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Memo #2  
Growth and Spatial Structure of Cities  
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Perhaps I've sold my soul to Harvey, but I feel after this month's readings very much as I felt after last months – that capital flows are the ultimate causal determinant of urban spatial dynamics. Even with the introduction of boosters, farmers, Boards of Trade, downtown business interests, politicians, and other urban actors that admittedly bring a lot more complexity and nuance into the story, I still feel that all roads lead inexorably back to capitalism. Thus, in tracing the rise of Chicago to metropolitan status, Cronon finds it necessary to chart the flows of capital itself, noting that “the bottom line was that Chicago controlled and had access to more capital”; Fogelson, although an objective and impartial observer, nevertheless tells a story that is permeated by capital, for “downtown” was a distinctly American capitalist phenomenon, with such concentration of productive forces that the built environment extended far into the sky; Stedman-Jones finds the displacement of the poor in London inextricably tied to private sector development of railroads, docklands, and warehouses; and Harvey and Gordon are good disciples of Marx, of course, and so the presence of capitalism in their respective accounts is a given.

So I believe that the rise and fall of places is conditioned on the level of capital flows within those places. But what determines which places attract capital flows and which places fail to do so? I think Cronon is on to something when he talks about 2<sup>nd</sup> nature and how it directed capital to Chicago in certain ways. I would like to expand upon Cronon's notion of 2<sup>nd</sup> nature and propose a theory of my own. I propose that *capital conduits* are those innovations, policies, and technologies that augment the productive capacities of capitalism via time-space compression. In other words, they are those things that annihilate space by time, and in so doing lubricate the flow of capital and allow for greater accumulation and growth. The railroad is a good example: by allowing for the (relatively) rapid transport of goods and people, it revolutionized capitalist efficiency and increased opportunities for accumulation. The grain elevator is another example: by greatly speeding up the process of sorting and distributing grain, it, too, facilitated growth and profit. But capital conduits can be *non-physical* as well as *physical*. Two examples of the former would be the mid-19<sup>th</sup> century liberalization of credit, and the Chicago Board of Trade's introduction of standards for grain. Both sped up the flow of capital – the credit system by increasing the speed and ease of investment, and grain standards by divorcing the purchase of grain from its exact physical counterpart.

The Board of Trade example highlights another important distinction to be made about conduits: They can be both *location specific* and *non-location specific*. “Railroads” as a general concept are non-location specific, simply because in theory they could be distributed equally and equitably throughout the world. In reality, however, the railroad is very much tied to geography, its presence conferring an economic boon to those cities, towns, and places that it touches. In this way, the railroad is a fixed capital conduit that contributes to geographic disparity in the flow of capital. This is what happened in

Chicago – where a geographically specific placement of a network of railroads allowed for the greater flow of capital to and from Chicago, and thus gave Chicago a tremendous competitive advantage. Indeed, according to my theory it is the creation of *location specific capital conduits*, of both the *physical* and *non-physical* variety, that greatly facilitates the flow of capital to certain places, and thus conditions which places grow and which do not.

	location specific	non-location specific
physical	Chicago Railroads	Elevators
non-physical	Highway Act	Credit

This could be taken to apply to inter-city relations (railroads, grain elevators, exploitable pools of labor, and even natural conduits like lakes and rivers) as well as intra-city relations in terms of segregation and city-suburb dynamics (Federal Highway legislation, Federal mortgage insurance, the Credit Mobilier in Hausman’s Paris, subways, elevators, etc.). Finally, I am limiting my definition of conduits to those things that result in momentous or transformative shifts in space relations (I am aware, increasingly so as I write this, that taken to the extreme *anything*, no matter how tiny, could be viewed as a conduit as long as it facilitates the flow of capital in some way)

Whether we talk about conduits or 2<sup>nd</sup> nature, it seems clear that capitalism doesn’t proceed down some pre-ordained path. Rather, humans play a major role in the direction of capitalism, and hence the growth and form of the built environment, through their decisions about where capital should go. In theory, then, this gives a tremendous amount of agency to politicians, planners, and others to shape the built environment in ways that maximize the public good.

Of course, decisions that have major influence on space relations tend not to be made in a clear-cut fashion by some monolithic interest, but rather are hotly contested and the result of much debate. This was clear in Fogelson’s accounts, where issues like height limits and subways aroused such dissension and interest group posturing that the author devoted page upon page to describing these dynamics. One thing that struck me at the time was how everything Fogelson reported about these interest groups was based on their *opinions*. Some interests argued subways would do this, others argued they would do that, but no one seemed to have convincing evidence of the truth of their claims. Moreover, groups were very myopic and selfish, failing to look beyond their own narrow interests. It seems, then, that any conscientious public sector official or planner trying to navigate such a situation would need 1) scientific research that would help him/her to evaluate divergent claims, 2) a broad understanding of all constituencies involved, and the potential impacts of various policies/actions upon each of these groups, and 3) an

ability to calculate the aggregate effect of these policies/actions in order to “maximize” the public good. Needless to say, this is a daunting task, particularly since in theory any action has an infinite regress of consequences!