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Baltimore and Maryland: Spatial Economics

A "State of the State" essay personal review

Elvin Wyly December 7th, 1987

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#### Preface:

The few works of David Harvey which I have read sparked in me an interest in the capital relations in the world-economy; in my view, the inherent logic of Harvey's assumptions carries with it tremendous implications. A critique of his approach to geopolitics and social geography crossed my mind only briefly, however. Many of Harvey's views force me to choose blind acceptance or complete rejection: I am simply unable to apply some of the theoretical models of which he writes.

Given that I would feel uncomfortable with such an undertaking, it is natural for me to reconcile my curiousity with an instance of Harvey's ideas at a more manageable scale; my home state seemed in personal context a microcosm of capital relations. My fascination with the changes Maryland has seen in the past few decades compelled me to search for a way to organize its political-economic structure and background. As far as possible, my attempt was to maintain an holistic approach and avoid the "compartmentalization" so characteristic of state reports and many private analyses.

It was thus with pleasant surprise that I found quite by accident Sherry H. Olson's <u>Baltimore: The Building of an American City</u> (Baltimore: Johns Hopkins University Press, 1980). The cataloging--refering to economic conditions, history, and social conditions--forsakes the geographic nature of the city's dynamics. Yet in the book itself, Olson is remarkable in her analysis and integration of a spatial framework. It was another surprise (should it be?) that she consulted David Harvey for his insight.

My goals therefore fell into place: to organize a view of changes in capital, social politics, and economic power with Maryland as my sample. Rather than a book review, I have attempted to formulate my own personal views on the state of Affairs with the aid of Olson's book. My conclusions and gradual understanding have carried with them increased respect for Harvey's essays.

\* They were correagnes at Hopkins.

## Introduction:

In regional American studies, the Mid-Atlantic states often signify important developments in historical geography. Centered close to the locus of initial American settlement, the region has also served to illustrate countless diffusion processes and growth effects. The area has likewise been a seat of political power; in the somber separatist chapter of the Republic's history, these states acted as meeting place—both rhetorically and militarily—for colliding socio—economic systems.

Placed within this Mid-Atlantic zone is Baltimore, Maryland, a prime frame of reference for many geographic studies. Historically an unparalelled port location for the middle Appalachians' Great Valley production, Baltimore led Maryland in economic and social trends. State and regional power diminished, however, with the imposition of national capitol status on Washington, and with the state capitol's placement in Annapolis. The city's politics remained crucial locally, though, and the capitols' lack of major industries has through the decades accentuated Baltimore's importance in Maryland development.

The geographic separation of politico-economic powers has nonetheless been limited in its implications; influence and control generated by economic decisions ensures continued importance of traditional industrial loci. Baltimore-Washington interaction, moreover, promotes a great degree of policy implementation relations.

Baltimore's historical development, tied inextricably to these industries and interconnections, has also spearheaded major  $\forall \star \star$ 

hooking the distinction between Capital (capitalized!) and capital.

social upheavals and periods of massive spatial restructure. The social, political, and economic realms are inseparable; without an holistic approach Maryland regional events seem random and incomprehensible. In an holistic view, we see patterns to the structuring of capital resources; locational dynamics of economic power; and socio-cultural implications for these spatial events. Here it is our purpose to study these patterns and their significance for Baltimore and all of Maryland.

#### The War Economy:

Discussion of war economies is common in modern historical debate. We speak often of our 1930's World Depression ending with the escalation of World War II and subsequent U. S. involvement. The economic demands of conflict justify and necessitate economic expansion, it seems, and history has testified to war's "stimulation" effects. Baltimore's past experience, for instance, has shown a customary reaction to military events:

"As in the eighteenth and early nineteenth centuries, Baltimore's economic motor purred at any outbreak of war and stalled at any threat of 'disasters of the peace.'"

Economic justifications for "war boom" economies appear self-evident. Military forays require equipment, supplies, parts, and energy, as well as labor. Thus capital investment and labor potential, tapped to their full limitations, find a productive (shall we say, destructive) outlet.

The system which now allows a circulation of capital and labor is complete: the surpluses of which David Harvey speaks can "accomplish socially useful tasks" if we allow that war is indeed useful to anyone. Harvey's references to devaluation and destruction of capital resources imply a powerful link; is it war which enables the "overaccumulated" economy to absorb its capital and labor through physical destruction? If we accept the inevitability of overaccumulation, we are faced with the conclusion that capitalism requires war for its own survival. 5

#### Baltimore's war economies

Locally, the concept seems valid. The city did at many

many other cities, was reliant on a war-stimulated economy to combat constant economic slumps. A case in point: Baltimore housing construction growth was not confined to the "baby boom" postwar years; expansion peaked "after the Korean War (1954-55) and swelled again at the height of the Vietnam War (1965-68)

..."
Tremendous growth of other sectors of Baltimore's non-defense economy can likewise be documented.

The military-economic relation runs deep in Maryland, regardless of global world-economy systems. Regional expansion initiated with World War II led to a redistribution of labor in the Baltimore periphery: "The new geography of war industry prepared the way for massive blue-collar suburbanization and the collapse of central mass transit after the war. " Military installations at Fort Meade and a scattering of other sites are viable or visible?? still a viable presence in the Maryland landscape. Their postwar effects were, however, in sharp decline: as the war economy was pacified, Baltimore's capital flows began to depend upon an evolving geographical separation of management and implementation--apart from the relationship with Washington. Thus Baltimore's entrance into postwar capital development was determined in large part by choices made elsewhere--New York, London, Frankfurt, and Tokyo. The wartime emphasis of hard industry and naval construction left behind an unprepared economy.

#### Postwar Diversification

The city found a way out, like any overspecialized center, through diversification -- and a growing population (tax base).

And, as noted, the construction industry mushroomed to accomodate from the ballooning number of Baltimore natives (as well as the migrants). The industry's twentieth century growth, incidentally, was based on structures evolved from as early as the late 1800's. In that era,

"...builders could not exert the same influence over the rate and location of development as do such contemporary giants of the industry in Maryland as the Rouse Company or Ryland Homes.... Not one of the builders was capable of significantly influencing the pattern of development by himself."<sup>10</sup>

The builders managed to gain increased influence by lessening their risk in two ways: diversification through separate projects, and by the transfer of properties from builder to builder. Thus the pattern emerging at the turn of the century was one of an evolving system of spatial control, based upon residential housing developments. The postwar construction "explosion" was born amidst this changing industrial atmosphere.

## The Transport Revolutions

The phenomenal postwar population growths, and the simultaneous shift of American production from wartime to peacetime goods, led to rapid changes in other facets of the Maryland scene. Detroit's fall in tank and jeep output, with the corresponding rise in automobile manufacture, implied sweeping changes throughout America. Baltimore undertook massive network improvements in what Olson identifies as three distinct stages: the first aimed at basic connections throughout all of Maryland; the second round of projects rebuilt the entire secondary road network; and the final generation was interstate highway construction. 12 It is usually only the final stage that is noted in most texts and articles; I feel, however, that each development was significant altering Maryland's internal interaction.

# Connectivity of all Maryland

The basic connectivity to all the regions of Maryland is essential not only for economic coherence, but also for adequate interaction. For Maryland as a whole, the project connected Appalachia with the piedmont and bay shore areas, and the rural-urban migration in the postwar period helped to balance the ongoing outmigration to other states. Even today, Maryland has a net outmigration.

#### Secondary Restructure

Rebuilding the secondary road network allowed connectivity to once again improve with increased speeds. Ground-based interaction of isolated Allegany, Garrett, and Washington Counties relied heavily on the secondary system.

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#### Interstate Construction

The breakthrough in connectivity occurred with the opening of the Eastern Shore to rapid automobile traffic. The building of the Bay Bridge, a long awaited speed corridor to the east, led in many ways to dramatic cultural shifts in those shore counties. Relative isolation for so long (similar to the peripheralization of Appalachia) left Delmarva natives unprepared for the rapid changes they witnessed in so short a time. The Bay Bridge cannot be cited for the entire situation, but the structure's significance should not be discounted. Even today, the attractive resort qualities of the Eastern Shore, and the corresponding and activated, number of travelers, thereto, merit serious condideration of a second bridge closer to Washington. Traffic to Annapolis is simply too congested.

More crucial to the continuing capital evolution in Baltimore were the interstate belts built around the city and allowing upgraded connections to Washington and Frederick. Today a drive along any Maryland interstate is dynamic: fierce developer competition for service and access-reliant businesses (gasoline stations, restaurants, malls, etc.) at the interchanges; while the interim miles on the limited-access network pass by farmland and large-scale information and electronic management and service firms.

### Exodus:

Each of these developments, however, is given added meaning in the context of the suburbanization shifts indicative of the last few decades. The scramble of industrial, office, and residential builders for prime space along the interstates outside the city began to have a noticeable impact on Baltimore's planning policy: not only were builders changing the patterns of development, but were indirectly altering the social balances within the heart of Baltimore. Those who could afford to move to the suburbs did so. The poor remained behind in the inner city, as in so many metropolis areas of the United States. (The construction industry's role is not to be ignored--individual building decisions were no longer made in isolation of entire urban patterns.) Thus the tax base which a few decades ago expanded with a growing popula-tion now erodes with the "departing wealth." The inherent contradiction is the dire need of the society that remains in the inner city--The "yuppie" wealth has departed to Howard and Anne Arundel Counties, while the poor in downtown Baltimore are faced with a shrinking tax base with which to fund desperately needed social programs. Attempts to tax the surrounding counties arouse fierce debate.

# The City-County Contests

Olson identifies several aspects of Baltimore's spatial development in the last few decades. First, she describes the jurisdictional rivalry between Baltimore and the surrounding counties—the aforementioned tax dilemma. The solution had always been to draw the line of capital investment where the

city's taxing authority ended. The exodus to the suburbs launched a series of investment waves, leaving stagnation in one neighborhood, prosperity in another. Soon the city was a zone of disinvestment, while the counties became investment centers. In my view, this emerging system of "spatial capital" both precipitated and followed the migration of Baltimore affluent to the surburbs.

Secondly, Olson points to the "resegregation by race, income, and age..." characterizing investment patterns within and around the city. Systems of capital flow subsequently came to be influenced by existing demographic conditions; more importantly, these systems themselves began to determine Baltimore's future social map. The delineation of the "white suburbs" from the "black city core" was to a limited extent a pre-existing phenomenon; rapid evolution of a modern capital flow was the basis for wildfire acceleration of the exodus, and for the polarization of white and black residence patterns.

## Regional Counterpart:

At the southern end of the Baltimore-Washington Parkway, D. C. provides a regional counterpart to the modernization developments experienced by Baltimore. Despite its federal (and war) economies, Washington has through the decades shown the same symptoms of capital evolution as Baltimore—although a bit more cushioned from overall economic trends. The Maryland counties adjacent to the District are quite accustomed to life next door to the capital capital; investment, employment, and residential interaction between the city and its surrounding counties provides a remarkably symbiotic relationship.

Baltimore's suburbanization explosion was, for instance, predated by the same shifts in Washington. The increased commodity and migration flows led to the rise of commuter communities on Maryland's southern fringe; today, the suburbanization of industry and the service economy has brought about an even greater population shift, towards even more distant principalities. Service locus in the past decade decentralizing to the lower-cost outer suburbs in Howard County, for instance, has precipitated massive demographic change. Howard's incredible growth is due overwhelmingly to migratory influence, contrasted with downtown Washington or Baltimore, where the negative natural increase is offset by the urban exodus of the more well-to-do.

Thus the entire urban view in Maryland is one of growing polarization and separation. Those counties and districts least prepared to suffer a loss in tax revenues are the same areas which affluent professionals vacate; and which the new industries

forsake in favor of the outer fringe. We are witnessing in Maryland a contradictory role of business, whose assumed aim for the social good is to provide jobs and economic infrastructure, in which decisions lead to enormous dislocations in social space. The touted growth of suburban service economies in upper Montgomery County and eastern Howard County is thus balanced by the erosion in capital—Olson's investment and disinvestment concept—taking place in downtown Baltimore, Washington, and Prince George's County. The total economic picture seems to obey the law of energy conservation: wealth and capital is merely transferred in its forms, from an instrument of social aid in one county to industrial commuter paradises in another.

## Conclusions:

Maryland's historical geography is, whether we like it or flowers and press.

not, the father of today's, Furthermore, when viewed through an holistic political, social, economic, geographic framework certain patterns of accumulation and polarization are apparent. The war economy and its effect on postwar development, the suburbanization shift entailed in the boom years, and recent escalations in urban-suburban migration all underscore the importance of a geographically informed viewpoint.

Our particular motive should be one of understanding and ultimately of change. The polarization--racially and economically--of Maryland space should alarm us as geographers and as Americans. If we take our positions as geographers, as Harvey often calls us to do, we we may very well collectively determine the future climate for spatial capital and its patterns.

# <u>Appendix</u>

The following graphic aids serve to illustrate one of the consequences of the evolving system of spatial capital-migration and its interaction with population growth. The differences between black and white population dynamics is also noted.

Note: all statistics are from Maryland Statistical Year-books, published on a periodic basis by the Bureau of Economic Development.

Overleaf is a base map for county references.

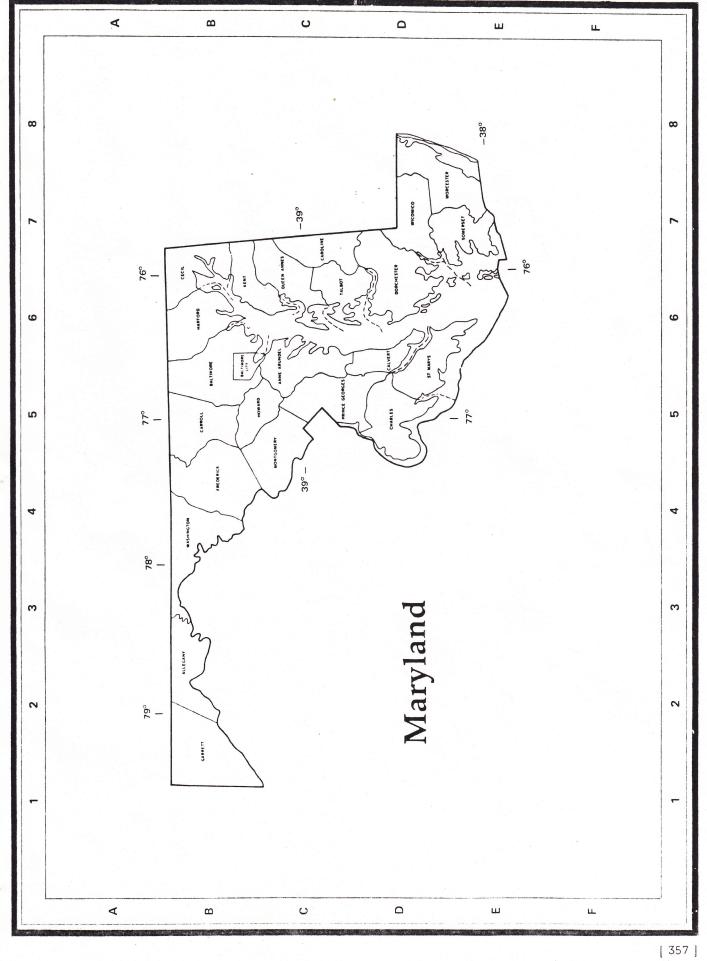


Figure 1. The phenomenal shifts in Maryland's population stucture and spatial distribution are evidenced in part by a graphic comparison of the counties. Growth is divided into overall increase and the ratio of natural increase to migration influences. Counties with relatively high inmigration will thus appear with very small circle size and dark hue. Note Howard County's high rate of growth combined with a very low ratio of natural increase effect.

Baltimore experienced a puzzling change in 1970-74. A decline in the population (the intitial acceleration of suburbanization in the region) was coupled with a relatively low ratio of natural increase factors. The low ratio may have been determined by a high native birth rate offset by higher outmigration rates (the "exodus").

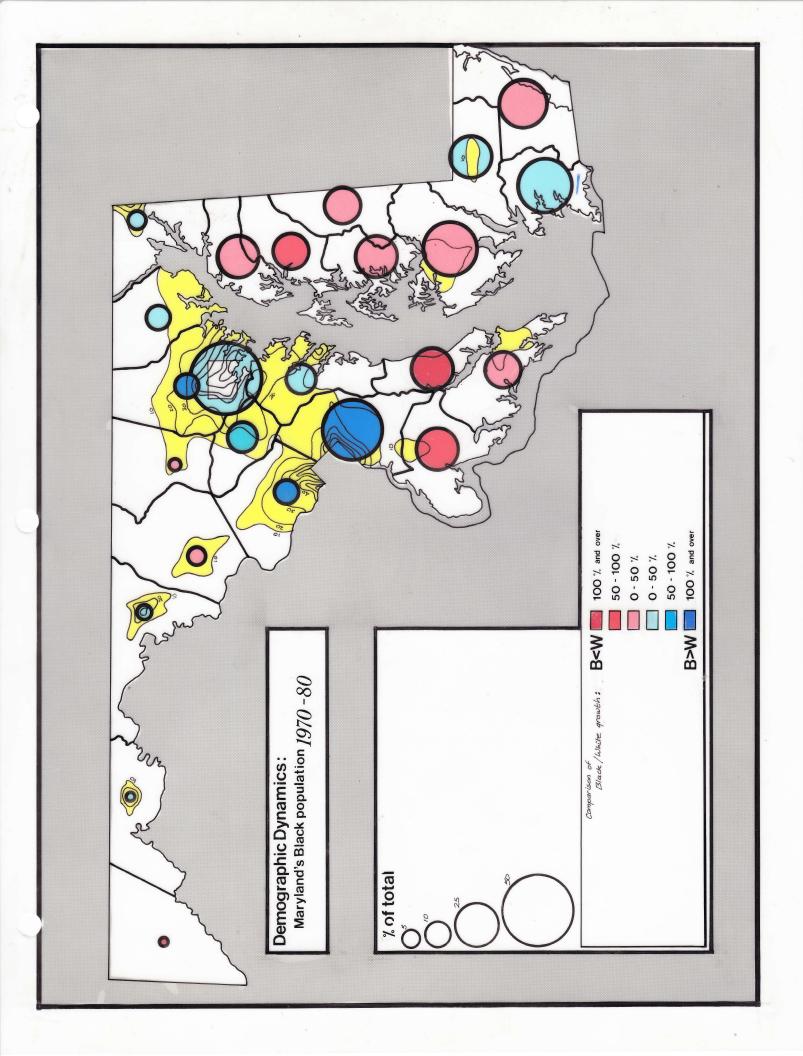


Figure 2. The patterns of Maryland population dynamics may be further divided to analyse the differences between black and white population. This map shows relations between percentage black population (circle size) and its growth in comparison to white population growth (hue). The isolines delineate areas of equal city-size: all incorporated towns between the 10 and 20 isolines, for instance, have a population of between ten and twenty thousand.

The pattern which emerges is quite complex in the metropolis of the western Chesapeake. Baltimore city, beginning with a high percentage of blacks, has experienced a growth in that percentage relative to whites. The surrounding counties have grown in black population but have started with a smaller percentage.

Around Washington, we can see the differences between Montgomery and Prince George's Counties: the latter's large share of black population grew at a phenomenal rate compared with the white rate. The same growth in Montgomery County has less traumatic impacts, due to the smaller size of the black community to begin with. The racial separation of capital in the metropolis carries enormous implications in the ability of existing programs to cope with human consequences.

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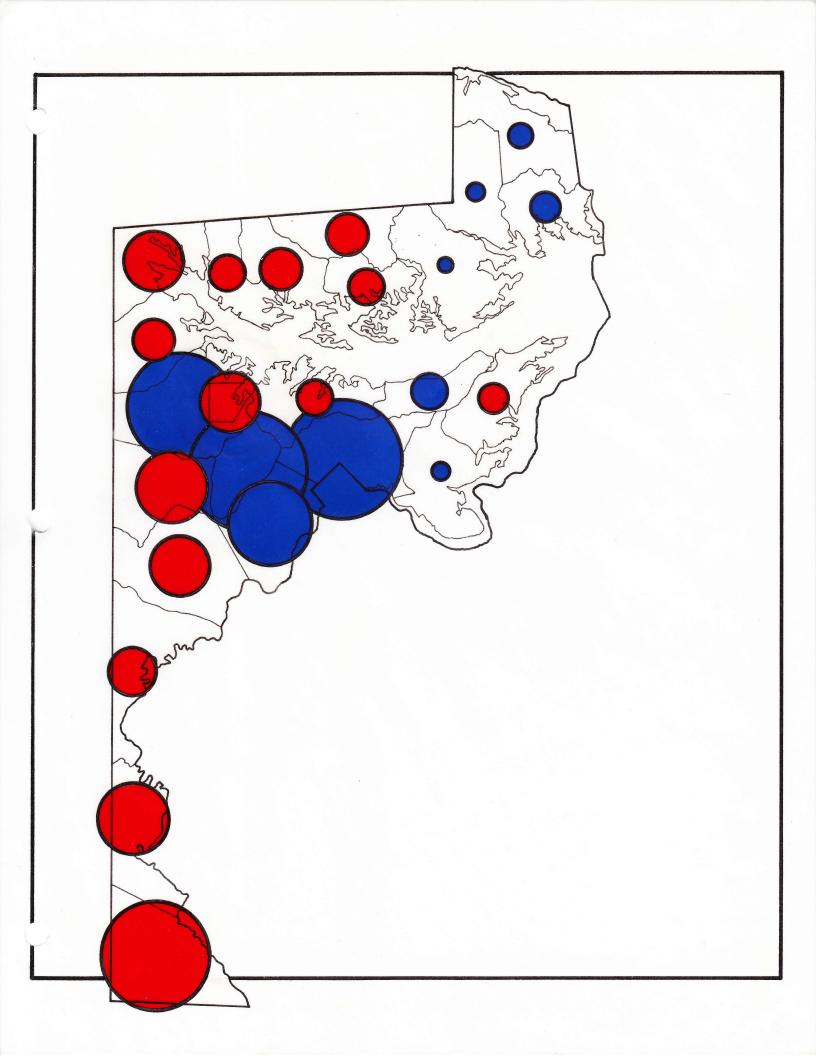


Figure 3. Residuals for the model: black population growth of Maryland counties (1970-80) regressed against initial black population in each county, population density, and the difference between black and white birth rates. The high positive residuals (blue) in the megalopolis Baltimore-Washington corridor are indicative of the models's inherent flaws, however: R<sup>2</sup> is pegged at only .52.

#### Notes

Before the genesis of electronic networks and service industry, this may have held true. In the past decade the separation of political policy and control from industrial activity is quite another issue, one which I am not prepared to attack here.

This refers also to social perspective and change. Olson remarks that Baltimore was

a strategic place in the late phase of the 1960's, as a beachhead against the de facto segregation typical of metropoles of the North. Baltimore's nearness to Washington also made it strategic. Along Route 1 traveled the African diplomats between the U. N. headquarters in New York and the nation's capital. They stopped to eat in Maryland's Jim Crow diners. Baltimore's middle-class blacks kept close social ties with Washington's, and each breakthrough in federal jobs...was an opportunity siezed in Baltimore. (Olson, p. 368.)

³Ibid., p. 347.

Harvey, p. 132.

<sup>5</sup>This pinpoints one of the areas in which I must choose acceptance or ignorance. I have problems understanding certain facets of Harvey's arguments on overaccumulation, and thus must place conditions on conclusions.

Golson, p. 347.

7While Baltimore's economy was in large part tied to the defense industry, state statistics show nondefense growth in the postwar period, albeit a bit delayed.

\*Olson, p. 349.

°Ibid., p. 352.

1°Vill, p. 177.

<sup>11</sup>Ibid., p. 179.

1201son, p. 360.

<sup>13</sup>Ibid., p. 371.

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