EFFECTS OF RESOURCE INVESTMENT PROGRAMS ON LABOR EMPLOYMENT IN THE SOUTHEAST

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INTRODUCTION

Investments in natural resources usually are undertaken for the expressed purposes of conserving, developing, or managing the nation's supply of soil, water, timber, mineral, and marine resources. Many public investment programs in natural resources also have contained explicit development objectives. These objectives were concerned with alleviating depressed regional economic conditions or improving the incomes of specific groups of people.

Senate Document 97 [52], issued in 1962, made explicit a national policy of natural resource investments for purposes of increasing income and employment in particular regions. The Appalachian Regional Development Act of 1965 [3] provided for the construction of water resource projects to stimulate economic growth of the region. Guidelines concerning principles and standards for the planning of water and related land resource use, issued for review by the Water Resources Council [53] in 1971, stressed the role of water resource investments in the development of a regional economy. This orientation in policy has given added emphasis to natural resource development programs and projects as instruments for dealing with regional economic problems. Many other programs have evolved that focus on goals of community improvement by concentrating on such areas as increasing local employment and income, increasing public revenues, and improving the quality of the environment.

Local employment and income of an area depend on many factors other than investments in natural resources. Any explanation of employment and income changes occurring within a region requires analysis of the many variables which interact to determine these changes. Identification and measurement of these interdependencies are necessary in order to assess previous or prospective effects of the various programs in influencing the level of employment and income. Changes in investment levels that shift the supplies of critical resources often occur concurrently with changes in the demands for products, supplies of other resources, firm production possibilities, and the number of firms. An important element is the consideration of how equilibration in product and factor markets is affected by programs