LOCATION BY GUESSWORK

By H. G. Lind

The basis for this article was a period spent by the writer as research officer in the Location of Offices Bureau. This organisation was set up in 1963 with the purpose of reducing employment, and therefore congestion, in central London by persuading offices located there to move elsewhere, preferably to areas of high unemployment. In most ways, the work of the Location of Offices Bureau has been very successful. In three years it has helped to move 318 firms with 30,000 jobs from central London, and it has also had a large propaganda impact. The very success of the operation, however, helps to point more clearly to the theoretical vacuum in which all location of industry policy in Britain – and other countries – is forced to operate. Tables I and II show the distance and direction of moves helped by the Bureau. Over 50 per cent of these are within the Greater London area (often to developing suburban office centres such as Croydon or Wembley), and many of the rest within the South East. Only 16 per cent of firms with 24 per cent of the jobs decentralised moved more than 60 miles from London, and these often went to the centres of conurbations or major cities. In view of these facts, the obvious question to ask is whether all these moves are equally desirable from the economic point of view, and if not how the economic gains and losses of different locations should be evaluated. But merely to ask such a question brings us immediately face to face with the almost total absence of any worthwhile method of ordering the economic criteria by which the total gains and losses of a move to a new location can be judged. This is partly because of an absence of data to test (for instance) the marginal cost on the existing transport network of adding extra people to medium-sized towns in the South East, as opposed to conurbations in other parts of the country. However, this lack is relatively easy to remedy, and the traffic surveys in progress in many areas should throw much light on these questions. More serious is the absence of any generally agreed theoretical framework of the gains and losses of location policy into which new data on matters such as traffic congestion costs could be fitted if they were provided.

There appears to be a general impression that the interest in location policy – as distinct from methods of alleviating unemployment – is relatively new in Britain, and that the absence of any elaborate theoretical framework is therefore not surprising. In fact, an examination of the economic situation in the thirties shows that, in spite of the extremely heavy unemployment then prevalent, the problems of the changing distribution of population which faced the country then were remarkably similar to those of today. This is clearly shown by what remains probably the best general account of Britain’s regional problems – the Barlow Report.² This report

¹All the figures about LOB’s work come from its Annual Report 1965-66.
Table I. Distance moved from London by Offices helped by LOB

<table>
<thead>
<tr>
<th>Distance from central London</th>
<th>No. of Firms</th>
<th>% of Firms</th>
<th>No. of Jobs</th>
<th>% of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inside Greater London</td>
<td>163</td>
<td>51</td>
<td>13,918</td>
<td>46</td>
</tr>
<tr>
<td>Beyond Greater London:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0–19 miles</td>
<td>26</td>
<td>8</td>
<td>1,815</td>
<td>6</td>
</tr>
<tr>
<td>20–39 miles</td>
<td>57</td>
<td>18</td>
<td>5,142</td>
<td>17</td>
</tr>
<tr>
<td>40–59 miles</td>
<td>22</td>
<td>7</td>
<td>2,117</td>
<td>7</td>
</tr>
<tr>
<td>60–79 miles</td>
<td>25</td>
<td>8</td>
<td>3,025</td>
<td>10</td>
</tr>
<tr>
<td>Over 80 miles</td>
<td>25</td>
<td></td>
<td>4,234</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>318</td>
<td>100</td>
<td>30,251</td>
<td>100</td>
</tr>
</tbody>
</table>

Table II. Direction of Office Moves from London

<table>
<thead>
<tr>
<th></th>
<th>No. of Moves</th>
<th>% of Moves</th>
<th>No. of Jobs</th>
<th>% of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>52</td>
<td>16</td>
<td>5,207</td>
<td>17</td>
</tr>
<tr>
<td>South</td>
<td>117</td>
<td>36</td>
<td>12,557</td>
<td>42</td>
</tr>
<tr>
<td>East</td>
<td>56</td>
<td>17</td>
<td>4,296</td>
<td>14</td>
</tr>
<tr>
<td>West</td>
<td>98</td>
<td>31</td>
<td>8,201</td>
<td>27</td>
</tr>
<tr>
<td>Total</td>
<td>323*</td>
<td>100</td>
<td>30,251</td>
<td>100</td>
</tr>
</tbody>
</table>

*Some firms made more than one move.

was written almost thirty years ago, but large parts of it are surprisingly up to date, both in diagnosis and in the final difficulty about deciding how to prescribe for the country’s locational ailments. Anyone attempting to understand our present perplexities about the right policy for determining the location of industry cannot do better than begin by turning to the Barlow Committee.

THE PRE-WAR SITUATION – PLUS ÇA CHANGE

The most surprising thing about the report of the Barlow Committee is the relevance of the problems with which it deals to present-day conditions. In essence, the majority report sees two trends which it would like to have reversed. The first is the increasing drift of population to conurbations, and the second is the drift to “London and the Home Counties” (roughly the area of the standard region of London and the South East). All the evidence given to the Barlow Committee suggested that the first tendency had been obvious for at least a century previously, while the second had only begun after the end of the First World War; but all the indications were that both were growing in importance, and the general feeling of the committee was that decisive action must be taken quickly if the trends were to be reversed or even
checked. Table III shows the extent of Britain’s internal migration problem. For our purposes today, there are three important questions to ask about the Barlow Committee’s diagnosis of it: first, what did the Committee believe to be the causes of these tendencies?, second, on what grounds did it believe that they were contrary to the public interest?, and third, what were the remedies it proposed to counter these tendencies?

One of the weaknesses of the Barlow Committee’s analysis (as indeed of many other analyses made since then) is the unwillingness to face the issue that these two tendencies, of increasing concentration in conurbations and of drift to the South East, may at times be alternatives. It is easy to overlook this point because the South East (even more in the Barlow Committee definition than in our present economic planning region) is dominated by London, and the drift to the South East is therefore often seen as a drift to, and an increase in, the size of the London conurbation. But this is not necessarily so, as, even on a very extended definition of the London conurbation, the greater part of the South East is still outside it. Thus a general policy designed to reduce the drift of population to conurbations could well have the effect of increasing the drawing power of the South East.

Table III. Population Changes by Migration

<table>
<thead>
<tr>
<th>Region</th>
<th>1921–31</th>
<th>1931–39</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scotland</td>
<td>−391</td>
<td>39</td>
</tr>
<tr>
<td>Wales</td>
<td>−271</td>
<td>−187</td>
</tr>
<tr>
<td>London + Home Counties</td>
<td>+598</td>
<td>+433*</td>
</tr>
<tr>
<td>Lancashire</td>
<td>−184</td>
<td>−140*</td>
</tr>
<tr>
<td>West Riding, Notts + Derby</td>
<td>+46</td>
<td>−97*</td>
</tr>
<tr>
<td>Midlands†</td>
<td>+41</td>
<td>+70*</td>
</tr>
<tr>
<td>Northumberland + Durham</td>
<td>−92</td>
<td>−93*</td>
</tr>
</tbody>
</table>

*Figures based on Barlow Report 1911-1937.
†Staffs, Warwicks, Worc., Leics, Northants.

The Barlow Report has little to explain the increasing concentration in the conurbations and the South East. It deals at length with the economies of scale which come from proximity to trained labour, suppliers or markets, and makes the obvious point that all these conditions are most likely to be met in large concentrations of population. At that time, however, no evidence existed as to the size or nature of a population concentration capable of supplying the economic wants of various types of industry without at the same time becoming so large that it acquired the economic and social disadvantages that the committee ascribed to conurbations. This deficiency comes out much more clearly in the section of the report which deals with methods of remedying the situation.

Of the whole Barlow Report, the part dealing with the disadvantages of the aggregation of people in conurbations and in the South East has probably dated most. The committee placed its catalogue of disadvantages under three headings – strategic, social and economic. The first of these is by now a completely dead letter. Britain’s vulnerability in a nuclear war will hardly depend on whether its people tend to live in conurbations in the South East or slightly more widely scattered about the rest of the country. The social argument has also lost some of its force. It is
doubtful now whether living in conurbations, as such, has a markedly bad influence on health. There are, of course, factors commonly found in conurbations and in many other towns which can affect health – for instance, over-crowding or polluted atmosphere – but it would have to be shown that these are a necessary part of the environment of conurbations before it would be rational to attack these evils by attacking conurbations rather than by trying to remove the evils themselves – e.g. by clean air legislation or slum clearance. In addition, even at the time of the Barlow Report, most of the social arguments were applicable mainly to a case for diminishing the concentration of population, particularly in the industrial North – and not necessarily even in conurbations: such towns as Burnley and Hamilton, although relatively small in population, would possess all the evils ascribed to conurbations. Relatively, by this criterion, the South East comes out extremely well. The Barlow Committee admits (page 83) that “the general and infant mortality rates of the London conurbation are in striking measure better than those of any of the other great conurbations in Great Britain”. Since the remainder of the South East would certainly be healthier than the London conurbation itself, it is clear that the social argument based on health in the Barlow Report might provide a case for decentralisation from all conurbations, but provides no case at all against the drift to the South East. In fact, if the logic is carried to its conclusion it would suggest that the depression, by causing people to move from the Northern conurbations, which were particularly hard hit, to the South East, would increase their social and physical well-being.

In many ways the section of the Barlow Report dealing with the economic advantages and disadvantages of conurbations and of the drift to the South East is extremely relevant, and could almost have been written within the last few years. The conclusion to the section dealing with economic disadvantages (page 97) says: “Great as the advantages [of locating industry in population centres] may be, they are accompanied by disadvantages, chief amongst which are (a) heavy charges on account mainly of high site values; (b) loss of time through street traffic congestion in very large towns; (c) the risk of adverse effects on efficiency and output on account of fatigue incurred by workpeople through having to make long daily journeys between home and workplace, often under conditions of considerable discomfort”. In concentrated form, this covers most of the arguments which are raised at the moment in favour of decentralisation. The report even deals with the advantages and disadvantages of decentralising new industry to the periphery of conurbations in order to cut down the journey to work. It reaches the conclusion (page 91) that this sort of development does little to decrease traffic congestion. This is a view which is just coming to the fore again, to some extent as the result of the London traffic survey.

In general, the Barlow Report comes to no very definite conclusions about the relative merits and demerits of locating industries in centres of population, or even of the drift to the South East, although the heavy unemployment in the North gave added urgency to the need to do something for the depressed areas (the addendum of Professor Jones and others dealt with this point in much greater detail). The overall impression given by the economic section of the report is an insufficiency of evidence to make any hard and fast economic decisions. There can be no doubt that the committee itself realised this, and both majority and minority reports stress the urgent need for more research (Conclusion 6, page 202 of the Report.) It is depressing to realise how little we have advanced in this direction since 1939. Modern
works on location still seem remarkably close to the Barlow Committee in the vague-
ness of their arguments. The only relevant field in which much advance has been
made is that of transport economics. Better methods have been devised for deter-
mining the real cost of congestion and the short-run marginal cost of extra vehicles,
but even here results are far from conclusive. Above all, the lack of any means of
estimating the economic alternatives to geographical centralisation make it almost
impossible to assess the costs of reducing congestion.

The major criticism of the majority report is that it failed to make clear whether
it was trying to stop the drift to the South East or the growth of conurbations, par-
ticularly the socially derelict conurbations of the North. This helps to explain why
the remedies suggested in the majority report tend to be so vague. For instance,
recommendation 6 on page 202 suggests that a central locational authority be created
to look at the advantages and costs of all methods of decentralisation, and simply
leaves it at that. As no criteria are given for deciding between alternative policies,
the action which would follow from such an examination remains undetermined.
There is more logical coherence in Professor Jones's addendum to the majority
report and in the minority report. Both documents, but particularly the addendum,
assume that the main cause of Britain's locational imbalance, which the entire com-
mittee agreed existed, was unemployment in the depressed areas of Great Britain.
The main argument here was that the collapse of various basic industries of the
industrial revolution had caused both the heavy migration to the South East and,
to some extent, the decay in social capital in the remainder of the country. It fol-
lowed that the immediate steps to be taken by any locational authority required the
alleviation of unemployment in the North, and the more even spread of prosperity
throughout the country, after which the locational problems would tend to right
themselves. This view tended to throw less weight on the economic disadvantages
of conurbations, and assumed – perhaps with some justice – that the major social
disadvantages were due to the absence or the inefficiency of planning. This line of
argument therefore suggested that the problems of location could be dealt with by
an attack on unemployment in the North and by better town planning in the South,
together with some control on the location of new industry. This view is important,
since, consciously or unconsciously, it became the dominant trend in government
policy after the war. The Board of Trade concentrated on encouraging industry to
set up in development areas and on controlling industrial expansion in the South,
while the Ministry of Housing concentrated on the establishment of new and better-
planned communities – particularly to deal with the rapidly increasing population
of the South East in general and the London conurbation in particular. This meant
that for a number of years the strictly economic effects of increasing conurbation
size tended to be ignored. The Ministry of Housing effort, particularly the creation
of first generation new towns about thirty miles away from London, tended if any-
thing to increase the drawing power of the South East and the Greater London catch-
ment area (roughly the Outer Metropolitan region). It must be stressed that, if Pro-
fessor Jones's argument had been correct, this would not have mattered. A solution
of the unemployment problem in the remainder of Great Britain would have sufficed
to prevent a further flow of migration to the South East, and the creation of new
towns on the far side of London's Green Belt would have served the intended purpose
of removing the population from London itself to allow for slum clearance, thus
increasing the amenity both of the people moved to new towns and of those still remaining in London.

Unfortunately, time has shown that there were several flaws in this argument. One difficulty could not have been foreseen by the Barlow Committee. Like almost everybody in the thirties, they assumed that the future population size would be stable or even declining. In this case it was plausible that, even on the assumption of increasing living standards, the demand for space would not increase very much, and such concepts as the Green Belt round a relatively stable-sized conurbation were quite reasonable. In fact the rapid and surprising population growth after the Second World War totally altered the picture. All the conurbations in the country expanded rapidly, particularly at their peripheries. The demand for land, as people could afford to live in smaller households and as families increased, expanded far more quickly than anybody in 1939 could have foreseen, and this has almost certainly altered the economic costs of all conurbations. But the most important flaw in Professor Jones's case was the theory – since demolished – that it was only unemployment in the depressed areas of the North that caused the migration to the South.

POSTWAR DEVELOPMENT — PLUS C'EST LA MÊME CHOSE

Since the war, many of the reasons against the drift to the South East which the Barlow Committee found most persuasive — the strategic and most of the social arguments — have to a large extent become obsolete. At the same time, conditions in general have appeared to become much more favourable for ending this drift. The Barlow Committee saw the major barriers to more equal national economic development as the heavy regional unemployment and the lack of wide-ranging planning controls by local authorities. Since 1945 the regional differences in unemployment have, in absolute terms, shrunk to levels unrecognisably low by the standards of the thirties, while at the same time, largely as a result of the 1947 Town and Country Planning Act, local authorities have been given many more powers to control development within their areas. In addition, the much stronger recommendations of the minority report of the Barlow Committee have largely been accepted. Permission to build new additions to industrial premises in regions of high employment has been withheld and firms have been almost compelled to build in development areas. At the same time, large subsidies have been given to firms to invest in these areas, so that it has been estimated that concessions to firms setting up in a development area are sufficiently large to overcome a 25 per cent profit disadvantage vis-à-vis the rest of the country.

The result of all these favourable circumstances is shown in Table IV. Between 1951 and 1965, it has been estimated that five regions — South East, East Anglia, South West, West Midlands and East Midlands — gained 1,066,400 people by migration, while in the same period the remainder of Great Britain lost 797,900 people by migration. From comparison of these figures with Table III (although the differences in definition of areas render an exact comparison impossible) it appears that there has been little if any decline in the rate of change of regional population due

to migration. There have been considerable changes since before the war in migration to this country – Commonwealth migration in particular has meant that net immigration to the country as a whole has increased very greatly in the years since 1955, though the rate has declined again since 1962. However, the overall regional picture of gains and losses due to migration shows great similarities with the pre-war position (although the position of Wales has improved and that of Scotland has deteriorated).

These facts serve to emphasise the difficulty of reversing the inter-regional migration tendencies of which the Barlow Committee disapproved. Clearly, whatever the original cause of the drift from North to South in Great Britain, the pressure by now has become extremely strong. Admittedly, the stringency of governmental measures to stop the drift to the South East has fluctuated widely, and it might even be argued that in the mid-fifties there was for a time a new complacency, as it was believed that the problem of large differentials in regional unemployment had been overcome. Nevertheless, even taking this into account, it cannot be denied that an unprecedented programme of bribing and persuading industry to locate in the northern areas has not been sufficient to stop the gradual drift of migrants to the south.

Table IV. Estimated Net Change by Migration 1951-1965

<table>
<thead>
<tr>
<th>Region</th>
<th>000's</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern</td>
<td>−103.5</td>
<td>−3.4</td>
</tr>
<tr>
<td>Yorkshire and Humberside</td>
<td>−102.8</td>
<td>−2.3</td>
</tr>
<tr>
<td>North West</td>
<td>−123.8</td>
<td>−1.9</td>
</tr>
<tr>
<td>East Midlands</td>
<td>+ 87.6</td>
<td>+3.0</td>
</tr>
<tr>
<td>West Midlands</td>
<td>+101.7</td>
<td>+2.3</td>
</tr>
<tr>
<td>East Anglia</td>
<td>+ 73.5</td>
<td>+5.5</td>
</tr>
<tr>
<td>South East</td>
<td>+666.2</td>
<td>+4.1</td>
</tr>
<tr>
<td>South West</td>
<td>+197.4</td>
<td>+6.1</td>
</tr>
<tr>
<td>Wales</td>
<td>−39.4</td>
<td>−1.3</td>
</tr>
<tr>
<td>Scotland</td>
<td>−428.4</td>
<td>−8.5</td>
</tr>
</tbody>
</table>

Source: Ministry of Housing estimates of changes in civil population (based on General Registry Office estimates of total population migration).

In view of the persistence of this tendency to southward migration in Great Britain, it becomes even more important to evaluate the economic gains and losses which it causes. If the measures taken since 1945 have had relatively little effect, it must be assumed that further advances in persuasion must be either very coercive or very expensive, and probably both, if any improvement is to be expected. But such a course of action should be justified by an assessment of whether the losses from migration to the South East are greater than the extra costs of persuading people to move elsewhere – or, to put it the other way round, whether the gains of making it difficult for firms to set up or expand in the South East are sufficiently high to offset the losses of not allowing a firm to exist in its chosen environment. Basically, this is precisely the same problem which was examined by the Barlow Committee and then quietly dropped with the agreement that more research was necessary. The key question facing any attempt to produce a rational regional policy today is how far the results of the research advocated by the Barlow Committee have taken
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us in these twenty-five years, and what can now be said about the real costs and benefits of inter-regional population changes.

WANTED: AN ECONOMIC EVALUATION

The economics of industrial location are extremely complex. There are overlaps into numerous other fields, from geography to engineering to psychology, and any simple model to express the costs and benefits of particular decisions might well prove misleading rather than helpful. One of the difficulties under which this subject has been labouring in Britain is that it was hardly even recognised as a separate subject worthy of study until the late fifties. Before then, town planning and the economics of location were separated and remarkably little attempt was made to cross the barrier. Thus much of the town planning legislation of the forties, leading to the first generation new towns, tended to be based almost exclusively on geographical and town planning criteria, not on economic ones. The question, for instance, whether relatively small towns within thirty miles of London could avoid falling within the overall economic ambit of the capital was hardly asked. All the questions tended to be about land use and how far the creation of new towns would interfere with the Green Belt. One of the most encouraging developments of the last few years has been the increasing recognition that economic and physical planning cannot be separated.

The new interest in locational theory has coincided with great advances in transport economics. Research in both America and Britain over the past few years has done much to clarify the marginal costs of different forms of transport in different geographical circumstances. This study has already advanced far enough to make the suggestion of the Smeed Committee Report on Road Pricing, that road users be charged according to the amount by which they increase congestion costs, perfectly possible in theory. This is not to say that there already exists a body of data sufficient to enable us to judge the exact marginal cost attributable to new transport users in any given location, still less to compare the marginal transport costs between two locations. But it must be realised that the undertaking of the necessary studies has been hindered by lack of time and finance, not by any theoretical barrier. Already the Ministry of Transport is going a long way towards overcoming some of the gaps in our existing data by supporting studies in most of the major conurbations. It should not be long, therefore, before planners in Britain have a quite reasonable idea of the effect of transport costs on different locational possibilities.

This very useful knowledge, however, could easily become almost as much a hindrance as a help to the formulation of a rational location policy. This apparent paradox becomes less startling when we look more closely at the relationship between transport costs and the total cost-benefit picture of any new locational decision. In the first place, the transport picture only throws light on the cost side of marginal increases in population. At best, in areas where there is a total absence of congestion, it can be said that new migrants add nothing to transport costs. In most places, however, where there is already pressure on the transport network – a pressure likely to grow rapidly with the growth in prosperity – every extra person added to an existing community will tend to increase transport costs, either by adding to congestion or by requiring new investment in the transport infrastructure to lessen congestion.
But locational policy as a whole takes in many more factors than that of transport costs, important though these are. Even on the cost side, the effect of new migrants must be estimated from many other variables besides the transport network—land prices, health facilities, provision of water and drainage should all be taken into account, but as yet rarely are. The complexities are even further increased by what can loosely be called the regional multiplier effects of different forms of migration. For instance, it makes a great difference to many social factors whether an immigrant to an area is an executive looking for a house to buy in the suburbs or an unskilled worker looking for somewhere to rent close to a town or conurbation centre. This sort of question can completely alter the social cost of potential immigration. For instance, although Scotland has lost more people by migration than any other region in Britain, and in general is the least congested, it is far from clear that an influx of commonwealth immigrants, which has often been one of the main causes of immigration to other regions in Britain, would have had a beneficial short-term economic effect in, for instance, Glasgow, where there is already a severe shortage of rented accommodation.

However, even the total costs due to changes in population are simpler to assess than the benefits due to industrial population changes. Location theory in general in economics is still fairly primitive and refers almost exclusively to extractive and manufacturing industry, with an emphasis on the problems of carrying inputs or outputs from place to place.4 But in most service industries, and probably increasingly in some manufacturing industries, especially those where a high level of technological expertise is required, the spread of ideas and information becomes much more important than the carriage of coal or manufactured goods. It is clear that certain industries of this kind are almost as firmly anchored to an existing location as any extractive industry. Certain commodity markets in the City of London have all their major members working within a few minutes' walk of one another, and face-to-face contact is regarded as absolutely essential, so that for one broker to decentralise would effectively remove him from the market. Most service industries are less committed to a particular location, but to a greater or lesser degree there are almost certainly advantages in having ease of face-to-face communication. By definition a service industry does things for people, and there are obvious advantages in being located near most of one's potential customers—just as there are advantages for the customers in being in a commercial centre. The old concept of external economies of scale has a much wider application than is often realised.

Another rather neglected subject is the real cost of decentralisation for an existing firm. In general, any change in a traditionally ordered economic structure gives rise to the possibility of real benefits, but in the short term incurs real costs. In the particular case of a change in location, there may be a number of hidden real costs, which can at times be substantial. This is particularly so when a move requires a movement of personnel over a great distance. It has been estimated that the average cost of a firm's assistance to employees who have to move from one region to another

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may be between £500 and £1,000 per head, but even greater cost can be incurred if a large proportion of the key personnel refuse to move. Thus in practice the locations to which a firm can move tend to be restricted by the preferences of its staff, and this usually places a premium on relatively short-distance moves.

In view of all the complexities outlined above, it is easy to see why the success or otherwise of any venture into decentralisation is extremely difficult to measure. To a large extent, physical planning has been required to meet immediate congestion and overspill problems, taking relatively little account of the economic factors involved. It is for this reason that estimates of the regional changes in population due to migration tend to be so controversial. Simple extrapolation from past trends angers those who believe that a more active policy should be pursued, and presumably more money spent, in order to alter past tendencies, while others could equally validly argue that past tendencies could be cumulative and that therefore, for instance, the increase in the relative importance of the South East might tend to accentuate the drift there, almost irrespective of government action. Until more work has been done on the economic implications, it is difficult to see how regional studies can be much more accurate in their predictions. Nevertheless it must be realised that the situation at the moment is anomalous, because very different strategies can be advocated within a short period on the basis of very little evidence. For instance, the South East study in 1963 assumed that there would be a total population increase within the South East of about three and a half million by 1981, and suggested a pattern of overspill schemes to take care of this increase. In 1966, after much debate and a change in government, the scheme was revised, and the same assumed population increase was now distributed mainly among towns much farther away from London than in the original scheme. This change is in practice certain to make a great difference to both the costs and the benefits of the exercise, and possibly even to its practicality, but it could only be decided on an ad hoc basis, without any assessment of the major economic factors involved.

Pessimism is one's first reaction on seeing the relatively short distance that economic theory has moved since 1938 in trying to achieve a rational location policy. But there are certain gleams of light in the rather dark picture. First the greatly revived interest in this whole topic in Britain in the last few years suggests that we may not be far from successes in this field comparable to that attained in transport economics in the last few years. Meanwhile there remains a great temptation for the much more sophisticated work of transport economists to give transport factors an undue weighting in determining location policy. It is as important for transport economists as for other people to avoid this, as such an undue weighting, leading on occasions to very imperfect results in location policy, would tend to have the unfair effect of discrediting the real advances in transport economics before the subject can be fitted into a wider strategy of scientific location policy.

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