

Remarks on opportunities for economic development
in New York City.

Joshua Lederberg
The Rockefeller University

I was a professor at Stanford University for 20 years before taking my present position in New York City in 1978. While in California I was intimately acquainted with the development of Stanford Industrial Park, Silicon Valley, and especially the biotechnology industry in the San Francisco Bay area.

The question has been put many times how New York might emulate those developments for the benefit of the local economy. The price of real estate, and the costs of housing in New York for technical personal, and related burdens of taxation and of cost of living, make these developments problematical, except where N.Y. furnishes remarkable comparative advantage. Such circumstances will exist in N.Y., but fixation on those distracts the attention that should be placed on N.Y.'s principal industry, namely finance and supporting services. Here N.Y.'s advantage is overwhelming, even unique.

Even to sustain that position, however, may require investment in technology and in municipal infra-structure (communications, transportation, street amenities and safety, and cultural excitement) to keep N.Y. an efficient and desirable locus of aggregation of financial (and connected legal ...) services.

In California, academic researchers played an indispensable role in sparking new businesses, and in consulting with established operating companies in many areas of technology. With a few exceptions, the counterpart in N.Y. is not well established, namely the use of academic expertise to support the innovative aspects of finance. There are two important challenges: One is the technology of finance, dominated today by computer software. The other is expert knowledge to support the allocation of investment capital. Very large and nationally important flows of capital are today in the hands of people and organizations that have little specialized understanding of the technology to which that capital is directed. Scientists in N.Y. should have a special role here, not to be matched anywhere else, in adding their expertise to that process: as teachers, as consultants, as confidants and critics of the financial specialists.

A constructive partnership of these sectors of the life of this city would be beneficial to both, and add to the advantages of N.Y. as the situs of all of these kinds of institutions.

These remarks are in the vein of seeking insight on how to organize appropriate sectorial and institutional relationships -- I am not now personally available except on behalf of the university, or perhaps to suggest the names of colleagues who might be useful as consultants.

Joshua Lederberg