

HIGHWAY INVESTMENT AS A PLANNING TOOL FOR AREA DEVELOPMENT^{1/}

By

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Improvements in transportation have made possible major rises in civilization. Railroads, for example, hastened the consolidation and development of the vast interiors of the United States and Russia. On a less dramatic scale, a new transport link, as the railroad in Ungava, permits the exploitation of new resources hitherto dormant. But not all transport investments have a dramatic development response to felt needs.

Why not construct roads specifically to foster development in less successful areas? History seems to offer ample evidence for success--for example, the early trails West, the Alaska highway, or a forest access road. Indeed, many proposed or ongoing programs, such as the Appalachia project of the 'War on Poverty' anticipate rather massive road construction. Before too much hope is pinned on such schemes, realistic appraisal is called for.

Planning goals that might apply to area development include: (1) stimulating and expanding economic growth in the region; and alternatively (2) to rationalize the regional economy through encouraging out-migration and adjustment to a more extensive equilibrium level. Attaining either goal may be presumably aided by highway investment which (a) brings access to resources hitherto latent; (b) improves local accessibility within the region; (c) generates direct employment and income in the construction process and (d) improves an area's connectivity to surrounding more successful areas.

To achieve basic economic growth means attracting new industries (or generating them), generating new services, increasing both regional exports and internal exchange. But there is a limited amount of industrial localization. Even if transport levels are dramatically improved, even to the point of equivalence with already successful areas, the latter still have an overwhelming advantage for attracting new investment. They have higher income, surer markets, already available human and social overhead resources. Why risk investment in new if safer ones are at hand? In the present era, to reach higher economic levels, an area has to attract higher income industries and particularly generate tertiary activities, which are, however, largely creatures of the large city. The region without cities large enough to become thresholds for a wide variety of economic and cultural activities is at an inherent disadvantage. Even if we add to highway improvement job retraining, funds for improved schools and similar programs, we do not raise the attractiveness of the area to the existing level of more urbanized areas elsewhere.

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Rather we increase the ability and willingness of the residents to move out and compete in the successful area. The inability of weaker areas to compete, on their own strength leads to the inescapable conclusion that programs dominated by highway investment and other social overhead will not achieve the goal of economic growth. However, in connection with more radical investment programs, highway improvement would play a major role.

Only the opening of roads to new resources offers any expectation of increased volume of economic activity, but to be honest there is scarcely any such resource left in the United States. If we become satisfied with the second goal, a new regional equilibrium at a lower population, highway investment, though very expensive with respect to the remaining population, may be more effective. Improvement in connections of poor regions to richer ones and improvement in local accessibility should increase the rate of 'rationalization' within the region. In addition to lack of economic diversity, most 'depressed areas' exhibit low efficiency in the predominantly rural activities they do have, and part of this may be due to poor transport: (1) the inability to export the products reasonably and quickly enough and (2) cultural isolation from innovation and improved efficiency. Improved regional connection aids the competitive position for lumber, crop and animal shipments and gradually increases the incentive for specialization, improved farm (forest) methods, large scale organization etc. Improved local accessibility, particularly of areas such as Appalachia, brings more individuals within the possibility of easier marketing, increased contact and education of isolated groups, and ease of commuting to district centers. Business activity will concentrate in these larger places, raising the variety and quality of goods offered and consumed. The isolated subsistence farmer can persist, but it becomes more likely that many will wish to modernize, will buy their neighbor's land, sending the latter out of the area. In some of the regions, as Appalachia, fairly close to dense population concentrations, a large increase in recreational use may be expected, with better access into the area. In other less successful areas, as much of the rural South, in much of the Western plains, in more remote parts of the West, the position vis-a-vis successful areas is not so favorable, either for shipment of products or for attraction of tourists.

If society should really adopt a goal more like that of advanced European countries - i.e., more even and decentralized regional development, actual economic expansion in many depressed areas--then we would be forced to adopt their methods as well--strong national influence on investment, including taxation incentives (federal), control or expansion in crowded areas, and construction of entire 'new cities'. If we become serious about areas development in the sense of preventing their population decline and allowing them to participate fully in the modern urban economy, let's face the facts: Highway and education improvements are a necessary part of a developmental program, but they are no substitute for investment in production itself, and there is little incentive for such investment in a declining area, without some rather massive aid as a product of organized outside effort. As part of a general investment program, highways must play a role, since inadequate roads and congestion could undo other gains.