

History Holds Lesson in Toll Road Success

Highways were built by private initiatives, relying on revenue, not taxpayers, to keep them up.

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For generations Californians have known only freeways. Now toll road projects are underway in Orange County and planned elsewhere in the state.

But a century ago, these developments would be old hat. In old California, most good highways were built by private initiative as toll roads. Californians can gain perspective on today's developments by knowing a bit of history.

There were about 20,000 people in the territory in 1848 when James Marshall struck gold. California became a state in 1850 and by 1852 its population had increased tenfold.

Administrative government was nonexistent. Yet somehow folks carried on. For example, miners developed their own working customs of law, which later came to be codified in government law.

The state government borrowed traditions from the other states and permitted the formation of toll road companies.

Private toll roads had decisive advantages over government road care. Some problems with government road care were separation of funding and service, weak incentives, inflexible funding, political jobbery, little entrepreneurship. In comparison, toll road companies gathered responsibility and financing for the entire route under a board of directors. Also, the tollkeeper was a vital figure, for he acted as security guard, custodian, handyman and company representative.

But most important, toll roads drew from users rather than the general taxpayer. Toll revenue replenished the pool of funds from which to pay out maintenance

costs or company dividends. This sparked individuals to undertake road construction.

The most active area of toll road construction was the Motherlode region of the Sierra Nevada. But toll roads reached most regions of the state. Besides serving miners, toll roads served farmers, ranchers, lumbermen and San Francisco suburbanites. All told, about 150 toll roads were put into operation between 1850 and 1902.

Typically, toll roads were built in hopes of company dividends. For example, numerous privately operated toll roads were built to service tourism in the Yosemite Valley, both long before and after the establishment of the National Park in 1890.

But often local interests undertook toll roads largely for their transportation services-just as large developers today have donated vast tracts of land to the Transportation Corridor projects in Orange County. Often mining companies opened toll roads more for use than dividends. In San Bernardino County, the Highland Lumber Co. and the Arrowhead Reservoir Company each built a toll road in 1891.

We have gathered quotations from historians of various California counties-Kern, Santa Clara, Lake, Shasta, Santa Barbara, San Joaquin, El Dorado, Nevada, Trinity-all to the effect that private initiative had succeeded where government initiative could not. In 1862, the surveyor of San Joaquin County explained the chief reason for toll road success: "Nothing less than the interest men feel in their own personal investment will induce them to do anything for a public highway. That interest is, however, enlisted by the establishment of toll roads."

The idea of toll roads entered decline in the 1890s. That's when America began its ideological and public policy shift toward centralized government planning, known at the time as "Progressivism." The conviction was that centralized

government power, financed by growing taxes, could achieve things that private association and local government could not. By 1910 nearly all toll roads had been taken over by government, either state or local.

As California boomed, state government did indeed forge impressive highway facilities, but at impressive costs. The basic logic of private enterprise - "the interest men feel in their own personal investment" - remains valid here today, as it does in socialist countries trying to convert to capitalism.

Today, toll roads offer not only a means of enlisting private-sector entrepreneurship to the field, but also a way of controlling rush-hour congestion. Californians would do well to rediscover their toll road heritage.