The following information corresponds to Chapter 24 in your textbook. Note: All of the following information in addition to your reading is important, not just the blanks you fill in, or the specific answers given.

The “Preindustrial” World

- **__________ __________** - attempts to explain the locational pattern of an economic activity in terms of the factors that influence the distribution of wealth across an area.

- Industries did exist before the ____________ __________; for example, India produced goods of wood, iron, silver, gold, and especially _________ - in fact, they were more talented than any of the Europeans. (China & Japan also possessed a substantial industrial base before the Industrial Revolution)

- The Ind. Rev. began in the ____________ of North-Central England (“_________ Country” – coal fields); the earliest factories (textile mills) were driven by ________-power; later, ________-power became much more practical (the steam engine rapidly increased the rate of change – railroads, steamboats,…).

- Britain had all the factors of production necessary to industrialize - ________, ________, and ________.

- No where else in Europe were _______ fields, _______ ore deposits, or _______ (necessary for shipping) located in such proximity; Britain also had thousands of peasants eager to make a living after farms had shrunk (due to the “Little _______” and the enclosure movement); not to mention they had a strong and stable ___________, and a plentiful supply of wealthy investors & ________ who had benefited greatly from England’s overseas empire for many years.

The Location Decision

- All economic models assume: 1) people will try to ___________ their advantages over their competitors, 2) they will want to make as much ________ as possible, and 3) they will take into account ________ costs – such as energy, transportation, labor, etc…

- Von Thünen only had to deal with __________ industries, which are obviously located adjacent to the natural resources (farming, ranching,…).

- __________ industries are less dependent on resource location; they deal with more ________ costs such as energy, transportation, and labor.

- __________ - the increase in time & cost that usually comes with increasing distance; a key issue in trying to maximize advantages.

- __________ - the impact of a function or activity will decline as one moves away from its point of origin; a corollary to friction of distance.

- Alfred Weber devised the __________ ________ (1909), which states that owners of manufacturing plants seek to minimize three costs: __________, __________, and __________ (too much can lead to high rents & wages, circulation problems – resulting in increased transport costs, loss of efficiency, and ultimately to __________).

- Some argue that Weber’s model doesn’t adequately account for variations in costs over ________ (e.g. taxation policies, consumer demand); this __________ ________ suggests that decreases in certain costs can offset increases in others (e.g. lower transport costs could offset rises in wages).
The Location Decision (cont’d)

- [Edward] Ullman’s ___________ _________ - forms a basis for understanding the volume & timing of the flows of goods b/w locations; there are three main concepts:
  1. ___________ _________ - refers to the needs of one region matching the products of another (copper from AK to manufacturing cities, or oranges shipped from rural Florida to northern cities),
  2. ___________ _________ - refers to the presence of a nearer opportunity which reduces the attractiveness of a more distant location, and
  3. ___________ - refers to ease with which products can be moved.

- [Harold] Hotelling’s Model (1929) dealt specifically with ___________ _________ - the location of industries can’t be understood w/o ref. to the location of other industries of like kind.

- For his model, Hotelling selected two competing ice cream vendors on a ________ (essentially 2-dimensional), where the people would be ___________ distributed.

- Initially, the two vendors are located at points A & C; these locations would minimize the average traveling costs of the buyers and would result in each vendor getting one _____ of the business.

- However, suppose the vendor on the left moved from point A to point B; he would keep all the customers to his _____, and get some of the other vendor’s customers; for similar reasons, the vendor on the right would move toward the center, and an ______________ would be established - both vendors would locate together in the middle (a third vendor greatly complicates this situation).

- In 1940, [August] Lösch countered Weber’s studies of least cost location by seeking ways to determine ___________ _________; stating that firms will identify a zone of profitability (not just a point).

- ___________ (clustering) can change the configuration of that zone; it can give the entire area a competitive advantage; it can also increase competition - ___________ the size of the zone.

Key Concepts in Transportation & Communication

- Transportation and communication requires a specially designed and constructed ___________ (roads, railroad tracks, airports, even the Internet requires a series of physical connections).

- Once constructed, these systems are obviously fixed and may even constrain future ___________ growth (e.g. colonial ties).

- Transportation and communication systems may be viewed as being like a ___________ or a ___________;
  1. Surface - movement may occur like balls on a _______ table; you may move freely, but there is a high potential for collisions (forced to move at limited speeds).
  2. Network - restricts movement to certain paths but because the likelihood of ___________ is lowered the movement can occur at higher speeds (roads, airways,…). We modify systems b/w both.