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The Rise of Urban Texas

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1. The Rise of Urban Texas

Char Miller and David R. Johnson

Texas contains three of the nation's ten largest cities, but their existence has not yet affected the hold that the state's rural heritage has on Texas' imagination—or so Texans' attachment to two nineteenth-century cultural landmarks, the Alamo and the Chisholm Trail, would suggest. As the shrine of Texas liberty, the Alamo continually generates elegies to the manly courage and bravery of the fallen heroes of 1836. It was on that hallowed ground, now trod by millions of tourists each year, that the "Trans-Appalachian American" reached his apogee: "The Texans had no bayonets, but by Mexican standards they were enormous men, towering a head higher or more. They smashed, butted, used tomahawks and knives. They fought as paladins . . . they died as paladins, each with his ring of surrounding dead." In death, of course, these tall men triumphed, a triumph that has reverberated across time and has done much to shape contemporary Texas myth and lore.¹

The "immortal frontier" of the late nineteenth century spawned its share of Texas heroes, too: burly men who rode the range and drove cattle north from South Texas along the Chisholm Trail to Abilene, Kansas. That bit of economic activity has also been invested with great cultural significance. As the writings of Walter Prescott Webb and T. R. Fehrenbach and the cinematic marvels of John Ford demonstrate, those Texans who struggled to establish a cattle empire were also central participants in a dramatic transformation of national character, for it was only on the Plains that the "sun burned through the fogs and lifted the burdens of southern history."² As the mists dissipated, a new American—"neither Yankee nor southern"—emerged. And this new man, this Texan, "shot not only a business but a form of culture across the American west," forever altering life beyond the ninety-eighth meridian. The Lone Star State's exceptional past and unique contributions, Fehrenbach concludes, have set it apart from all other members of the American union: "We have a history; other states have records of economic development."³

The rural character of Texas' past—and its influence on the state's sense of self—cannot be denied. But such influences are not paramount (nor ever were) and are frequently overdrawn. Certainly Fehrenbach is not alone in his assumption that the Lone Star is a singular jewel in the American crown. Indeed, one of the fundamental ironies of the rural emphasis on the state's historiography and lore, and especially the focus on the Alamo and the cattle industry, is that these historical events depended heavily on

urban environments for their impetus and ultimate success as symbols. The Alamo, for instance, may have been the scene of frontier heroics, but these heroics were played out on an urban stage. Set within what in 1836 was one of the largest cities west of the Mississippi River, Mission San Antonio de Valero's site plan and architectural form were legacies of Spanish colonial policies articulated in the Law of the Indies of 1583. Combining a mission, *villa* (civil settlement), and *presidio* (military encampment), this plan, put into effect in San Antonio beginning in the 1720s, proved a powerful symbol of its inhabitants' shared destiny, one that reflected the efforts of metropolitan Spain and, later, Mexico to subdue the rural hinterland. A little more than a century later, that settlement pattern took on another meaning: the Alamo was chosen by the Texans who would die within its compound precisely because it was an urban fortress, the most strategic spot from which to harass and delay the northern thrust of Santa Ana's army. It is not a little ironic, then, that the Battle of the Alamo has come to stand as the apotheosis of rural virtue and valor.⁴

The urban orientation of the cattle industry, of cattle drives (and drovers), is just as clear. Walter Prescott Webb argued, for example, that the origins of the industry lay in the region "south of San Antonio and west of the Colorado River," but then defined its geographical limits in a revealing manner: "We may describe the territory in question as a diamond-shaped area, elongated North and South. . . . San Antonio, Old Indianola, Brownsville and Laredo form the four points of the diamond. This restricted area was the cradle of the western cattle business."⁵ An *urban* cradle, it should be noted, for what Webb described was the rural hinterland and its economic resource, which the four emerging urban centers would over time seek to develop and dominate. A map of the Chisholm trail provides added evidence for the significant role such communities played in the cattle business, the central foci of which were the commercial entrepôts of San Antonio, Austin, Waco, and Fort Worth. These towns served as collection points for north-bound cattle, as convenient fords across a variety of rivers and streams and, not incidentally, as outfitting centers, offering "saddles, rope, six-shooters, groceries and other supplies" to the drovers. And the longhorns' final destination was, of course, the burgeoning urban populations of the Middle West and the Northeast, whose demand for meat did much to trigger the exploitation of the western range by the cattle industry, and thus helped set into motion the long drive itself. The influence of the urban heritage of Texas has indeed been rich, deep, and pervasive.⁶

The demographic dimensions of that influence are manifest most readily in the data culled from the federal census (see figure 1.1). Although Texas was not classified officially as an urban state until the 1950 census — at which point nearly 60 percent of its population lived in communities of twenty-five hundred or more — a sizable minority had resided in urban areas since

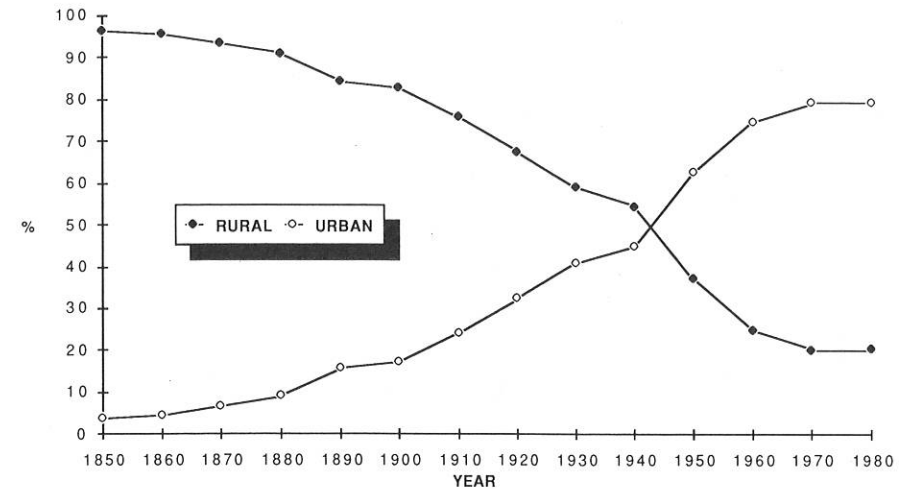


Fig. 1.1.
Texas Population: Rural and Urban Percentages.
Source: U.S. Census

the early twentieth century. Moreover, when one examines the rate of growth that the major cities of Texas have experienced since the 1870s, it is clear that the process of urbanization is not just a post-World War II phenomenon, a pattern commonly associated with the emergence of the Sunbelt. Instead, its roots extend back into the nineteenth century; strikingly, some of the largest percentile gains were recorded well in advance of the much-heralded Sunbelt explosion.

Houston's rate of growth is a case in point. The average decennial rate of increase in the city's population between 1860 and 1930 was 83 percent; between 1940 and 1980, the rate fell to 41 percent, or a bit less than half the earlier figures. Admittedly, these percentile rates of change mask the impact that changes in raw population figures would have had (Houston absorbed almost as many people in the decade after 1940 as it had throughout the rest of its existence), but neither should the escalating growth of the Bayou City's population after World War II obscure the importance and effect of the city's century-long pattern of sustained population increases. That rising curve laid the foundation for the mid-century takeoff.

And for the state as a whole, the impact of urban development can be assessed by comparing the differences in the rate of growth experienced in the urban and rural areas. Again, in terms of aggregate numbers, the critical turning point occurred between the 1940 and 1950 censuses, when more than 1.7 million people were added to the urban population rolls, while the rural population plunged by more than 400,000.

Table 1.1
Texas' Population Growth

City	Population												
	1860	1870	1880	1890	1900	1910	1920	1930	1940	1950	1960	1970	1980
Austin	3,494	4,428	11,013	14,575	22,258	29,860	34,976	53,120	87,930	132,459	186,545	251,868	345,496
Dallas	—	—	10,358	38,067	42,638	92,104	158,976	260,475	297,734	434,462	679,684	844,401	904,078
Fort Worth	—	—	6,663	23,076	26,668	73,312	106,482	163,447	177,662	278,778	356,268	393,476	385,164
Galveston	7,307	13,818	22,248	29,084	37,789	36,981	44,255	52,938	60,862	66,568	67,175	61,809	61,902
Houston	4,845	9,382	16,513	27,557	44,633	78,800	138,276	292,352	384,514	596,163	938,219	1,232,802	1,595,138
San Antonio	8,235	12,256	20,550	37,673	53,321	96,614	161,379	231,542	253,854	408,442	587,718	654,153	785,880

SOURCE: U.S. Censuses.

NOTE: — means data not available.

Table 1.2
Percentage Change in Texas' Urban Population

City	% Change												
	1860 (%)	1870 (%)	1880 (%)	1890 (%)	1900 (%)	1910 (%)	1920 (%)	1930 (%)	1940 (%)	1950 (%)	1960 (%)	1970 (%)	1980 (%)
Austin	455.5	26.7	148.7	32.3	52.7	34.2	16.8	52.3	65.5	50.6	40.0	35.0	36.3
Dallas	—	—	—	265.5	12.0	116.0	72.6	63.8	13.2	47.4	56.4	24.2	7.1
Fort Worth	—	—	—	246.3	15.6	174.7	45.2	53.5	8.7	56.9	27.8	10.4	-2.1
Galveston	74.9	89.1	61.0	30.7	29.9	-2.1	19.7	19.6	15.0	9.4	0.9	-8.0	0.2
Houston	102.2	93.6	76.0	66.9	62.0	76.6	75.5	111.4	31.5	55.0	57.4	31.4	29.3
San Antonio	136.1	48.8	67.7	83.3	41.5	81.2	67.0	43.5	9.6	60.9	43.9	11.3	20.1

SOURCE: U.S. Censuses.

But that transition was not quite as abrupt as the data suggest. A closer examination reveals, for instance, that in both aggregate and percentile terms, Texas' rural growth reached its peak in 1880, and with the exception of the 1900 and 1930 census returns, it has diminished ever since, a decline that parallels that of the national experience. In contrast, the state's urban population, always on the rise, surged forward between 1900 and 1910, and in 1920 the increase in urban population outstripped that of the rural for the first time. If in this sense Texas lagged behind the nation, which officially became urban in 1920, the key indicators signaled that the gap was not substantial and that it was narrowing. In the end, the census data underscore another pattern: urban Texas made its presence felt early in the state's history, during the very period when its most important legends were evolving. The heroic, basically rural imagery of Texas has thus obscured the fundamental role that urban Texans have played in organizing the state's economic and political structures.⁷

Population statistics indicate the broad outlines of urban development, but in and of themselves, they can neither describe fully its complex nature and timing in particular cities, nor address the equally complicated process whereby the various urban centers interacted and competed with one another across time. This poses a methodological problem. Until recently, urban historians have tended to rely on the case study method to describe the emergence of a particular city in hopes of illuminating the developmental process in general. But since urban development does not take place in a vacuum, indeed, because one community's rise is in part predicated on its relations with a host of other cities and depends, too, on a complex set of external forces beyond its control, a more comprehensive approach to the question of how cities expand and contract is required. A number of scholars have adopted a regional perspective to explore and explain the emergence of urban systems, a task that is frankly complicated. "We must learn," Timothy Mahoney has averred, "how [a] town has interacted with and functioned within the regional system of towns of which it is a part." This is a proposition that will lead historians to assess not only "the interaction of the town with the system, [but] its responses to larger forces of economic change, and responses of townsmen to the disruption caused by such external forces of change."⁸

Mahoney's arguments are informative and important, but embracing such a regional perspective does not necessarily resolve the urban historian's methodological problems. Still under debate is how to delineate those interactions with precision and how to determine what historical evidence best captures the fluid character of urban growth and regional development typified by the history of Texas urbanization. Much of the work to date has emphasized charting economic interdependencies, an effort that has helped clarify patterns of economic exchange but that has been unable to push beyond that model and determine convincingly what ought

Table 1.3
Population of Texas to 1980

	THE STATE			URBAN			RURAL			% OF TOTAL	
	Population	Change from Preceding Census Number	%	Population	Change from Preceding Census Number	%	Population	Change from Preceding Census Number	%	Urban	Rural
Current urban definition											
1980	14,229,191	3,022,461	27.1	11,333,017	2,412,071	27.0	2,896,174	620,390	27.3	79.6	20.4
1970	11,196,730	1,617,053	16.9	8,920,946	1,733,476	24.1	2,275,784	-116,423	-4.9	79.7	20.3
1960	9,579,677	1,868,483	24.2	7,187,470	2,349,410	48.6	2,392,207	-480,927	-16.7	75.0	25.0
1950	7,711,194	1,296,370	20.2	4,838,060	-	-	2,873,134	-	-	62.7	37.3
Previous urban definition											
1960	9,579,677	1,868,483	24.2	6,963,114	2,350,448	51.0	2,616,563	-481,965	-15.6	72.7	27.3
1950	7,711,194	1,296,370	20.2	4,612,666	1,701,277	58.4	3,098,528	-404,907	-11.6	59.8	40.2
1940	6,414,824	590,109	10.1	2,911,389	522,041	21.8	3,503,435	68,068	2.0	45.4	54.6
1930	5,824,715	1,161,487	24.9	2,389,348	876,659	58.0	3,435,367	284,828	9.0	41.0	59.0
1920	4,663,228	766,686	19.7	1,512,689	574,585	61.2	3,150,539	192,101	6.5	32.4	67.6
1910	3,896,542	847,832	27.8	938,104	417,345	80.1	2,958,438	430,487	17.0	24.1	75.9
1900	3,048,710	813,183	36.4	520,759	171,248	49.0	2,527,951	641,935	34.0	17.1	82.9
1890	2,235,527	643,778	40.4	349,511	202,716	138.1	1,886,016	441,062	30.5	15.6	84.4
1880	1,591,749	773,170	94.5	146,795	92,274	169.2	1,444,954	680,896	89.1	9.2	90.8
1870	818,579	214,364	35.5	54,521	27,906	104.9	764,058	186,458	32.3	6.7	93.3
1860	604,215	391,623	184.2	26,615	18,950	247.2	577,600	372,673	181.9	4.4	95.6
1850	212,592	-	-	7,665	-	-	204,927	-	-	3.6	96.4

SOURCE: U.S. Censuses.

NOTE: - means data not available.

to be, in David Goldfield's words, the regionalists' key concern—"the nature and timing of regional formation and growth."⁹

Goldfield has accordingly proposed that historians take a "geohistorical approach," which would include "not only economic interaction but cultural, political, demographic and technological variables as well." Each variable is itself a complex entity, as his definition of culture indicates. For Goldfield, the historian should pay particular attention to the "dynamism of human interaction" to explain how and why certain cities (and regions) grow in the ways that they do; among other things, the impact of entrepreneurial skill and the area's receptivity to innovation are important cultural concepts, because these characteristics help determine the timing of a region's expansion, as well as the extent and nature of its future economic interactions. This analytical framework also permits consideration of the strategic importance that governments of all levels assume in shaping a region's economic capabilities, the impact of demographic changes on regional employment opportunities, trade routes and growth potential, and, finally, a recognition of the profound social, economic, and political alterations that technological innovations—for example, the railroad—can usher in. Taken together, these elements create a dynamic model of urbanization that, significantly, grants an active role to the very human beings who formulated (and endured) the rise of urban America.¹⁰

It is this multifaceted regional perspective that we will employ to sketch out the broad outlines of the formative period of Texas' urbanization. And we do mean sketch, for a chapter cannot fully explore the many and varied elements that make up a full-fledged regional analysis. We shall therefore limit our discussion both by time and content. What follows is a speculative analysis of the rise of urban Texas—especially its three major cities, Dallas, Houston, and San Antonio—beginning in the mid-nineteenth century and concluding in the years immediately following WW II.

We have divided this chronology into three parts. The critical first stage in Texas' urbanization occurred between 1836 and the late 1880s. It was then that the three emerging urban communities to a large extent operated independently of one another, an independence that would diminish with the laying down of a statewide railroad network during the late nineteenth century. The second stage emerged at precisely this point, when each of these cities began to compete directly with the others for regional supremacy. This competition fundamentally reshuffled the state's urban hierarchy by the 1920s. The third stage emerged during the 1930s, especially during World War II, when Dallas, Houston, and San Antonio in different ways sought to capitalize on (and extend) their resource bases, which were critical for the accelerated growth and development of Sunbelt Texas.

Within this time frame, we especially focus on one of the central factors in these three cities' development: the entrepreneurial elite. By examining its actions we not only can establish the means by which these inde-

pendent polities merged their economic futures, but we also can explore the influence that politics, demography, and technology exerted on that merger.

The sheer size of the state of Texas ensured that the evolving urban hierarchy of the nineteenth century would be especially complex. There was sufficient room, in a very literal sense, for the development of several sub-regional, initially independent, urban centers. Major cities, such as Dallas, Houston, and San Antonio, had distinctive local economic bases, which were not initially in conflict with one another. San Antonio served the South Texas subregion; Dallas-Fort Worth, the north-central agricultural area; Houston-Galveston, the eastern cotton- and lumber-producing area. Each of these major urban centers spent the early years of its development capitalizing on nearby opportunities in relative isolation from the others. Those opportunities were sufficiently impressive to generate rapid population growth, which was, however, of a remarkably similar magnitude for each center, as the census data reveal.

By the 1890s, none of these cities had achieved dominance over the entire state. These early years were nonetheless critical to the future development of the regional urban hierarchy. Local elites with characteristics peculiar to their own circumstances emerged in each of the major cities. Their ability to compete with one another for regional leadership would be circumscribed by the personal background and experience of each elite community and by the ways in which their initial experiences in city building had shaped their vision of their particular community's future development.

The cultural matrix of the three towns is fundamentally different. The business communities of Dallas and Houston historically have had more aggressive attitudes toward growth than has San Antonio. Part of the explanation for this lies in the social origins of each of the nineteenth-century merchant groups. As Kenneth Wheeler points out, most of the merchants in Houston came from the Mid-Atlantic and New England regions, where the culture of entrepreneurial innovation and urban development was well defined. The Allen brothers of Houston are a perfect example of how this urban culture's perceptions are applied to a *de novo* situation. Shortly after the Battle of San Jacinto, these brothers from New York searched East Texas for possible sites for a city. Their understanding of the relationship between the function and location of cities led them to select the site of modern Houston, "at the most interior point of year-round navigation in Texas." Location was not destiny, however: Houston continued to grow precisely because its mercantile elite was skilled in the ways and means of urban development.¹¹

Nothing better illustrates the merchants' aggressive attitudes and behavior than Houston's railroad construction program. They acted quickly to develop a transportation system that would control and expand the city's

developing hinterland. Beginning with the Houston Tap in 1856, Houstonians built a rail system that bound the hinterland to the local economy. Rail lines southeast toward Galveston, southwest toward Columbia, west to Alleyton, northwest to Millican, and east to Beaumont linked the area's population and resources to Houston's economy by 1861; of the 450 miles of track laid in Texas before the Civil War, 80 percent led to Houston. As these various links were completed, Houston's entrepreneurs reaped the benefits. The volume of cotton arriving in the city increased dramatically, as did that of other raw materials, such as lumber and hides. This aggressive rail-building program thus laid the foundations for individual fortunes and significant local capital accumulations for further urban investments.¹²

This entrepreneurial aggressiveness continued unabated after the Civil War. The city's elite instigated a public meeting in 1866 at which Houstonians approved a coherent blueprint for the city's future development. Part of this blueprint required additional railroad building, especially an extension of the Houston and Texas Central to Dallas. Completion of that line gave Houston a connection with a transcontinental route (the Southern Pacific) and tied the two most dynamic urban economies in the region together for the first time.¹³

Dallas displayed the same aggressive entrepreneurial attitude that guided Houston's development. Its most important business leaders seem to have moved to the city from the Upper South and Middle West, regions that had been developed as extensions of the urban-oriented, innovative north-eastern culture. This connection was literally played out in John S. Armstrong's life. The father of this early Dallas booster had been a Mississippi riverboat pilot. Armstrong therefore grew to maturity surrounded by practical examples of the nation's urban market economy. He demonstrated how well he had learned his lessons by successfully applying himself to the development of a large wholesale grocery empire in the 1880s.

Others were similarly oriented. Col. John C. McCoy had played a key role in the development of Kansas City and John Nealy Bryan, officially Dallas's first settler, had been a town promoter in Arkansas. Like the Allen brothers in Houston, Bryan and McCoy came to Texas to raise cities, not cattle. Bryan's life history offers an intriguing look at the entrepreneurial spirit at work in Dallas. According to legend, Bryan came to the site on the Trinity River vowing to turn it into a great city. Instead, he became the town's first eccentric, failed to capitalize on the early Dallas boom, and died a drunk. Hardly the picture of entrepreneurial innovation. But, in fact, he was an innovator and knew what steps to take to stimulate urban expansion. In 1866, for example, he presided over a public meeting in which the fledgling business community laid out its goals for future development, especially railroad connections to eastern markets, indicating that both Bryan and the more successful Dallas merchants had a cohesive sense of how to promote their community.¹⁴

Nowhere is this more clear than in the extremely aggressive manner in which men such as William Gaston acquired Dallas's first railroad connections. In 1871, for instance, Gaston was instrumental in raising money and donating land to lure the Houston and Texas Central Railroad, which initially had intended to bypass Dallas eight miles to the east. The Texas and Pacific Railroad, an intercontinental line, also intended to bypass Dallas fifty miles to the south, but again local business leaders displayed their aggressiveness and guile. Gaston and his colleagues convinced their state representative to attach a rider to an unrelated bill that stipulated that the T&P must pass within one mile of Browder Springs, a community near Dallas. This required a major shift in the railroad's planned construction line and understandably enraged the directors. They were pacified, however, by a two hundred thousand dollar Dallas bond issue and five thousand dollars in cash, which were put at the railroad's disposal. The Dallas business community's political savvy, swift and concerted action, and use of cash resources testify to its sophisticated understanding of the means to (and profits to be won from) urban development.¹⁵

San Antonio is another story altogether, for it has displayed a remarkable lack of entrepreneurial aggressiveness. The social origins of the prominent members of its mercantile community in the nineteenth century helped set the context for this behavior. These men were Irish and German, and they usually migrated to South Texas directly from Europe or from the lower southern states; they therefore did not have connections to the northeastern urban culture of innovation, as did their peers in Houston and Dallas, nor did they engage in vigorous town promotion. Instead, the city's location tended to dominate its citizens' economic behavior and its prospects for development, as its numerous military establishments suggest. The U.S. Army chose San Antonio because of its strategic location, from which it could readily supply its western garrisons. The local merchants did not exert pressure on their political representatives to bring the army to the town, nor did its presence require private promotional schemes; there was no need for local business people to invest their profits in town building, since the army, after 1845, did that for them.¹⁶

Indeed, this reliance on external sources of capital and initiative inhibited the development of an indigeneous promotional spirit. San Antonio has no parallel to the Dallas and Houston community commitment to local development; there was no public meeting immediately following the Civil War, for instance, like the ones in which those communities' leaders outlined the course of future growth. In fact, San Antonio's major merchants exhibited a striking indifference to that engine of nineteenth-century city building, the railroad. Little wonder, then, that San Antonio was the last of these three major metropolitan areas to be hooked into the national railroad and commercial network during the nineteenth century.¹⁷

The San Antonio merchants' economic orientation provides some clues

as to why they seemed so sluggish compared with their peers in Houston and Dallas. Many of the prominent German merchants engaged in extensive trade with the U.S. Army, acting as middlemen between the German farming communities in Central Texas and the army quartermasters in San Antonio. The Irish, on the other hand, looked south of the border for their economic opportunities. Men like John Twohig and B. M. McCarthy established agencies in the Rio Grande Valley and carried on an often illegal trade with Mexico. Neither supplying the army nor trading with Mexico encouraged these merchants to become involved in local town-building activities. While the military was admittedly an important element in the San Antonio economy, it did not stimulate rapid urbanization. The garrisons were too small to generate the level of demands that would permit the accumulation of large sums of investment capital.¹⁸

The same situation was true for the Irish-dominated trade with Mexico, a trade that was by no means promising. The colonial Mexican economy, for example, was beset by two main obstacles to sustained growth—inadequate transportation facilities and an inefficient economic organization. These obstacles were not overcome after independence in 1821 because of the half-century or more of internal social and political turmoil and the international warfare that followed. These problems were reflected in the nation's per capita income figure, which, according to John Coatsworth, began to fall after independence and did not stop sliding until after 1860. Only in the Porfiriato (1877–1910) did the economy stabilize and income levels rise, and at that the per capita income was still approximately one-tenth the U.S. figures.¹⁹

None of this boded well for the commercial fortunes (and futures) of the Irish commercial agents in San Antonio; Mexico certainly was not the kind of market that would lead suppliers to expand their inventories or to extend their investments. Even when the Mexican economy began to recover and grow at an annual rate of 2.3 percent in the late nineteenth century, San Antonio merchants could not take advantage of that growth. The very goods that San Antonio initially exported to Mexico—cotton and hides—were now the mainstays of northern Mexico's brisk export trade to the United States.²⁰

San Antonio's trade with Mexico, then, did not permit extensive capital accumulation. Kenneth Wheeler's analysis of the property holdings of San Antonio merchants in the 1860 census makes this point very clear. Prior to the Civil War, no merchant "controlled property worth as much as two hundred thousand dollars." At the same time, some of Houston's "merchant princes," who benefited from a rich hinterland and direct access to the national commercial network, controlled more than three times that amount of property. William Marsh Rice's fortune was worth \$750,000 in 1860, William J. Hutchins weighed in with \$700,000, and the net worth of four other men was considerably more than \$250,000. The accumula-

tion of property, in short, is a quick measure of mercantile skill and aggressiveness, and San Antonio's merchants failed in comparison with counterparts in Houston and Dallas.²¹

That failure by itself did not determine San Antonio's position relative to Houston and Dallas. There were other elements involved, including the productive capacity of its rural hinterland, the political culture (and climate) within which its merchants operated, and the technological advances the community was willing (and able) to embrace. Yet San Antonio's population continued to keep pace with its competitors because of the largely independent and underdeveloped nature of its subregion, which enabled it to remain temporarily unchallenged as the agricultural service center of South Texas. But this growth and primacy masked the long-term effects of the city-building options that local entrepreneurs chose. And these choices, when linked to the business community's nonaggressiveness, made San Antonio less competitive when the race for regional dominance emerged full blown in the early twentieth century.

As the twentieth century began, the nature and consequences of urban growth in Texas changed. Previously, the underdeveloped state economy had permitted subregional urban development to flourish. Each of the major cities had had plenty to occupy itself in its immediate hinterland, and growth had fed off entrepreneurial activities that aimed at strengthening each city's hold over its surrounding territory. Railroad construction had facilitated subregional growth by linking each city's hinterland more closely to it, but the completion of that building program also marked the beginning of a new phase of urban progress in which competition for regional dominance became the key theme.

Superficially, Dallas, Houston, and San Antonio seemed to their respective entrepreneurs to be well situated to achieve regional dominance. But the very physical setting of Houston and Dallas posed a problem. Each had to contend with a nearby (and aggressive) rival—Galveston and Fort Worth, respectively—before either could realistically consider reaching for statewide control. San Antonio's problem was of another sort: it had no twin city, no nearby rival. Given this, there was no guarantee that any of these communities could establish permanent superiority within the state's urban hierarchy. In these fluid circumstances, where anything seemed possible, the successes and failures that local entrepreneurs had previously experienced would now play a crucial role in determining the outcome of the race for regional dominance, for, in spite of the fluidity of the general situation, one major factor that governed the process of urban growth was firmly in place. Each city now had a clearly recognizable economic elite composed of those who had survived the vagaries of founding businesses in new urban environments. Their collective experience represented local wisdom about the appropriate ways to promote growth.

Appropriateness would be a critical measure of new initiatives. Growth

propositions which had conceptual links to previously successful ideas would attract greater favor than those which did not. Thus "collective wisdom" would both stimulate and discourage particular strategies for further expansion of each local economy. In addition, that wisdom would affect the ways in which entrepreneurs perceived and acted on new opportunities. If, for instance, taking significant risks to achieve important objectives was considered "normal" by entrepreneurs in one city but not in another, they would be apt to display a more aggressive approach to new developments than would their more conservative rivals. Thus, individual differences in the collective wisdom of each city's entrepreneurial group would, in combination with actual circumstances, shape the distinctive growth patterns of Dallas, Houston, and San Antonio as each city struggled for regional dominance.

The importance and impact of collective wisdom is perhaps nowhere more apparent than in San Antonio. It had achieved its prosperity as a service center to an agricultural hinterland through minimal effort on the part of its local business leaders. Underlying the standard rhetoric about inevitable growth was a profound complacency based on the historical lesson that progress need not occur at the cost of effort. Individual businesspeople certainly worked hard enough, but they did not engage in any concerted group activities to promote local development. They simply benefited from the extraordinary opportunities that stemmed from the structural changes the railroad's arrival wrought on the local economy after 1877.

At the outset of the twentieth century, then, local wisdom in San Antonio denied any important place to collective effort or risk taking. Individualism reigned supreme, reflected in the fact that the city had no Chamber of Commerce until 1910, and the organization that emerged in that year was not, in fact, representative of the entire business community. Instead, it was the creation and preserve of a minority of local entrepreneurs who did have a commitment to collective effort, but who could not command the attention, let alone the support, of their compatriots.

These were not the best of circumstances in which to compete for regional dominance. Yet some San Antonians tried. They did so in a time-honored, often effective, way by seeking to exploit new technologies to promote urban growth. Two businessmen, Luther Clegg and William Tuttle, both important members of the newly organized Chamber of Commerce, recognized that San Antonio needed a powerful new approach to growth if it was to compete successfully with Houston and Dallas. Both men had some acquaintance with technological issues, since Clegg owned a large printing business and Tuttle was the general manager of San Antonio's transportation and utilities corporation.²²

Tuttle and Clegg seized on the airplane as the weapon that would offset the advantages San Antonio's rivals were developing after 1900. Houston

was rapidly becoming a major port, and the discovery of the East Texas oil fields, beginning in 1901, promised to transform the Bayou City into a boomtown. Dallas was about to capitalize on its success as a banking center to finance, and siphon the profits from, oil exploration and agricultural development in West Texas. Isolated from these ventures by its location, San Antonio desperately needed a development tool that had the potential to match the economic power of ports and oil wells, but that did not derive from serendipitous geographic location. Aircraft technology and manufacturing were not tied to geography. The high mobility of this industry meant its development depended on whether local entrepreneurs would willingly assume the risk involved in investing in such a speculative venture.

Clegg and Tuttle approached the problem of capturing this technology for San Antonio indirectly. Their campaign to bring aviation to town combined propaganda with a ploy to exploit the city's now-traditional association with the U.S. Army. Capitalizing on local as well as national fascination with the airplane, beginning in 1910, they arranged flying demonstrations by notable aviators. While striving to build public interest in airplanes, the two men also worked with army officers stationed at Fort Sam Houston who advocated the military uses of airplanes. Presumably, these officers would be interested in helping establish local manufacturing plants that would build planes they could fly, and the plane owners would have contracts for military craft that would in effect subsidize the construction and development costs inherent in the new technology.

This campaign almost worked. By 1915 a local flying club jointly sponsored by the army and the chamber had created an organizational basis for cooperation between the civilian and military advocates of airpower. At least one manufacturer had inquired about establishing a plant in San Antonio. The war in Europe was forcefully demonstrating the practical military uses of aircraft, and the U.S. government had become acutely aware of the need for massive investments in all aspects of the armed forces.

These favorable portents did not, however, come to fruition. America's entry into World War I should have precipitated some commitments to aircraft production locally, but it did not. The reasons for this failure remain obscure. One key factor, however, seems to have been the absence of widespread interest among local business people in aircraft technology's potential role in stimulating growth. Clegg and Tuttle, despite nearly continuous effort, had not succeeded in establishing a broad coalition to support their own commitment to this new technology. When both men found their attention diverted to other activities — Tuttle enlisted in the army and served in France while Clegg became absorbed in locating land for new army bases around the city — their entire initiative collapsed because there was no one else willing or able to assume the leadership of their campaign.

Why only two men or, at best, a tiny handful of their friends, should

understand the potential of airplanes as a new technology capable of promoting urban growth is an intriguing problem. But Clegg and Tuttle were attempting to do something that was beyond the comprehension of their associates. First and foremost, they were not trying to establish a new business venture for *themselves*; instead, they sought to create a new industry for their *city*. Nothing in the collective wisdom of San Antonio's entrepreneurs had taught them the importance of cooperative action for a common good. Local business people were quite willing to condone individual initiatives that benefited the individual; they were not, however, prepared to take risks as a group, because, in their experience, growth had occurred without assuming risks or employing collective effort.

Events after the war only underscored the lack of interest in group support of common objectives. By the early twenties, the Rio Grande Valley had become a major truck farming area with critical problems. The valley had only one rail connection to its national markets, and that was through Houston. Burgeoning productivity and inadequate transportation caused long shipping delays, large losses from spoilage, and hard feelings about Houston's dominance over the area. Representatives from the valley approached San Antonio's Chamber of Commerce for help. They needed another railroad out of the valley and were willing to transfer their business to San Antonio if a new line could be built.²³

This was a situation that San Antonio's entrepreneurs could hardly ignore. Furthermore, wholesale agriculture and livestock activities formed the core of the city's economy. There should have been sufficient incentive and experience to prompt a determined effort to capture this valuable market for the local economy, but nothing happened. The chamber attempted to stimulate interest in this opportunity by sponsoring tours of the valley. Almost no one participated. A rail line did begin to inch its way south, but it was beset by financial difficulties stemming from a lack of support in San Antonio. The line remained unfinished through the decade, and the pleas for help from the valley gradually stopped.

San Antonio was unable to employ cooperative group effort to deal with the problems of competing with its rivals for regional dominance. That this was so disturbed some San Antonians, who, as the 1930 census approached, recognized that their city's population and economic growth had not kept pace with those of Houston and Dallas. In a desperate effort to avoid the negative connotations of the forthcoming statistical survey, some politicians proposed that the city annex large portions of Bexar County to inflate its population figures. But even this quick fix failed to secure community favor, and the decennial census revealed the inescapable fact: San Antonio, the largest city in Texas in 1910, was doomed to a distant third place in the emerging urban hierarchy less than a generation later.²⁴

In sharp contrast to San Antonio, cooperative effort among Dallas's

business people had been the norm since the city's founding. By the beginning of the twentieth century, Dallas had joined the ranks of such cities as Denver and Los Angeles in demonstrating that viable urban centers could be made to exist through uncommon concerted determination in places where ordinary common sense ought to have prevailed. But Dallas's drive for regional dominance was complicated, paradoxically, by an excess of aggressive boosterism—not its own, but that of its sister city, Fort Worth, located a mere thirty-five miles to the west.

Fort Worth began as one of the several army outposts created to guard the Texas frontier in the 1840s. Like Dallas, it struggled for many years to establish itself as a viable city. And as in Dallas, that struggle created an extraordinarily ambitious, aggressive group of local boosters who refused to acknowledge that geography was destiny. Their ambition, skill, and determination, combined with their city's location, effectively split Dallas's "natural" hinterland in two. During the late nineteenth century, Dallas's market area essentially developed in East Central Texas; Fort Worth's evolved in West Central Texas.²⁵

By 1900 it was by no means clear that Dallas would inevitably subdue Fort Worth's challenge. Indeed, events quickly demonstrated that Fort Worth's business people were extremely competent competitors. Both cities experienced spectacular growth during the next decade, and even though Fort Worth remained the smaller of the two cities in 1910, its rate of growth, in fact, exceeded Dallas's by 58 percent. Aggressive boosterism at a time of rapid, general population growth in North Texas therefore characterized both cities, and each reaped significant benefits without being able to overpower its neighbor.²⁶ Dallas did, of course, finally dominate its rival. In retrospect, it appears that Dallas's businesspeople won this race by adopting a more sophisticated approach to economic development than their adversaries had.²⁷

As the twentieth century began, both cities were essentially agricultural processing centers. Dallas was more committed to cotton and its by-products (for example, cottonseed oil); Fort Worth concentrated on the cattle industry and wheat. This general similarity in economic activity, however, obscured some significant, though incipient, differences in fundamental strategies. Shortly after 1900, Fort Worth's community leaders in effect announced the essential focus that would shape the city's growth until World War II. They mounted a determined and successful campaign to make Fort Worth a nationally important meat-packing center. Both Armour and Swift built major processing facilities in 1902 and 1903, which employed about five thousand people by 1914. "Cowntown" had at last created its unequivocal destiny. By 1929, Fort Worth was the state's main center of meat packing, an industry that was outranked by only petroleum refining in terms of total product value.²⁸

In the meantime, Dallas's businesspeople pursued a more diversified

strategy. The city strengthened its role as a cotton center. In the years after World War I, it became the largest inland cotton market in the nation. But finance and manufacturing became increasingly important to the local economy. Industrial development began as a spinoff from Dallas's involvement in cotton when, during the 1880s, local entrepreneurs started making gin machinery. Over the next twenty years, the city evolved into the second-largest center for manufacturing farm machinery in the world.²⁹

Simultaneously, local financiers busied themselves with establishing a flourishing insurance and banking sector. Beginning with Praetorian Mutual Life Company in 1898, Dallas's business people went on to found such major companies as Southwestern Life (1903) and Southland Life (1908). In the meantime, the bankers were not idle. Backed by the Chamber of Commerce, they promoted an ambitious interurban rail network radiating north and south out of Dallas. As the lines progressed, representatives from the chamber made weekly excursions to every town now connected to Dallas to encourage economic ties to their city. Such aggressive marketing paid off. By 1906, Dallas was the state's most important banking center. This campaign to make Dallas a financial powerhouse culminated in 1914, when the city won an intense competition with five rivals (including Fort Worth) to become the headquarters for the Eleventh District of the Federal Reserve.³⁰

As the world war approached, Dallas found itself with a diverse economic base that complemented, and would soon overshadow, its commitments to cotton. The city could offer prospective businesspeople a large pool of skilled workers and significant local financial assistance for their ventures. Unlike Fort Worth, Dallas had the capacity to deal successfully with a wide range of development possibilities. One example of this flexibility occurred in automobile manufacturing.

Late in 1909, Henry Ford established a sales and service center in Dallas. There is no explanation for his choice of Dallas over Fort Worth, but his decision hardly made any dramatic difference in the local economy, since the center employed only two men. But this operation grew rapidly, and Dallas quickly became an important market for Ford cars. Dallas next became a candidate for an assembly plant as industrial decentralization began in the auto industry. Although it is a matter of speculation at this point, the availability of a skilled labor force and the willingness of local bankers to provide funding probably helped Ford make his decision to build the city's first assembly line in 1913. Within a year, that plant was insufficient to handle demand, and a new factory replaced it. In 1925, a still larger plant was constructed. By the end of the twenties, Dallas had become a major auto manufacturing center.³¹

The Ford Motor Company's commitment to build in Dallas was symbolic of a general trend. During the twenties, Dallas became a significant industrial center, at least by southern standards. The number of manufac-

turing jobs doubled during the decade. Local boosters sought to solidify this boon by formally incorporating industrial development into their strategic planning. In 1928, the city's financial leaders organized Industrial Dallas, Inc., and raised five hundred thousand dollars to fund a four-year campaign to attract even more business. They did quite well. Entrepreneurs established a thousand companies in Dallas during this campaign.³²

Diversification proved to be the key to Dallas's triumph over Fort Worth. Meat packing had two inherent limitations in generating economic development. First, the work force was essentially static. Fort Worth's single largest enterprise simply did not create many more jobs after the initial hirings. Second, the industry's product value was deceptive. Although the total value of the product seemed impressive, several other industries outranked it in the value added by manufacturing. Meat processing therefore did not generate nearly as much income as other industries might have for the local economy. In round figures, the total value of Dallas's manufacturing output was \$168 million in 1929; Fort Worth's was \$131 million. The value added by manufacturing, however, was \$65 million for Dallas, \$33 million for Fort Worth. These differences translated into growth disparities and victory for Dallas over its neighbor. In the twenty years following 1910, Dallas's population grew to exceed Fort Worth's by nearly one hundred thousand, and Dallas became the second-largest city in the state.³³

Like Dallas, Houston had to contend with a powerful urban rival—Galveston—for much of the nineteenth century. And the Houston business elite countered Galveston's expansionist designs in much the same way that Dallas had met the challenge of Fort Worth—with an intensely cooperative effort. Time and again its civic leaders called public meetings to build a consensus around a particular agenda—the building of a deep water channel or the floating of bonds to finance a wide range of public services. Each was touted similarly: economic growth, the rhetoric ran, was a vital first step toward increased political power and social improvement. That commercial interests set the agenda around which popular support was then rallied was also part of the pattern; Houstonians were accustomed to wielding public monies to advance private gain.

The success that such a strategy brought reinforced the collective wisdom that such a strategy was indeed an appropriate response to the challenges of economic growth and urban rivalry. It also gave life to an ever-expanding boosterism that many visitors to the Bayou City found comical. "After you listen to the talk of these pioneer veterans for awhile," one noted wryly, "you begin to feel that the creation of the world, the arrangement of the solar system and all subsequent events, including the discovery of America, were provisions of an all-wise Providence, arranged with a direct view of the commercial interests of Houston."³⁴

This confidence, of course, was exaggerated. By 1900, Galveston seemed on the verge of surpassing its rival to the north. But in that year Hous-

tonians had the last laugh, for providence—in tragic and miraculous ways—seemed to have intervened in the affairs of the city. Two extraordinary events occurred between September, 1900, and January, 1901, which not only forever settled the rivalry between Galveston and Houston in the latter's favor, but also gave Houston a new economic resource that set the stage for its rise to regional (and national) prominence.³⁵

In September, 1900, a powerful hurricane churned across the Gulf of Mexico, generating a six-foot tidal wave before it. Storm and wave smashed across Galveston Island, killing six thousand people and destroying thirty million dollars' worth of property. The consequences were as many as they were devastating. Although its docks were rebuilt, Galveston never regained the commerce that had once made it a major entrepôt; its economic decline was matched by a sharp reduction in the island community's population. Moreover, its vulnerability to storms only reinforced Houston's once-improbable claim that a deep water port fifty miles to the interior was essential to the Texas Gulf economy. This claim gained unexpected confirmation when in early 1901 the tremendous Spindletop oil field was brought in, followed by other major discoveries of black gold in East Texas and the coastal plain in succeeding years. Quirks of nature thus laid the foundation for Houston's economic primacy.³⁶

But that primacy was not inevitable. Instead, it grew out of concerted efforts on the part of Houston's economic and political leadership to capitalize on sudden shifts in events, as a close examination of the development of the Houston Ship Channel indicates.

There is no logical (or natural) reason why Houston should have become one of the busiest seaports in the nation. That it has become so is due in large measure to the intercity rivalry between Galveston and Houston. In the 1890s, for example, Galveston secured six million dollars in federal monies to build jetties that in turn raised the level of water in its channel to twenty-five feet by 1896; Galveston was now a deep water port, and railroads in Houston began to consider building spurs to the island, lines that would have drained commerce and power southeastward. Within a year, Houston had obtained congressional approval for a survey for its own twenty-five-foot channel from Main Street along Buffalo Bayou through Galveston Bay to the Gulf. It also managed a political coup: its freshman congressman, Tom Ball, was assigned to the Rivers and Harbors Committee, which oversaw the financing of such projects. Working from within, Ball was able to keep the idea of a deep water channel afloat, and immediately after the hurricane battered Galveston, he secured a million-dollar appropriation for the Houston channel. Good luck and political skill had helped advance Houston's cause.³⁷

Luck and political acumen were required in even greater measure when in 1908 the project stalled. At that point, Horace Baldwin Rice proved a worthy heir of his uncle William Marsh Rice, a man whose commercial

instincts and organizational abilities had helped drive Houston's growth in the mid-nineteenth century. As mayor of Houston in 1908, Rice called a public meeting in which he proposed that the city take over the channel project. To that end, the community received the approval of the state legislature to establish a navigational district that could issue bonds. Rice and members of the Houston Business League then traveled to Washington, where they proposed to match federal funds for the channel, a unique cost-sharing plan that Congress was only too happy to accept. That source of funding secured, the commercial and political leaders of Houston sought to convince a reluctant citizenry to float \$1.25 million in bonds to meet the city's share of the construction costs. Although successful in this regard, another hitch developed: few bought the bonds. Here again the civic elite stepped in. Under the direction of financier Jesse H. Jones, the major banks, whose presidents had been active in the deep water port movement, agreed to purchase any outstanding bonds, and the financial crisis was solved.³⁸

The port movement was a political gamble and an immense financial risk, but it is no surprise that the city's entrepreneurial elite reacted in the ways that it did; after all, they had a long history of embarking on speculative ventures and of coordinating public and private interests to ensure economic growth and diversification. And the dividends in this case were handsome indeed. By 1914, Houston had a deep water channel to the sea; by 1920, it had surpassed Galveston in terms of tonnage and value of cargo carried; and ten years later it was the nation's third-busiest port.³⁹

The importance of this channel to Houston's economic development cannot be overstated. It established the Bayou City as a significant distribution point, across whose wharves imports and exports passed. It did not remain at this level long, however. With the rapid discovery and development of the oil fields to the east, the city's economy was converted once again, this time into an industrial one, a conversion that (again) was not preordained. As Harold Platt has argued, this new level of economic activity was due to the "abilities of [Houston's] business leaders to recognize the far-reaching implications of Spindletop for the cities of the region." Drawing on eastern speculative capital, these leaders laid down the pipelines through which the oil flowed to the new refineries and the tankers waiting in the ship channel, a flow that perforce quickened during the boom in automobile production and sales during the 1920s. The profits from these ventures enabled Houston not only to far outstrip Galveston but to extend its dominance statewide, as the 1930 census revealed: in that year: Houston became the largest city in Texas.⁴⁰

By 1930, the urban hierarchy that has since characterized Texas was set. Houston had surpassed Dallas and San Antonio in terms of population and economic power. The reasons for the continuation of this rank order for more than fifty years could also be glimpsed at that time. During the

second stage of urbanization, the economies of Houston and Dallas were transformed from agrarian marketplaces to increasingly sophisticated manufacturing, industrial, and financial centers, a transformation that San Antonio did not undergo. Moreover, the economies of the two leading cities continued to expand for another (and important) reason: they were driven by the very forces that would drive the larger national economy throughout most of the twentieth century—oil, natural gas and petrochemicals, airplane and automobile manufacturing.

These industries enabled Houston and Dallas to generate such a high level of economic activity during the third stage of urbanization, dating from the late 1930s to the early 1960s, that they could create a multiplier effect: each lured new industries and spun off from old ones; each amassed larger amounts of capital to reinvest; each expanded its pool of skilled labor and management. Houston and Dallas had become, in Harvey Molotch's terms, "growth machines."⁴¹

The role of entrepreneurs in this new context changed in subtle and significant ways. During the first two stages, their task had been to create an urban infrastructure that was at once innovative and potent, one that fundamentally altered the city's economic base in ways that made its physical location of minor economic importance; the Houston Ship Channel and the arrival of the Federal Reserve Bank in Dallas served each city in this way. Once the entrepreneurs had set these structures in place, however, their task became one of exploiting these newfound advantages. This, too, required extensive human action and intervention, but it was on a different order from that of previous years.⁴²

The building of Houston's petrochemical industry, especially the synthetic-rubber plants, during World War II is a case in point. Prior to the war, there were no synthetic-rubber plants in Houston or anywhere else in the United States; natural rubber had to be imported from Brazil or the Malay Peninsula, and neither area produced enough to meet the needs of the American war economy. This issue became critical when Malaysia was absorbed into the Japanese empire early in the war. But where in the United States would this new industry be established? Houston was a logical site for a number of reasons: it had the natural resources and refining capacity; it had the transportation and pipeline network necessary to move the various chemicals; and it had the skilled personnel to organize and operate the new industry. All of these advantages were drawn into place because of the ship channel. But logic alone did not determine why Houston became one of the leading centers of the petrochemical industry. Instead, the city's political influence was crucial.

Jesse H. Jones was the key player in this regard. Long a commercial and financial leader in the Bayou City, Jones served concurrently as the secretary of commerce and as head of the Reconstruction Finance Corporation during the war. As such, he was deeply involved in the develop-

ment of a synthetic rubber industry in spite of President Roosevelt's initial hesitancy. And Houston benefited directly from Jones's actions. Federal monies were channeled to the city and its hinterland for the construction of a vast array of chemical plants and refineries, which then received large government contracts to produce synthetic rubber and other war matériel. By the late 1940s, the total investment in the Houston area neared one billion dollars.⁴³

The impact of these funds on the Houston economy was profound. The petrochemical industry created thousands of jobs, the city's population grew markedly, and these people and the companies for which they worked pumped billions of dollars into the regional economy. But it is important to note that this infusion of money and population depended on an earlier transformation of Houston's economic structure. "We have the basic industries here," the Chamber of Commerce noted in 1957, "because we have the port," an observation that both acknowledged the precedent-setting nature of the ship channel and testified to the willingness (and ability) of the city's commercial and industrial elite to build on that precedent. How appropriate that Jesse Jones was intimately involved in both processes.⁴⁴

The tradition of aggressive entrepreneurial activity and of collective risk taking that Jones (and Horace Baldwin Rice before him) represented emerged anew in the late 1950s as Houston sought to become the site of NASA's Manned Space Center (MSC). Indeed, the entrepreneurs' understanding of how to stimulate economic growth, now embodied in a collective wisdom tested over a century, was the prime reason why Houston became "Space City U.S.A." And once again this wisdom fused economic and locational advantages with intense political pressure; the latter highlighted the former, without which Houston's chances for landing the MSC would have been significantly diminished.⁴⁵

Vice-President Lyndon Johnson and Albert Thomas, a Houston congressman, applied the most direct pressure on NASA in Washington following John F. Kennedy's election in 1960. Johnson served as chairman of the National Aeronautics and Space Council, a post from which he lobbied extensively on behalf of his state's largest city. Thomas was also strategically placed as chairman of the House Independent Offices Appropriations Committee, which was responsible for NASA's budget. He, too, proved "a veritable one-man lobby for his home city." His lobbying received the strong support of two other congressmen, Olin Teague (College Station) and Robert Casey (Houston), who served on the House Space Committee.⁴⁶

The maneuverings of these Texas politicians in Washington dovetailed with those in Houston itself. Here, the interlocking relationship between Humble Oil Company, Rice University, and Brown and Root, a powerful Houston engineering firm, helped further set the stage for securing the MSC. One of the requirements that NASA set for the site, for example,

was a thousand-acre parcel on which to build its new facility. Humble Oil donated the required acreage to Rice University, with the explicit understanding that it would be donated in turn to the MSC. George Brown, of Brown and Root, chaired the Rice Board of Trustees at the time (and was a close friend of Johnson's), and Kenneth Pitzer, then president of Rice, accepted the agreement. They then used their considerable political clout to use the land gift as bait. Houston, in short, may have had the industrial base and port facilities that NASA desired, but its elite made certain that these advantages were cast in the brightest of lights.⁴⁷

They were, of course, rewarded for their efforts. Rice University received federal grants to underwrite graduate study in space science, Brown and Root obtained a \$1.5 million contract to design portions of NASA's new home in Clear Lake, and Humble Oil developed the fifteen thousand acres it controlled around the MSC, developments in which many of NASA's work force were housed.⁴⁸

More impressive still were the larger economic dividends that accrued from the Manned Space Center. In mid-1963, just two years after NASA decided to move to Houston, the agency spent \$1 million a month in the city; one year later its salaries alone came to \$3.2 million a month. These figures provide a clue to the amount of spin-off income that would be spent on housing construction and sales and must be added to the millions lavished on the development of related aerospace, computer, and electronic companies that fed off and built on NASA's presence in the Bayou City. Only then can one begin to understand why some believed that the MSC helped Houston move "inexorably across the bridge of mid-century into the inordinate frontiers of a new Time—a Time when man could leave the planet of his birth and reach out, beyond, into the distant splendor of the stars themselves." NASA's presence may well have been of stellar proportions, but it had a final set of down-to-earth consequences. Houston's economy was diversified, its regional hegemony tightened, and its national presence and power solidified.⁴⁹

Dallas, too, sought to diversify its economy. And although that diversification enabled it to gain primacy over Fort Worth in 1930, it did not end their urban rivalry. Indeed, businesspeople in the two cities continued their intense competition, since both groups were accustomed to making possible the impossible. But there was now a critical difference. Dallas's more diverse economy produced a larger amount of capital than Fort Worth's, a situation that gave Dallas's businesspeople more flexibility and opportunities for city building than their rivals had.

Two developments in the 1930s demonstrated how Dallas entrepreneurs employed their capital advantage to solidify their position as Texas' second city. First, they solved their oil problem. Houston had risen to its preeminent status by encouraging petroleum-related industrial development. Never loath to learn from a good example, Dallas businesspeople looked

for an opportunity to develop this resource in the local economy. They had one problem, however: Dallas County was one of the few in Texas without any nearby oil fields. On the other hand, Dallas had never had any significant local natural resources, and the city by now had a long tradition of ignoring such minor deficiencies. Local entrepreneurs, therefore, solved the oil problem in their standard fashion: lacking a resource, they simply bought it. In November, 1930, a group of Dallas businesspeople, led by H. L. Hunt, purchased one of the major East Texas oil fields from "Dad" Joiner, a famous wildcatter.⁵⁰

Although in retrospect this purchase seems an eminently safe investment, at the time there was no guarantee that this particular field would be a continuing success. Doubts about the field's productivity had, in fact, prompted Joiner to sell. The purchase indicated the perennial willingness of Dallas's investors to take significant risks in city building. And in this case the gamble paid off handsomely. Petroleum became an important local industry as Dallas became a financial and legal center for oil, and local business leaders expanded on the opportunity by establishing spin-offs in oil well equipment, machinery manufacturing, and distribution companies.⁵¹

The other significant economic event of the 1930s had more symbolic than immediately practical applications. In 1936, Texas would celebrate its centennial, and fierce competition arose among the state's various cities to capture the exposition. Houston had a strong claim, since the San Jacinto battleground was close by. San Antonio had perhaps an even better claim as the site of the state's most famous shrine to Texas liberty, the Alamo. Dallas had not even existed in 1836. Naturally, Dallas won the competition. It did so through the same time-honored device that had characterized its growth: if you don't have it, buy it. Armed with \$3.5 million that the Chamber of Commerce raised, a delegation of Dallasites descended on the state legislators in Austin and persuaded them to designate their city as the site of the centennial exposition. Not only did they capture an economic generator, but they bought some history in the process.⁵²

The centennial in effect confirmed Dallas as a major competitor in the race for regional dominance. It was an enormously effective advertisement for the city's power, which was emphasized by the absurdity of holding such an event far from the hallowed halls of Texas liberty.

Although an amazing demonstration of aggressive boosterism, the lessons of the campaign to obtain the centennial were in some ways even more important than the event itself. Banker R. L. Thornton, who had been the principal influence behind most Dallas entrepreneurial ventures since the late 1920s, led the campaign. He found the effort frustrating because it involved coordinating and placating so many individuals and interests in the local business community. As in any booster group, public unity obscured internal divisions that at times impeded effective decision

making. In response to this problem, Thornton sought to centralize control over Dallas's economic development. With the assistance of a few other major boosters, he created the Dallas Citizens' Council in 1937. Initially limited to a hundred members who controlled Dallas's most important businesses, the council essentially assumed control of the city's urban development.⁵³

Centralized, rapid decision making quickly became an important tool in Dallas's continued growth. In the late 1930s, for example, both Dallas and Fort Worth sought to acquire aircraft manufacturing plants. By 1939, the federal government, under President Roosevelt's prodding, was beginning to invest heavily in defense industries. Part of Roosevelt's program involved a massive increase in the nation's ability to produce warplanes. Furthermore, the government was willing to subsidize aircraft production, and Congress created the Defense Plant Corporation, as part of the Reconstruction Finance Corporation Act of 1940, to build new manufacturing facilities. With the prospect of large federal subsidies and contracts on the horizon, aircraft manufacturers began casting about for suitable sites.

Since new aircraft factories could locate essentially anywhere, aggressive boosters all over the country had an extraordinary opportunity to capture a major industry for their localities. In reality, however, Texas had some significant advantages over its potential rivals. Jesse Jones, Houston's preeminent booster, was chair of the directors of the Reconstruction Finance Corporation (RFC), under whose aegis the Defense Plant Corporation (DPC) functioned; and the DPC, which spent nearly eight billion dollars between 1941 and 1945, had two Texans on its board, M. Tilford Jones (Houston) and Thomas W. Griffiths (Dallas). Although there is no direct evidence that these men conspired to channel funds to their home state, DPC funding had a distinctive pattern. Texas received funding for ninety-two projects to the tune of nearly \$650 million, the fourth-largest share of DPC funds, after Michigan, Ohio, and Illinois. But what is particularly striking is that Texas is the only one of these four that could not be classified as an industrial state before the war. With these funds, it quickly joined the industrial ranks. Its boosters had clearly been busy.⁵⁴

They were no less busy on the local level. There was, it seems, a kind of division of the spoils. Houston obtained an impressive array of petroleum-related industries; North Texas secured an equally impressive collection of airplane manufacturing plants. Dallas, after intense lobbying of the RFC directed by the Dallas Chamber of Commerce, landed North American Aviation, whose 855,000 square feet of floor space made it the "largest industrial room in the world" at the time. Embarrassed by its riches, Dallas then did the unthinkable: its civic and commercial elite supported Fort Worth in its successful bid to obtain Convair! The Citizens Council and the Dallas Chamber of Commerce also cooperated with Jesse Jones and the RFC to obtain a significant new industry whose labor needs be-

came the basis for Dallas's population boom during the 1940s. (Fort Worth's population also increased rapidly, but not nearly enough to challenge Dallas's position as the state's second-largest city.)⁵⁵

Following the end of World War II, aircraft manufacturing became the new core of the Dallas economy. Even though some of the larger manufacturers either closed or drastically curtailed their operations after 1945, others replaced them as the evolving Cold War created an unusual demand for investment in the nation's defense industries. Entrepreneurs seeking plant space and a highly skilled labor force found both in quantity in Dallas. Temco, Chance Vought, and Bell all established large plant operations in the late 1940s. Related industries also evolved rapidly in a classic spin-off pattern: by the early fifties, Dallas was home to companies manufacturing radar equipment, aircraft engine fuel, aircraft parts, and communications equipment. Little more than a century after its founding, Dallas had emerged as a central force in the nation's industrial economy.⁵⁶

San Antonio could make no such claim. As a survey of its economic base in the late 1940s and early 1950s reveals, the city's function had changed little since the beginning of the century. Essentially, it had remained an agricultural service center. It provided basic livestock processing—stockyards and slaughterhouses—and a leather finishing industry (boots and saddles). It served as well as a marketing and transshipping point for these and other agricultural goods and as a distribution center for farm implements and machines manufactured elsewhere. Not surprisingly, its two major industries—the breweries and pecan shelling—were agriculture-based, and neither generated extensive investment capital nor created spin-off growth of any substance.⁵⁷

This set of economic facts must be placed in the larger political context. Unlike Dallas and Houston, San Antonio had a profoundly divided booster community. The River City's business and political elite was incapable of creating a common economic policy for the city, one that might have diversified and strengthened its economy, because of the collective wisdom concerning the proper relationship between business and government. In Houston and Dallas, the two elements had long been fused. In San Antonio the tradition was the reverse: since the late nineteenth century, its business people had been antagonistic to government as a viable partner in economic development. Only with the establishment of the Good Government League in the 1950s would a sense of collaboration emerge, a collaboration that had been a political fact of life in Dallas and Houston for more than half a century.⁵⁸

As this overview of pre-Sunbelt Texas urbanization indicates, entrepreneurial skill and receptivity to innovation are critical cultural variables in the character and timing of urban development. This runs counter, of course, to the argument that geography is destiny. But the irony of the

history of Texas' three major cities is that the least successful of them in terms of fashioning a coherent growth strategy—San Antonio—is the only one with a clear geographical *raison d'être*. Neither Houston nor Dallas (or Galveston or Fort Worth) has any strong geographical reason for being located where it is.⁵⁹

If geography is not destiny, the key to sustained, even vigorous, economic growth lies in the aggressive determination of these cities' founders (and succeeding generations) to create major urban centers despite the logic of place. This aggressiveness was intensified in Dallas and Houston because of the presence of other aggressive elites in what, in effect, were twin cities. This intensity was heightened further by the very absence of any significant geographical advantage. Thus a situation was created in which the city that lost to its neighbor would suffer disproportionately. Galveston's rapid population loss following the hurricane, the rise of Houston, and the increasing gap between the population statistics for Dallas and Fort Worth testify to the impact that economic growth (and decline) can have. And without any pronounced geographical advantage, neither city could offset its rival's continued growth. In the end, all of this gave rise to an almost perversely competitive situation, typified in the refusal of Amon Carter, a Fort Worth booster, even to buy lunch in Dallas for fear that such would help his competitor's economy. In this context, geographic destiny mattered not at all.⁶⁰

The Texas urban experience, then, not only illuminates important theoretical issues in urban history but suggests as well that a more balanced assessment of the state's evolution is necessary. Its urban communities played a clear role in determining its economic and political structures from the very beginning. It is just as clear, however, that to achieve that balance will require more research. Only then will we fully understand and appreciate the theoretical implications and historical context of the rise of urban Texas.