

# The Production of Urban Space in the 'Free Enterprise City', Houston, Texas

Jose L. Beraud Lozano<sup>1</sup> & Barry A. Espinosa-Oropeza<sup>2</sup>

<sup>1</sup>Faculty of Social Sciences, Autonomous University of Sinaloa, Mazatlan, Mexico

<sup>2</sup>Non-affiliated

Correspondence: Jose L. Beraud Lozano, Calle Luis Castro 129, Fracc. El Toreo, CP 82120, Mazatlan, Sinaloa, Mexico.

Received: June 11, 2013 Accepted: June 28, 2013 Available online: October 21, 2013

doi:10.11114/ijsss.v2i1.151

URL: <http://dx.doi.org/10.11114/ijsss.v2i1.151>

## Abstract

The history of Texas and Houston is directly related to the rise of modern capitalism. Through a historiographic observation, in this paper we examine the emergence and consolidation of the city of Houston and how it has captured the intervention of private capital in a voracious land appropriation scheme and speculative real estate industry. This development is founded over a deep-rooted ideology that permeates Houston and Texas, considering land as a commodity and a culture of privatism. We review the rationale and protagonists of the relevant historic phases of urban development that have fed the cultural symbolic dimension of the "free enterprise city" and "city of the future." And, demonstrate the fallacy of the laissez-faire ideology predicated by the business elite while lobbying for government funds to extend Houston's urban territory, build infrastructure, and invest in expensive industrial facilities which mainly benefit the elite.

**Keywords:** Houston, urban development, urban policy, ideology, privatism, laissez-faire, government intervention, land as commodity

## 1. Introduction

### 1.1 *Houston, a Model for Urban Development?*

Due to its buoying economy and low cost of living compared to other major U.S. cities, Houston has experienced a fast and considerable growth. It places fourth in the nation in terms of population and first among cities in the southern US and Texas. Despite having one tenth of the density of New York City, its metropolitan region is the size of the State of Massachusetts. It also fared relatively well in the latest recession and has attracted business and people both domestic and foreign, transforming into one of the most ethnically diverse urban centers in America. For these reasons, it has been touted as the paradigm for the city of the future (GHP, 2012). But is it so?

Houston's development has been tied to the fate of modern capitalism since it was founded in 1836; particularly, to the mercantilization of space. Its growth has been contingent on the exploitation of land's resources, like cotton, timber, or oil; or direct land speculation. Yet, this growth distances from being equal for everyone. It is largely the result of a so-called 'growth-coalition' comprised of public officials and business elites advocating for a good 'business climate'. Part of the success of this coalition is due to its effective promotion of a *laissez-faire* and private-centered way of life that would allow everyone who works hard to rise to the top as long as the government is kept out of it. Through an historiographic review of its development, in this study we set to observe how these factors have shaped the city; what truth lies in the myth of the free-enterprise city that prevails in the rhetoric of the business community; and if Houston should be considered a 'model' city.

### 1.2 *History of Texas and the Development of Modern Capitalism*

The history of Texas, both as an independent Republic and as part of the United States, relates directly to the development of modern capitalism (Montejano, 1987). The origin of the state is founded in the commercial interests and territorial speculation of Spain, France, Mexico, United States and Texas itself (Richardson, Anderson, Wintz, & Wallace, 2005). As the Texan sociologist David Montejano (1987) commented: "to explain

the particular development of Texas and of the Southwest in general, one must begin by looking at the region's principal architects, the capital-based and export-oriented element of the frontier folk, the merchants and the land lawyers" (p. 15). The actions of slaveowners, land speculators, cattle ranchers and large farmers, and certain instilled ideologies—such as the “Manifest Destiny” that veils a rapacious expansionism—merged in this territory, shaping one of the largest and most influential states in the country.

Even Texas' borders were in fact established in response to the struggle for domination of the strategic commercial regions along the South West border. For example, the crossing of El Paso del Norte taken from New Mexico and the intermediate region between Nueces River and Rio Grande disputed with Mexico. In fact, although the official reason for the US invasion to Mexico in 1846 was an assumed confrontation between the American and Mexican armies stationed on both sides of the border where supposedly Mexico had “shed American blood on American soil” (Richardson et al., 2005, p. 146), control of the navigation on Rio Grande was one of the motives. As Montejano (1987) explained: “The Mexican War assured the dominance of American mercantilism in the annexed territory as well as in what remained of Mexico” (p. 16). River traffic control allowed expansion of regional commercial trade inland to the rest of the US and to Europe through the Atlantic.

The desire to control this commercial region was so great that it drove independent Texas to the fringe of armed conflict with New Mexico, when the former seized an important territorial extension from the latter. The quarrel was barely avoided by the intervention of the US Congress, who compensated Texas with 10 million dollars in exchange for a territory wrongfully taken. (Figure 1) As we will see, the purpose of the first Anglo-American colony in Texas —founded by Moses and Stephen F. Austin—agrees with these same motives, seeking to establish a settlement that would take part in the important trade of Santa Fe in New Mexico by connecting it with the Atlantic.

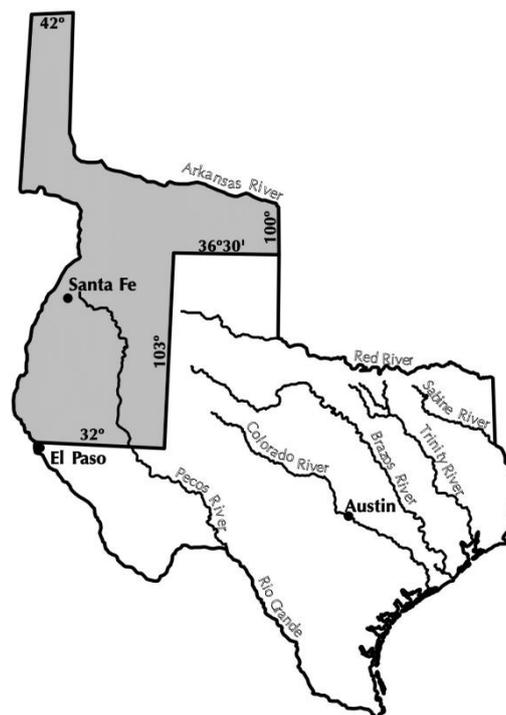


Figure 1. Map of Texas, 1886

Description: Map of Texas showing in gray territory of New Mexico, Oklahoma, and Colorado illicitly annexed by Texas and sold later to the United States.

Source: Richardson, Rupert N., et al. (2005)

### 1.3 Anglos, Mexicans, and the Commercialization of Land in Texas

Beginning the 1800s, Texas as a Mexican state, this territory was divided between a few *empresarios*, a name given to those persons who would receive land grants from the government in exchange for a commitment to populate that land and make it productive (Richardson et al., 2005). Most of them were Anglos, only Lorenzo de

Zavala and Mart ín de León were *empresarios* of Mexican origin. And it wasn't long before Lorenzo de Zavala would sell his contract to the New York real estate company Galveston Bay and Texas Land Company, leaving Mart ín de León as the only Mexican *empresario*. Some *empresarios* were more successful than others, like Stephen Austin, who signed four grant contracts and settled more than 4,000 families before his death. The eventual outcome of the success of Anglo *empresarios* was the expansive wave of Anglo immigrants that populated the Mexican-Texan territory. (Figure 2)

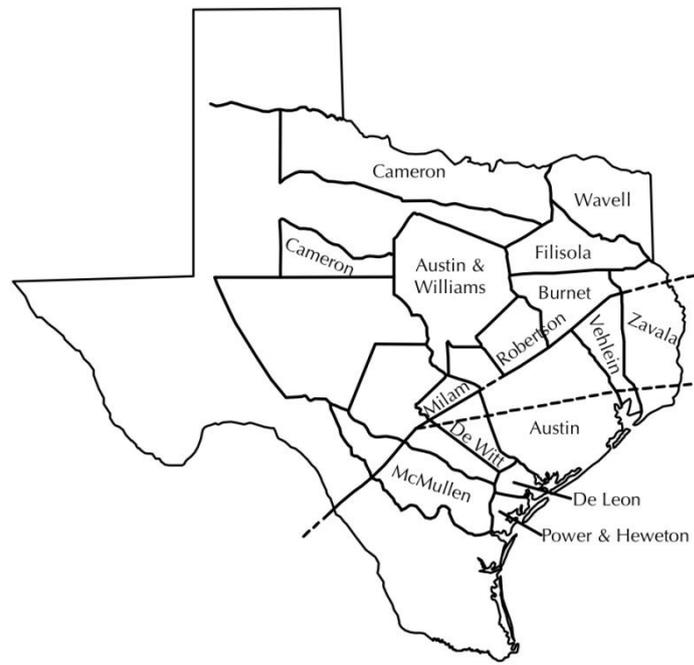


Figure 2. Texas land grants

Description: Texas territory divided into land grants given to *empresarios* for its colonization.

Source: Richardson, Rupert N., et al. (2005)

In a few years, the number of Anglos living in Texas reached ten times more than the Hispanic population. And, despite renouncing on paper their American citizenship and Protestant faith as requisites for settling in Mexican territory, in reality Anglo Texans never adopted local customs. They set up English speaking schools, built Protestant churches, owned slaves (by law prohibited in Mexico), and preserved their general mistrust of government and social institutions (Ferhenbach, 2003). Consequently, in 1828 the Mexican General Manuel Mier y Ter án, after realizing firsthand that Anglo population exceeded Mexican population in terms both of number and economic welfare, and showed only contempt for the Spanish language and Mexican laws, recommended urgent reform of the immigration policy, or else, consider Texas as lost forever (Richardson et al., 2005).

Despite revisions to its immigration laws and facing strong opposition of established Texan slave owners, Mexico was unsuccessful in attracting non-Anglo population to Texas. On the contrary, Anglo-Americans kept arriving to the region en masse. During the 1820's, the regional growth derived mostly from American immigrants, most of them farmers from Southern states, like Louisiana, Alabama, Arkansas, Tennessee, and Missouri.

One important aspect that contributed to the massive exodus of Americans to this territory was its readily available cheap land, something increasingly rare in the Eastern states of the US. At that time, in the East Coast monopolies had already hoarded and controlled the real estate market, fixing a minimum lot size of 80 acres at a price of \$1.25 dollars, cash only. In comparison, Texas offered a *sitio*: 1800 hectares (around 4448 acres) for \$150 dollars, payable after a grace period of several years (Richardson et al., 2005).

Anglo immigrants arrived in the region with a cultural baggage as strongly rooted as that of any other social group. Its stark contrast from Mexican culture was the source of conflict between these groups more than once. Cultural differences and prejudices although not ubiquitous before the Independence added fuel to the separatist movement. Especially, the differences between the political culture of Anglos and Mexicans, being the former

usually wary of government and any public policy that menaced to interfere with their zeal for self-reliance (Richardson et al., 2005).

During the first decades of the 1800s, Mexico went through a bout of political turmoil, insurgencies and struggles over the country's control during its independence from Spain and the incipient constitution of the Mexican state. Stephen Austin and some other *empresarios* who felt committed with Mexico tried to put a semblance of peace and order between government and colonials. Nevertheless, tensions increased when the strongly centralist and dictatorial government of López de Santa Anna started collecting overdue taxes and strictly enforcing those laws previously brushed away. Finally, the situation culminated in the Texas War of Independence lasting from October 2, 1835 to April 21, 1836.

Among the reasons for the independence of Texas from Mexico figures especially the United States' interest for this land. It had already tried buying it from Mexico in two previous occasions. Undoubtedly, the US benefited from Texas' independence. But also, the interests of the region's slave-based society were another important cause. Slave owners and traders were being affected by the increasingly stringent Mexican laws on slavery. The Southern states, dependent on the labor of slaves, saw positively including Texas to their domains (Richardson et al., 2005).

On top of that, the vastness of the Texan land, besides facilitating the sought-after conditions of social isolation and personal independence, left a strong imprint in the physique of its inhabitants. The Anglo determination to conquer this rough, extended territory at any price drove many to their ruin; those who succeeded ended spoiling the land. Texan historian Ferhenbach (2003) found that "The agrarian conquest of Texas destroyed much of it, in a battle in which the outcome is still uncertain" (p. 29).

Ferhenbach (2003) also highlighted the difference in the relationship between Anglos and the land with that of other local cultures. Anglos, he mentioned, differed from Mexicans and Native Americans of the region in that they felt no affection for Nature. From the Anglo-Saxon perspective, land is only a means to be exploited in the service of humans. Those who reached Texas with this cultural baggage did like so:

Texans did none of this damage intentionally, however willfully they proceeded with it. They were ignorant of the land and its imperatives; they tried to fit it to themselves rather than fit themselves to it. The Anglo could not do otherwise: he was trapped as surely as the Comanches in their imperatives of his culture, which demanded that the land be put to use, that land and water be demarcated into private holdings, and the use be for private benefits. (p. 29)

The combination of this rough territory and the implacable expansion of American capitalism destroyed thousands of people; Anglos, Mexicans and Native Americans alike. But, while the "Drought and falling commodity prices, banks and lawyers; poverty and foreclosure broke more Texan hearts and filled more graves on the prairies than all the wars" (Ferhenbach, 2003, p. 29), the ideologies of progress, the goodness of growth, hardheaded pragmatism and the determination of success or failure based on personal quality consolidated. And, in the same manner, land exploitation as something necessary and unavoidable became Manifest Destiny for Anglo-Americans (Ferhenbach, 2003).

## **2. Urban Revolution in Texas: Houston's Rise and Development**

### *2.1 Foundation of the "Free Enterprise City"*

Since its beginning during the British Colonies period in the XVII century, urban settlements in North America were established on the principles of European capitalism and the traditional Puritanism of Anglo-Saxon Protestantism. Houston, although a much younger city compared with the East Coast settlements, has followed the same principles.

Founded in 1836, the city of Houston has its origins in a real estate enterprise by John Kirby Allen and Augustus Chapman Allen. Coming from New York, the Allen brothers convinced the Federal government of the viability of a settlement beyond the Mississippi that would serve as a commercial port for the recently formed Texas Republic. Thus, taking advantage of the favorable immigration conditions for Anglo-Americans set by the new Texan government, and financially backed with federal money, the Allens bought 10.37 square miles of land alongside the meandering Buffalo River.

The Allen brothers, experienced real estate swindlers, had operated for six years in the Texas country—where the aggressive and thriving real estate trade was common—before coming up with their Houstonian *opus magnum*. For this enterprise, they promoted their "paper town" all over the US. They attracted unsuspecting customers to the flat, swampy, mosquito-ridden, and uncomfortably humid region by touting Houston as the most healthy place in Texas, centrally located (Thomas & Murray, 1991), "...handsome and beautifully elevated, salubrious and well-watered" (Buchanan, 1975, p. 69). Their ruse worked out, and Houston began to gradually

populate—mainly by Southern families, particularly from Alabama and Louisiana—, continuing the feverish territorial expansion of the American West.

### 2.2 *Houston's Mercantile Period (1836-1901)*

Beginning the 1800s, urban growth throughout the United States became apparent, consolidating cities as commercial centers, recollection hubs for agricultural products and raw materials, as well as distribution centers for manufactured goods. Houston quickly followed suit and over time became an important regional mercantile center (Thomas & Murray, 1991).

Several factors, both situational and structural, took part in the extraordinary expansion of cities throughout the Southwest like Houston. Important among them were the “land fever” that attracted thousands to Texas; the appearance of mercantile urban centers at the start of the XIX century; and the gradual industrialization of agriculture at the end of the same century that forced thousands of ruined farmers to immigrate to these new urban centers (Montejano, 1987).

The first wave of urban growth in the United States took place around the 1800s, through the appearance of mercantile cities. These cities, settled along the territory's navigable rivers (e.g., Mississippi River) connected the rural area with the market and provided manufactured products. Life centered around the port, docks, wharves, the customs office and the treasury (Thomas & Murray, 1991).

During this period, New Orleans was the number one port of the American West. Nevertheless, with the territorial expansion to the Pacific, a new port sitting closer to these new colonies was necessary. Galveston, in the Texan coast of the Gulf of Mexico, founded in 1816 as a *presidio* and consolidated as a mercantile port in 1825, was located in this booming region, becoming the number one port in the US in a short time.

At first, the strategic location of the city of Galveston in the Buffalo River delta pushed Houston to a secondary role in the commercial trade of cotton (the main commercial product of the region), limiting Houston's growth. Galveston was also older and better established, having a commercial port and a larger population. On top of this, the river bottom in the stretch that connected Houston to the Gulf was too shallow for big ships, which meant that cotton bales had to be delivered to Galveston in order to be shipped to their final destination.

Yet, a few years later Houston would gradually develop the conditions to compete with Galveston for the top spot in the region. First, in 1839, the government of Houston had the Buffalo River cleared of roots and branches, allowing small ships to navigate upstream to its port. Later, several railroad lines were built along with modern port facilities. Also, Galveston was separated from the region's agricultural lands by several miles of swamps and marshes. Houston's better location towards these production centers allowed it to tout its new transportation infrastructure to attract their business. Yet, always pragmatic, it kept a good commercial relationship with Galveston while needed (Thomas & Murray, 1991).

Proximity to the cotton farms of the East and Central Texas regions and to the pine forests of Southwest Texas helped Houston become an important commercial exporter nationally and the most important cotton trade center in the United States and Europe. In the decade of 1850, it exported 115 000 cotton bales a year, mostly to England. A few years later, after a break caused from the Civil War that decreased the cotton trade, by the 1890s Houston was moving millions of cotton bales, by land and by sea, thanks to the new rail that connected the city with the rest of the country. Beginning the twentieth century, Houston housed the most important cotton merchants in the world, trading throughout the United States, Europe and Asia. In 1930 it became the number one port in America for the cotton business and the most important port of the South, in overall trade (Feagin, 1988).

#### 2.2.1 Commercial Development and Politics

The ideology professed and extended throughout Texas was fiercely antigovernment, shunning any government intervention in the life and private affairs of people, including the way they carried their business. Nevertheless, the reality of the commercial development of the region exposes a different scenario. In fact, one of the most important factors in Houston's development was the effective lobbying carried out by its business elite in the US Congress and the White House. State intervention, both at the federal and regional levels was crucial for the economic growth of Houston, with enormous benefits for the local business elite at the same time that it condemned tax collecting or the public provision of education or health care.

Thanks to state intervention, public resources were provided for financing the improvements to make River Buffalo navigable in 1853, as well as the dredging of the channel in 1857 that allowed access of heavier ships. State intervention also helped building the regional rail node even when Houston was not logistically the most adequate place for this, providing financing for several private railroad lines (ca. 1856). Overall, by 1860 Houston had 5 rail lines and more than 350 miles of railroad tracks; an impressively rapid expansion for a town

of only 5000 inhabitants (Thomas & Murray, 1991).

In 1869, the US Congress declared Houston an international port of entry, and sanctioned a commercial custom post. It also financed a new orographic study of the channel and sanctioned \$200 000 dollars of improvements. A few years later, in 1873, Houston's railroads connected with the national rail network, and in 15 years it grew from 1650 to 8486 miles of railroad tracks and 17 different lines (Thomas & Murray, 1991). There were so many train tracks converging in Houston that it was dubbed the "Iron-ribbed city" and the place "where seventeen railroads meet the sea" (Feagin, 1988, p. 182).

Yet, at the end of the XIX century, despite the many actions taken to improve Houston's commercial capacity, it didn't *ipso facto* reach the prominent position sought after by the local business elite. First, the rivalry with the port of Galveston increased and the relationship between these cities was not as amicable as before. Besides, Galveston's own growth affected Houston negatively, draining resources, capital and market share. On top of this, Houston was in competition with other regional urban centers better positioned. For example, San Antonio, to the southwest, controlled the border market; Dallas, to the northwest, was an important railroad destination; and to the east, New Orleans, another important seaport (Thomas & Murray, 1991).

Houston also did not count with the investment capital of the big cities of the East, like Boston, New York, or Philadelphia. Industrial investment in the Southwest in the early twentieth century was a third of that of the urban centers of the Northeast. In fact, a big chunk of the investment placed in the southwestern cities came from capitalists of the Northeast (New York, for example), who controlled the railroads, shipyards and sawmills of the region. Also, Houston was located in one of the poorest areas in the country, on average earning only 0.61 the national income per capita; something which hardly improved the local investment panorama (Thomas & Murray, 1991).

### 2.3 Industrial Development in Houston (1901-1960s)

The beginning of the industrial development in Houston was even choppier than its commercial development. The more consolidated mercantile-industrial urban centers of the East enjoyed a larger reserve of skilled labor, more investment capital, and better transportation infrastructure. Also, they were located closer to the sources of raw materials (iron, coal, wood, etc.). All of which made it harder for Houston to compete. Although Houston was poised as an important regional urban center, in contrast with others like Galveston, the main port and one of the richest cities in the US at the time, it was not a player at the national level. Nevertheless, a series of historical events transformed these circumstances, thrusting Houston into an accelerated growth, positioning it as the top city in the region and one of the most important ports in North America and opening the path to its industrial development (Thomas & Murray, 1991).

First, aware of the geographical disadvantage of the port of Houston compared with Galveston, the local business elite, commanded by entrepreneur and political figure Jesse Jones, resorted to its political influence in Washington to secure the federal financing necessary for dredging the navigation channel of the River Buffalo and for the improvements of the port facilities. Direct participation of influential Houston business leaders in the federal government was decisive, given the city's lack of resources and political power to make an expense of such magnitude, not in Texas, where the generalized attitude towards public spending was negative. Thus, state intervention was the only way to achieve the work needed for making the city accessible to large ships.

Second, the discovery of the first oil fields in Texas in 1901 in Spindletop and other deposits throughout the northeast region of the state a few miles from Houston opened the doors to industrial development in Houston. This discovery, coinciding with the transition from coal to oil as source of energy, promoted the development of oil refineries, petrochemical facilities and tool factories for the exploration, digging and extraction of the precious crude. It was also the source of vast fortunes for a few investors.

But it took a natural catastrophe for Houston to take the leadership in commercial shipping. In September 8, 1900, a hurricane landed on Galveston Bay, bringing with it tidal waves that broke through the seawall and devastated the city in a few hours. The storm size and lack of prevention from the Galveston government caused the death of between 6000 and 8000 people, one sixth of the total population. It also leveled the port and almost all the town buildings. (Figure 3) To this date, this has been the most devastating natural disaster in the history of the United States. Houston, a few miles inland suffered little damage.



Figure 3. Galveston Disaster, relief party working at Ave. P and Tremont St.

Description: Photograph of the devastation of Galveston after the storm of September 8-9, 1900.

Source: Library of Congress/ Prints & Photographs Online Catalog.

Thanks to these events, Houston was finally thrust into a new era of economic development and urban growth. From that point onwards it will experience a demographic, economic, and urban expansion that will be unmatched among American cities and will not stop until late in the twentieth century.

In 1920, having entered the powerful oil industry that would command the industrial growth worldwide and nearly the whole twentieth century, Houston surpassed New Orleans for the first time in manufacturing revenue. During the Great Depression of 1929, Houston benefited from having connections in Washington. Once again, thanks to the lobbying of local business leaders, Houston landed several of the public construction work deals during the New Deal stimulus program set by the government. And thanks to the demand for oil (also spurred by the state), while cities North and South rapidly declined, Houston increased its GDP and investment capital. Still, not to the level of the great industrial powers like New York or Chicago, that despite the economic crisis upheld an investment three times bigger than this Texan city (Thomas & Murray, 1991).

Meanwhile, Houston's trade industry kept growing. During the 30's, Houston's port ranked third in the nation (Thomas & Murray, 1991). Yet, for a long time industrial investment in Houston was not enough to allow the costly operations of exploration, extraction, refining, and distribution of crude. On top of that, the sudden abundance of the fuel—due to the discoveries of vast oil fields in Mexico, Venezuela, and the Middle East, among others—made it extremely cheap, discouraging capital investment (Thomas & Murray, 1991).

Under the pressure of oil executives, Franklin D. Roosevelt's administration intervened to regulate the market and scale up the price of oil, controlling national production and imposing tariffs to foreign oil. This intervention slowed down the price fall, but the event that gave a new impulse to Houston was the start of the Second World War. Natural rubber was in short supply during the conflict and gas was rationed in order to conserve as much as possible the rubber tires of military vehicles. Eventually, America found a synthetic substitute for natural rubber in a by-product from oil, and required large amounts of it. The government invested huge amounts in petrochemical infrastructure for its manufacture and oil distribution. All of this increased the price of oil considerably.

The prior existence of petrochemical facilities and the convenience of having a seaport easily accessible to transport the new product again benefited the city. Houston was selected among other cities and seven hundred million dollars were invested for building petrochemical plants and a foundry to manufacture the hundreds of

thousands of miles of pipelines needed to connect Houston with New York and supply the fuel.

After the Second World War, petrochemical facilities built with money from the Public Treasury were sold to private interests at cents on the dollar (Feagin, 1988; Thomas & Murray, 1991). Jesse Jones, for example, who had served as Head of the Committee for national reconstruction in the Depression (named the Financial Reconstruction Corporation) and Secretary of Commerce during the Roosevelt Administration, was one of the beneficiaries. About 450 million dollars from the federal budget were invested in private industries as well as oil and petrochemical manufacturing public-private partnerships. Added to this, the federal government acted as chief buyer and consumer of these products (Feagin, 1988; Thomas & Murray, 1991).

#### *2.4 Houston's Postindustrial Period (1960s-Present)*

The postindustrial era of Houston is intrinsically linked to its position as the "energy capital" of the United States. Because its industry has been mainly related to the extraction, processing and distribution of oil, Houston is a city whose development has been tied to the fate of the crude in the rest of the world. In this sense, Houston has been a 'global city' long before the stage of Late Capitalism, and the beginning of the now ubiquitous 'globalization'.

As discussed, the culmination of the Second World War led to the privatization of the oil industry, and the consolidation of national and international markets of hydrocarbons that put Houston in a privileged position. During the following decades, the energy "boom" driven by policies of the state, including the creation of an extensive network of roads throughout the country and the mass manufacture of personal cars, resulted in a high-level consumption of fuel and oil derivatives. As a major oil trader, Houston thus experienced considerable growth.

The seventies were particularly favorable for Houston's industry. Thanks to the oil embargo carried out by the Eastern nations of the OPEC cartel in 1973, while the rest of the country went through an energy crisis that momentarily lessened the confidence in oil as the sole source of energy, Houston benefited from the high demand and escalating fuel prices. This boom in the oil industry remained for the rest of the decade thanks to the explosion of the Iraq-Iran War in 1980.

However, growth in the United States during this jump in prices was unsustainable and in the 80's energy demand dropped as the country fell into a recession that would mark the industrial future of the nation. The country-wide economic recession put an end to over a century of economic growth in Houston. From this event, coupled with growing global competition in oil exploitation and depletion of local oil deposits—although Houston refined and processed more oil than what was locally extracted—the petrochemical industry of the city ceased to have the former importance and new areas of investment began to be explored. Like the rest of the country, Houston began to move gradually to other markets, such as corporate finance and research.

For Thomas and Murray (1991), two events that took place some years before anticipate this transition from manufacturing center to postindustrial city: in 1962, the opening of the Manned Space Center (later renamed Johnson Space Center) by the NASA, and, the relocation of Shell Oil corporate headquarters from New York to Houston in 1968. The importance of these cases lies in their symbolic dimension, the first one conveying "the image of a 'city of the future'," and the second, heralding "the emergence of Houston as a major corporate center" because, as the authors explain, "Urban images are important, especially to cities that are trying to attract highly mobile corporate operations and workers" (p. 54).

### **3. Urban context in Houston**

Despite the many efforts of the Allen brothers promoting Houston, the city started as a small commercial settlement without a big, immediate growth. But, from 1850 (date of the first census) to 1860, its population doubled from 2396 to 4845 inhabitants. And, by 1900, Houston counted with 44 633 inhabitants, making it the second largest city in the state, only behind San Antonio, which was founded more than a hundred years before.

During the second half of the nineteenth century and the first decades of the twentieth century, the city enjoyed rapid growth unmatched. Just in the decade of 1920 to 1930, its population increased from 138 276 to 293 352 inhabitants, and each passing year more families immigrated to the city in search of fortune. The average rate of growth during this period was an extraordinary 80.3% (Feagin, 1988; Thomas & Murray, 1991).

As mentioned before, Houston's spatial development is marked by its beginning as a real estate speculative enterprise. Although in this it does not differ from other cities of the American West, the importance of the commercial exploitation of Houston's territory has to this date no comparison with any other city in the US. This is in itself significant, considering this country's history as being one of the most aggressive in territorial expansion, colonization, and exploitation.

Houston’s initial trace consisted of an orthogonal grid stretching from East to West a few miles: 12 to 8 blocks along the Buffalo River, and south of the river: 6 to 3 blocks; adding up to 8.9 square miles (Feagin, 1988). It was composed mostly of warehouses, cotton gins, railways, and banking offices serving the agricultural industry in Southeast Texas. They used the small port of Houston to travel through the Buffalo River’s navigation channel transporting their products to the port of Galveston, where it was loaded on transatlantic ships to take them to the national and international markets. (Figure 4)

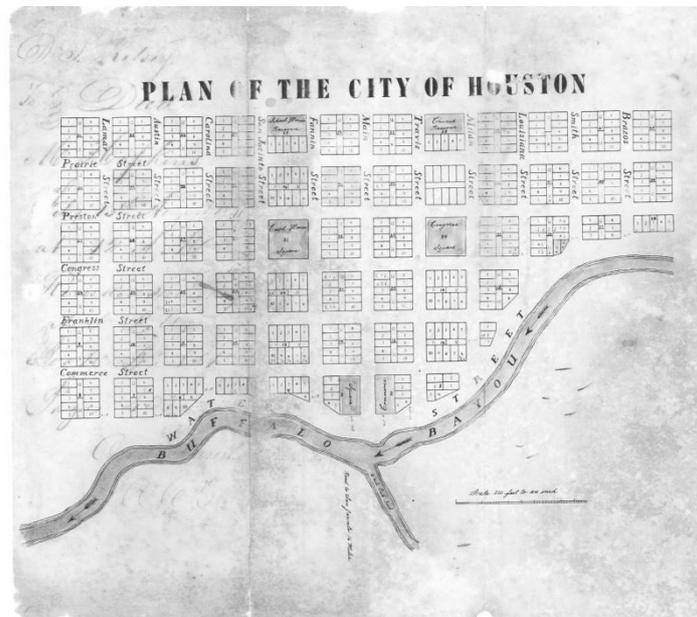


Figure 4. Plan of the city of Houston, c.1837

Description: Plan of Houston one year from its foundation. North in the map is pointing down, which is why the River Buffalo appears south of the city.

Source: University of North Texas Libraries, The Portal to Texas History, <http://texashistory.unt.edu>; digital image: <http://texashistory.unt.edu/ark:/67531/metaph32934/>; crediting Star of the Republic Museum, Washington, Texas.

In fifty years, Houston’s urban trace extended three times its initial size. By 1942, it doubled in size again and was already planning further development. To this date, the city is about fifty times greater than the 0.23 miles it covered in its beginning, not considering the incorporated surrounding territory outside the city limits. (Figures 5-7)

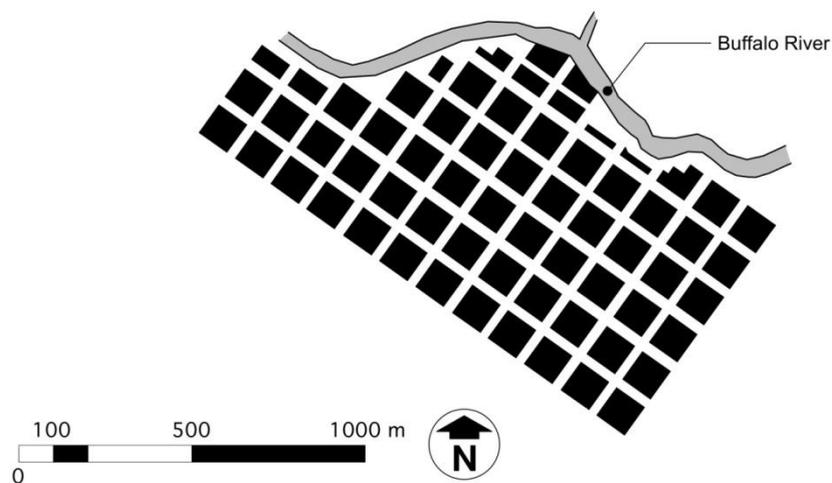


Figure 5. Houston’s urban morphology in 1837

Description: Figure-ground diagram showing Houston’s urban morphology in 1837.

Source: Drawn by authors based on available maps of the period.

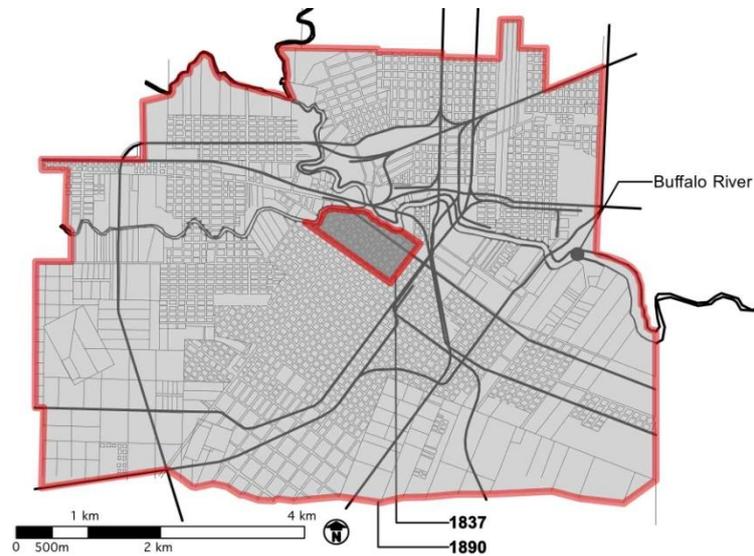


Figure 6. Houston's urban morphology, 1890

Description: Comparison of Houston's urban morphology development between 1837 and 1890. The original trace of 1837 is engulfed by a blob four times its size.

Source: Drawn by authors based on map by Wm. W. Thomas & Co. Real Estate Agents, July 1890.

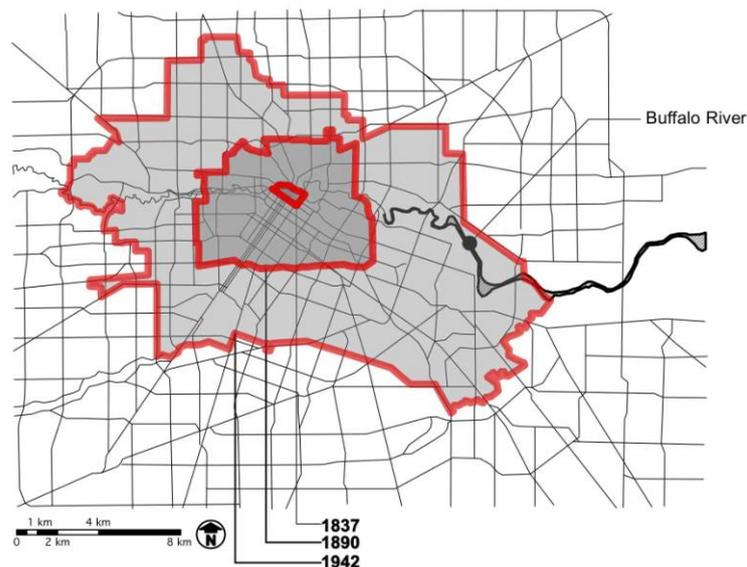


Figure 7. Houston's urban morphology, 1942

Description: Comparison of Houston's urban morphology between 1837, 1890 and 1942. By 1942 the original trace is barely visible at the center of the sprawling urban limits.

Source: Drawn by authors based on map by the Houston Planning Commission, November 1942.

Several factors have influenced the sprawling development of the city over its 174-year history. Geographically, Houston is located on the coastal plain of Texas. The absence of topographic features forming natural barriers that would obstruct new settlements has made easy the continuing extension of the city. For this reason, unlike the colonial cities of the East—bounded by the old urban plan, the Atlantic Ocean, the mountains and the rivers that surround them—, Houston has at its disposal all the desired territory and few barriers to its exploitation. On top of this, the Allen brothers had unknowingly chosen to place the city over one of the largest aquifers in North America.

Culturally, despite the strong co-dependency between government and Houston's dominant class, the latter has

made effective use of the ideological tool of *laissez-faire* to exploit space in unparalleled fashion. Feeding the rooted idiosyncrasies of individual independence and self-sufficiency, of the family model as maximum social unit, and of the distrust towards government intervention or any other organized social agent that prevail in Texas, Houston's capitalist class has managed to convince all and sundry to be a place where anyone can succeed if you work hard, regardless of differences in sex, color, disability or religion. While at the same time, convincing the government to take part in this scenario not only earmarking public resources into their hands, but by not regulating the affairs of private industry, openly supporting the free market and endorsing space exploitation as an engine of development (Thomas & Murray, 1991).

Exploitation of Buffalo River's navigation channel and construction of the railroad around it have been pointed out as mayor factors in Houston's urban development. But, beyond the readily visible physical expressions these endeavors supposed—through the construction of factories, warehouses, stations, and roads that linked and sectioned at the same time segments of the city—and the pull that these work centers had for the attraction and settlement of working class people, one would find control over the city's development in the hands of a few, like Jesse Jones, and other members of the capitalist class, that formed a coalition of elite businessmen self-named "the 'builders' of modern Houston" (Feagin, 1988, p. 120).

These entrepreneurs, whose activities covered financial banks, sawmills, petrochemical factories, media, and the construction sector alike, possessed extensive connections with the local and the federal governments—some of them even holding a government position—. This considerable influence among the political sphere benefited them with innumerable government contracts for public works like highways, roads, bridges, sewerage, public buildings, and so on. Also, thanks to these relations they were participant in favorable deals to acquire from the government several thousand square feet of strategically located land at reduced prices. Actively engaged for most of the twentieth century (from 1920 to mid-1980, approximately), and almost entirely financed by local and federal public taxes, this handful of individuals increased their wealth considerable (Feagin, 1988). At the same time, it made them responsible for most of the expansion of the urban form of Houston.

With the corporatization of Houston, the hegemony of these old actors was diluted between multinational companies and their executive officers from other places, whose interests were safeguarded by pro-development institutions such as Houston's Chamber of Commerce (Feagin, 1988). Notably, several real estate entrepreneurs assumed positions of leadership in the Chamber, marking the growing importance of urban development as a generator of wealth. Feagin (1988) has pointed out that it was through the lobbying of this group of urban developers within the Chamber that more attention was given to the failing infrastructure of the city.

Economic restructuring in the years after the recession meant the opening of international markets and deregulation of finance capital, marking the beginning of Late Capitalism. This attracted several corporate companies to the city of Houston. For the built environment this meant a huge investment in the building stock of offices and houses for new professionals coming to town. Dozens of huge skyscrapers by the most prestigious architects began to populate the landscape of the city. While in 1970 the city had about 30 million square feet of office space, 90% occupied, in just eight years this figure doubled to 60 million square feet and approximately 95% occupancy; by 1986 there were over 160 million square feet. Even after the economic slump of the mid-eighties, in 1990 Houston contained 110 million square feet of occupied office space (Feagin, 1988; Thomas & Murray, 1991).

Due to this extraordinary growth, Houston was admired by recognized critics of architecture and urban planning as a model for urban growth in America. However, what is not commonly said is that this outrageous office building construction was not a response exclusively to the demand for space—fundamental premise of the theory of the free market—. Instead, it arose from a speculative investment scheme that attracted financial capital both from the surplus created by high oil prices as from foreign investors attracted by the city's development. By the late seventies, Houston was, after New York, the city with the largest foreign investment in office buildings, and, by 1980, one-sixth of total private property available in the city was in the hands of just ten private companies (Feagin, 1988). The failings of this scheme became apparent when the overproduction of the building stock resulted in a real estate bubble burst in the late 1980s.

The energy bubble burst in 1982; the real estate bubble burst; the devaluation and stagnation of wages for the middle and lower classes; the corrupt practices of the Savings & Loans institutions colluded with real estate developers that shook the US; all these events resulted in a crisis the like Houston had never seen in its more than hundred years of constant growth. By 1984, millions of square feet of the commercial and industrial building stock were abandoned, hundreds of houses were repossessed, and the 10% unemployment rate dropped the real estate market by 25% (Barna, 1992; Feagin, 1988; Thomas & Murray, 1991).

Morphologically, postindustrial space in Houston, as in other cities around the country is shaped by these factors, formalized in the corporate high-rises that dot its skyline. Yet, unlike other cities like New York or Chicago, skyscrapers in Houston have appeared both downtown and in the periphery, where several office parks were built following the development of the freeway loops, the construction of the high-end commercial area around the shopping mall The Galleria and the suburban sprawl of huge single family housing developments and apartment buildings west of the city.

Furthermore, the aggressive political campaigns to annex surrounding territory to Houston's jurisdiction have also been decisive to its expansion. Unlike other cities in North America who saw their horizontal growth constrained because of the existence of a belt of self-governing suburbs, Houston has managed to circumvent this situation effectively. Through the creation of Municipal Utility Districts (MUDs) that ease private investment in the urban outskirts, and imposing several legal mechanisms that give the city the power of annexation of the surrounding territory, Houston has become one of the biggest cities in surface extension; adding even a huge land reserve that can secure vacant land for future urban growth. (Figure 8)

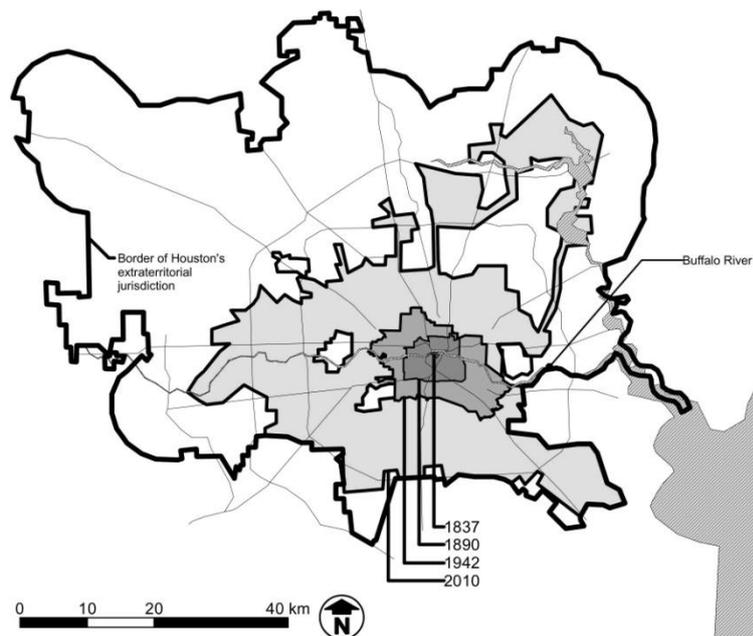


Figure 8. Historic evolution of Houston's territorial expansion

Description: Comparison of Houston's urban morphology development between 1837, 1890, 1942 and 2010. The powers of annexation of Houston have supplied a land reserve for future growth twice as big as what is already an enormous urban footprint.

Source: Drawn by authors based on map by the Harris County, 2010.

It is also worth noting that the expansive sprawl of the city during the early decades of the twentieth century timely coincides with the invention and marketing of the personal automobile. Unlike other cities which had consolidated their urban form before the era of motorized transport, at a time of carts and pedestrians, Houston had the advantage of having the free land available for planning streets and massive freeways to serve this new mode of transportation, one that on top of everything was powered by petroleum products, same which as an important part of the local industry quickly formed a 'car cult' among its inhabitants.

#### 4. Urban Policy

For years, the social impact of this unchecked, unbridled growth impetus has been well known (Feagin, 1988; Fisher, 1989; Thomas & Murray, 1991.). Yet, as Fisher (1989) pointed out, indoctrination and a relative prosperity have created a "relative content and quiescent citizenry" (p. 145). Up to 1973 it was a violation of the constitution to spend public monies on social services; and, to this date, the benefits and 'patriotism' of the free enterprise economic model is taught in Texas from Kindergarten to high school (Vojnovic, 2003, 2007).

Fiercely adhered to the free market ideology, Houston's private developers have largely distanced themselves from any project that implies state supervision, like renovating deteriorated neighborhoods, or constructing public housing. Nonetheless, this does not mean that they are not profiting from it. Over the years, while the

public housing authority has siphoned tax dollars from the public to private developers and builders without providing low-income housing, homebuilders' and financial institutions' lobbies, as well as other groups that ideologically oppose entitlements have voted down proposals for public housing construction at least two occasions (Lang, 1995).

Curtis Lang (1995) has commented how by 1991 the Housing Authority of the City of Houston was administering far fewer public housing units than San Antonio, Newark, Baltimore, and other much smaller cities; and that, in 1992 Houston ranked last among large American cities in providing housing for the poor. A fact not devoid of racist overtones. One of the few housing projects, Allen Parkway Village, built in the 1940s tore down an historically black neighborhood; banned access to the units to poor African-Americans; and, when forced to open it to all regardless of race by the anti-segregation laws, deemed it too expensive to maintain and tried to sell it to private interest at a price way below market value (Lang, 1995). And, as Rogers (2008) pointed out, although some non-profit organizations are trying to fill the void left by the market and failed federal programs, these might meet one percent of the nearly 300 000 households unable to afford fair market rent of a two-bedroom apartment in Houston.

Public policy for a planned development has been "sporadic and inconsistent, dependent upon the commitment of individual citizens or public officials rather than institutionalized city policy" (Fox, 1985, p. 12). The ubiquitous ideology of laissez-faire and privatism has defeated several attempts to establish a general urban plan (Fox, 1985). Zhu Qian (2009) has noted that, of the mayor US cities, Houston is the only one without zoning. In turn, "shadow planning" by neighborhood associations and developers has prevailed, allowing themselves those powers that they negate to the government, but without the latter's accountability for their actions: making their own neighborhood ordinances, closing streets, practicing eminent domain, and tax abatements (Greanias, 1998). Yet, most of the time these practices reflect a narrow view, more for the benefit of their investment than for the benefit of the larger community (Greanias, 1998; Webb & Stern, 1995).

The externalities of this uneven development can be felt by everyone, for example, car congestion or air pollution in the city; but the worse problems are located where poor people live, in a sort of 'environmental racism', placing waste disposal sites and contaminating industries amongst low-income neighborhoods (Fisher 1989, Vojnovic, 2007).

And, while this financial profile of low taxes and low public expenditures (specially in public welfare) is being promoted as a 'good business climate' that will attract job creators, it has not improved poverty much, leaving 43% of Houston's households making less than \$37 501. At the same time, low expenditures in health and education have hurt the quality and productivity of Houston's workforce. With 36% of residents having only high school level education and 15% less than that, it has been difficult for industries to fill jobs with local labor (Klineberg, 2007; Vojnovic, 2007).

The only reason there has been more awareness of the public urban infrastructure is because lately the new business elite has recognized the necessity of providing an attractive urban environment to compete with other cities worldwide for the new and highly mobile knowledge-economy professionals and equally mobile global corporations. For this reason, as Thomas & Murray (1991) have pointed out, organizations like the Chamber of Commerce, real estate capitalists, and public officials have pursued an urban development focused at the goal of aiding Houston "maintain and maximize its competitive economic position in the marketplace" (p. 310). In 2001, the Greater Houston Partnership (the new name of the Chamber of Commerce) stated that "Houston must develop the recreational and environmental amenities to be competitive in the new economy" (Klineberg, 2007).

Yet, although many real estate professionals and entrepreneurs confronted with a low demand in this market due to the economic recessions of the past have recognized the benefits these improvements could bring, this type of urban development doesn't distribute the public budget indiscriminately. Instead, it channels available resources into the infrastructure projects that most benefit private developers, diverting them from public welfare projects (Thomas & Murray, 1991). For years, policy geared to spur investment in the service-leisure economy of Late Capitalism has consisted in tax breaks and funding for private enterprises like stadiums or high-end housing developments (Vojnovic, 2007).

## 5. Discussion and Conclusions

Houston's history displays its position as a paradigm of the production of urban space based on capitalism, centering space's value in its profitability. From the beginning, the local capitalist elite has steered public policy towards those actions that would clear the way for exploiting the territory. In Houston's historical evolution it is possible to follow the role of the pro-growth coalition formed between state and capital, as theorized by Mark Gottdiener (1997) and others.

This suburban sprawl, besides being aided by the lack of topographic barriers as well as the provision of rural land on its periphery, available at extremely low prices due to the general abandonment of agriculture, and a government accommodating to commercial interests that favors developers, simplifying the legal process to buy, parcel and build, reducing the risk of investment in new land.

For some, Houston exemplifies an "opportunity urbanism" of low taxes and minimum regulation that allows "to generate economic opportunity across the entire income spectrum" (Kotkin, 2007). But, Houston's development has proved to be of an uneven kind, sustained at the expense of the many for the profit of a few. Its business elite worked hard to capture public projects funded with taxpayer money, for example, the dredging of the navigation channel and the railroad. This growth mainly benefited the industrial and commercial elites, without trickling down to the working class. One reason is that the petrochemical industry requires large amounts of capital but relatively few labor. And, the limited number of workers needed to run the factories need to be qualified, i.e., technicians and professionals, leaving few options for the semi and low qualified workers (Ferhenbach, 2003; Thomas & Murray, 1991).

In addition, a series of ideological premises legitimize these actions. People coming to Texan territory arrived with a concrete ideology about land and social organization: an obsession with land ownership paired with a high degree of *privatism*, that is, a social position centered on the individual, that values personal independence and self-sufficiency above everything and shuns collective compromises and dependency (Gottdiener & Hutchison, 2006).

Ever since the Plantation Era, the capitalist class has conducted an effective campaign to reinforce the ideology of *laissez-faire*, promoting the virtues of capitalism, self-reliance and individual improvement, while condemning the threat of social and community institutions. According to Klineberg (2010), in 2009 87% of Houstonians believed that "if you work hard in this city, eventually you will succeed". In consequence, while the business class benefited from forging alliances with politicians in the government of Houston, the Texas Congress and Washington, workers have faced a decreasing capacity of political organization and public participation, making them more vulnerable.

Along the topographic flatness of the land, the efforts by the public-private pro-growth coalition to spur suburban sprawl have played a notable part in Houston's growth and shape. If anything, the only motive why Houston has experienced lately a return to the central city is because in recent years suburban developments have not been as profitable as they were in the 80's and 90's. Also, racial minorities located mostly in the older inner urban core nowadays enjoy a larger political influence. Thus, previously ignored citizen movements coming from these neighborhoods have been forcing developers and politicians to revise their position or risk costly civil lawsuits or fall from office (Thomas & Murray, 1991). Yet, although a majority favors land use planning, mass transit, and better services, few measures have been taken towards these (Klineberg, 2010). And, while there has been re-development in the inner city, few efforts have been made to contain gentrification of historical low-income ethnic neighborhoods.

Lastly, these facts point to the relevance of a cultural dimension both in the way social relations are fixed in space and in the way space itself is produced. Justification of how space is intervened comes from the culture, and consequently, the spatial manifestations produced will be charged of cultural symbolism, expressing the values of the society that shapes it.

## References

- Barna, J. W. (1992). *The See-Through Years: Creation and Destruction in Texas Architecture and Real Estate, 1981-1991*. Houston, TX: Rice University Press.
- Buchanan, J. E. (Ed.). (1975). *Houston: A Chronological and Documentary History: 1519-1970*. New York, NY: Oceana. Quoted in Thomas, Robert D. & Richard W. Murray. 1991. *Progrowth Politics: Change and Governance in Houston* [Berkeley, CA: IGS Press, University of California].
- City of Houston. (2009). *Houston's Comparison with Major U.S. Cities*. Retrieved from [http://www.houstontx.gov/planning/Publications/planrpt/How\\_fulldoc.pdf](http://www.houstontx.gov/planning/Publications/planrpt/How_fulldoc.pdf)
- Feagin, J. (1988). *Free Enterprise City: Houston in Political-Economic Perspective*. New Brunswick, NJ: Rutgers University Press.
- Ferhenbach, T. R. (2003). *The Seven Keys to Texas*. New York, NY: [e-reads] Book.
- Fisher, R. (1989). Urban Policy in Houston, Texas. *Urban Studies*, 26, 144-154, doi:10.1080/00420988920080111

- Fox, S. (1985). Planning in Houston: A historic overview. *Cite : A Publication of the Rice Design Alliance*, 11, 12-14. Retrieved from [http://citomag.org/wp-content/uploads/2010/02/ForeCite\\_Ochsner\\_Cite11.pdf](http://citomag.org/wp-content/uploads/2010/02/ForeCite_Ochsner_Cite11.pdf)
- Greater Houston Partnership (GHP). (2012). *Annual Report 2012*. Retrieved from [http://houston.org/assets/pdf/2012\\_Annual\\_Report.pdf](http://houston.org/assets/pdf/2012_Annual_Report.pdf)
- Gottdiener, M. (1997). *The social production of urban space*. Austin, TX: University of Texas Press.
- Gottdiener, M., & Hutchison, R. (2006). *The new urban sociology*. Boulder, CO: Westview Press.
- Greanias, G. (1998). Shadow planning: It's the way Houston works, for good - and for bad. *Cite: The Architecture and Design Review of Houston*, 42, 28-29. Retrieved from [http://citomag.org/wp-content/uploads/2010/03/ShadowPlanning\\_Greanias\\_Cite42.pdf](http://citomag.org/wp-content/uploads/2010/03/ShadowPlanning_Greanias_Cite42.pdf)
- Kotkin, J. *Opportunity Urbanism: An Emerging Paradigm of the 21st Century*. Retrieved from <http://www.fortbendcounty.org/news/documents/presentations/2007/06/GHPUrbanism.pdf>
- Klineberg, S. L. (2010). *The Changing Face of Houston: Tracking the Economic and Demographic Transformations Through 29 Years of Houston Surveys* [Powerpoint presentation]. Retrieved from <http://has.rice.edu/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=2519>
- Klineberg, S. L. (2007). *Regional Perspectives: Survey Research on the Differences in Demographic Patterns, Attitudes, and Beliefs across Six Major Sectors of the Houston Metropolitan Region*. Retrieved from <http://has.rice.edu/WorkArea/linkit.aspx?LinkIdentifier=id&ItemID=232>
- Lang, C. (1995). A depleted legacy: Public housing in Houston. *Cite: The Architecture and Design Review of Houston*, 33, 10-15. Retrieved from [http://citomag.org/wp-content/uploads/2010/03/depletedlegacy\\_lang\\_cite33.pdf](http://citomag.org/wp-content/uploads/2010/03/depletedlegacy_lang_cite33.pdf)
- Montejano, D. (1987). *Anglos and Mexicans in the Making of Texas, 1836-1986*. Austin, TX: University of Texas Press.
- Port Industry Statistics. AAPA. Retrieved from <http://www.aapa-ports.org/Industry/content.cfm?ItemNumber=900&navItemNumber=551>
- Qian, Z. (2010). Without zoning: Urban development and land use controls in Houston. *Cities*, 27, 31-41. <http://dx.doi.org/10.1016/j.cities.2009.11.006>
- Richardson, R. N., Anderson, A., Wintz, C.D., & Wallace, E. (2005). *Texas, The Lone Star State*. 9th ed. New Jersey, NJ: PrenticeHall.
- Rogers, S. (2008). Building the American Dream: The Politics of Housing. *Cite: The Architecture and Design Review of Houston*, 76, 14-17. Retrieved from [offcite.org/wp-content/uploads/2009/10/Cite\\_76\\_BuildingtheAmericanDram\\_Rogers.pdf](http://offcite.org/wp-content/uploads/2009/10/Cite_76_BuildingtheAmericanDram_Rogers.pdf)
- Thomas, R. D., & Murray, R. W. (1991). *Progrowth Politics: Change and Governance in Houston*. Berkeley, CA: IGS Press, University of California.
- Webb, B. C., & Stern, W. F. (1995). Houston – Style Planning: No Zoning But Many Zones. *Cite: The Architecture and Design Review of Houston*, 32, 14-15. Retrieved from [citomag.org/wp-content/uploads/2010/03/NoZoningHouston\\_Turner\\_Cite32.pdf](http://citomag.org/wp-content/uploads/2010/03/NoZoningHouston_Turner_Cite32.pdf)
- Vojnovic, I. (2003). Laissez-Faire Governance and the Archetype Laissez-Faire City in the USA: Exploring Houston. *Geografiska Annaler. Series B, Human Geography*, 85, 19-38. Retrieved from <http://www.jstor.org/stable/3554378>
- Vojnovic, I. (2007). Government and urban management in the 20th century: policies, contradictions, and weaknesses of the New Right. *GeoJournal*, 69, 271-300. <http://dx.doi.org/10.1007/s10708-007-9110-z>



This work is licensed under a [Creative Commons Attribution 3.0 License](https://creativecommons.org/licenses/by/3.0/).