



The Mariner's Mirror

The International Quarterly Journal of The Society for Nautical Research

ISSN: (Print) (Online) Journal homepage: <https://www.tandfonline.com/loi/rmir20>

The Clydeside Cabal: The influence of Lord Weir, Sir James Lithgow, and Sir Andrew Rae Duncan on naval and defence policy, around 1918–1940

Christopher W. Miller

To cite this article: Christopher W. Miller (2021) The Clydeside Cabal: The influence of Lord Weir, Sir James Lithgow, and Sir Andrew Rae Duncan on naval and defence policy, around 1918–1940, The Mariner's Mirror, 107:3, 338-357, DOI: [10.1080/00253359.2021.1948182](https://doi.org/10.1080/00253359.2021.1948182)

To link to this article: <https://doi.org/10.1080/00253359.2021.1948182>



© 2021 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group.



Published online: 20 Jul 2021.



Submit your article to this journal [↗](#)



View related articles [↗](#)



View Crossmark data [↗](#)

The Mariner's Mirror 107:3 (August 2021), 338–357

The Clydeside Cabal: The influence of Lord Weir, Sir James Lithgow, and Sir Andrew Rae Duncan on naval and defence policy, around 1918–1940

Christopher W. Miller

Lord Weir, Sir James Lithgow and Sir Andrew Rae Duncan were three close friends who grew up within a few miles of each other in Victorian Glasgow, and who went on to have uncommonly successful careers in engineering, shipbuilding, steel and finance. Despite occupying only footnotes in political histories, Weir, Lithgow and Duncan also were uncommonly influential in defence planning during the First World War, as well as post-war industrial reorganization, disarmament, rearmament, and the Second World War. Indeed, at several critical junctures for imperial and particularly naval defence before and during rearmament, one or more of these three men played a central role in the direction and shape of policy. Moreover, this trio frequently interacted with one another to mutual benefit in the shipbuilding rationalization schemes of the 1930s, the purchase of naval or other armament manufacturing businesses, or in the Ministry of Supply during the Second World War. This article examines the operation of this network of influence through the decades of war and peace, and considers Weir, Lithgow and Duncan's crucial role in British policy making. By pulling together business and political records, it sheds new light on the operation of the British state and argues that this trio were unique among inter-war civilian businessmen as influencers of top-level defence policy.

Key words: Committee for Imperial Defence, industrial policy, logistics, Glasgow, naval construction, Ministry of Munitions, Admiralty

Despite essentially planning Britain's rearmament drive from 1933, assessing threats to security spanning the entirety of the British Empire for most of the first half of the twentieth century, and occupying a central role in the formation of defence policy, not a great deal has been written about the Committee for Imperial Defence (CID). Less still has been said about its important procurement suborgan, the Principal Supply Officers' Committee (PSOC), which expended extraordinary effort for most of the interwar period on the planning of the supply of military materiel in a future war. This is surprising, for it was a gargantuan task encompassing everything from entire warships, to artillery, to boots on the feet of soldiers. Indeed, even in the relatively calm international waters of the late 1920s, the CID and its subcommittees were employing hundreds of staff and meeting, somewhere, twice a day on average – and these numbers increased further as the geopolitical landscape darkened across the following decade. Yet, while there is no shortage of books about

* This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

Churchill and Chamberlain or the politics of the 1930s, the entire CID has one – from 60 years ago.¹

Perhaps this lacuna is understandable. The CID, let alone the PSOC, are not, at first glance, organizations that would set the pulses of many historians or readers of history racing. Logistics and supply planning are not traditionally topics afforded a great deal of attention in popular or even academic literature, at least not when compared with battles, espionage or other aspects of the First and Second World Wars. Moreover, the simple fact that the CID and its suborgans possessed technically only advisory powers and required Cabinet assent for decisions to be made and acted upon, has tempted those few that have discussed the CID and its role to dismiss it as a talking shop that said much but achieved little.²

These criticisms are not entirely fair. Space does not allow for a full assessment of the merits of the CID, nor is a revision or rehabilitation of its reputation the aim of this article. Nevertheless, it is not widely disputed that the CID was the locus for large parts of defence policy formation before 1914, and, from 1918, the place where disarmament (principally naval) and ultimately the minutiae of rearmament were managed. More importantly still, the CID, its subbodies, and its spin-offs (most notably the Ministry of Munitions from 1915 to 1921) were an extraordinarily effective forum for bringing together military and business knowledge in the pursuit of many of these goals, including the complete reorganization of industry for war purposes during the First World War and again in the later 1930s.

Given the importance of these topics in the wider study of British defence – much more has been written in recent years revising the notion of Britain's 'strength' as a military, industrial and technological power on the eve of the Second World War – this gap is surprising.³ This article therefore examines the role of industrialists and business influence within Britain's imperial defence planning framework. Though the issues of the day at times affected the Royal Navy, army and nascent Royal Air Force in different ways at different times, this article focuses on naval matters, for it is here where the 'bottlenecks' in supply and the relationships with large private enterprise were most keenly felt.

In doing so, the article aims to demonstrate the importance of industrial advice upon not only the CID, but the importance of the PSOC in facilitating such knowledge exchange, and the effects of this upon British defence and procurement policy. By focusing on three prominent Glaswegian industrialists intimately connected with each other since long before 1914 and who enjoyed long careers serving various British governments thereafter, the role of business networks and business influence upon policy formation can be shown in a new light. In addition, this paper blends business, military and Cabinet archival records together to demonstrate not only that these industrialists benefitted the British state, particularly after 1933, but that their intimate connections with it aided their own business and financial interests. In short, it is argued that Lord Weir, Sir James Lithgow and Sir Andrew Rae Duncan were among the most significant civilian advisors on defence matters in the era of the two world wars, and that their intertwined stories are crucial to understanding

1 Johnson, *Defence by Committee*.

2 Johnson, *Defence by Committee*, 221; Packard, 'Whitehall, Industrial Mobilisation', 94–6; Shay, *British Rearmament*, 93–4.

3 See, for example, D. Edgerton, *Warfare State*.

the nature of British preparedness and production before 1945 generally – but particularly in the area of naval construction.

It is perhaps doubly surprising therefore that Weir et al., not unlike the CID, have occupied only footnotes in recent histories of British rearmament and war planning, though they were all well known and respected business figures in their own right among contemporaries.⁴ However, the subsequent scholarly attention paid to them – either as individuals or through their work within the British state – has been exceedingly light. For instance, the only biographies of Weir and Lithgow are now over half a century old, while Duncan has none at all, and the respective histories of either G. & J. Weir Ltd (now the Weir Group) or of the shipbuilders, Lithgows Limited of Port Glasgow runs to three books and one PhD thesis since 1950, only one of which mention in any significant detail their chairmen's work on defence planning.⁵

Understanding how this network of industrialists operated in matters of imperial defence is not a straightforward task. Though Weir and Lithgow's firms and their successors have surviving archives, records of Andrew Duncan's life are comparatively sparse. Moreover, the business archival holdings say little on what amounted to secret work as advisers to the government. As such, the story is pieced together and triangulated from fragments – business records concerning company strategy, correspondence between the men, minutes of CID meetings and their associated reports, and Bank of England records on industrial reorganization. In some instances, such as Lithgow's purchase of the Scottish industrial behemoth, Beardmore's Parkhead Forge, the true reasons and motivations can only be properly understood when the business records are placed alongside those of the CID. This said, spanning the industrial-military divide is surprisingly uncommon in historical research, partly because the uneven and erratic nature of business archives are in themselves a barrier to political and financial historians. This in part explains why some company histories remain essentially impossible to write from surviving records. Nevertheless, when it is attempted, it has the potential to shed light on the important operation, and symbiosis, of business and the British state.

A Clydeside network at Whitehall

William Weir, James Lithgow and Andrew Rae Duncan were born within seven years (1877–84) and 30 miles of each other in Glasgow, Port Glasgow and North Ayrshire respectively. By 1914 all three had been educated in Glasgow – at the High School (Weir), the Academy (Lithgow) and the University (Duncan) – and had gone on to establish successful business careers. Weir was the managing director of his father's engineering firm, G. & J. Weir of Cathcart, Lithgow, managing partner with his brother, Henry, of the shipbuilding firm Russell & Co. (from 1919, Lithgows Ltd, Port Glasgow), and Duncan as a partner in the legal firm Biggart & Lumsden, where he worked principally on industrial matters pertaining to shipbuilding and shipping. By some coincidence and luck his firm's cofounder, Thomas Biggart, was secretary of the Clyde Shipbuilders' Association, and put Duncan into contact with Lithgow, the association's president, in 1912. The two men, still in their twenties and barely a year apart in age, remained lifelong friends thereafter.

4 Mackenzie, 'Public-spirited men', 87–109.

5 See Reader, *The Weir Group and Architect of Air Power*; Johnman and Murphy, *Scott Lithgow*; and Reid, *James Lithgow*.

After the outbreak of war in 1914, Lithgow served in the army in France, commanding an artillery battery and rising to the rank of colonel, while Duncan served in various administrative roles including secretary of the Shipbuilding Employers' Federation (established in 1899) and the joint secretary on the Admiralty Shipbuilding Council. After Lithgow was recalled from the front to serve as Director of Merchant Shipbuilding at the Admiralty in 1917, both men came into professional contact with Sir William Weir, who was Director of Munitions in Scotland within David Lloyd George's Ministry of Munitions. Thereafter, Lithgow considered Weir not only a friend but a mentor. Indeed, as described by Lithgow's biographer, Weir, was a man whose advice Lithgow later based many important life decisions upon.⁶

The Ministry of Munitions that Weir and Lithgow met in was the central wartime forum of its kind in which business leaders could directly interact with and influence policy. Hastily created and given enormous power to coordinate armaments manufacture in 1915 in response to a severe shortage of shells on the front line, the organization grew to be the largest government department ever seen, with an expenditure by 1918 three times higher than the entire government's budget in 1913.⁷ Reflecting this, senior political figures David Lloyd George (1915–16) and Winston Churchill (1917–19), both future prime ministers, were among those who headed the ministry during its short existence. Its staff were drawn from wherever they could be found; civil servants from the War Office and other government departments, judges, accountants and academics were thrown together, often in haste, and ordered to work under a top level drawn from business elites. The inaugural minister, Lloyd George, decreed from the outset that the ministry must be 'from first to last a business-man organisation' and that it must 'utilis[e], as far as possible, the business brains of the community . . . to advise, to counsel, to guide, to inform, to instruct, and to direct'.⁸

Weir, Lithgow and Duncan – and indeed much of industry – responded with enthusiasm to Lloyd George's call. Within weeks of the ministry's establishment in 1915, Lloyd George had secured the service of dozens of 'distinguished captains of industry' to assist his cause, to which he 'entrusted the first position in every department'. Lloyd George gave his full support and authority to these men to break through much of what he believed was the 'aloofness' which characterized the normal administration of government contracts. One of his most senior appointments was Weir, as Director of Munitions in Scotland, the first role in what would grow to be an extremely close 30-year relationship with the government as well as (if more briefly) the Glaswegian shipowner, Sir Joseph Maclay, then the shipping controller at the Ministry of Shipping.

Following the conclusion of hostilities in November 1918, Weir, who had only been recently knighted, was elevated to a baronetcy. Owing to his service and experience within the Ministry of Munitions, which was disbanded in 1919, he was chosen in 1922 to chair a committee reporting on the 'Amalgamation of Services Common to the Navy, Army and Air Force', whose work might form foundations to base an enquiry into the 'Supply of Munitions and Armaments in a Future

6 Reid, *James Lithgow*, 90.

7 Marriner, 'The Ministry of Munitions', 130.

8 Lloyd George, *War Memoirs*, vol. 1, 148–9.

War'.⁹ Weir's task was to recommend a system that would be suitable in peacetime while still being able to plan effectively for war without the unwieldy size, cost or bureaucracy of the defunct ministry. He did not have complete autonomy; there was significant parliamentary support for a new centralized Ministry of Defence that would take over the supply arrangements of the three services. Opposition was equally vociferous, and spearheaded by the Admiralty, which, as the most powerful of the fighting services, wanted a committee comprised of all three bodies to coordinate supply.¹⁰ In his report Weir broadly took the Admiralty view, arguing strongly against amalgamation and instead for coordination among the common aspects of the three service departments.¹¹

Such was the level of division that two further committees followed, but Weir's views broadly won the day.¹² Once ratified in 1924 the organization became the Principal Supply Officers Committee (PSOC). It would later be responsible for the extremely important task of supply planning throughout the rearmament phase. The PSOC was initially part of the Board of Trade, but in 1927 was reconstituted as a central component of the CID, dealing with supply.¹³ Notably, in addition to being one of the PSOC's forefathers, Weir would return in the 1930s as one of its chief advisers.

Running somewhat parallel to the early peace-time discussions of how to (re) organize Britain's supply planning framework was the private armaments industry. Massive war-time expansion, by both naval and non-naval shipyards, had increased capacity by around 30 per cent – or the equivalent of 200 berths.¹⁴ Moreover, half of Britain's world-leading navy had been constructed in the years 1914–19, meaning that comparatively few vessels were nearing the end of their typical two-decade lifespan.¹⁵ Initially, this had little impact upon bottom lines, as the post-war reopening of trade routes and passenger lines coupled with the need to replace lost war-time tonnage caused something of a boom in the industry. This was short-lived and the long-term prospects following the Washington Naval Treaty of 1922, which limited the size of fleets, ships, and new construction among the principal naval powers, darkened industry's short- and medium-term prospects.¹⁶

Thus, by the mid-1920s the private industry upon which the CID and its sub-organs made defence calculations was in crisis. Cut-throat competition replaced any sensible tendering process, and the inflated post-war price of a typical cargo ship (£258,700 in 1920) had by 1926 fallen to £52,500.¹⁷ The almost total lack of naval orders was having a particularly serious impact upon naval builders, which tended to concentrate large amounts of capacity in a few highly exposed facilities (see table 1). By 1928 government assistance programmes, limited as they were, had failed

9 The National Archives, Kew (hereafter TNA): CAB 27/172, 1922, 'Amalgamation of services common to the Navy, Army and Air Force: memoranda of main Committee'.

10 Johnson, *Defence by Committee*, 167, 176.

11 Gordon, *British Sea Power*, 35–6.

12 Ibid.

13 Miller, *Planning and Profits*, 17.

14 Slaven, *British Shipbuilding*, 72.

15 TNA: ADM 181/101, 'Navy Estimates, 1919–1920', 1920.

16 TNA: FO 93/1/63, 'Treaty: Limitations of Naval Armaments', 6 Feb 1922.

17 Slaven, *British Shipbuilding*, 72.

to achieve positive results. The most notable, the Trade Facilities Act of 1921-27, provided loan guarantees which had the effect of propping up the myriad struggling or uncompetitive shipyards, and doing little to solve the problem of overcapacity and unsustainable competition, which in turn left those specialist naval builders with the highest overheads for plant and machinery further exposed.¹⁸

National Shipbuilders' Security

The shipbuilding industry's response, reached in 1929, was to form the National Shipbuilders' Security scheme (NSS). The scheme's rationale was to purchase redundant or obsolete shipyards, voluntarily at a fair market rate, and then to dismantle and dispose of the contents, with the site's resale being placed under a restrictive covenant of 40 years against any further use for shipbuilding. The architect of the plan was Sir James Lithgow, who had become increasingly alarmed at the lack of any serious rationalization within industry as the 1920s progressed.

In his attempts to raise capital to purchase redundant capacity, Lithgow approached Sir Andrew Duncan, by 1929 a director at the Bank of England.¹⁹ Though Duncan immediately wrote to the bank's director, Montagu Norman, it was perhaps not the hardest sale he ever had to make in his life: Norman was a recent convert to and a passionate believer in wholesale industrial rationalization. This was perhaps through his experience of the Trade Facilities Act, but more likely by the bank's own holdings and outstanding loans to troubled shipbuilding and armaments firms, including the Glasgow giant, Beardmore. Norman thus enthusiastically took up Duncan's suggestion, and organised a bank delegation to meet Lithgow a matter of weeks later.²⁰

From 1930 NSS was up and running with Lithgow as its chairman, backed in the first instance by small amounts of capital raised from like-minded shipbuilding companies, but soon after by £1 million from the Bankers Industrial Development Company (BIDC), a Bank of England vehicle designed specifically for the reorganization of industry. While not aimed solely at shipbuilding, the sums involved made the NSS its largest single beneficiary.²¹ This level of funding allowed the scheme to get on with the important task of liquidating industrial assets, which it did with great speed. By the beginning of 1932 almost half a million tons' worth of capacity had been removed, including the problematic Beardmore Naval Construction yard at Dalmiur, which had been purchased – in essence from the bank, still a private entity – for £209,000. While this left the company's steel- and gun-making plants intact, it removed at a stroke a large and specialized naval shipbuilding facility from the already concentrated pool of manufacturers. It would not be the last, either: parts of Armstrong-Whitworth (which had merged with Vickers to form Vickers-Armstrongs in 1927), and Swan Hunter's Southwick yard on the Tees, plus the entirety of Palmers at Jarrow and Hebburn on the Tyne followed in 1933.²²

Lithgow, as a merchant shipbuilder, had no particular strategic concern for the

18 Johnman and Murphy 'Subsidy and Treasury', 89-110.

19 Bank of England Archives (hereafter BOE): SMT/2/280, file 142, Securities Management Trust, Duncan to Norman, 1 April 1929.

20 BOE: SMT2/280, file 142, 'Meeting with Shipbuilding Conference', 24 April 1929.

21 Sayers, *The Bank of England*, 229.

22 Slaven, *British Shipbuilding*, 102

preservation of naval yards, which were suffering at least partly through the effects of disarmament and the Washington Naval Treaty (renewed until December 1936), leaving just 4,000 tons of naval work in hand across the entire sector in 1931, with 90 per cent of berths idle.²³ There was, from the vantage point of the time, not only no political will for armament orders, there was also no public appetite either, with anti-war sentiment rife and pacifist candidates polling strongly in elections.²⁴ In any case, there was simply little money from the depleted public purse to pay for any rearmament or equipment renewal. In these circumstances, tiny orders for small vessels from second and third-rate naval powers, often only those small enough not to have their own well-developed industrial base, became vital for private industry. By 1933 the remaining manufacturers, including Charles Thornycroft and Lord Weir, had taken to writing letters to *The Times* bemoaning the position for the yards and factories that remained, and urging government action.²⁵

The side effect of this, however, was that Lithgow's NSS was running a scheme with ambitions very different to those held by the CID. The supply planners were interested in the preservation of industrial capacity, especially capacity that could not easily or quickly be replaced, as an expansion valve for some unspecified point or unspecified threat in the future. That they could not spend money on such efforts or risk a public backlash complicated matters, but Lithgow's NSS was a headache that few needed, especially in the aftermath of the Beardmore sale.

By 1933 the unspecified foreign threats were beginning to crystallize. The Japanese invasion of Manchuria had prompted a reassessment of British imperial defence in the Far East, with the conclusion being that the once young and large fleet was now old and overstretched. With only two small cruisers and a dilapidated Singapore base to check Japanese aggression, Sir Robert Vansittart at the Foreign Office was forced to note that 'we are incapable of checking Japan in any way if she really means business and has sized us up, as she certainly has done . . . Therefore, we must eventually be done for in the Far East'.²⁶ Hitler's, and later Mussolini's, rise only compounded the sense of overstretch.

Placing the geopolitical landscape to one side, the pressing issue within the CID in the early 1930s was how to plan for potential industrial mobilization without a full-scale and very public and expensive rearmament. The CID decided that a small group of industrialists should be taken into its confidence, and invited to form an 'advisory panel', which could pick up on questions of how to alleviate supply bottlenecks before the matter became critical, and report to the PSOC. Perhaps underlying the inherently inefficient nature of the committee structure, even this decision took some time to be reached in spring and summer 1933.²⁷ In an attempt to keep the committee as hermetically sealed as possible, the three men that were chosen had all worked on government bodies before, stemming back to the Ministry of Munitions

23 Miller, *Planning and Profits*, 97.

24 Kyba, *Covenants without the Sword*, 119–20, 149.

25 TNA: CAB60/40, PSO(SB)387, 'Industrial Mobilisation: Note of letters to The Times', 30 November 1933.

26 *Documents on British Foreign Policy*, 2, no. 282 (London, 1952) 'Vansittart Minute 1 February 1932'.

27 For a fuller discussion of the selection debate and process, see Miller, *Planning and Profits*, 92–105.

Table 1 CID Report on the condition of the private armaments industry

<i>Company in 1914</i>	<i>Situation in 1933</i>
Coventry Ordnance Works	Out of business
Birmingham Small Arms	Not engaged on armament work
London Small Arms Co.	Out of business
Armstrong Whitworth	Absorbed by Vickers
Cammell Laird	Vastly reduced capacity
Beardmore	Reduced to nucleus. Small orders for naval guns only
Firth	Only small orders for shell. No other arms work
Hadfield	Only small orders for shell. No other arms work
Projectile Co. Ltd	Practically no orders
Darlington Forge Co.	Out of business
John Brown & Co.	No longer do gun forgings
Vickers	Only firm left capable of large orders of all kinds

Source: 'PSOC Report: Private Armaments Industry', PSO 1109, 31 March 1933, TNA: CAB4/22

in the First World War. They were Lord Weir, Sir James Lithgow, and the Sheffield steelmaker, Sir Arthur Balfour.

Ostensibly at least, it may be surprising to find that these particular men were selected. As a leading pump manufacturer, a merchant shipbuilder and a steel magnate respectively, none had any long-standing background in armaments manufacture unlike, for example, the managing directors of Vickers-Armstrong, Sir Charles Craven or Imperial Chemical Industries, Sir Harry McGowan. Yet, all three had records of public service that had already brought them into close contact with the top echelons of government. Lithgow's scheme had clearly been weighing upon the minds of many within the organization. When Weir vociferously supported fellow industrialist Charles Thornycroft's grim assessment of the state of armaments manufacturers in *The Times* in 1933, the CID took note and immediately circulated the piece. A 1933 memorandum circulated to the CID by G. S. Witham, the Assistant Director of Ordnance Factories at the War Office, noted that 'many of the men who had actual experiences of war production in 1914-18 have passed out of industry. It is therefore a matter of considerable urgency that those who remain in industry should be harnessed into the organization'.²⁸ While this was arguably unnecessarily backwards looking, Weir, Lithgow and Balfour certainly met such criteria.

The CID Advisory Panel

It was at this point that the influence of Lithgow and particularly Weir on defence planning grew significantly, and with substantial effects. Though Weir had been one of the architects of the organization he now advised, and Lithgow had certainly made its life more difficult in one way or another, neither had been in a position to either influence or anticipate the decisions of the CID. Over the next six years however, the Advisory Panel would be privy to extraordinary amounts of inside information of the kind very few civilian businessmen would ever see in peacetime.

Within days of the establishment of the Advisory Panel, Weir, Lithgow and Balfour had been furnished with, *inter alia*, lists of 'key firms' that the CID believed

²⁸ Glasgow University Archives Service (hereafter GUAS): DC35/31, Witham Memo, February 1933.

were essential to the prosecution of rearmament or prolonged conflict, assessments of the general position of industry (table 1). They also received records of visits to sites and facilities that had been undertaken since 1932 in order to ascertain their condition and likely future capabilities. These visits had included the obvious candidates, including Vickers-Armstrongs, but also Weir's own firm (a 'high-class engineering firm' that was 'well-equipped' for rapid expansion into other areas), and the remnants of Beardmore, which, it was believed, would take 'five months to make a single gun-carriage for the War Office, but within eight months could make eight carriages per week'.²⁹

Perhaps more pertinently, the panel was informed that in matters of national security, the notional procedure of competitive tendering, whereby the lowest invited bidder would win contracts, could and would be altered to ensure a steady supply of a particular product. Citing a 1932 Admiralty document, the Director of Navy Contracts, W. St D. Jenkins, remarked

[The Admiralty] varie[s] the policy of inviting competitive tenders in the case of certain armament firms whose designing staff and productive capacity is essential to maintain as a nucleus in an emergency. In such instances, it is customary to confine the orders to these firms on condition that fair prices are charged and that they can meet delivery requirements . . .

Thus, the priority, if the need arose, would be preserving the capacities and skills of the key firms to produce the quantities of material the CID deemed necessary for a future war.³⁰

Of course, the geopolitical landscape – changing on an almost monthly basis in 1933 – meant that the investigations, in the words of one of the committee members, 'had an air of unreality' about them, as threats changed and thus hypotheses on amounts of equipment required were taken back to the drawing board.³¹ Nevertheless, the raw information shared with Weir, Lithgow and Balfour was not only exceedingly valuable – it was also carefully guarded. Any leaks threatened alarming the public, upsetting foreign relations, contravening the Washington Treaty or a combination of all three. Moreover, Witham noted that even in the absence of other factors, the existence of the panel 'might be found embarrassing, and might reasonably offend the susceptibilities of their trade competitors' if it became widely known how much information had been shared with them.³² For this reason, the Advisory Panel were, between 1933 and at least 1936, privy to material not shared with the rest of industry.

In return, Weir, Lithgow and Balfour were expected to produce reports in order to make the process of procurement more efficient, and to alleviate supply bottlenecks before damaging backlogs were allowed to occur. To this end, the panel made a

29 GUAS: DC96/17, PSO(SCI)310, 'Investigation of the Capacity of G&J Weir, Ltd.', 12 September 1932; GUAS: DC35/31, PSO(SB)39, Eighth Annual Report of the PSOC, 1932, SC I, 'Proposals for Acceleration of Progress', undated.

30 GUAS: DC35/31, PSO(SB)226 'Report from Director of Navy Contracts on Commodore Bigsworth's Memo', 22 Mar. 1932.

31 Basil Liddell Hart Centre for Military Archives, London (hereafter BLH): Turner-Brown collection (TB), box 1, H. Brown 'Reminiscences', II, 110.

32 TNA: CAB60/31, PSO(SB), 32nd meeting of the Supply Board, 21 Mar. 1934.

number of important recommendations, starting with a report on shell manufacturing. Many of these recommendations were eventually translated into policy and yielded important results as the direction of international politics descended towards war from 1935 onwards. A study of some of these recommendations is illustrative, for it demonstrates not only the mindset of Weir, but also the relative levels of expertise operating within the top echelons of Britain's military procurement framework during the critical planning and rearmament phases in the 1930s.

The first and perhaps most basic panel recommendation was for the number of 'key firms' to be reduced from over one thousand down some two hundred which were to act as nodes for industrial expertise. Failing to do so, the panel argued, would only 'maintain in existence . . . a series of weak and inefficient units unable to deal with an emergency or to act as progressive units in time of war'. This was particularly serious, for during wartime such units should be 'the most valuable assets for armament supply . . . due to their peacetime scale of output' and thus had to be 'able to carry an administrative and executive structure, strong in organising and technical personnel coupled with toolroom strength, metallurgical knowledge and experimental facilities'.³³

From these nodes, the panel believed skills and expertise could flow outwards to smaller units, assisted by the placement of 'educational orders' and, ultimately, the creation of a 'shadow industry' which could be turned over to a war footing if necessary. In the case of shipyards, this would allow a new generation of apprentices to be trained and lessen the burden on an increasingly small core of skilled workers who had seen comparatively little naval work since the early 1920s.³⁴

The next target was the nature of the planning framework itself, which the panel viewed as only adequate for peacetime, and unduly burdened by the requirement to escalate requests upwards, ultimately to the prime minister, before action could be taken. This was a matter the panel members, and particularly Lord Weir, would return to again and again throughout the 1930s. 'Co-ordination of supply', they argued, 'will require something much more effective than the current structure' in the event of a major war.³⁵ They also believed that the industries such as shipbuilding and engineering were better equipped to prepare for war than those needed for shell and munitions production, as any expansion of the industry during peacetime was highly problematic. However, they insisted that this did not mean that shipbuilding and other areas required less attention and warned against 'frittering away the valuable opportunity' to 'give definite support' to a small number of units – in other words reiterating the earlier point that the focus should be on the extant larger firms already capable of meeting some wartime demand.

In some senses, most of these were easy recommendations for the CID to adopt by 1935, principally as they existed on paper, rather than involving actual money to be spent. It was only the 'Statement Relating to Defence' (often simply called the White Paper) of March 1936 that moved matters forward significantly.³⁶ Partly for

33 TNA: CAB60/14, PSO 415, 'Memorandum by Lord Weir'. This was in fact a memo by all three members of the advisory panel but has been miscatalogued as solely by Weir.

34 TNA: CAB60/13, PSO361, 'Position of the Private Armaments Industry in Imperial Defence – Report by the Subcommittee on Industrial Intelligence in Foreign Countries', 8 Mar. 1933.

35 TNA: CAB 60/14, PSO 415 'Memorandum by Lord Weir'.

36 Cmd 5107, Statement Relating to Defence, Mar. 1936 (London, HMSO, 1936).

this reason, educational orders were the slowest Advisory Panel recommendation to be properly implemented, and although Weir's shadow factories scheme was introduced with some success,³⁷ it is telling that Lithgow continually bemoaned the lack of progress on this front.³⁸

Not every recommendation by industrialists met with the same level of enthusiasm. Lithgow had been, and remained for the rest of his life, an enthusiastic advocate of piece work to replace hourly wages, with earnings derived from the quantity of material produced, not the time spent on the job.³⁹ Perhaps anxious to avoid setting off vociferous reactions from trades unions and causing industrial stoppages during time-critical rearmament, the CID, though recognising the theoretical efficiency boost, declined to investigate the matter further.⁴⁰ This refusal to cut through red tape and radically reorganize industry eventually frustrated and angered Lithgow as the 1930s wore on, leading to his eventual disillusionment with the committee structure. He remarked in a letter to Weir in December 1936 that 'nothing is done until every i is dotted and t is stroked in the specifications'.⁴¹ This increased his later appetite to circumvent the system altogether.

This highlighted the major difference between business practices and a government organization like the CID, that decision making was a painfully slow process requiring escalation up the chain of command towards the Cabinet, and the response was often to create a new committee or sub-committee to investigate matters. In one particularly noteworthy example from 1935, Lord Weir was elevated to serve on the new Defence Policy and Requirements Committee (DPRC) (table 2) along with some of the most powerful and influential men in the country. The DPRC was, in some ways, designed to cut through departmental red tape by having genuine executive powers, and allowed Weir's voice to be heard on a hitherto unprecedented level. Sitting alongside the prime minister, the Chancellor of the Exchequer, the foreign secretary and others as the only industrialist was noteworthy, but perhaps not as much as the fact that he, as a full member, outranked the heads of the fighting services who only held advisory status.⁴²

Weir's interactions with the other members of the panel highlight the low level of industrial knowledge in the top echelons of the CID. In one exchange in March 1936, the prime minister, Stanley Baldwin, asked if it was possible to calculate the productive capacity of the country, for 'the committee had little knowledge' of it, while Weir explained, in response to Ramsay MacDonald, that simply finding more skilled men was not a routine task, and that 'these questions could well be dealt with by existing organizations who were working well and whose procedure should not be disturbed'.⁴³ In other words, the industrial advice given by Weir's advisory panel had not, at least by 1936, been grasped by the most powerful political figures

37 Forbes, 'Democracy at a disadvantage?', 49–70.

38 GUAS: DC96/21/4, Lithgow to Weir, 10 Dec. 1936.

39 Churchill College Cambridge (hereafter CCC), WEIR17, 20th meeting of the Subcommittee of Defence Policy and Requirements, 7 May 1936.

40 Ibid.

41 GUAS: DC96/21/4, Lithgow to Weir, 10 Dec. 1936.

42 CCC: WEIR 17 'Committee on Defence Policy and Requirements – Terms of Reference on Defence Requirements', DPR(DR)1, 30 December 1935.

43 CCC: WEIR17, DPR(DR), 2nd meeting of the DPR, 13 Mar. 1936.

Table 2 Committee on Defence Policy and Requirements, 1935

<i>Name</i>	<i>Role</i>
Stanley Baldwin MP (Chair)	Prime Minister
J. Ramsay MacDonald MP (chaired July meeting)	Lord President of the Council
Neville Chamberlain MP	Chancellor of the Exchequer
Anthony Eden MP	Foreign Secretary
A. Duff Cooper MP	War Secretary
Viscount Bolton Eyres-Monsell MP	First Lord of the Admiralty
Viscount Swinton MP	Air Secretary
Walter Runciman MP	President of the Board of Trade
Lord Weir	Industrialist
Admiral of the Fleet Sir Ernle Chatfield	First Sea Lord, Chief of Naval Staff (advisory)
Field Marshall A. Montgomery-Massingberd	Chief of the Imperial General Staff (advisory)
Air Chief Marshall Sir Edward Ellington	Chief of the Air Staff (advisory)
Sir Warren Fisher	Permanent Secretary, Treasury (advisory)
Sir Robert Vansittart	Permanent Secretary, Foreign Office (advisory)
Sir Maurice Hankey	CID and Cabinet Secretary (Secretary)

Source: 'Committee on Defence Policy and Requirements – Terms of Reference on Defence Requirements', DPR(DR)1, 30 December 1935, CCC: WEIR17.

in the land. Perhaps attempting to redress the balance by stuffing committees with like-minded individuals, the same year Weir did however successfully nominate Sir Andrew Duncan to the DPRC for the role of the head of a panel examining how to best reorganize the steel industry.⁴⁴

Weir's forceful insistence that 'business as usual', a favourite line of Chancellor (from 1937, Prime Minister) Neville Chamberlain, should be scrapped in favour of what he called 'semi-war' conditions eventually swayed many members of the DPR. At one point, Weir insisted that one of the major barriers to swift action was constant Treasury oversight of plans, however small, leading to delays and postponement.⁴⁵ Weir's insistence that the 'word of the man in supply should carry', first made in 1936, was eventually translated into action though only in 1938, illustrating the faith in the committee system and in tight Treasury control.⁴⁶

Though it perhaps took much longer than necessary, once this system was broken down, senior supply figures were more or less free to thrash out details with other service departments and even directly with businesses themselves to secure capacity for military orders. They often did so by bypassing the committee structure altogether. Most notably, Lithgow, with Sir Reginald Henderson (Controller of the Navy), Sir Harold Brown (Director General of Munitions Production) and Sir Charles Craven from Vickers, worked out several deals, often over lunch, to allocate sites or portions of them between the navy, army and air force without official CID permission. Lithgow, unsurprisingly, felt liberated by such developments and remained anxious to keep such discussions under wraps lest the CID intervene and grind progress to a

⁴⁴ CCC: WEIR17, DPR(DR)9, 'Preliminary List of Sections of Industry with which Early Contact should be Made', 28 May 1936.

⁴⁵ *Ibid*, see also Peden, *British Rearmament and the Treasury*, for a fuller overview of this important topic.

⁴⁶ TNA: CAB16/123, Subcommittee on Defence Policy and Requirements, Programmes of the Defence Services. Report, Feb. 1936.

halt. This was clearly successful as Brown, in unpublished memoirs, remarked that when the Minister of Labour, Ernest Bevin, suggested in 1940 that the various heads of production should meet to overcome disputes, the only material difference 'was that Her Majesty's Government now picked up the restaurant bill'.⁴⁷

Despite the problems inherent within the structure of the CID, such examples highlight the unusual power and influence that Weir and, to a lesser extent, Lithgow and Balfour held within, and sometimes outside, relatively senior committees on matters of defence and procurement. Perhaps more importantly, it highlights their comparatively radical vision for industrial reorganization. Upending 'business as usual' economic orthodoxy, devolving power downwards towards owners and company managers, using a small group of firms as nodes around which others coalesce, and ending salaried work were, though not uniformly implemented, significant deviations from the otherwise relatively backwards looking and one-dimensional understanding of arms procurement that had previously dominated the upper echelons of the Committee of Imperial Defence.

Insider information

Despite the apparent impact of such advice upon CID thinking, it would be wrong to characterise the relationship between industry and policy as a one-way street where the CID was the only, or even the main, beneficiary. A marked advantage, for instance, of knowing how planners thought on matters of procurement and policy – especially in the years before rearmament had been publicly accepted – was that figures like Lithgow and Weir could use such information for their own ends. Given the uncertainty that gripped their respective sectors and markets in the early 1930s, it was therefore unsurprising that they sought to capitalise on any edge that could be gained from close association with the committee's supply organs.

Lithgow is a case in point. Having been largely preoccupied in the 1920s with acquiring rival firms in Port Glasgow, and thereafter rationalizing the industry through the NSS, from 1934 Lithgow embarked on a scheme of purchasing naval and armament assets that would turn him into one of the sector's leading figures by 1939. This is especially noteworthy, for Lithgow had shown no appetite for preserving what he had repeatedly deemed 'excess' shipbuilding capacity, and had no background whatsoever in naval armaments contracts. Only after his invitation to the CID in late 1933 did those preferences change.

First, NSS policy changed. No major liquidations of naval yards occurred after 1934, despite its own calculations suggesting that the problems of excess capacity were *greater* in the naval and liner sectors than in merchant-only builders.⁴⁸ Despite this, several yards that had already been purchased were not liquidated and instead mothballed in a manner that could be brought back into readiness within six months.⁴⁹ This was quite a major break with recent tradition, but also one which undoubtedly helped ease CID planners' headaches.

Second, Lithgow bought into the Steel Company of Scotland, which had suffered (like many heavy industries) in the economic downturn and depression. This purchase, like the NSS, was funded by a Bank of England vehicle with Duncan's

47 BLH: TB box 1, Brown, 'Reminiscences', II, 143.

48 GUAS: GD319/12/7/6, Lithgow to Scott, 27 Jan. 1933.

49 For a discussion of this and the NSS scheme, see Miller, *Planning and Profits*, 118–21.

assistance. In turn, Duncan was installed as president of the British Iron and Steel Federation (effective January 1935), owing in no small part to Lithgow's personal recommendation. Within two years of this purchase, and following the publication of two government white papers effectively green lit rearmament, Lithgow sold his holdings in the Steel Company of Scotland to its erstwhile great rival, Colville's, and recorded a profit of more than a quarter of a million pounds.⁵⁰ With little coincidence, by the time of this sale Andrew Duncan was on the eve of becoming the new chair of the panel examining the steel industry's reorganization.

In a similar vein, in 1935 Lithgow bought Fairfield, a large mixed naval and mercantile shipbuilding and engineering firm in Glasgow with significant experience in naval manufacture. Fairfield had been driven to the financial brink by defaults on payments for a large liner contract, taking it well beyond the limit of its Bank of England overdraft, and highlighting the fine margins on which even large firms now operated. Stepping in when no one else would or could (in itself revealing), Lithgow purchased a controlling interest in the company for the comparatively small sum of around a quarter of a million pounds.⁵¹

Biggest of all, however, was his purchase of Beardmore's large steel forge, which was well equipped for armour plate and gun manufacture – but had used to only a fraction of its capacity for much of the 1920s. Lithgow had history with the company – he been invited to become Beardmore's chairman in 1928 by the Governor of the Bank of England, Montagu Norman, whose bank owned shares (more accurately, debt) in the firm, but had declined. Norman, after consulting Duncan, had then appointed the former director of the defunct Coventry Ordnance Works, H. A. Reincke, and ousted William Beardmore, now Lord Invernairn. Lithgow eventually agreed to sit on the board from 1932 in his guise as head of the NSS, which had liquidated some of the company, but showed very little interest in the running the remainder of the firm.⁵²

Yet within months of beginning his involvement with the CID, Lithgow developed a sudden and rather intense interest in not only the fortunes of Beardmore, but in controlling it outright. Starting in 1934 and increasing thereafter, Lithgow became a vocal critic of Reincke's stewardship, remarking that it was only because he was 'the nominee of my friend, Andrew Duncan' that his confidence in him had lasted as long as it had.⁵³ Thus, when the chance came to acquire shares in the firm in early 1936, Lithgow readily did so, leaving Norman the task of informing Reincke his chairmanship of the business was being removed so Lithgow could take over.⁵⁴

Lithgow's purchase, for around £¾ million, represented a very substantial sum of money, even in the comparatively 'late' year of 1936 when the idea of (if not contracts associated with) rearmament was beginning to take shape. Despite this, Lithgow was provided not only with discounts on the share certificates totalling

50 Payne, *Colvilles and the Scottish Steel Industry*, 209–13; Johnman and Murphy, *Scott Lithgow*, 63 and 68; and Reid, *James Lithgow*, 169.

51 Glasgow City Archives: UCS2/1, Fairfield, board minutes, Nov. 1935. Lithgow took 24,580 shares at £10 each.

52 GUAS: GD320/2/10/6, memorandum of R. v. L., 26 May 1941.

53 *Ibid.*

54 GUAS: GD320/2/10/6, Minutes of Special Meetings of Directors of Beardmore, held at the Bank of England, 26 Feb. 1936.

tens of thousands of pounds, but was extended £¼ million overdraft facility by the Bank of England. This not only sweetened what was already a good deal but also had the side effect of enraging Lord Invernairn. After learning of the terms of the agreement (but knowing little if anything of the dealings behind the scenes), Invernairn fumed to Lithgow in April that he had very recently attempted to buy the same shares from the Bank of England, but had been turned down by Norman, and thus was furious at what he perceived was preferential treatment.⁵⁵ Lithgow, denying the accusation of impropriety, sidestepped the question of preferential treatment, and instead claimed his motivation was, innocently, 'the sincere desire to help the West of Scotland' out of its malaise.⁵⁶

If further evidence was needed of Lithgow's usage of such information and connections for his own benefit, it can be found in his sending to Duncan officially secret CID material on defence hypotheses during the negotiations to purchase the company. These hypotheses had fretted over Beardmore's perilous position, to the extent that it would even be prudent to remove it altogether from national calculations of available capacity. Quite apart from being strictly illegal, this was also a kind of market manipulation: by suggesting that Beardmore ran the risk of becoming worthless, and to a close friend that was a trusted confidant of Montagu Norman no less, Lithgow simultaneously strengthened his hand while weakening the bank's bargaining power.

This had effects beyond the sale of the firm. Lithgow, with some assistance from Weir also sparred with the government's Minister for Co-ordination of Defence, Sir Thomas Inskip, over the Clyde's failure in July 1936 to secure either of the first two orders for the King George V class battleships, which had gone to Cammell Laird in Birkenhead and Vickers-Armstrong on the Tyne. Lithgow claimed Inskip's 'intrusion of political interest' into Admiralty allocations was the root of the problem, and that his anger stemmed not from his ownership of Fairfield, but out of his 'previous endeavours to assist government policy of stimulating activity in the distressed industrial areas', and that he feared 'political agitation' on the Clyde if the balance was not redressed.⁵⁷ John Brown at Clydebank and Fairfield at Govan duly received two of the next three orders, placed in November 1936 and May 1937, although it should be noted at this juncture that given available capacity and skills it was always likely that at least two of the five orders would have been placed on the Clyde.

This episode was by now becoming classic Lithgow behaviour. By blaming inaction or 'bad' decisions for weakening, directly or indirectly, a company or region's ability to meet future demand, he was also able play on the fears of whomever was likely to be most receptive. Such stunts helped him to lobby the Treasury, for example, to help meet refurbishment and expansion costs to the armour and gun works at Beardmore, receiving almost £150,000 from the exchequer by the beginning of 1937.⁵⁸

Lithgow is thus perhaps the most egregious example of what could be best described as a kind of insider trading. Indeed, when one examines the naval arms sector holistically, he was unique in becoming the only new entrant to a sector most

55 GUAS: GD320/2/10/6, Invernairn to Lithgow, 4 Apr. 1936.

56 GUAS: GD320/2/10/6, Lithgow to Invernairn, 26 Feb. 1936.

57 GUAS: DC35/31, Lithgow to Inskip, 2 Nov. 1936.

58 Hume and Moss, *Beardmore*, 238.

had been looking to exit from as late as 1935. He was not the only one using inside information; Weir, albeit on a much lesser scale, also profited from these channels. By successfully establishing his own company as one of the key firms for procurement, he would not only see Admiralty orders increase by 450 per cent between 1935 and 1939, but later play a pivotal role in organizing the production of field artillery among smaller firms, securing new markets and orders in the process.⁵⁹ Yet this was not understood as nefarious from those on the inside; senior CID figures such as Sir Harold Brown, who had frequently lunched with Lithgow and others when agreeing capacity splits among defence firms, would later remark positively on their role, concluding that Weir was the 'outstanding example in the way which such work could be done, and where his commercial contracts made him uniquely competent'.⁶⁰

Wartime influence

Once war broke out, a new Ministry of Supply was founded to help co-ordinate procurement for all three defence arms. For five of the six wartime years, its head was Sir Andrew Duncan. He was nominated by Lord Weir.⁶¹ Likewise, Weir and Lithgow also took senior wartime roles, Weir as Director General of Explosives and Lithgow as Controller of Merchant Shipping and Repairs at the Admiralty. It was not all plain sailing in Duncan's new ministry, though. According to several accounts he struggled in his new role and was accused of 'bullying his subordinates' and 'wrecking the ministry by his constant vacillations' by Sir George Turner, Harold Brown's assistant.⁶² After just one year he was asked to resign and was replaced by Lord Beaverbrook.

More interestingly, though, was the reaction to his resignation from Weir and Lithgow. Both men similarly resigned their offices and returned to their businesses in Scotland, although they later returned to their government roles in 1941, as did Duncan to his old job in the Ministry of Supply. Turner's assessment on these matters is revealing, for he put it principally down to the enormous influence Weir could exert on Duncan (and one presumes could not with him no longer in post). Duncan, for his part, was decried by Turner as being 'mesmerised by Weir', a man whom he believed had an acute problem with 'jobbing' his friends into senior roles 'ten times too big for them' for which their only qualification was, in Turner's eyes their 'relationship with Weir'.⁶³

Sir George Turner's damning assessment did not stop here. He believed that the inherent danger with men like Weir was that their reputation preceded them, and thus their 'manner persuaded most people that they could never be talking arrant nonsense, and so it was not recognized as such'.⁶⁴ Clashing with his boss, Harold Brown, Turner claimed Weir had no experience in highly technical tasks, such as building an ammonia plant, for which his role as Director General of Explosives demanded. Brown merely responded that Weir was a director of Imperial Chemical

59 BLH: TB, box 1, Brown, 'Reminiscences', II, 183.

60 Ibid, 214-15.

61 CCC: WEIR17, DPR(DR)9, 'Preliminary List of Sections of Industry with which Early Contact should be Made', 28 May 1936.

62 BLH: TB, box 2, Turner Diary, 2 Jul. 1941.

63 Ibid.

64 Ibid.

Industries (ICI), leading Turner to later record in his diary that 'Weir's sole contribution to the ammonia question has been to press for ICI to get the contract despite the existence of a lower offer'.⁶⁵ Summing up the dispute in 1941, Turner was driven to remark that

However able these 'imported ministers' may be, few [industrialists] really seem to have the necessary background . . . The fact is outside business experience rarely covers so wide a field. It puts too much emphasis on cash values. This is one of the weaknesses of appointments from outside the parliamentary team.⁶⁶

While this was clearly at least in part a clash of personalities between a career civil servant and an industrialist that he regarded as imported and who treated government work 'like big business', Turner took a much dimmer view of the entire principle of entrusting those with industrial experience to senior government roles. It thus offers a point in which to assess the contribution of these men, and to assess his broader point about the costs and benefits of business influence on defence matters.

Conclusions

In summary, the case of Weir, Lithgow, Duncan (and Balfour) is much more than simply a hitherto little known story of a small group of closely connected men who operated successfully in the rough business waters of interwar Britain. It is a story of a network operating in and influencing the upper echelons of a secret world from which outsiders were almost always strictly excluded and where the costs of failure were, in theory, extremely high. It is no exaggeration to say that this trio, and Lord Weir in particular, were the most influential business voices in the British Empire on matters of defence in the years between the wars.

The list of achievements is impressive: the shadow factory scheme, the paring down of unwieldy lists of key firms, educational orders, and crucially the wresting of Treasury control from 1938, were all eventually state-sanctioned methods of improving the efficiency of the British armaments industry before the outbreak of the Second World War. In a similar vein, Lithgow's rationalization of a bloated shipbuilding sector, with Bank of England support, was critical in reducing capacity and unhealthy competition in the sector, though from 1933 it began to be counterproductive in the crucial area of naval armaments. Thereafter, his purchase of key companies and altering the course of NSS policy based on his access to inside information worked to not only undo some of the earlier damage of rationalization, but to concentrate assets in 'safe' hands that were less likely to collapse or downsize before rearmament began.

The second half of 1933 was therefore the crucial turning point. In bringing Lithgow and Weir into the fold, it connected the world of defence planning with not only the fortunes of their respective businesses, but with the financial might of the Bank of England, whose capacity to shape the fate of industry was unsurpassed. In doing so, it allowed policy to be shaped in a way that was both beneficial to the supply planners in so far as Lithgow could halt or redirect NSS policy, but also to the industrialists themselves, who ended up owning a greater share of the armaments sector than they had in any previous year. While this was insider trading by another name, it did also mean that Palmers, Fairfield, a large part of Beardmore and other

65 BLH: TB, box 7, 'Other Items not in Diary Form'.

66 BLH: TB, box 2, Turner Diary, 2 Jul. 1941.

facilities, survived into 1937 and beyond when naval orders resumed in earnest. In this sense, though all 'Clydesiders', none of Weir, Lithgow and Duncan appeared especially predisposed to ensuring the Clyde, or by extension Glasgow, got a better 'deal' than other regions. Though rivalry between the Clyde and the Tyne was a long-standing feature of the period, it is not readily detectable here. Weir's advice stressed capacity on a national level, Lithgow's NSS rationalization was relatively even-handed; and even his 'distressed areas' claim was only a thin veil over his attempts to secure orders for the firms he had a financial interest in, though in the sense of Beardmore's capacity in armour and guns, was clearly to the benefit of the sector more generally.

What is perhaps most astonishing in this story is how close one of Weir, Lithgow or Duncan appeared to be at all times during the major industrial decisions of the 1930s. Those that might be thought of as the 'usual suspects' – Harry McGowan at ICI or Charles Craven at Vickers – men who were claimed by pacifists in the 1930s to be 'Merchants of Death' for their supposed role in fomenting war, were at best comparatively very late and low-level entrants to the story of rearmament planning. Yet Duncan, through the Bank of England, helped broker deals to at first remove and then preserve capacity, in the latter case directly enriching Lithgow in the process. Lithgow, the architect of rationalization, was both the problem and the solution facing CID planners at various points in the 1930s, and eventually the man who worked with and against the committee system to allocate capacity among competing claims from defence departments. And Weir, as probably the most powerful industrialist of his generation, rubbed shoulders and influenced the prime minister, chancellor, foreign secretary and others through his role on the Defence Policy and Requirements Committee, and in no small way helped to loosen the tight Treasury oversight from 1938.

There are, however, still contradictions in this story of industrial influence. For instance, Lithgow grew increasingly tired of what he perceived was a state bureaucracy that was directly damaging to British industrial efficiency, and his lack of ability to influence the bureaucratic process. Additionally, Sir George Turner, in marked contrast to the glowing praise meted out by his boss, characterized the same men as unsuited to government work, taken to cronyism, but also men whose aura and business acumen essentially stunned civil servants, politicians and military leaders into accepting their every scheme, no matter how flawed. Clearly, both sides cannot be correct in their assessment of where fault lay. How then should we assess the nature of industrial influence within the CID during and after rearmament?

Mostly, this can be explained by size and by history. One should remember first the very large scale of the CID, even during peacetime, with hundreds of members, dozens of (sub)-committees and hundreds of meetings. Secondly, was its relative lack of peacetime experience of working directly with industry or industrialists. Indeed, in the years between the winding up of the Ministry of Munitions in 1919 and the formation of the panel involving Weir, Lithgow and Balfour in 1933, no business figures had served in any capacity in any of the major planning subcommittees of the CID in any form. In sum, this was a gargantuan organization that had grown and evolved over several decades, and by the mid-1930s was stuffed with career bureaucrats and competing interests, which perhaps naturally acted as a brake upon swift resolution of disputes or rapid progress.

So too did the necessarily cautious outlook of the National Government, itself wedded to rigid economic orthodoxy and adherence to Washington-era limitations, even if co-signatories repeatedly flouted such rules. The result was an environment that businessmen like Weir and Lithgow found stodgy, lacking agility, and wholly unable to shape and reshape British productive capacity in a manner that would allow business to get on with the job of rearming, especially after the Washington tonnage limits expired in 1936. Instead, the response to a recommendation to act was usually to form a committee to examine the subject, which not infrequently concluded that the pace of geopolitical circumstances rendered the original recommendation obsolete, and the whole cycle began anew.

It is therefore unsurprising that Lithgow, having invested heavily in assets like Fairfield and Beardmore, and in his desire to make progress, eventually did so by circumventing the CID altogether. Such a step highlights not only the inefficiency inherent in the state committee system, but also the clash between a business and bureaucratic elite with very different styles of operating. While this divide was not bridged by the beginning of the war, the balance of power in armament policy by 1941, albeit with resignations to make the point, was shifting irrevocably towards businessmen, and to Weir, Lithgow and Duncan in particular. And so if they were, as Turner suggests, unsuited to government ways of working, then it was no bad thing. For the course of British rearmament owes no little debt to their efforts, and even to their occasional lack of scruples.

Christopher W. Miller is lecturer in economic and social history at the University of Glasgow. He holds degrees from Oxford, and from Glasgow, where he completed his PhD on the political economy of naval armaments manufacture in 2015. His research focuses on state–industry relations and blends together aspects of business, military and political history. He is the author of *Planning and Profits: British naval armaments manufacture and the military–industrial complex, 1918–1941* (2018) and several articles on business and labour history.

References

- Edgerton, D., *Warfare State* (Cambridge, 2005)
- Forbes, N., 'Democracy at a disadvantage? British rearmament, the shadow factory scheme and the coming of war, 1936–40', *Jahrbuch für Wirtschaftsgeschichte*, 2 (2014) 49–70
- Lloyd George, D., *War Memoirs*, vol. 1 (London, 1933)
- Gordon, G. A. H., *British Sea Power and Procurement between the Wars: A reappraisal of rearmament* (Hong Kong, 1988)
- Hume, J. R. and M. S. Moss, *Beardmore: The history of a Scottish industrial giant* (London, 1979)
- and H. Murphy, *Scott Lithgow: Déjà Vu All Over Again! The rise and fall of a shipbuilding company* (Liverpool, 2005)
- and —, 'Subsidy and Treasury: The Trade Facilities Act and the UK shipbuilding industry in the 1920s', *Contemporary British History*, 22:1 (2008), 89–110
- Johnson, F. A., *Defence by Committee: The British Committee of Imperial Defence 1885–1959* (Oxford, 1960)
- Kyba, P., *Covenants without the Sword: British public opinion and defence policy, 1931–1935* (Waterloo ON, 1983)
- Mackenzie, A., 'Public-spirited men: Economic unionist nationalism in inter-war Scotland', *Scottish Historical Review*, 96:1 (2017), 87–109

- Marriner, S., 'The Ministry of Munitions 1915–1919 and Government Accounting Procedures', *Accounting and Business Research*, 10:1 (1980), 130
- Miller, C. W., *Planning and Profits: British naval armaments manufacture and the military-industrial complex, 1918–1941* (Liverpool, 2018)
- Packard, E. F., 'Whitehall, Industrial Mobilisation and the Private Manufacture of Armaments: British State-Industry Relations, 1918–1936', unpublished PhD thesis, (London School of Economics and Political Science, 2009)
- Payne, P. L., *Colvilles and the Scottish Steel Industry* (Oxford, 1979)
- Peden, G. C., *British Rearmament and the Treasury, 1932–1939* (Edinburgh, 1979)
- Reader, W. J., *The Weir Group: A centenary history* (London, 1968)
- , *Architect of Air Power: The life of Viscount Weir of Eastwood* (London, 1971)
- Reid, J. M., *James Lithgow: Master of Work* (London, 1964)
- Sayers, R. S., *The Bank of England, 1891–1944* (Cambridge, 1976)
- Shay, R. P., *British Rearmament in the Thirties: Politics and profits* (Princeton, 1977)
- Slaven, A., *British Shipbuilding: A History 1500–2000* (Lancaster, 2013)