



an essential catalyst for economic growth in this or any other area.

5. The decline in the Buffalo economy that has caused our kids to leave home has to be remedied by building an economy that will keep them from leaving.

All five of these ideas seem demonstrably false, as I hope to show in what follows. In order to do so I wish to come at the problem of economic growth from a simple theoretical understanding of that elusive phenomenon and then to test my understanding by offering my readers a look at how the history of Buffalo's economy might suggest other, different ideas for development.

Consider the possibility that what makes for a lively economy is a combination of local competitive advantage and a viable political unit that can provide support for that advantage. Local competitive advantage can be found in the combination of geography and of local resources that make it plausible to produce something that someone else wants. A viable political unit can be found in the combination of a local government that possesses territorial powers sufficient to aid in its development an area's competitive advantage and of a local political community committed to do so. More simply put, an effective strategy for economic development requires combining a local resource that others want with a political structure and community will capable of making that resource available.

I wish to ignore the possibility that my understanding of economic development is somehow flawed. There will be plenty of time for others to argue for other understandings. Instead, I shall begin with Buffalo as a place, with geography in the early Nineteenth Century. So, follow me down the rabbit hole of Buffalo history. Hopefully, when we come up again we may see things that are obscured by the daily laments and recurrent ideas that fill newspapers, the pronouncements of the "movers and shakers," and the idle cocktail party chatter of those who can afford to go to such parties.

## **THE DEVELOPMENT OF BUFFALO'S ECONOMY**

Though often talked about as the ideal transshipment point between the Erie Canal and the upper Great Lakes, Buffalo is anything but. It has a terrible harbor with a shallow draft further limited by the limestone close to its silted bottom. The prevailing southwest winds are guaranteed to help the current flowing from Lake Erie into the Niagara River deposit sand at the mouth of the Buffalo River, a stream whose course is so serpentine that someone should have understood that it was guaranteed to silt up regularly for lack of water flow. And in winter





































