebrated. Battelle
had long been viewed as a pariah institution which had refused to join and
devote resources to the collective projects of locally dependent firms, and had
invested in new facilities elsewhere in the United States and overseas rather
than in Columbus. In short, Battelle had not acted as a locally dependent firm
ought to act. An editorial in the Columbus Dispatch announced that Battelle had
now been reined in:

The formal signing of the Battelle legal document was far more than ceremonial. It established the fact that Battelle Memorial Institute not only will continue to be the world's largest independent research organization, but that it will be a perpetual partner with the community wherein it had its roots (in Andrews, 1982:189).

Local business leaders were also pleased that the benevolence of Battelle would now boost the local economy, rather than... be passed out on Columbus street corners to everybody in Columbus who made less than $5,000 per year, as one person suggested (in Andrews, 1982:189).

The Ohio Center it seemed, would be completed shortly, free from financial obligation.

7.5.4: Rising opposition to Battelle's management

There was one snag, however. Battelle wanted to run the whole show itself, and to appoint all nine members of the board of trustees of the newly organized and tax exempt (under the 1973 statute) "Battelle Commons Company for Community Development". Eventually, three trustees were appointed to represent Battelle, one to represent labor unions, one to represent 'the community at large', and four to represent local firms. These last four were chief executive officers of the firms judged in 1976 (two years later) to be the four most powerful in the city (Brown, 1976), indicating both the support of these firms and the weight they placed on the project.

Battelle appointed one of its own to direct the project; Clyde Tipton. But Tipton was utterly inexperienced in the management of such a venture, and after three years had produced nothing but suspicion that the Ohio Center
would never be built. He had also demolished the old railroad station, thereby
closing off the possibility that Federal government funds might be used to
renovate it as the center-piece of a transit facility incorporated into the
convention center. By 1977 the head of the Wolfe family had resigned from his
trustee board position, calling Tipton "at the most charitable, incompetent"
(Andrews, 1982:398). Moreover, Tipton's personal style had alienated many other
local business people as well as local politicians; he seemed unable to negotiate
a deal with prospective developers of a hotel that was to be part of the
complex, and refused to hold open meetings or divulge much information even
to the trustees. Perhaps worse still, he had never consulted with the city's
convention and visitors bureau about its needs or the relationship of the Ohio
Center to Franklin County's Veterans Memorial convention center.

During 1977 the Wolfe-owned *Columbus Dispatch* began to openly criticize
Battelle's management. While Wolfe was soon replaced on the Ohio Center
board of trustees by a bank executive, it was clear that many other CBD-
headquartered firms were also anxious over the fact that the project was
again stalled: which, Wolfe had said, "retarded the development of downtown
Columbus" (in Andrews, 1982:402). And it was not only the CBD's future which
was at stake, according to the *Dispatch*, as it brought 'public opinion' to bear:

> Something cannot be permitted to go wrong. Fruition of the Convention Center is far too important to the well-being of the Greater Columbus area and its anticipating citizenry. That citizenry has every right to expect not only visible action but a more vigorous and imaginative management in this vital development (in Andrews, 1982:409).

These 'public rights' were said to devolve from the court order to Battelle to
use its funds in a way beneficial to the community as a whole.
7.5.5: A new coalition steps in

In the face of intense pressure from the rest of the local capitalist class, Battelle was persuaded to ask the locally headquartered Galbreath development company and Nationwide Insurance company to take control. While both had been represented on the board of trustees, neither had been actively involved up until then. The Galbreath company had previously asked to be excluded from financial involvement. But Galbreath's sense of 'civic responsibility' now pulled it into the project. Nationwide had its own interests:

Nationwide decided to make the investment because it had the most to lose if the center failed. The giant insurance corporation had recently dedicated its 40-story tower and plaza across the street from the convention center site. It also owned a great deal of property in the area (Andrews, 1982:522).

Battelle's Tipton resigned, and within a matter of months, in early 1978, the same Galbreath/Nationwide "United Redevelopment Corporation" that had rescued the urban renewal projects of the 1950s had broken ground for the Ohio Center.

Galbreath sought local financing for the hotel adjoining the center (Tipton had unsuccessfully sought both outside financing and an outside developer). Local control and financing were viewed as highly beneficial. According to one Ohio Center trustee:

We wanted the right ownership and a long-term commitment to the city. Getting a number of leading local corporations involved demonstrates the community commitment (in Andrews, 1982:539).

This 'local control' argument was similar to one that had been used by the Downtown Area Committee twenty years earlier in supporting the United Redevelopment Corporation bid to redevelop Market-Mohawk.
A number of local firms stepped forward in a solidaristic response to organize a financial coalition that would get the hotel constructed. Among them were the three major Columbus banks, six local insurance companies, Lazarus, and the Wolfe-owned bond-brokerage and financial company. The coalition represented a wide array of locally headquartered firms. Work on the hotel was started in early 1979, a year after ground had been broken for the convention center itself. Other CBD hotel operators were pleased at the prospect of an expanded local market from the overflow from the Ohio Center's hotel.

7.5.6: Micro-geographical political concerns are renewed

In 1979, the north-south conflict threatened to erupt again as Nationwide considered plans for a second hotel next to the Ohio Center. But Galbreath remembered the earlier compromise:

Things are moving up here on the North End, and now Capitol South has to be our number one priority (in Andrews, 1982:576).

Galbreath, it so happened, had plans of its own to develop a hotel on the Capitol South site (to be the Hyatt on Capitol Square). But other CBD headquarter firms were also concerned at the slow pace of development in Capitol South. Both Wolfe and Lazarus were represented on its three-person board of trustees (Cook, 1977:43). Lazarus was by then the only major department store in the CBD, and sought to be part of a larger complex that could compete with suburban malls (Cook, 1981:95). Continued problems with organizing the construction of an enclosed shopping mall on the Capitol South site led to the board's expansion in 1982. By then, virtually all the large CBD headquarter firms were represented, including all three banks, two savings and
loans, two other financial companies, three large development companies, both the electricity and gas utilities, and two large department/clothing stores (Columbus Dispatch, 12/17/82:B5).

This was not the last micro-geographic concern, however. By 1979 also, the management of the Veterans Memorial convention facility wanted to expand and also to build an adjacent hotel. The headquarter firms feared that this new competition would decrease the viability of the Ohio Center. Fortunately for them, they were able to squelch the plan, since the Franklin County Commissioners would need to have it approved by citizens in the form of a new bond issue, and given opposition from the CBD headquarter firms, this was unlikely.

7.5.7: Conclusions: personalities, counter-coalitions, and compromises

The case of the Ohio Center raises a number of interesting issues with respect to local capitalist class formation. The first is an issue that has barely been touched on so far; that of personality and ability to organize people into coalitions. The characteristics of leadership and organizing ability represented by people such as Delmar Starkey of the Chamber of Commerce, Paul Gingher of the Metropolitan Committee, and Trent Sickles, the Lazarus 'gunslinger', were missing in the Battelle representative Clyde Tipton. Tipton not only proved unable to manage the development project itself, but spent much of his time, according to one CBD developer, "bullshitting people" (in Cook, 1977:41). Clearly, given the omnipresent tendencies for conflict among locally dependent firms, such a style was not productive. The contrast between Tipton and the more adept leaders like Starkey, Gingher, and Sickles, points up the necessity for
astute tactical abilities and trustworthiness among members if local business coalitions are to succeed.

A second set of issues emerges from consideration of the counter-coalition that arose to usurp Battelle control, and which virtually repeated the rescue mission many of the same firms had undertaken in the late 1950s when the urban renewal program was in crisis due to Wolfe intransigence. In both these processes is visible: first, the ability of a broad counter-coalition to take over a project from the most powerful single firms (in the case of the Ohio Center, Battelle's capital input gave it this power); second, the provocative results of crisis itself in unifying the counter-coalition; and third, the strategic decision to 'keep things local' in order to secure the desired results.

Finally, the case of the Ohio Center reveals how struggle (in this case between firms more dependent respectively on the northern and southern sections of the CBD) can result in compromise when the alternative will probably be no action at all and hence irreparable damage to all concerned. For despite the serious misgivings of many local firms about both the Ohio Center and Capitol South projects, it was clear that neither could be completed without a degree of local capitalist class unity. The issue this raises of whether and to what extent there can be collective decision-making about the development of the CBD as a whole is further discussed below, in the last section of this chapter.

The sports arena that had originally been planned to accompany the Ohio Center was dropped as Battelle took over the project. The possibility of constructing a large stadium was again aired in 1977 but the Columbus city council would not put it on the ballot (Andrews, 1982:415–421). In 1984, however, a sports arena was being discussed again. This time the Mayor of Columbus was floating the idea of building a huge 100,000 seat stadium. The Chamber of Commerce took up the idea, but its leadership decided that rather than push for a stadium, their strategy should be to lobby for an expansion of the Ohio Center so that it could compete to attract larger conventions and also attract some sporting events.

The Chamber ran into a series of oppositional movements during 1985 and 1986 before Franklin County citizens finally voted on whether to use tax funds to construct a 'New World Center' in May 1986. Staunch fractional antagonism from restaurant and bar owners, whose businesses were originally slated to bear the tax burden, forced the Chamber to ask the citizenry instead for a sales tax increase. Once this dispute had been resolved, there was opposition from neighborhood residents and small firms in the areas adjacent to the proposed site, as well as considerable unease about a county-wide tax whose benefits would be captured primarily in the CBD. There was also, and related to these, a high level of essentially class-based opposition from local citizens, rooted in the question of whether the citizenry at large would benefit from the New World Center, or if instead, only a handful of CBD firms would reap its rewards. The Chamber attempted to overcome this opposition by running a
strong publicity campaign handsomely supported financially by CBD headquartered firms.

As with the previous case studies in this chapter, with this introduction as background, the issues of local capitalist class formation that the New World Center strategy raised are discussed in more detail below. First, the decision by the CBD headquarter firms to unify behind the New World Center plan is analysed. Second, the opposition movements and how the Chamber of Commerce dealt with them tactically are investigated. Finally, the lessons that emerge from the activities of locally dependent firms around the New World Center strategy are drawn out.

7.6.2: A domed stadium piques interest at the Chamber of Commerce

Exactly where the idea of building a new sports stadium in Columbus originated is not clear. There were a number of articles published in both Columbus daily newspapers during April 1984 which discussed the stadia that had been built to house professional sports teams in several cities in the United States and another stadium that was under consideration in Cleveland (for instance, Columbus Dispatch, 4/8/84:1F; Columbus Citizen-Journal, 4/11/84:1). A week later the Mayor of Columbus, Dana G. Rinehart, was said to envisage a one hundred thousand seat stadium in Columbus, the kind of facility that might encourage a major-league sports team to play in the city (Columbus Dispatch, 4/17/84:1A). And during the week after that, there was apparently a great deal of discussion of such a facility among the large CBD headquarter firms that dominated the leadership of the Columbus Area Chamber of Commerce (for instance, Columbus Dispatch, 4/18/84:2D; Columbus Citizen-Journal, 4/18/84:16;
Quite where the idea was first mooted is thus somewhat unclear. However, it is clear that the experiences of other cities and the notion that Columbus should compete with them were prominent in sparking it off.

The idea of a very large stadium was greeted with not a little caution among local firms. The Mayor argued that it was necessary to take risks, to build a stadium first, before a sports franchise would come to Columbus to use it (Columbus Citizen-Journal, 6/15/84:1). But Columbus 'business leaders' were feeling generally wary of big new projects, having supported two strategies in the previous few years that had not been very successful. After stepping out on an ecological limb in the middle 1970s, the Columbus city government had been saddled with a trash-burning electricity plant known locally as the 'cash burning power plant', as a result of its continuing operating deficits. Then the Chamber had vastly underestimated future air traffic in supporting the reconstruction with only minimal expansion of the city government's airport in the late 1970s.

Nevertheless, discussions at the Chamber continued over the summer and fall months. If anything was to be done, locally dependent firms would have to be united on strategy. In evaluating the controversy surrounding Cleveland's proposed domed stadium, a Columbus newspaper columnist had recognized that these types of issues succeed at the polls only when the business and civic leadership present a united front to the voters (Columbus Dispatch, 4/22/84:3B).

And the approval of Columbus citizens might well be required.

Chamber leaders decided to evaluate the experiences of other cities where stadia had been constructed. The financial viability of a large stadium was of particular concern: who would pay for it, and would it be adequately used (by
a professional sports team, for instance)? A "Domed Activity Center Task Force" was organized within the Chamber, with the city and county governments represented on it, and it reviewed some favorable financial forecasts. During the winter there were feelers to see if the Ohio State University's football team might play in a stadium, and suggestions that the planning process itself should later be widened to include labor and neighborhood representatives. Members visited Indianapolis to see what had been done there (Columbus Dispatch, 1/10/85:1A; Columbus Citizen-Journal, 1/16/85:1).

In the course of determining their strategy, Chamber members radically altered the original idea. Rather than construct a stadium, they would build a 'domed activity center'. Sports were de-emphasized, and the facility was to be useful for all sorts of local events. Moreover, an activity center could be located next to the Ohio Center, where it would also serve as an expanded convention center, enabling the local economy to benefit from much larger meetings than the Ohio Center was able to accommodate. A feasibility analysis had estimated that even without a major league sports franchise, the local economy would be richer to the tune of $77m per year, assuming a local multiplier from visitor spending of 2.25. (Columbus Dispatch, 1/8/85:1A).

By February 1985, the Chamber's leaders were satisfied that they had a viable strategy, and were able to vote unanimously to support a domed activity center, and to take leadership themselves to ensure that it would be constructed (Columbus Dispatch, 2/24/85:1B). Even though the original idea had been utterly changed, the Mayor greeted the news with enthusiasm:

"The chamber has once again taken a position of leadership," Rinehart said. "They understand that a domed activity center is good for business. They know that it will be pumping $100 million a year into the economy. They know we need the jobs it will
create," he said (Columbus Dispatch, 2/24/85:1B).

Further planning continued through 1985. A temporary local business coalition, the "Columbus Center Civic /sic/ Committee" (CCCC) was established to broaden the base of business support for the project. Sub-committees were appointed to examine various aspects of the domed activity center. Token neighborhood and government representatives (including representatives of suburban jurisdictions) were invited to participate. A big campaign was to be launched to secure funding from the citizenry in the form of a local bond issue, and $275,000 in donations was sought to finance a publicity campaign. Some urgency was perceived. The president of one of the three banks called for the bond issue to be approved as soon as possible lest the project be stalled (Columbus Citizen-Journal, 1/16/85:1; 4/30/85:16; Columbus Dispatch, 2/28/84:1A; 3/7/84:1A). By the summer of 1985 CCCC was commissioning architects and financial analysts to present final proposals.

7.6.3: Fractional opposition slows the domed activity center

CCCC avoided proposing a property tax increase: "they are the most hated tax," according to the CCCC chair (Columbus Citizen-Journal, 7/1/85:5). Instead it directly copied a plan that had been successfully implemented in Indianapolis, and proposed that a food and beverage tax be levied on restaurants and taverns to retire the bonds issued to pay for construction. This was portrayed as a 'users tax' (Columbus Dispatch, 1/8/85:1A). It meant, however, that one fraction of local firms and their customers would pay the cost for all. Reaction from the restaurant and tavern sector was immediate and negative. The Ohio Restaurant Association and the Ohio Association of Beer and Wine Wholesalers
announced that they would fight the special State enabling legislation necessary for imposition of the new local tax. According to a spokesperson for the latter coalition:

"It's not fair. Many other businesses will benefit from domed stadiums" (in Columbus Dispatch, 1/20/85:1D).

If the State legislature were indeed to approve the legislation, the restaurant and tavern sector threatened trouble come the ballot campaign:

"There will be a war and it will emanate from some major groups" (in Columbus Dispatch, 6/27/85:1C).

Chamber leaders, however, seemed oblivious to the outcry from this one fraction of firms. They continued to lobby for the legislation. Presumably they expected that a food and beverage 'users tax' would more easily pass muster with local citizens than the alternative property or sales taxes. This much is suggested by the fears voiced by restaurant and tavern representatives as they attempted to prevent passage of the legislation at the State level. If things got so far as a bond issue, it was suggested:

"I'm afraid it will pass. The power structure in Columbus has the funds to sell it to the people, and I'm afraid we don't have the funds and the know-how to defeat it" (in Columbus Dispatch, 7/4/85:3B).

CCCC did not appear to anticipate any problems in the legislature. This, however, proved to be a costly tactical mistake. For despite intensive last minute lobbying by CCCC leaders (its co-chairs; developers John Kessler and Dan Galbreath; and lawyer Mel Schottenstein: ranked respectively seventh, second and fifth in a report on the Columbus 'power structure' published that year (Brown and Bosworth, 1985)), the legislature was lobbied more effectively by the State-wide business coalitions representing the restaurant and tavern industry. The enabling legislation failed to pass before the session ended in the
CCC was therefore forced to re-think its strategy. It selected imposition of an increased local sales tax, which was already allowed by State law. This new tactic was viewed positively because it would allow for a united front among Columbus firms. For despite the fears of the restaurant and tavern fraction that CCC would be able to outspend it in a publicity campaign, CCC leaders had apparently become equally fearful of the threatened "war" over any attempt to impose the food and beverage tax:

People who watched the plan change say the city's most powerful players were beaten back by the better prepared representatives of tavern and restaurant owners. And, unwilling to face such opposition again, civic leaders have since set their sights on passing a sales tax for the stadium . . .

According to key players, stadium planners switched plans, in part, because of a threat by the restaurant lobby to go to war in the media against a tax on the industry (Columbus Citizen-Journal, 10/16/85:7).

The restaurant and tavern owners had announced that they would support a sales tax. CCC co-chair Galbreath saw the positive side of uniting local firms behind this strategy: "The less opposition, the better off we're going to be" (in Columbus Citizen-Journal, 10/16/85).

While a hoped-for November 1985 ballot was now out of the question, CCC would have the opportunity to organize a better publicity campaign. Accordingly, by the fall it was ready to present architects' plans and begin consideration of how the sales tax proposal would actually work, all in preparation for a campaign targeted at May 1986.
7.6.4: The push for a New World Center

Detailed plans for the Chamber’s proposed arena were unveiled in September 1985. The dome was gone. In its place there was the "New World Center", a multi-purpose indoor sports arena with adjustable seating to allow for either indoor sports, or a large convention space, or an entertainment facility. The maximum seating capacity would be 65,000, many times larger than any extant indoor facility in the Columbus area. If the New World Center were constructed, there would supposedly be enormous local benefits even without a major-league sports team. Tens of millions of dollars would be drawn into the local economy annually, it was suggested, and there would be thousands of new jobs. The center itself, indeed, represented a "rite of passage to major-league status for Columbus", according to the chair of the Chamber of Commerce (Columbus Dispatch, 9/26/85:1A).

There were still problems with the financing plan, however. The sales tax had to be county-wide, and moreover, State laws only allowed for increments of 0.5 per cent. Imposition of such a new tax over a proposed fifteen year period would bring in over three times as much money as was needed for the New World Center. Chamber leaders therefore put together what turned out to be a curious package of beneficiaries from the increased tax, including the Central Ohio Transit Authority (which would not need the subsidy for at least three years, if then) and the airport (which was owned and operated by the Columbus city government, not the Franklin county government).

In March 1986 CCCC leaders Kessler, Galbreath, Schottenstein and Leslie Wexner (the last was the local founder of a vast national network of fashion clothing stores and was ranked eighth in the Columbus power structure) went
to the County Commissioners to ask that the sales tax increase be put on the May ballot. A Chamber spokesperson argued that it was now time for a ballot issue since a broad consensus had been reached in Columbus on the need for the New World Center:

The entire process has taken about two years. We have involved one of the largest broad-based community groups to study the center. We've had several financial experts and several consultants to examine the need and the facility. The consensus is it is needed and the center is advisable (in **Columbus Dispatch**, 3/4/86:1F).

The Commissioners agreed to put a tax levy for ten years on the ballot, but excluded the city-owned airport from sharing the funds, which would be raised county-wide.

During the two months prior to the ballot date, the Chamber mounted an intensive publicity campaign to persuade local citizens that they too needed the New World Center. Using as a vehicle another temporary local business coalition — "Citizens for a Competitive Columbus" — by two weeks prior to the vote over $300,000 had been spent to buy media advertising time, to place special inserts in the **Columbus Dispatch**, and to organize special events and campaign volunteers. This was already half as much money again as the Chamber had spent on any ballot issue since at least 1978 (**Columbus Dispatch**, 4/25/86:1F; 4/27/86:7B). The final cost of the publicity campaign would be a startling $611,000 (**Columbus Dispatch**, 9/2/87:2E). Almost all of this was raised from the largest local firms. The list of major corporate contributors to the fund was a true 'who's who' of locally headquartered firms. Included were all of the most 'powerful' firms and many more. The campaign was organized by a true local capitalist class—for—itself.
The publicity campaign stressed the advantages that would accrue to Columbus in competing with other cities were the New World Center to be constructed. Columbus would rise into the "1st tier" of cities, as big conventions now bypassing Columbus would come and visitors would spend money (for example, Columbus Dispatch, 3/2/86:6B; 3/30/86:6E). The center was held to be essential if Columbus were to become a "major regional center", according to the Chamber president (in Columbus Dispatch, 3/8/86:1A). So important was the issue, indeed, that it would "determine the future of the community well into the 21st century" (in Columbus Dispatch, 3/28/86:6C). By two weeks before the May ballot date, the chief executive officer for Nationwide Insurance was claiming that "Issue 1 is issue won" (in Columbus Dispatch, 4/25/86:5E). But just to be sure, a half-hour telecast extolling the virtues of the proposed facility was played and repeated on local television stations in the days prior to the vote.

7.6.5: Opposition movements

The intensive and expensive publicity campaign was necessary to overcome a substantial level of opposition to the sales tax increase. An October 1985 poll had revealed that 66 per cent of local citizens opposed a 0.5 per cent tax increase to pay for the New World Center (Columbus Dispatch, 10/8/85:1A). A Republican Party poll in March 1986 showed 50.5 per cent opposed but still only 36 per cent in favor (Columbus Dispatch, 3/19/86:2E). Even by late April, 42 per cent were opposed and only 42 per cent in favor (Columbus Dispatch, 4/25/86:5E).
There were several sources of opposition. In the first place, there was criticism that as a CBD project, the New World Center would have few benefits to residents in outlying suburban areas of Franklin County. To allay these concerns, the Chamber downplayed the involvement of CBD-headquartered firms in promoting the facility. As the campaign built up, a Chamber spokesperson announced:

You won't see the Downtown big business heads you've heard so much about heading the promotional campaign. That will be a communitywide effort which will include representatives from the suburbs (in Columbus Dispatch, 3/9/86:7D).

A number of suburban-based business people were corraled into giving a press conference at which they proclaimed their beliefs that the 'entire community' would benefit, and that Columbus needed the New World Center if it was not to fall behind other cities. According to one developer the bond issue vote was crucial:

In the life of every city, there are certain critical moments. The real difference between success and mediocrity in the life of a city is what the business community leaders and the community do to take advantage of some of these opportunities (in Columbus Dispatch, 4/17/86:1D).

And suburban residents in the fast-growing northern sections of Franklin County, who were experiencing severe traffic congestion, were promised that they had not been forgotten. Indeed there was a surprise announcement in the middle of the campaign that famed New York financier Felix Rohatyn would soon be brought to Columbus to help find ways to finance street improvements without raising taxes. The chair of the Chamber denied that he represented a coalition that was biased towards the CBD (Columbus Dispatch, 4/12/86:1B).
A second source of concern was also explicitly geographical. Neighborhood organizations in the gentrifying areas close to the site of the New World Center (Victorian and Italian Villages) voted to oppose the sales tax out of fear that their streets would periodically be swamped with vehicles as a result of inadequate parking facilities at the facility.

But it was the third source of opposition that was perhaps the most important. For a small, more or less class-based movement, "Citizens for Private Development" (CPD), arose to challenge the distributive consequences of the Chamber's New World Center plan. It generally echoed, though in far more restrained terms, the complaints of one neighborhood commissioner, who in early 1985 had said that he viewed the facility as

more of a rich man's toy for the power people in the city. It won't benefit the majority of the people. I view it as a status symbol for Columbus (in Columbus Citizen-Journal, 3/23/85:1).

This perception was apparently validated when developer John Kessler announced plans for a new hotel close to the New World Center site and developer Dan Galbreath announced that the hotel adjacent to the Ohio Center would be expanded (Columbus Dispatch, 3/11/86:1A). Kessler and Galbreath were co-chairs of the CCCC that had designed the New World Center in the first place in 1985!

CPD argued that taxes should not be used since benefits would be concentrated in the hands of a few. Two days before the new hotels were announced, CPD had predicted:

The beneficiaries will be a handful of wealthy hotel and restaurant owners. Essentially, this proposal is welfare for the wealthy (in Columbus Dispatch, 3/9/86:7D).

Moreover, the costs, it was argued, would be borne disproportionately by the
poor and the elderly since the sales tax would be regressive. CPD also questioned whether the advertised number of new jobs would really be forthcoming, why monies for the Central Ohio Transit Authority were included when COTA did not need the funds, and why too few parking spaces had been provided.

7.6.6: The result

The issue was defeated on May 6, by 53.4 per cent to 46.6 per cent. Many black voters, whose politicians had supported the New World Center in the interest of jobs and entertainment, joined middle-class suburban residents in voting for the New World Center. But they were outnumbered by residents of blue-collar suburbs and Columbus neighborhoods who tended to vote against it. There was much self-examination on the part of Chamber leaders following the rejection. They nevertheless vowed to bring the issue back. They recognized, however, that the campaign slant would have to be changed, for this time, according to a newspaper columnist,

the campaign took on the appearance of business and political leaders trying to tell voters what is good for them (in Columbus Dispatch, 5/11/86:4B).

And speaking for those leaders, the chair of the Chamber admitted: "We were beaten" (in Columbus Dispatch, 5/15/86:1C).
7.6.7:  **Conclusions: the unification of locally dependent firms opens up a class-based conflict**

The campaign to construct a domed stadium/domed activity center/New World Center was organized by a local capitalist class—for—itself dominated by firms headquartered in the CBD. They saw in the facility the opportunity to bring higher levels of economic activity to the CBD, boosting levels of business for hotels, restaurants, stores, and so on. They also posed the issue very much in competitive terms, terms that pitted the Columbus economy against local economies elsewhere. The supposed successes of neighboring Indianapolis and the plans for Cleveland, in particular, were used to argue why Columbus should have its own facility.

While CBD headquarter firms were at first willing to load the costs onto one fraction — the restaurant and tavern firms — resistance from these firms led to a successful move to coopt them by switching the tax from food and beverages to a general sales tax. The opposition of one fraction of firms was correctly viewed as a dangerous impediment to strategy. Eventually, business unity was achieved with the Chamber of Commerce as the central focus of organization. But there was a price to this unity. Costs were shifted onto the citizenry at large, and this gave the opposition campaign a class-based flavor despite Chamber attempts to portray a local community of interest around the New World Center.

There were further problems. That the benefits of a tax imposed on people throughout Franklin County would be concentrated on firms in the CBD was opposed not only in stark class terms, but also in the more explicitly geographic terms of suburbs versus central city, and of neighborhoods versus
downtown. Moreover, there was a considerable overlap between class and geography since the CBD was the big firms and vice versa.

There were also a series of tactical errors on the part of the Chamber and its leadership, particularly with respect to organizing financing for the New World Center. The failure to foresee the possible defeat of the food and beverage tax proposal in the Ohio legislature in 1985, the consequent decision to ask for a sales tax that was much too large, and then to lump COTA in together with the New World Center, were errors that revealed just how poorly organized and unstrategic a local business coalition can be. Finally, wheeling out a heavily financed publicity machine instead of attempting a soft-sell approach with many small meetings and talks (only Leslie Wexner became involved in this way, as the Metropolitan Committee had used to do) was criticized in the post-mortem discussions as a quite inappropriate tactic (for instance, Columbus Dispatch, 5/11/86:4B).

By November of 1987, however, the New World Center was back on the ballot in yet another guise, after the State legislature had agreed to allow smaller, 0.25 per cent increments in county sales taxes. If the history of local capitalist class planning for the CBD was any guide, the center was sure to be constructed sooner or later, thus finally 'concretizing' the class power of locally dependent firms when they act in coalition.
This chapter has been devoted to analyzing processes of local capitalist class formation with respect to four significant construction projects in the Columbus CBD during the twentieth century. In the case of the civic center for government buildings, there were many years of planning at the Chamber of Commerce before a process of massive land-use restructuring was under way in the 1920s. Three decades later, there was at first little enthusiasm for urban renewal, followed by heightened interest, followed again by a sustained conflict among firms that was broken only when a new counter-coalition arose to take charge of the project. The construction of the Ohio Center in the 1970s also saw a long period of inaction followed by the rise of a coalition to ensure the project's completion. And in the 1980s there was the eventually united push for a New World Center which ran afoul of various types of oppositional movement.

Without repeating details of the participations by local firms in these projects, it will be obvious that a variety of interesting features of local capitalist class formation have been revealed. For instance, the class formation process was sparked off by, among other contingencies: crises in project completions; competitions with other local economies; defenses of neighborhood economies; and opportunities to alter the aesthetics of the CBD to make it more attractive (read profitable). Various local business coalitions were involved. The Chamber of Commerce was a prominent vehicle for organizing activity by large local firms during the early twentieth century and again in the 1980s, though apparently not during the urban renewal and Ohio Center schemes. This
pattern is doubtless in part related to the nature of participation in the Chamber during the era in which that coalition was pursuing its strategy of industrial expansion (see chapter VI). In the 1950s two special institutionalized business coalitions were formed with a mission generally to the CBD; the urban renewal sub-committee of DCGC and DAC. In the case of the Ohio Center, the coalition that took charge of the project was an ad hoc organization which did not become institutionalized. For the New World Center, a series of what might be termed 'puppet coalitions' were set up, with Chamber leadership behind them all.

A notable feature of local capitalist class formation around CBD development was the complete lack of participation by branch plant managers. There is no record of any of these being involved; comparatively speaking, they were quite active in DCGC, with its metropolitan-scale interests. As far as the needs of the branch plants were concerned, then, there appears to have been nothing about the CBD which was at all essential to the functioning of the Columbus economy. On the other hand, there was a high degree of activism among firms which at first sight were not dependent solely on the CBD — the headquarter firms — which tends to confirm the peculiar importance to them of the CBD as discussed earlier in the chapter.

Also revealed were a number of the various types of conflicts that can arise and thwart formation of a unified local capitalist class. In the cases evaluated in this chapter, the following types of conflict were evident: among fractions of firms over which of them were to bear costs (New World Center); between large CBD headquarter firms and small CBD-dependent firms; among crowds of firms over issues of control over strategy (urban renewal); between
CBD headquarter firms and neighborhoods and suburbs outside the CBD (New World Center); and there was a micro-geographical politics over specific locations of restructuring within the CBD (urban renewal and Ohio Center). Moreover, the issue of local versus outside control was raised once more, this time in particular with respect to urban renewal and the possible usurpation of local business control by the Federal government.

A most interesting aspect of local capitalist class formation revealed in this chapter is that those CBD projects that saw collective action by local firms appeared to be those in which government institutions were also most involved, through their financing abilities and their powers to condemn and amass properties for redevelopment. This coincidence is surely of great significance, though a full analysis of it would necessitate straying into questions of the causes of government activities. Suffice it to say here that when government institutions are involved, issues of legitimacy and democracy and the powers of local citizens would seem to require (at least often) a cohesive approach by local business people if government institutions are to behave in a manner appropriate to the needs of locally dependent firms. Consideration of the strategies of the Metropolitan Committee and DCGC (chapter V) points in the same direction.

Finally in drawing conclusions from this discussion of local business coalition formation in the Columbus CBD, there is the question of whether coordinated planning can reach beyond the organization of separate projects such as those described here, and on to tackle the economic development of the CBD as a whole. There were certainly moves in that direction. During the late 1950s the Urban Land Institute was invited to Columbus, and a Downtown
Area Committee was organized to focus exclusively on the CBD. Then, in the 1970s there was the agreement to develop both the Ohio Center and Capitol South lest neither be completed. And (though it was not discussed here) in the middle 1980s there was much criticism of the uncoordinated nature of CBD development, coupled with suggestions that projects should be prioritized, so that they could be jointly supported in an orderly manner (for instance, Columbus Dispatch, 5/15/83:1G; 12/16/84:1B).

And yet, despite the recognizable advantages of coordinating CBD development, there were tremendous problems in doing so. These were revealed particularly in the micro-geographical disputes. At root the difficulties derived from the same problems faced by DCGC in its attempts to implement long-term comprehensive regional planning of infrastructures (see chapter V). Even though the potential rewards must seem so frustratingly obvious to those who push for still higher levels of cooperation and coordination, firms are unwilling to submit to usurpation of their abilities to choose among options, presumably for fear that their competitive chances vis-a-vis other firms will be reduced. There is therefore a strong tendency against voluntary (and voluntary is crucial to local capitalist class formation) subjugation of the freedom of individual firms — to make profitable decisions on CBD activities, new buildings, and so on — to the will of some collectivity. And of course matters are hardly helped by the fact that the collectivity would include the firm's competitors.

What underlies this tendency is the very nature of the capitalist economic system. For the future to be mapped out for them would mean that capitalist firms could no longer act as capitalist firms; could no longer attempt to gain
competitive advantage over their fellow firms in the race for survival. No firm will voluntarily participate in a coalition that appears to restrict its behaviors, at least unless the rewards are manifest and immediate, as with a price-fixing cartel. Without such clear benefits, only strategies that seem to offer new opportunities for enhanced competitive abilities will be acceptable. Thus it is that the limits to the strategies of a local capitalist class—for—itself are revealed.
CHAPTER VIII

CONCLUDING COMMENTS

8.1: INTRODUCTION

In the foregoing chapters there has been an investigation into processes of local class formation: into the origins of collective activity by members of a class for itself that is based on a territorial solidarity at the local scale. More particularly, the focus has been on the local capitalist class and its institutions; local business coalitions.

As suggested in the introductory chapter, there have been two inter-related objects to this study; first, the construction of a set of abstract theoretical statements about local capitalist class formation as an aid to understanding them, and second the explication and explanation of local capitalist class formation in a case study locality. The set of abstract statements was formulated in chapters II and III. It was then used as a guide in undertaking the case studies in chapters IV–VII. It is now time to return to more abstract ideas by processing the case study materials so as to advance a little further from where the theorization left off in chapter III. This will be done by
returning first to the concept of local dependence, and then second, summarizing some of the contingencies affecting local capitalist class formation that have emerged as significant. Finally, suggestions will be made as to how future theorization should proceed.

8.2: LOCAL DEPENDENCE

In chapter II it was suggested that economic interests might play a crucial role in local capitalist class formation, and that they had been neglected in the community power structure literature and only partially addressed more recently. In chapter III, a coherent theory was outlined to explain why the dependence of firms on a local economy was a necessary precondition of local capitalist class formation. Local dependence can be seen as an aspect of the structural capacity (Wright, 1979:99–102) of a local capitalist class, defining a local capitalist class—for—itself.

The importance of local dependence to local capitalist class formation was clearly shown in the case studies, even if somewhat indirectly. Rather than investigate the geographic structures of linkages for individual firms (which would be an extremely difficult task, especially historically), the strategies of local business coalitions were analyzed to reveal how they were premised on, and were responses to, the local dependence of member firms. Evidence was presented to indicate that it was questions of the growth and stability of the local economy that lay behind local capitalist class formation. Strategies undertaken by the various local business coalitions were aimed either at
attracting new flows of value into the Columbus economy, or at providing an infrastructure framework conducive to the smooth functioning and growth of the economy. Specific problems in the local economy were often responsible for sparking off local class formation, and institutionalization in the form of local business coalitions allowed for future problems to be addressed as they arose. Local dependence, and the problems for firms that are associated with it, can thus be viewed as explanatory of local capitalist class formation.

8.3.1: THE CONTINGENCIES REVIEWED

In chapter III, it was suggested that even given local dependence, a number of contingent conditions would affect the process of local capitalist class formation. Subsequent chapters have revealed how some of these operated. Contingencies can be grouped into three main types: organizational relationships among locally dependent firms; relationships of local business coalitions to other local actors; and the insertion of the locality into a wider political economy.

8.3.2: Organization

Questions of organizational relationships among locally dependent firms were the focus of a great deal of the case studies (especially in chapters VI and VII). Their importance was especially obvious when disagreements and conflicts arose; that is, when there were problems in the organizational capacity (Wright,
1979) of locally dependent firms that threatened to prevent the transition to a class-for-itself.

A series of disagreements over strategy emerged that have prevented locally dependent firms from working together. Purely fractional differences were evident in few cases; most notably in the reactions of restaurant and tavern owners to the possibility of a tax on their sector to pay for construction of the New World Center. But there were other very clear differences in economic interest behind the long-running struggle over the industrial expansion strategy pursued by the Chamber of Commerce. And territorial disputes arose in a number of cases, from the micro-geographic conflicts over urban renewal to the CBD versus suburbs of the New World Center.

An issue that was not fully anticipated was conflict over the question of control over development of the local economy. This was central to the struggle over whether to apply for Federal government funds to construct a dam, and was also relevant in both the dispute over industrial expansion and the initial reluctance to pursue urban renewal. Local dependence is central to this question, for firms that were concerned to maintain what control they felt they possessed over the future of the Columbus economy (the powerful Wolfes in particular) were essentially attempting to minimize sources of instability (in these cases the wider space-economy and the Federal government) that might confront them in the future, by maintaining localization in Columbus. It appears that those firms less concerned with this issue were those that already had less to lose; firms further down the structure of power internal to the set of locally dependent firms, firms for whom outside control
might have been very little different in effect from Wolfe control.

The issue of internal power structures brings up the modes by which contradictory interests were resolved and organizational capacities created. Four general modes were observed. First was a hegemonic strategy pushed through by the largest local firms. This was particularly evident in the case of urban renewal, in which neighborhood and small firms were in most cases quickly sacrificed despite their resistance. But the pursuit of a hegemonic strategy is a mode of conflict resolution that was doubtless far more common than revealed here. For it is likely that in many cases small firms did not even resist overtly when their interests were compromised if they perceived little chance of success. This is another example of the idea mentioned in chapter VI that many potential conflicts never see the light of day precisely because of the balance of power among the antagonists. It was raised in larger terms with respect to the community power structure literature by Bachrach and Baratz (1970). The essential argument, again, is that the very structures of power preclude many contradictory interests from emerging into overt conflicts.

The question of power structures within the local capitalist class also points up something of a paradox in the relationship between local dependence and local capitalist class formation. In the absence of considerations of power structures, it would be logical to assume a positive correlation between the degree of local dependence and participation in local business coalitions; the greater the local dependence of a firm, the more likely it would be to participate. But once cognizance is taken of the relative resources of firms and their structured power relationships, a tendency in the opposite direction is revealed, particularly when locally headquartered firms are considered. For
while these may have operations that are more geographically dispersed than those of entirely locally dependent firms, they also are larger and have the resources to dominate processes of coalition formation and strategic decision-making. Hence it may be that less locally dependent but larger firms are more prominent in some local business coalitions than firms that face a higher degree of local dependence but are smaller. This would begin to explain the prominence of headquarter firms in studies of urban politics (Friedland, 1983).

The second mode of resolving disputes required the organization of a counter-coalition by those firms nominally less powerful than those whose strategies they opposed, but which could compensate for this through force of numbers and by adept tactical manoeuvring. Thus it was that: the Chamber of Commerce was able to pursue its industrial expansion strategy; CBD firms through their Downtown Area Committee were able to organize the urban renewal of Market-Mohawk; and the Wolfes were defeated over the dam funding issue. Although in each case significant local firms were not only left out of the counter-coalitions but were antagonistic to their strategies, coalition members were able to pursue those strategies by dint of their cohesiveness and astute choice of tactics.

The third mode (which was sometimes observed in conjunction with the second) required exceptional activism by individual people in leading coalition formation. It was most clearly revealed in comparing the actions of Battelle's Ohio Center planner Clyde Tipton with the roles played by the Chamber's Delmar Starkey and the Metropolitan Committee's Paul Gingher. Both these latter individuals operated personally in such a way as to overcome problems; Starkey by skillfully leading an alliance of pro-industry firms, Gingher by helping
reconcile differences among Metropolitan Committee members. This is not to suggest that individual people cause local business coalitions to be formed: rather to emphasize that formation is an active process in which individual people must take actions if coalitions are to succeed, and hence what those actions are is an important determinant of the formation process.

The final mode by which conflicts were resolved was through the very organization of an institutionalized local business coalition. DCGC was the outstanding example of this, since its explicit purpose was the creation of a forum in which differences could be ironed out and consensuses achieved. The Metropolitan Committee also served this purpose. Interestingly, both of these coalitions tended to pursue 'lowest common denominator' strategies which all member firms could support.

There are, then, significant problems deriving from the differing interests of locally dependent firms. These can prevent a local capitalist class from gaining organizational capacity by attracting the activism of locally dependent firms. And there are also various modes of reconciling divergent interests. Both problems and resolutions reveal the highly politicized nature of the processes of local business coalition formation.

8.3.3: Other local actors

The question of control over locality has been raised in this study mostly with respect to 'local versus outside' control. The focus has been on local rather than on class. This was not meant to suggest that class was not an issue within the locality, or that it is the 'local' aspect of 'local class' that is operative
rather than the 'class' aspect when it comes to structural and organizational
determinants of local class capacities. Instead, it was largely a result of the
particular examples of local capitalist class formation that were examined in
Columbus, where localized political conflict along class lines was not prominent
in the processes studied; the only example of significant class-based opposition
being that around the New World Center. Thus it was even possible to abstract
away from other classes throughout most of the discussion — treating local
classes other than the capitalist class only tangentially — and still make sense
of events.

It should nevertheless be recognized that when it comes to determining the
capacity of locally dependent firms to organize a class-for-itself, there must be
concerns over other locally dependent actors; in particular both locally
dependent people, in their roles as citizens, workers, consumers, and so on, and
locally dependent government institutions, such as the city government of
Columbus. Even though the more active roles of these actors have been by and
large ignored in this analysis without reducing the credibility of the arguments
(again, plausible as a result of the instances examined), it is evident that they
could not be so ignored were a more complete understanding of local capitalist
class formation desired. The strategies of the Board of Trade, for instance,
were often directed towards local government institutions, and in the case of
DCGC it was local government activities that were the sole focus of strategy.
The Metropolitan Committee devoted most of its attention to local citizens in
their capacity to approve or disapprove funding that would allow for
infrastructures to be built. It was in part the creation of a cross-class local
alliance by the Chamber of Commerce under Delmar Starkey that allowed the
pro-industry firms to succeed in their strategy of attracting branch plants to
Columbus. As these examples attest, vital roles were played by other local actors, and why they responded as they did to local business coalition strategies is an important question (see Cox and Mair, 1988).

8.3.4: The wider political economy

Finally in terms of contingencies, there was the insertion of the locality around which a local capitalist class is formed within a wider space economy (including other localities) and a wider set of government institutions. The influences of the first of these were evident particularly with respect to the activities of the Board of Trade and Chamber of Commerce. The Board in its early days recognized the new opportunities for locally dependent firms in Columbus that derived from the rise of a manufacturing regime of accumulation, and members devoted significant energies to competing with boards in other localities in order to attract manufacturing firms to Columbus. Thus much of its strategy was located in the nexus between individual locally dependent firms and the wider space economy. Similarly, the Chamber of Commerce industrial expansion strategy was premised on the rise of a Fordist regime of accumulation that incorporated multilocalional industrial firms seeking to place branch plants in localities to take advantage of their labor pools. The debate over whether and how Columbus should partake of this scenario divided locally dependent firms for several decades.

As mentioned already, Federal government programs and policies also figured in the processes of local business coalition formation. The specific issue in Columbus was the balance between, on the one hand, new funding sources, and, on the other hand, the loss of local control over program implementation.
This caused conflict over both urban renewal and the dam funding question.

8.4: AN AFTERWORD: MOVING BEYOND CONTINGENCY

Thus far three distinct sets of contingencies have been reviewed: those with respect to organization among the set of locally dependent firms; those deriving from the relationships among locally dependent firms and other local actors (primarily people and government institutions); and those relating to the insertion of the locality in a wider political economy.

The overall methodological framework that has been adopted in this study is closely modelled on that set out by Sayer (1984) and loosely followed by Massey (1984). This implies that 'abstract research' or 'pure theorization', of local capitalist class formation, of the type undertaken here in the first part of chapter II, can only shed limited light on empirical conditions since a mass of contingencies will interpose themselves between a 'pure' theory and what occurs at any specific historical-geographical conjuncture.

Now while this methodological approach is sound in so far as it goes, left in this state it presents a pessimistic --- indeed defeatist --- attitude towards explanation that may be unwarranted. And it has come in for criticism on these grounds (Harvey, 1987). The major part of this dissertation has consisted of an examination of some of those contingencies in a case study locality. And in this context the 'pure theory plus contingencies' approach to explanation of Sayer and Massey has proved very valuable as a methodological heuristic.
device. But while this is a necessary first step, it is only a first step towards fully understanding particular local business coalitions. The way forward is to recognize that contingency is a very relative term; it refers to particular objects only. Thus object X is never contingent per se, but is only contingent with respect to some other object Y. Put more concretely, what have been labelled contingencies in this study are contingent merely with respect to the 'pure' theory of necessary pre-conditions for local capitalist class formation.

It is now appropriate to ask whether theorization could not be further advanced by moving beyond the building up of a longer and more complete list of contingencies. Indeed these have already been loosely sorted into three sets, and this inductive exercise may point the way towards analyzing in a more structured manner what appear to be the most relevant contingencies with respect to local capitalist class formation.

To see the way forward, it is necessary to recognize that local capitalist class formation has been examined mostly from its own vantage point, so to speak, while there are in fact a number of vantage points, each of which would portray it in different lights, and all of which would reveal partial truths (see Oilman, 1973). To advance further means to remember the first view whilst moving to look from other vantage points. To make this more concrete within the same metaphorical framework, the first view was of the necessary conditions behind local capitalist class formation (the first part of chapter III). It was then imagined (with help from what others, including community power structure researchers, had reported) what might be the views from other directions. But these were only hazy; hence the various social structures implicitly described in the second part of chapter II were presented as
contingencies with little attention given to their necessary conditions. The bulk of the case study (chapters IV—VII) was devoted to a fuller articulation of those contingencies as they operated in one particular case.

Now, to employ a further analogy, what was achieved by the end of chapter VI was a series of impressionistic — as in impressionist art — views: very vivid in a number of cases, very carefully painted so as to convey the processes of local capitalist class formation in Columbus as clearly as possible. But while this sufficed in terms of portraying what happened in the Columbus case, it remains incomplete since it tells nothing of the structured processes that caused what from the vantage point of one structure — the local capitalist class-in-itself) — appeared as contingencies. What is necessary now, then, is to move beyond contingency by appreciating the interaction of analytically separate social structures; rather than considering mostly one social structure while posing the outcomes of other structures as contingent conditions. For, as Walker puts it, what exists, and what methodology should reflect, is

a stratified social world in which many sub-systems come into being with their own substructures; hence there are multiple determinations or forces at work, not one structure encountering a series of random contingencies (1985:167).

The method of assuming 'one structure encountering a series of random contingencies', which has been explicitly adopted here, is nevertheless heuristically valuable (even necessary?) because it does reveal, albeit at first in the form of contingent conditions, what are the other structures relevant to understanding particular local business coalitions. Moreover, a thorough analysis of those 'contingent conditions' has already begun to reveal not only what those other structures are but also the ways in which the other structures interact
with 'pure' local business coalitions. It has thus been possible to isolate various structures deserving of fuller investigation. And three have emerged as prominent here. Essentially they are the same as the three sets of contingencies outlined earlier in this chapter.

First are the organizational relationships, including the internal power structure, among locally dependent firms. These were an object of analysis among power structure researchers starting with Hunter (1953), but have generally been discussed without relating organizational structure to the structure of the local capitalist class-in-itself as derived in the first part of chapter III. Specifically, local dependence has usually been taken as a given or at best as a contingency. Second are the forces structuring other local actors, in particular local people and local government institutions. These are examined more fully in their inter-relationships with the local capitalist class by Cox and Mair (1988). And third are the systematic forces determining how the wider space economy works, interventions from larger-scale government institutions, and how these two relate to local capitalist class formation. The space economy has been intensively studied abstractly by Harvey (1982). Examples of work on Federal government programs and how these are related to local capitalist class formation include the studies of urban renewal by Friedland (1983) and Mollenkopf (1983).

These are the areas, then, into which further research must penetrate in order to reach beyond lists of contingent conditions. In particular, it is analysis of interactions among social structures abstractly conceived, only one of which is composed of the conditions for local capitalist class formation, that will result in a methodological approach that is able to grasp particular local
capitalist classes at particular times in particular places.
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310


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