

Vauxhall Motors and the Luton Economy, 1900–2002. By *Len Holden*. Woodbridge, Suffolk, U.K.: Boydell Press, 2003. xviii + 249 pp. Tables, photographs, illustrations, figures, appendix, bibliography, notes, index. Cloth, \$39.95. ISBN 0-851-55068-1.

Reviewed by Timothy R. Whisler

Len Holden's study of Vauxhall Motors is valuable in that it fills a void in the extensive body of literature examining the rise and decline of the British motor industry. Most existing studies of the sector have been about the British-owned firms. The U.S. multinationals, Ford and, especially, Vauxhall, which General Motors (GM) purchased in 1925, have received only peripheral attention, in spite of their long history and relative market success in Britain. The recent closures of British plants as part of the restructuring of their European operations have raised certain questions, such as whether the Americans succumbed to the same ills that undermined the British-owned companies in the 1970s and 1980s and whether Britain is a suitable home to car manufacturing. Holden directly answers the first question and indirectly addresses the second. British car enthusiasts will find his answers pessimistic, but convincing.

Holden places Vauxhall's rise and fall within the historical context of the company's hometown of Luton and the surrounding area. David Thoms and Tom Donnelly took this approach first, in *The Motor Car Industry in Coventry since the 1890s* (1985), reprinted as *The Coventry Motor Industry: Birth to Renaissance* (2000). Much like Thoms and Donnelly, Holden focuses upon production methods and labor relations and their impact on the local labor market. Holden concludes that the socioeconomic relationship between the region and Vauxhall was symbiotic, and he investigates the dire economic predictions made by city and national officials when GM announced the closure of its Luton factory in 2002. Holden is optimistic, if less persuasive and more superficial, on this issue.

Holden divides the work into two parts. Part One, consisting of eight thematic chapters and comprising three-quarters of the book, examines the founding of the firm and its evolution up to about 1950. Part One's cohesive character reveals its origin as a doctoral dissertation. It features new archival material from the Engineering Employers'

Federation, the National Union of Vehicle Builders, Luton and Bedfordshire municipalities, and numerous oral histories. Originally a marine-engine manufacturer based in London, Vauxhall moved to rural Luton in 1906. The New Industries Committee (NIC) of the Luton Chamber of Commerce had courted the company in order to alleviate chronic male unemployment in a region dependent upon the hat industry, which offered seasonal employment, predominantly to females. Vauxhall was attracted by the comparatively low wages, nominal levels of trade-union membership, and inexpensive real estate. The absolute decline of the hat industry and the expansion of Vauxhall in the subsequent decades validated NIC's policy of economic diversification. In the 1960s, however, Luton's economy had come full circle. Regional officials, unlike their Edwardian counterparts, saw no danger in the perception that "Luton was Vauxhall." Then again, prosperous Luton had become the home of the "affluent worker" and showed increasing evidence of American-style materialism.

Holden's argument that the "Turnip Patch," as industry insiders referred to Vauxhall's Luton works, was geographically and institutionally distant from the Midlands, the traditional home of the British motor industry, is generally sound. Vauxhall remained wedded to producing large, higher-priced models built with batch-production methods long after Ford, Austin, and Morris moved to a strategy of mass producing lower-priced, smaller-horsepower models. Indeed, Holden disputes Wayne Lewchuk's assertion that Vauxhall had adopted Fordist production methods in the early 1920s, instead placing it three decades later. Vauxhall refused to imitate its British-owned competitors' product strategy of covering the entire market through model proliferation. It did, however, move into light-truck production. From the early 1930s until the 1970s, Vauxhall's Bedford commercial vehicles dominated this segment in the home market and, in contrast to its car models, sold well overseas.

Yet Holden overlooks the fact that Vauxhall shared many other traits with its British-owned competitors in this period. Its British managers tended to be amateurs, in outlook and training. Retained earnings provided the bulk of its capital. Periodic financial crises plagued the company. In spite of a narrow product range, Vauxhall never achieved economies of scale in production, and costs remained high. Product design was the province of one dominant engineer. Unlike the practical men who held sway in British

firms, Vauxhall's engineers had professional qualifications, but market signals often eluded them. Moreover, product and process were often considered separate functions. Holden's version of Vauxhall's production system, which might be more convincing than Lewchuk's, reveals similarities to the system utilized by Rover, and later by Standard. A comparison of the processes would have been instructive.

Holden suggests that Vauxhall's labor relations remained much better than those in the British motor sector and in general industry. He attributes this record to the regional weakness of unions, Vauxhall record of paying the highest wage rates in Luton, and the enlightened policies of the managing director, Charles Bartlett. Bartlett instituted joint management-labor consultative councils, group bonuses, and job-security schemes during the 1930s and 1940s. The arrival of workers at Vauxhall from traditionally unionized, distressed regions provides Holden with the opportunity to examine the long-simmering debate regarding the influence of migrants on the character of trade unions in the car industry. He disagrees with Patrick Fridensen's argument that the influx swelled the existing labor pool and stunted the growth of trade unions. He also sides with David Lyddon against Jonathan Zeitlin's view that the migrants brought with them strong attitudes that affected the character of unions and the nature of the shop floor.

The second part of the book, which surveys Vauxhall and Luton from 1950 until 2002, is an appendage. Many of the arguments and much of the source material regarding the car industry in this section are taken from well-known secondary works. Holden notes that Vauxhall's sales and profit momentum, which began in the 1930s, continued through the 1960s as additional plants were built in Dunstable and Ellsmere. Between 1970 and 1986, however, Vauxhall earned a profit only once. If GM's financial, marketing, and design resources had resolved the firm's interwar product and capital problems, then Holden suggests logically that the corporate parent should bear some responsibility for the product, productivity, industrial relations, and profit problems during this period. The coincidental culmination of GM's postwar strategy of shifting control from virtually independent British managers to the American corporate parent buttresses his case.

Holden is not anti-American. He admits that strikes at Vauxhall during key corporate strategy-making periods convinced GM leaders to limit investment in Britain. He notes that the British-designed models of the 1970s and 1980s were manufactured in

the old plant by too many workers in relatively small production runs and featured poor quality and driving characteristics. Few were exported. Bedford truck sales and productivity suffered also. Vauxhall's brief revival in the early 1990s was accomplished through assembling models designed and manufactured by GM's German Opel subsidiary. Holden ultimately blames Vauxhall's demise on the highly competitive global car market. GM adjusted its strategy accordingly by reducing its capacity in Europe and investing in higher-productivity plants in Germany and Belgium. In short, Vauxhall was infected with a strain of the "British Disease" that had killed the British-owned companies. Only time will reveal if the Japanese car firms operating in Britain have developed an antidote to the ills that claimed the local and American subsidiaries.

Holden's fine book will appeal to car enthusiasts and scholars, as well as those interested in local business history. Holden assures us in his concluding section that small businesses and service industries, such as Luton Airport and Luton University, have filled the employment breach caused by Vauxhall's closing. Yet questions remain. In what industries did the car workers find employment? What has happened to regional wage rates and per capita income? What about the trade unions? Is Luton still the home of "the affluent worker" and consumer culture, or has it reverted to a "turnip patch"? Can a Luton resident afford a Vauxhall built in Germany? Such a symmetrical ending would have been welcome.

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