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THE LOCALISATION OF INDUSTRY ¹

THERE are well understood economic principles which account for the tendency we find for particular trades to be concentrated in some one town or district, with, in many cases, a withdrawal from the country generally of an industry that was once more generally diffused. There are market advantages which make for concentration, and besides there may be reasons connected with the process of production. In the time of Philip and Mary, the concentration of the cloth manufacture was deliberately aimed at by the government, with a view to securing more effective supervision; and in our day it is sufficiently obvious that production on a large scale, and therefore concentrated at special points, is cheaper than production in many places and therefore on a small scale at each. It is not necessary to insist on the general tendency to concentration; the topic I mean to discuss is that of localisation, and to make some suggestions as to the nature of the special reasons which account for some great industry being attracted to the particular place where it has concentrated. Why do they grow seeds and make biscuits at Reading, and make small arms at Birmingham, porter at Dublin, hose at Balbriggan and so on? This is a question which can only be adequately answered for each place, by those who have an accurate knowledge of the physical characteristics and history of that locality; but we can examine in a rude general way the nature of the conditions of which it is necessary to take account. That is what I propose to attempt; but there is also a cognate question on which I will venture to say a little—the limits of this tendency to concentration, in those cases where the production of goods in small quantities for small areas is likely to survive as well as in cases where the production of wares as a by-employment along with rural occupation may be able to hold its own or to revive.

I

1. Physical conditions sometimes account obviously for the development of a particular trade in certain places. Newcastle has devoted itself to coal-mining, and to the shipping of coals, for the last five centuries,

¹ A paper read to Section F. of the British Association at Belfast in September 1902.

long before the principal Yorkshire or Lancashire fields were opened up. In the same way there seem to be conditions of climate and soil which have led to the concentration of flax-growing in the North of Ireland, and to the development of barley-growing in Norfolk. We cannot assume however that a manufacture will necessarily rise at points where there are the greatest facilities for producing some of the materials. Transport is so easy in the present day that the concentration of an industry may occur at points very far removed from the places of production of the raw materials. There is plenty of brewing in Norfolk, but the great centre of the trade has been fixed at Burton, where, as I believe, the special quality of the water available has been the determining factor. It is quite possible that the demand for labour to engage in the production of raw material may render it unremunerative to compete for labour, in the same district, to manufacture goods from the materials obtained. Mining districts may be contiguous to, but they are rarely identical with, great manufacturing centres.

2 Another physical condition of which account must be taken, is the supply of power. The largest cotton factories in the world have been erected at Lowell in Massachusetts, where there are unexampled facilities for using regular and well-controlled water-power; and similar facilities, on the edge of a great corn-growing district, have rendered Minneapolis the metropolis of the flour trade in the West. Water power played a considerable part in connection with the English cloth trade by marking out regions where the working of cloth could be satisfactorily carried on in "walk-mills,"¹ and was invaluable in the early days of power spinning. It may have a future before it, especially in connection with the generating of electricity; but on the whole, we may say that since steam has been introduced, the localisation of industry is not likely to be determined either by the near neighbourhood of materials, or special facilities for obtaining power.

3 A third condition, partly physical and partly social, which accounts for the localisation of industry is to be found in facilities for trade. This is to be very specially noticed in connection with the phenomenal growth of London in the seventeenth century. It offered opportunities for engaging in the distant trades of the world, such as could be found at no other English port; and hence those who prosecuted any industry in that neighbourhood had unusual chances of catering for distant markets. At a time when the Channel itself was beset with pirates, it was necessary for merchant vessels to sail in fleets. The fleets of the East India Company, and the Turkey Company, and even of the Hamburg Company were for the most part organised at London, as the leading city of the realm; and the merchants of London, and manufacturers with whom they had relations, were in a position of extraordinary advantage. There never was a period when the gain of London was so obviously proceeding at the expense of the

¹ Fulling-mills. The term is still used in Scotland. Hence the name Walker.

out-ports and smaller towns ; but, from whatever cause, the tables appear to have been turned ; and Southampton has acquired at the end of the nineteenth century something of what it lost in the sixteenth. The conditions of intercourse have changed ; we no longer want to make up a fleet of ships once a year to sail together for mutual protection, but to despatch single vessels at regular intervals, and at very high speed. The changed circumstances are in favour of the concentration of particular trades at various out-ports, rather than of the concentration of all at London.

4 There are many cases where the settling of an industry at a particular spot can be definitely traced to the conscious determination to plant the industry, especially to the immigration of a body of aliens, who were highly skilled in some trade. The manufacture of paper in different localities can be traced to such colonies, as well as the production of china in Staffordshire, and the silk-weaving of Spitalfields. In regard to such immigration it may be said that it has been less determined by appropriate conditions for an industry than by appropriate conditions for the life of those who possessed the requisite skill.

(a) The great immigration of foreign industry to England which occurred in the time of Edward III., was undoubtedly due to the favourable conditions for industrial life in this country as compared with those that held good on the Continent. While the French monarchs were apt to be jealous of industrial development, the English kings were inclined to foster it ; they had provided facilities for the supervision of the cloth trade which rendered it possible for weavers to settle in rural districts, while the suburban and country workmen in Flanders had suffered somewhat at the hands of civic authorities. There were, in consequence, opportunities open to weavers to prosecute their calling here under conditions of life that suited them better than those in Flanders.

(b) Similarly it may be said that religious conditions had a great deal to do with the immigration of the Huguenots at the close of the seventeenth century ; not only with their emigration from France, but with the points they selected for settlement here. There were special attractions to them at Canterbury and London, where Walloon Churches had been already organised ; the political conditions under Edward III. had permitted diffusion, while the religious conditions at the close of the seventeenth century made for concentration in colonies.

(c) As the conscious planting of a new industry is likely to be a tedious process, which involves time and money, there must often, and in modern times always, be the intervention of a capitalist ; and the terms offered by some particular organiser at some place will be the chief element in determining the locality to which a particular class of workmen are attracted. The capitalist may be able to offer higher pay or more regular employment than the independent workman

can count upon, and thus organise a large business at the point where he happens to live. Skill in organisation is the main element in business success at the present day, and the choice of a man with real organising faculty is probably more important than any single element that can be named in determining the localisation of industry. It seems to have been chiefly owing to successful organisation that the North of Ireland linen industry obtained a firm footing. Louis Crommelin was able to arrange for a sort of co-operative society, to the stock of which each workman contributed his loom, so that, with a comparatively small money-capital he could start a very considerable industry.¹

So far as certain products are concerned, material and physical conditions have been, and will continue to be, the main elements which lead to a concentration of industry on a given spot; but in modern times, and with the general facilities for intercommunication, these things are of less importance, and concentration will occur at those places which for any reason a good organiser finds it convenient to utilise. Physical conditions will always be an element but circumstances that we may almost describe as accidental or sentimental cannot be wholly neglected. A great organiser may develop the capacities of his birth place for a given industry, because it is his birth place, or because he happens to know of them.

II

Along with the process of concentrating there has also been an occasional tendency to run counter to it, and to decentralise. Some cases of this kind have been already alluded to, in the partial decentralisation of commerce, from London to the outports, and, so far as industry is concerned, the rise of diffused weaving in England, as compared with the concentration of Flemish weaving at civic centres. Just as there are men who are attracted by the good terms which capital offers, so there are those who desire to retain their independence, and to escape from capitalism. The migration of the clothing trade in the sixteenth and seventeenth centuries from the Eastern Counties to Yorkshire, appears to have been partly at least an effort on the part of domestic weavers to escape capitalist control. During the eighteenth century, the domestic weaver was at a distinct economic advantage. The era of invention began with the introduction of new implements which went by man-power. I decline to regard a bicycle as a "machine," unless it is a motor. The domestic worker could manage to procure looms fitted with spring-shuttles, and spinning-wheels and hand-jennies, while the wage-earners struck against all these improvements as likely to diminish the scope for employment.

¹ Compare the interesting paper on the Irish Linen Industry, by Dr. W. R. Scott, in the Proceedings of the Royal Society of Antiquaries of Ireland, xxxi. 374.

The close of the eighteenth century showed the rapid development of a diffused industry at the expense of districts where it was concentrated. This was a passing phase, and the introduction of power-spinning and weaving made for concentration once more; but it was a real phase, and may possibly be repeated.

It is quite possible, too, that despite the numerous attractions, offered by towns, the conditions of life in factory villages may become even preferable in the eyes of the ordinary wage-earner; such places as Saltaire, or as the garden cities created by the Cadburys and the Levers, may prove to be the pioneers in a new process of decentralisation. It certainly appears that some of the barriers to such a movement are breaking down. Hitherto the trades unions, in their efforts to maintain the standard of life have been apt to be jealous of establishments where the men were entirely at the mercy of one master, and where there was no possibility of playing off one employer against another. I believe that the growth of confederation among masters, along with other influences, has caused the struggle to maintain the standard of life to enter on a fresh phase, and that men may in the future be more willing to accept the favourable conditions of life offered by a single firm in a semi-rural neighbourhood, where they can enjoy some of the conveniences of town along with some of the advantages of country life.

Such decentralisation of industries organised on a large scale may be a great movement in the future; and trades like brewing which cater for local wants by the best methods may not in all probability be further centralised. There seems, however, to be little hope for the survival of the village artisan who plies a craft for the requirements of a limited area. The village shoemaker cannot hold his own against the competition of the Leicester factories; even the business of repairs is more promptly attended to through the agency of a townsman on his bicycle.

There is perhaps a better chance for the maintenance of industries which are practised as by-employments; the labourer is only attempting to supplement his income and can afford to work very cheaply; and where such industries can be successfully organised they may perhaps be maintained indefinitely. But the organisation is a matter which demands supreme patience as well as ability. The fundamental difficulty is to insist on the maintenance of a high standard of quality, and on the refusal to take off the hands of the workman goods that are unsuitable for the market. I have known cases where very profitable business was organised for a time on these lines both in the Scotch islands and in the south-west of Ireland; but the slightest relaxation of care in supervision might at any time lead to a sudden shrinking of the demand. The whole seems to depend so much, not merely on the business ability of the organiser, but on his moral qualities, in getting good workmanship out of the numerous craftsmen who are under no

supervision, that it can hardly be a matter of surprise that attempts, which have succeeded for a time, have seemed to have no vitality and have suddenly collapsed. Whenever a trade can be suggested which is capable of being practised as a by-employment, the experiment is worth making, by those who are prepared not only to give the new industry a start, but to exercise unremitting attention in the carrying it on.

On the whole, it may be said that the process of decentralisation seems to be taking place in a form which may do much to check the overcrowding in towns, but holds out little prospect of the revival of a combined agricultural and artisan life in rural districts.

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