

## PROBLEMS OF THE LOCATION OF INDUSTRY

**C**RITICISM of the Distribution of Industry Bill in the House of Commons on March 21 appeared to centre essentially on two points, which found expression in the amendment moved by Sir George Schuster but afterwards withdrawn when the Minister of Production had made a statement: first, that no steps have been taken to establish a central independent tribunal to consider the national position as a whole, as recommended in the report of the Barlow Commission; and, secondly, that there has been no satisfactory implementation of the Government's intentions, as set forth in the White Paper on Employment Policy, that the Board of Trade should be suitably strengthened to undertake the new responsibilities proposed in the Bill. Sir George Schuster, in moving his amendment, made it clear that he only supported the Barlow Commission's recommendation for a central authority to review the position of the country as a whole and to make research into all those factors which affect the location of industry, in so far as such an authority stood outside the political field and was capable of an independent and objective review of the position, and of keeping it under constant survey. He did not advocate the establishment of an independent authority with large powers outside the control of Parliament, and in so far as Mr. Lyttleton accepted the view that a large conspectus was required, there may be no more difference between his position and Sir George Schuster's than between the majority and minority recommendations of the Barlow Report regarding the constitution and functions of the national authority.

That difference, however, was, in effect, as to whether the central planning authority or national industrial board should be a purely advisory body, or whether a separate executive department presided over by a Cabinet Minister should be created. The need for such an authority was not in dispute. It is the reluctance of the Government to implement the recommendation that it professes to accept which causes uneasiness, and Mr. Lyttleton's remarks about the impracticability of an independent authority appear to be little more than a quibble designed to cover indecision on the part of the Government. The question is essentially that of relating knowledge and action, and the fear that action may be determined by prejudice rather than knowledge underlies much of the criticism of the Distribution of Industry Bill.

There was little in Mr. Lyttleton's speech to indicate adequate appreciation that much research and collection of factual data are necessary as a foundation for an effective national policy. That was Sir George Schuster's main point. All areas of Britain require consideration as part of a national plan, since all are, in a sense, development areas in this time of immense technical and scientific advance. Proper surveys are required in all regions if we are to determine our broad objectives and first steps.

Apart from the surveys in the special areas, a good deal has already been done in regional surveys. Besides the surveys of West Cumberland and of South Wales for which Colonel W. C. Devereux has been responsible and to which Mr. Dalton also referred, Sir George Schuster mentioned work done by the West Midland Group in surveying the Midlands area, and a survey by a Thames-side group of industrialists. Even the more limited surveys, such as those on which the "Plan for Merseyside" is based, require linking to larger regional surveys of, for example, south Lancashire as a whole, and the failure to relate schemes such as the Tummel-Garry project or the Gairloch project prepared under the Hydroelectric Development (Scotland) Act of 1943 to an adequate national and regional planning scheme in which the location of industry is considered in relation to the utilization of national resources as a whole and not merely of water power is, to say the least, far from reassuring.

Besides these, the Northern Industrial Group, formed in 1943 to develop and promote the prosperity of existing industry generally, including the basic industries on which the north-east of England depends for the bulk of its employment, and to encourage commercial, technical and industrial research with the view of developing ancillaries to the basic industries and to attract and help to establish new industries, while sponsoring no formal surveys, has done something to elucidate the action required to prevent the recurrence of depressed areas. Its recently issued "Memorandum on the Government White Paper on Employment Policy", like its earlier memorandum, "Considerations Affecting Post-War Employment in the North-East", shows the extent to which industry itself is already prepared to advise and co-operate with the Government in respect of industrial needs and development in relation to local and national plans.

So far as the location of industry and the development of the north-east of England as a balanced unit are concerned, this latest memorandum urges that whatever administrative system is evolved by legislation in future must take all the relevant factors more carefully into account than has been done under the war-time controls. Besides urging the working out in greater detail of the application of 'negative licensing', the memorandum points out that, in framing a long-term policy, it is essential for the Government to make its decisions on policy now, so that industry may know how to plan for the future even if the date when plans can be put into effect must remain undecided. In particular, the memorandum calls for an early decision on the general policy for location of industry, transport facilities, etc. Immediate arrangements are required for more extensive factory construction in the north-east, including the reconversion of factories in the area from war to peace production, licences to build for firms who have chosen their own sites in the area, and information as to when these are likely to be granted, and the provision of adequate housing for operatives and administrative and technical staff. Existing responsibilities of the Commissioner for the

Special Areas should be transferred to the Board of Trade, and a single agency appointed to act on behalf of the Government in regard to existing or proposed Government factories or buildings; any regional organization established for dealing with the reconversion of industry should consist of Government representatives only, with full executive powers, but advised by a parallel group representing employers, employees and other interests in the area.

The Northern Industrial Group, and the more recently formed North-East Development Association, are clearly well qualified to advise in many ways any Government regional organization which may be established; but this evidence that industry is prepared and anxious to co-operate only gives greater force to the two critical conditions brought out in the recent House of Commons debate: an adequate central planning authority competent to make the broad policy decisions required, and a staff qualified to exercise the positive functions necessary to stimulate and not repress enterprise—and, it might be added, alert to check any restriction or restraint of trade masquerading under the title of development or any other catchword.

Sir George Schuster insisted on the need for some central authority to fit together the results of the regional surveys into a national survey, though he also stressed the need for liberty for all regions to develop within certain broad limits; both these points are widely enough held to represent a broad consensus of opinion. That consensus is scarcely recognized or accepted by the Government as yet, in spite of Mr. Dalton's claims that the Bill represents the largest common measure of agreement in the Government itself. The need is not met entirely by the Location Planning Room which has been transferred from the Ministry of Production to the Board of Trade as a joint responsibility of the two Departments. It is true that, as Mr. Lyttleton said, this valuable experiment will offer industry an information service regarding location which has never been available before, and that it will relieve industrialists of much of the burden of primary inquiries and thus facilitate decision. It is also in accord with a main recommendation in the Barlow Report. But it is equally clear from the debate that the operation and development of this planning room and all it stands for by the Board of Trade will be regarded with misgivings or scepticism by industrialists until there is evidence that the Board is being strengthened in the way that the White Paper on Employment Policy indicated.

Although Sir George Schuster pressed for central guidance, he also insisted on the need for a spirit of co-operation between industry and Government, with industry being given the information which would enable it to respond intelligently to the Government's policy and guidance. No two things would do more to secure that than evidence, first, that the Government has a central policy in regard to the location of industry, with all that is involved in the related problems of the control of land use, town and country planning, agriculture, and building, and secondly, that efforts were being made to equip the Board of Trade—and other departments—with the type of Civil servant qualified by training, outlook and experience to deal with these

positive functions of government with imagination, decision and courage. By removing the fear of mere restrictionism, this second step would go far to remove the misgivings with which this first measure of control of location of industry has been received; but until the Government has offered some clear proof that it is willing and able to deal courageously and constructively with the central issues involved, no improvement in staffing of Government departments or co-operation on the part of industry will avail to avoid the wastage of national resources or the recrudescence of derelict areas in the years immediately ahead.

## MODERN STATISTICAL METHODS IN INDUSTRY

### Sampling Inspection Tables

Single and Double Sampling. By Harold F. Dodge and Harry G. Romig. Pp. vi+106. (New York: John Wiley and Sons, Inc.; London: Chapman and Hall, Ltd., 1944.) 1.50 dollars.

### Regression Analysis of Production Costs and Factory Operations

By Philip Lyle. Pp. xii+208. (Edinburgh and London: Oliver and Boyd, 1944.) 15s. net.

FOR about twenty years, statistical methods have been finding their way into the control of industrial processes. In the 1920's only slow progress was made against a great deal of doubt and opposition from manufacturers themselves. About 1932 the tide began to flow more strongly and increased in force as the modern methods were found to provide not merely a new way of formulating old knowledge but also a technique involving substantial saving in labour and money. The War itself has probably done more in six years than peace would have done in sixty to promote the widespread adoption of the new methods. In 1935 a few enthusiasts in Great Britain were still trying to persuade manufacturers of the power of the new tools at their disposal; in 1945 there is a division of the Ministry of Supply encouraging research in these tools and acting as the centre of an extensive network of quality control.

The volumes under review are interesting examples of the use of methods involving the theories of statistics and probability in two rather different branches of the industrial process. Mr. Dodge and Mr. Romig are concerned with economy in inspection of a mass-produced article and the guarantee of quality to the consumer. Mr. Lyle is concerned mainly with the dissection of costs in a manufacturing plant and their relation to output and utilization of production factors.

The four Dodge-Romig tables are prefaced by what are virtually reprints of articles in the *Bell System Technical Journal* in which they were originally published. The tables have been in general demand since the outbreak of war, and their issue under one cover will be welcome.

There are two main reasons why inspection on a sampling plan is necessary in certain types of industrial process. The first is that test-inspection may destroy the sample, as for example in dealing with ammunition, the only satisfactory way of testing a round being to fire it. Secondly, the sheer volume of production and expense of inspection may make it