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## ‘Public-spirited men’: Economic Unionist Nationalism in Inter-War Scotland<sup>1</sup>

### ABSTRACT

The prolonged economic slump which overshadowed much of the inter-war period encouraged a small number of Clydeside industrialists to intervene with bold plans to restructure and revive the Scottish economy. Key figures like Sir James Lithgow and Lord Weir exploited their business, banking and political connections, in Scotland and in London, to produce a uniquely Scottish response to the inter-war crisis. Championing the existing Union and imperial relationships, they nevertheless articulated a new sense of Scottish exceptionalism. Convinced that any revival in trade was dependent on rationalisation of the heavy industries and an ambitious programme of diversification, Lithgow, Weir and their associates promoted distinctive Scottish solutions. Building on the work of Graeme Morton, the article suggests that what emerged was an economic Unionist Nationalism which built alliances between business and civic Scotland to secure Scottish interests while acknowledging the primacy of Union. The mechanism used to achieve their aims was based upon the associational culture of Scottish business, ‘self-help’ voluntary bodies which carefully steered an independent path, avoiding, where possible, direct state involvement. Yet the depth and persistence of the global depression, and the urgency of the task at hand in Scotland itself, encouraged the business community to moderate its hostility to interventionism and economic planning and engage with new partners. The founding of the Scottish National Development Council in the early 1930s, bringing business and civil society together to help foster economic revival, was a crucial staging post on the journey towards corporatism. Motivated by a mix of public-spiritedness and self-interest, there was, however, a strong defensive element to their actions as the essentially conservative industrialists sought to ward off social, political and economic threats from within Scotland. Their willingness to step forward suggests a traditional sense of patrician responsibility, but there

was also an acute awareness of the need to adapt, a progressive quality missing from other actors.

The inter-war trade depression has been well-recorded, but less attention has been given to the response of Scottish business.<sup>2</sup> The Great War left the staple trades exhausted and indebted, but Scotland was slow to adapt to the new, consumer-focused industries which thrived in southern England.<sup>3</sup> George Malcolm Thomson, the journalist and nationalist, captured the national mood when he observed that ‘there is a five word phrase which brings terror to the hearts of all Scottish people: *The Southward Drift of Industry*’.<sup>4</sup> The resulting gloom influenced writers, intellectuals and politicians and encouraged a brief flowering of Home Rule activity.<sup>5</sup> Yet there was also movement from within the business community. From the mid-1920s until the outbreak of the Second World War, a new generation of West of Scotland industrialists intervened to advance a business-orientated alternative to state intervention or managed decline. Building on Victorian ideas of self-help and voicing a determinedly optimistic view of economic revival, this small group of respected business figures worked to restructure Scottish industry while restoring self-confidence. Crucially, these industrialists—Unionists to a man—were explicit in articulating the need for distinctively Scottish solutions.

This article considers the economic Unionist Nationalism which emerged during the inter-war years. Specifically, it addresses the behaviour of those West of Scotland figures—Sir James Lithgow, Lord Weir and Sir Steven Bilsland—who used the security of inherited wealth and

their connections within and beyond the business community to advance their vision of Scotland's economic future. James Lithgow (1883–1952) and William Weir (1877–1959) were the pre-eminent Scottish industrialists of their generation. Lithgow built his reputation as a shipbuilder, Weir in engineering.<sup>6</sup> Both men had inherited successful businesses, and in each case there was a trusted family member (Lithgow's younger brother Henry, Weir's half-brother John Richmond) whose day-to-day management allowed the elder sibling to develop interests beyond their respective industries.<sup>7</sup> In contrast, Steven Bilsland (1892–1970) had a lower profile.<sup>8</sup> He forged a career in banking and insurance, but he was also an active member of Glasgow Chamber of Commerce and a leading figure in the Chamber's attempts to revive the West of Scotland economy. All three advocated radical surgery for the failing heavy industries and rapid diversification to introduce new industries to Scotland, and throughout the 1930s they championed initiatives which sought to transform the country's fortunes.

For much of the inter-war period, attempts to restore economic stability were predicated on two strategies: rationalisation and diversification. Sir James Lithgow and Lord Weir were amongst the first to recognise that however the recovery manifested itself, the heavy industries would not regain their pre-eminence. At a practical level, rationalisation served as a means of addressing over-capacity, but it also provided an opportunity for Scottish industrialists to preserve their own interests. The benefits for individual firms in reducing wasteful duplication were clear, but the case for rationalisation in Scotland assumed national significance, extending far beyond the industries in question. Writing in 1932, Lord Weir warned that the 'entire future industrial prosperity of the West of Scotland depends on the recreation of a healthy steel industry', but what he was advocating was far from Clydeside nationalism, it was an appreciation of a deeper *Scottish* interest.<sup>9</sup> In promoting remedial

action, Lithgow, Weir *et al* were stressing Scottish exceptionalism while continuing to support Union and Imperial relationships. Indeed, such was the strength of their commitment to unionism, and the lengths they went to reimagine it in a more troubled period, that it calls into question Colin Kidd's use of the term 'banal unionism'.<sup>10</sup> Kidd rightly notes the porousness between unionism and nationalism in the early twentieth century, but the suggestion that, for most Scots, the Union remained 'uncontentious and invisible', underplays the disparate threats which came together so forcibly in the 1920s.<sup>11</sup> Inter-war unionism, at least from an economic perspective, was far from banal. For the industrialists contemplating the repercussions of the post-war slump, there were many reasons to be alarmed, and the sudden turnaround in Scottish economic prospects was compounded by the political fallout from Red Clydeside and a small, but vocal, Home Rule movement. Building on Graeme Morton's work on mid-nineteenth century Unionist Nationalism, it will be suggested that the sustained period of uncertainty after the Great War compelled forward-thinking members of Scotland's business community to rethink economic development in purely Scottish terms.<sup>12</sup>

The economic Unionist Nationalism which emerged shares many of the characteristics identified by Morton, but the scale of the dislocation created new urgency. To address shortcomings exposed by the post-war slump, Scottish industrialists built alliances across civil society, using the institutions and associational culture of civic Scotland and the commercial realm. Attempts to rebalance an economy which had grown too dependent on heavy industry relied upon voluntary organisations which remained distinct from the state. By operating at one remove from the state, their interventions mediated through their stewardship of the principal industrial institutions—Chambers of Commerce, inter-locking directorships and employers' associations—Scottish business sought to defend the existing

Union and imperial relationships. Morton's observation that the committees of nineteenth-century urban Scotland provided 'the very machinery necessary to deal with almost any social, economic or political issue in the city and without recourse to the parliamentary state', could equally be applied to the interventionism of inter-war development bodies.<sup>13</sup>

Yet whereas Morton offers a compelling examination of the urban 'state within a state' in the mid-nineteenth century, industrial Scotland, in the throes of the inter-war depression, presents an additional economic dimension. Reviving old industries and diversifying into new areas required the broadest of coalitions, new entities which extended well beyond the traditional business milieu. The creation of the Scottish National Development Council (SNDC) represented such change. With its voluntary structure and web of sub-committees, the SNDC had its genesis in the Victorian civil society described by Morton, but the national vision and the economic intent suggests something more significant.<sup>14</sup> With strong support from local government and individual Chambers of Commerce, the SNDC provided a new outlet for a civic nationalism that was rooted in some of Scotland's oldest institutions. It appears apt that the launch of the Development Council took place at a meeting of the Convention of Royal Burghs, a body with a long pedigree which had been central to the setting up of the modern Scottish Office in 1885.<sup>15</sup> Lithgow explained that the Development Council's main task was 'to inspire Scotsmen with a renewed belief in themselves and in their country' and considered its role to be one of 'stimulating psychological influence' and restoring self-confidence.<sup>16</sup> Overcoming the sense of national malaise—which became more pronounced as the depression began to bite—was one of the Development Council's central aims, and initiatives like the opening of an information bureau in London, the magazine *Scotland* and the 1938 Empire Exhibition need to be viewed through this prism.

By the late 1930s, a more active body—the Scottish Economic Committee (SEC)—had emerged. This example of Marwick’s consensual ‘middle opinion’, placed in a Scottish context by Lindsay Paterson, mirrored the growing autonomy of the Scottish Office as more functions transferred north from Whitehall.<sup>17</sup> Paterson’s observation that ‘the Scottish Office led the way in promoting the notion of a Scottish national interest’ was as accurate in the late 1930s as it was in the 1960s.<sup>18</sup> The growth of economic planning and statist ideas reflected continued uncertainty, but it also signalled the once-independent Scottish industrialists’ acceptance of collaboration and consensus. Crucially, it was clear that the solutions for Scotland’s economic ills were now to be sought within Scotland itself. Economic Unionist Nationalism in the 1930s relied upon a coalition of interested parties from across Scottish civil society, but it was the business community which provided direction. The parochialism apparent in Morton’s description of mid-nineteenth century Scotland was replaced by a more determined national vision. Yet it was still rooted firmly in the Union relationship, albeit one now evolving in response to the economic concerns of Scotland’s industrial elite.

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The first tangible sign of economic Unionist Nationalism—the reshaping of the steel and shipbuilding industries—was a direct response to the collapse in trade after 1920. Over the following two decades, industrialists like Sir James Lithgow intervened to defend and secure Scottish interests. Julian Greaves has suggested that by the late 1920s, rationalisation had become ‘common currency’ within much of British industry, but in Scotland its application was uneven at best.<sup>19</sup> R. H. Campbell has noted how the outlook of Scottish industrialists had

been moulded by the cycles of boom and bust of the pre-war period, leaving them wholly unprepared for the depth and persistence of the post-war crisis, preferring instead to 'wait and see'.<sup>20</sup> When the conflict began in 1914 it offered temporary relief, but signs that British economic hegemony was in retreat, apparent before the war, intensified. During the Great War, Weir and Lithgow were part of a cadre of talented figures from business who were recruited to government in response to a perceived dearth of talent in the civil service. Although born out of necessity, the introduction of businessmen into the supply of munitions and shipping unwittingly created a network of shipbuilders, engineers and assorted industrial experts who would later work together in Scotland throughout the downturn. Their exposure to heightened state control was an important stepping stone on route to the corporatist ideas of the late 1930s, yet the experience of war itself served to underscore the continuing strength of the Union.

For the generation of industrialists who led businesses in the immediate pre-war period and came to prominence during the war, there was obviously a strong element of self-interest and defensiveness about their need to preserve their individual industries. Lithgow had much to gain from any revival, and although his involvement in the rationalisation process carried short-term risk, a slimmed-down industry was always going to generate greater returns for the survivors—especially once rearmament was confirmed.<sup>21</sup> Any meditation on the actions of Lithgow and Weir should be tempered with the knowledge that their personal interests were intertwined with the fortunes of the wider Scottish economy. Yet this in itself cannot explain the effort expended in securing the future of the Scottish industry. Over the course of more than



a decade, from the mid-1920s until the outbreak of the Second World War, Lord Weir and Sir James Lithgow intervened repeatedly to reduce the productive capacity of both steel and shipbuilding so that the remaining units might prosper. Using contacts in banking, threats, persuasion, or simply, 'the depth of the Lithgow family's purse', rationalisation was just one strand of a broader Unionist Nationalism.<sup>22</sup>

The rationalisation movement in Scotland was intrinsically linked to the fortunes of the giant Beardmore business.<sup>23</sup> More than any other firm, William Beardmore & Co. Ltd symbolised Scotland's industrial contribution to the war effort and the disastrous effects of the aftermath. Over-stretched and indebted, Beardmore slid into a steep decline, unable to recover from the sudden termination of armaments contracts and the reduction in naval shipbuilding.<sup>24</sup> Beardmore's problems were symptomatic of an industry-wide problem and served as a metaphor for decline in Scotland itself. In a wave of post-war optimism, many of the principal shipbuilders had bought majority holdings in steel firms to ensure continuity of supply, but this vertical integration occurred as the market collapsed leaving many saddled with ruinous debts. The very real prospect of the Beardmore business entering liquidation concentrated minds in the business and financial communities, the Bank of England looking to protect its own and the clearing banks' liabilities.<sup>25</sup> In many respects, Lithgow and Weir were fortunate that the concerns of the Governor of the Bank of England, Montagu Norman, about the implications of a Beardmore collapse coincided with their desire to reshape the industry. Norman's determination to extricate the Bank from damaging loans gave the industrialists considerable freedom. Lord Weir—respected within industry and trusted by government—was an obvious go-between and in tandem with the Ayrshire-born industrial

administrator Sir Andrew Duncan, he acted as a conduit between the Bank of England and Scottish industry.<sup>26</sup>

The unique degree of access to the Governor of the Bank of England that Weir and Lithgow were able to achieve gave them considerable authority when it came to leaning on the more reluctant participants in the process, helping to ensure that once rationalisation was underway, it became an unstoppable force. Although the support of the Bank of England undoubtedly removed many obstacles, government involvement was minimal. With the Beardmore debacle casting a long shadow, the Bank of England was doubtless relieved that there were individuals prepared to assist and, more importantly, offer a workable alternative to outright nationalisation, particularly after the election of a Labour government in 1929. But there was also a remarkable degree of trust in Lithgow and Weir's abilities. Writing to the Governor of the Bank of England in 1929, Sir Andrew Duncan clearly believed that having Lithgow involved in restructuring the shipbuilding industry represented something of a coup:

We are also impressed with the fact that a reliable and competent man like Sir James Lithgow, has agreed to become active in the matter ... Needless to say, the greatest latitude would have to be given to Sir James Lithgow, and we feel very sure that trust in him would not be misplaced.<sup>27</sup>

With their extensive connections in business, banking and politics, in Scotland and in London, Weir and Lithgow were perhaps the only Scottish industrial figures during the period with the confidence and ability to step forward. They used their standing to pull together the disparate factions within industries. The 'highly individualistic and independent shipbuilders who

maneuvered themselves uneasily into hesitant co-operation' were brought together largely because of fear over the consequences of inaction.<sup>28</sup> The first sign that meaningful change might be possible was a meeting of Scottish steel owners at the Glasgow home of Lord Weir in February 1929 to discuss a possible series of mergers designed to rationalise capacity in the industry within Scotland. Weir was adamant that he was working independently and for the good of Scotland, telling the meeting that he was,

Gravely concerned at the depressed conditions of industry in South Scotland as compared with the prosperity of Southern England ... you have it in your power through this metallurgical development to completely rejuvenate both the industries and the spirit in the West of Scotland.<sup>29</sup>

The subsequent Brassert Report, recommending a new integrated plant at a deep-water location at Erskine on the River Clyde included too many risks for individual owners, but it opened a dialogue between the main producers which, given the strong personalities and the animosities which had existed between them, was significant in itself.<sup>30</sup>

Steel rationalisation dragged on into the 1930s and became increasingly dependent on Sir James Lithgow flexing his financial muscle. The Lithgow brothers' ownership of the mining and steel firm James Dunlop & Co. had allowed them to participate in the Brassert talks in 1929 and their audacious approach to John Craig, chairman of Scotland's largest iron and steel producer, David Colville & Sons Ltd, proposing that their firms should merge, placed them centre-stage. Craig recognised the purchasing power of the Lithgow shipyards and was keen to cement the relationship and the deal. Colvilles Ltd, formed in January 1931, was

subsequently welcomed as being 'a rationalisation move of first class importance to Scotland'.<sup>31</sup> Recognition that the survival of the heavy industries depended on collective action on the part of the Scottish producers and that merger offered the most practical route towards some form of prosperity, created a momentum which eventually overcame the extensive personal differences between individual owners. The idea of an industry-based solution was appealing. In 1931, the Shipbuilding Employers' Federation wrote that 'the shipbuilding industry has always been opposed to state aid or interference of any kind'.<sup>32</sup> While this was more than a little disingenuous, the shipbuilders feared nationalisation and the industry's own scheme was a defensive measure to protect its own interests—a demonstration that they could put their own house in order.<sup>33</sup>

James and Henry Lithgow joined the board of the newly-created Colvilles Ltd. The following year, because of Bank of England pressure, Sir James joined the board of Beardmore, ensuring that the remaining parts of the company could be included in his vision of a slimmer, more specialised industry. Lithgow was blunt in his assessment of the weaker parts of the Scottish industry, telling Sir Andrew Duncan that 'we are going to have a hard enough job in the Scottish steel trade to keep the living in life without trying to do the impossible with resurrecting the dead'.<sup>34</sup> Negotiations between owners remained painfully slow and Lithgow's solution to the impasse was to act independently of Colvilles and use his own private wealth to buy a controlling stake in the most significant of the remaining independent firms, the Steel Company of Scotland (SCS). Lithgow paid £672,975 for SCS in 1935, complaining that 'I have a feeling that the sellers are taking advantage to an undue extent of the known desire on my part not only to strengthen Colville's position, but to take action in the national interest'.<sup>35</sup> The purchase of SCS demonstrated Lithgow's ability to make the

grand gesture, and immediately upon taking control, he offered his shares to the Colvilles board, suggesting that he was willing to make a sale without taking a profit.<sup>36</sup> By 1936, with rearmament orders bringing stability and profitability, Colvilles Ltd was the monopoly producer of finished steel products in Scotland. The culmination of this prolonged series of mergers and amalgamations represented a considerable personal triumph for Lithgow, but it also represented a clear signal that Scottish business could and would move decisively to defend its interests.

Inter-war economic Unionist Nationalism highlighted the industrialists' strengths and weaknesses. As the most talented Scottish business figures of their generation, it was inevitable that Lithgow and Weir's ideas would carry weight, and their extended circle offered the means to act on them. Yet there was also a defensiveness, due in part to potential threat posed by the rise of the Labour Party in Scotland, and it is notable that the social and political repercussions of a complete closure of the Beardmore business were deemed unpalatable. Frank Hodges, an ex-trade unionist turned Bank of England advisor, admitted in 1931 that aid had been given 'to meet a temporary social situation which would have arisen in Glasgow if the Works had been stopped'.<sup>37</sup> To some extent, Scottish business was caught unprepared by social and political events to which they were either violently opposed, or simply did not understand. The recent history of industrial militancy in Clydeside was fresh in the memory, and in 1935 Sir Steven Bilsland, president of Glasgow Chamber of Commerce, could still tell an audience that the 'extreme political thought emanating from this area has damaged our reputation, and may have frightened promoters of new industries'.<sup>38</sup>

Weir and Lithgow's mistrust of socialism reflected ingrained prejudice, but their economic interventions from the mid-1920s onwards gain significance because of their willingness to move beyond the narrow parameters set by previous generations of business figures. The growing recognition that the survival of the heavy industries depended on collective action on the part of the Scottish producers and that merger—and, it was presumed, rationalisation—offered the most practical route towards some form of prosperity, created momentum. The belief that Scottish industry could unite as a distinct entity, in the face of various external threats, suggests a degree of nationalism within the parameters of the UK economy which prioritised the preservation of the existing industrial framework. Against this volatile backdrop, Scottish business was forced to address two sides of the same problem: their instinctive desire to resist the menace of socialism, and a growing sense that the pace of change—social, economic and political—was rapidly moving beyond their control. Their response, demonstrated repeatedly over the course of the inter-war period, was to seek to intervene on their own terms.

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Beyond the machinations that surrounded rationalisation, industrialists were keen to stress the need for diversification. Writing in 1932, Hugh Cree, president of Glasgow Chamber of Commerce, voiced a common concern when he noted laconically that 'we would have been better to have had our eggs in a larger number of baskets'.<sup>39</sup> If rationalisation was mired in gloomy talk of surgery and amputation, moves to diversify formed part of a more optimistic story of national renewal. Events as diverse as the creation of the Scottish National Development Council (SNDC), church union and the beginnings of administrative devolution

engendered a more positive outlook, but it was the Development Council which provided the most striking economic manifestation of Unionist Nationalism. The successes of the SNDC during the 1930s were limited—rearmament skewed economic progress and diversification was hesitant at best— but the more active and consensual approach adopted by the business community was central to embedding corporatism. Viewed in conjunction with reform in the Scottish Office, the SNDC and its offspring, the SEC, represented a significant break with the past. Weir and Lithgow's Unionist Nationalism was defined by their determination that revival should be built from within Scotland itself, and the new bodies which emerged in the 1930s created the mechanism for successive interventions well into the post-war period.

At the April 1931 meeting of the Convention of Royal Burghs, Sir Henry Keith, a venerable figure in Unionist circles, moved the motion to create the SNDC.<sup>40</sup> He highlighted the inclusive nature of the new organisation and suggested that the new body would welcome 'any Chambers of Commerce, or any bodies of employers or workmen, or others desirous of Scottish national development in any direction calculated to increase employment, and to advance and widen the economic interests of the people'.<sup>41</sup> The new body attracted attention from a host of Scottish worthies, but amongst the most active members were a number with nationalist sympathies: Sir Henry Keith and Sir Alexander MacEwen were instrumental in forming the moderate Scottish Party in the autumn of 1932.<sup>42</sup> Yet there was little conflict between the overwhelmingly Unionist representatives of business and the more mixed membership drawn from across civic Scotland.

With Sir James Lithgow confirmed as chairman, the work of the SNDC started in the autumn of 1931. Edward Bruce, earl of Elgin and Kincardine, a landowner, director of the Royal Bank

of Scotland, and chairman of Fife County Council, was elected president.<sup>43</sup> Elgin was a tenacious supporter of efforts to diversify and in his acceptance speech, he stressed that through the Development Council, industrial Scotland would finally have a voice.<sup>44</sup> As the most high-profile industrialist, it was, however, Lithgow who became the public face and the most energetic champion of the SNDC. From the outset, the Development Council stressed its independence, and both Lithgow and Elgin welcomed the participation of trade union representatives. Lithgow was an unfailingly enthusiastic advocate and during the difficult first year, when the new organisation could point to few, if any, concrete achievements, it was Lithgow, through a series of speeches and articles, who kept the SNDC in the limelight. Considering the other demands on his time, Lithgow's commitment to the SNDC was the clearest indication of his concern for the general economic development of industrial Scotland.

The tactics adopted in these early days owed much to the network of local development boards which had emerged across Scotland in the late 1920s. These initiatives were developed by individual Chambers of Commerce or town or county councils in response to sudden increases in unemployment. During the first two years of the SNDC, local organisations continued to operate in parallel with the national body, with individual Boards preferring to remain independent. This expression of civic nationalism reflected suspicion of the centralisation of efforts to promote diversification—the Edinburgh Development Committee, in particular, feared a west coast bias within the SNDC—but support for the SNDC amongst senior figures in local government helped to ease some of the local rivalries and perceived slights.<sup>45</sup> Local development boards not only provided the blueprint, in terms of aims, for the SNDC, they started to experiment with publicity and marketing, selling the merits



of investing in their particular locale. The Edinburgh Development Committee published a striking pamphlet, *Place Your Factory in Edinburgh*, which advised prospective employers that, 'generally speaking, Edinburgh workpeople are of a superior type and, on the average, of a high standard of education, intelligent, and adaptable to new methods and modern development'.<sup>46</sup> In the west of Scotland, the Development Board for Glasgow and District, formed in 1930, promoted the advantages of locating in Glasgow and the Clyde Valley.<sup>47</sup> Town or County Councils in Falkirk, Airdrie, Ardrossan, Kilmarnock, Dunbartonshire and West Lothian all formed their own committees.<sup>48</sup> Even Campbeltown, coming to terms with the closure of local mines, established its own Board.<sup>49</sup> In each case, the priority was diversification. The development boards recall Morton's suggestion that through participation in governance at the local level and engagement with a wide variety of activities, 'good and worthy' men would take control of their own affairs, working in cooperation with central government.<sup>50</sup>

Yet despite the Development Council attracting talented personnel, progress was slow. In a letter to Weir, discussing the relative effectiveness of the Liverpool Development Board, Lithgow wrote that 'such a council, well run, might be of inestimable value to Scotland. Unfortunately, up to date it [the SNDC] has not cut any ice because its construction has been a trifle haphazard'.<sup>51</sup> Lithgow recognised, however, that 'a much more forceful way of awakening interest in Scottish industry [was] to make the nation-wide appeal'.<sup>52</sup> The Scottish Trades Union Congress (STUC) agreed. At their April 1931 conference, just days after the Convention of Royal Burghs debate, the STUC president, C. N. Gallie, suggested that 'a National Development Board which would view the problem as a whole is imperative'.<sup>53</sup> The participation of the trade union umbrella organisation in the SNDC was controversial, with

individual members recoiling from cooperation with a business leadership they still viewed with hostility.<sup>54</sup> The irony that those industrialists who had been vilified for rationalisation and the resultant unemployment were now in charge of the recovery was not lost on many trade unionists, with a delegate to the 1937 STUC conference expressing incredulity that 'the captains of the wreckers are the coxswains of the life-boat crews'.<sup>55</sup> The long-serving STUC secretary, William Elger, was nevertheless open to trade union involvement with the Development Council, and in tandem with the slightly less confrontational approach of Scottish business in the 1930s, helped to settle some of the lingering tensions from the Red Clydeside period.<sup>56</sup>

The first serious indication of government involvement in industrial development came with the appointment of Sir Arthur Rose, an Edinburgh businessman, as Special Areas Commissioner for Scotland in 1934. A director of both the Glasgow-based Union Bank of Scotland and the LMS railway, Rose was, unsurprisingly, part of Lithgow and Bilstrand's extended network of contacts.<sup>57</sup> R. H. Campbell has commented on the hesitancy and lack of ambition in the Special Areas project as conceived in 1934 and this was only partly addressed by additional powers granted in 1937.<sup>58</sup> John Gibson has described how the 1934 legislation was drafted by the Treasury with the primary aim of limiting expenditure, suggesting that in their first few years, the Commissioner was timid and 'cautious to the point of triviality'.<sup>59</sup> Bizarrely, in his first few years the Commissioner was constrained from investing in industrial development; his early work, outside of planning and research, consisted of public works including drainage and sewerage.<sup>60</sup> It was only with the Special Areas Reconstruction (Amendment) Act in 1937, overseen by Rose's successor, Sir David Allen Hay, that direct financial aid for industrial development was channelled through the offices of the

Commissioner. As far as the SNDC was concerned, the appointment of the Special Areas Commissioner brought two distinct benefits. Firstly, it represented an acknowledgement on the part of government of the seriousness of the problem. More importantly, the Commissioner had funds and the limited resources that could be pushed towards the SNDC were gratefully received. Nevertheless, the initial bar on the Commissioner investing in new industries caused frustration, with nationalists becoming increasingly vocal. The *Scots Independent* complained that, 'development plans without finance are like an engine without power'.<sup>61</sup> Yet while the resources were feeble, the designation of a specific Scottish Commissioner was in itself recognition of the unique difficulties facing Scotland and the urgency of finding bespoke solutions.

In early 1936, continuing disquiet within both the business community and the Scottish Office about the slow pace of recovery led to the establishment of the Scottish Economic Committee (SEC). The idea of an Economic Committee was first suggested by Rose in his *First Report* (1935).<sup>62</sup> He had struggled to make any real impact since his appointment, and was keen to see the SNDC adopt a more active role. He was inspired and encouraged by Dr James Bowie, director of Dundee School of Economics and Commerce, who had called for 'extensive scientific efforts' to accelerate economic revival, citing the inadequacy of the existing work of the Commissioner and the SNDC.<sup>63</sup> Despite being set up as a sub-committee of the SNDC, the co-operation and increased financial support of the Scottish Office and the Commissioner for Special Areas ensured that the SEC assumed a quasi-official status, blurring the lines between business and the state.

The idea that the SEC, like the SNDC, was independent of government was reaffirmed by the secretary of state for Scotland (1932-1936), Sir Godfrey Collins.<sup>64</sup> Launching the SEC, he told his audience of businessmen that 'your Committee is not a Committee imposed on industry by the Government. It is a Committee created by industry itself, with whose objects His Majesty's Government is in the most complete sympathy'.<sup>65</sup> The *Glasgow Herald* welcomed signs of 'a revival in the old Scottish spirit of self-help', noting that that the SEC signalled a move from 'the necessary task of survey to brisk and aggressive action'.<sup>66</sup> In a similar vein, the Clydesdale Bank's annual economic survey in 1937 welcomed the 'closer and increasingly fruitful co-operation of public effort and private enterprise'.<sup>67</sup> The effusive welcome for the SEC from such traditionally conservative voices suggested that the corporatist ideas inherent in economic Unionist Nationalism had started to enter the mainstream of Scottish business opinion by the late 1930s. The recognition that intervention and cooperation represented potential opportunities was in part a reflection of the importance attached to rearmament orders, but there was also wider cultural shift within business towards accepting a greater role for the state.

The growing consensus between business and the Scottish Office created a tension with the Treasury which became apparent within days of the SEC announcement. The chancellor of the exchequer, Neville Chamberlain, claimed that any new body [the SEC] which supplanted the Special Areas Board would be tantamount to an admission of government failure.<sup>68</sup> Chamberlain felt that rearmament alone would provide the necessary stimulus for Lanarkshire and the Clyde, with smaller suppliers benefitting from a trickle-down effect. The failure of the Treasury to show any real understanding of the nuances of the Scottish economy, and its gradual loss of interest in the Special Areas, can be explained in part by its

belief that economic conditions nationally were improving.<sup>69</sup> The reality in Scotland was somewhat different, but the support of Scottish Office ministers and the growing civil service establishment in Edinburgh ensured that the Economic Committee was integrated into the Scottish economic and political nexus.<sup>70</sup> The suggestion of a schism, however minor, between London and Edinburgh was indicative, on the Scottish side, of an appreciation that even after administrative reform in the Scottish Office, the ingrained nature of the country's economic problems demanded a specific Scottish response.

In comparison with the SNDC, the SEC was a more purposeful outfit, reflecting an economic environment dominated by rearmament and the shadow of war. In contrast to the Development Council's diverse membership, the SEC membership was drawn primarily from the banks and industry. Heavy industry was particularly well represented—there were three directors of Colvilles on the SEC—and the Committee as a whole, despite the presence of three trade union members, demonstrated the extensive reach of the main industrialists. The SEC embraced interventionism and planning, actively seeking to emulate the successful trading estates of the south while lobbying hard to gain a larger share of rearmament orders for Scottish firms. Some of the most explicitly interventionist ideas advanced by the SEC came to fruition during this period. Scottish Industrial Estates Ltd was formed in 1936 to bring the idea of the purpose-built trading estate, as seen in Trafford Park or Slough, to Scotland. The following year, the SEC formed a limited company, The Scottish Development Financial Trust Ltd to provide capital for new industries locating anywhere in Scotland, not just within the Special Areas. Sir Steven Bilsland was the leading figure in both schemes, bringing experience from both Glasgow Chamber of Commerce and the Scottish clearing banks. The thinking behind these projects, the sense that 'something should be done' and the suggestion that

these were the people to take responsibility for Scotland's future, is apparent in the comments surrounding the creation of the Trust in 1938:

This problem should not be left 'in the air'; it is known that many people regard it as a matter of conscience—that something requires to be done and can be done, to infuse new life into Scottish industry, and that public-spirited men cannot stand by and do nothing.<sup>71</sup>

Growing signs of Scottish Office independence from Whitehall in the 1930s suggested a new confidence that these issues could be best addressed within Scotland itself.<sup>72</sup> The business community—and Lithgow in particular—associated themselves with the increased powers of administrative devolution, but there was also a pragmatic desire to choke off any further demands for Home Rule. Yet there was a more considered belief that by transferring a degree of economic oversight to Scotland, albeit in a manner of their choosing, they could continue their work in reshaping the economy, reviving traditional industries while actively seeking to diversify. This acknowledgement of Scottish exceptionalism coincided with the increasing autonomy of the Scottish Office machine, creating a degree of independence from Whitehall which helped underpin economic Unionist Nationalism.

Walter Elliot, who succeeded Collins as secretary of state for Scotland in November 1936, continued to make the case for a distinctly Scottish approach to economic revival.<sup>73</sup> Elliot was a key moderniser, moderate, consensual and open to an increased role for the state.<sup>74</sup> Paul Ward's observation that Elliot 'saw the Union and Scottishness not only as reconcilable but as integral to each other' captures the Unionists election-winning appeal to Scottish sensibilities,

but could also easily be applied to the thinking of inter-war industrialists like Lithgow, Weir and Bilsland.<sup>75</sup> Elliot was secretary of state when the SEC addressed rearmament. The surge in rearmament orders was a mixed blessing for the Scottish economy. The orders which started to flow into the shipyards and steelworks of the West of Scotland as part of the defence programme after 1935 brought relative prosperity and, in many respects, vindicated many of the rationalisation measures. They also reaffirmed the Union relationship more forcibly than any other development in the inter-war period. But the SEC was torn. Stating that they did not wish to see recovery become dependent on government orders, the SEC went on to say that it would be ‘impossible ... to disregard the value of a judicious allocation to Scottish firms’.<sup>76</sup>

The SEC—with Elliot offering Cabinet support—lobbied for more rearmament orders to be directed to Scottish firms. An SEC delegation to Elliot pressed the case, stressing that it was ‘as much a social as an economic problem’.<sup>77</sup> But they were aware that the orders would be transitory. The SEC Annual Report in 1937 had described the upturn in heavy industry as being ‘traceable to the artificial and it may be evanescent stimulus of the government’s rearmament programme’.<sup>78</sup> The following year, Bilsland noted that these orders could ‘only be regarded as palliatives, pending the time when economic appeasement may, as all must desire, follow political appeasement’.<sup>79</sup> Rearmament did however provide an immediate stimulus to the heavy industries—and it was no coincidence that Lithgow and Weir were privy to government plans to mobilise industry for war. Through their work as industrial advisers to the Committee of Imperial Defence, the two men had a unique insight into national armaments requirements, and amongst their recommendations was the creation of a network of shadow factories to continue production in the event of aerial attack.<sup>80</sup> Lithgow in particular, as

chairman of both the Fairfield shipyard in Govan (1935) and William Beardmore & Co. Ltd (1936), was in the fortunate position of being both an advisor and the beneficiary of lucrative contracts which transformed the fortunes of the two firms. As Hugh Peebles notes, Lithgow would have been privy to information which was denied to his peers, but he was also alive to the economic benefits of the wider distribution of rearmament orders.<sup>81</sup> The continuing focus on rearmament worried trade unionists and the Labour Party. The London Scots Self-Government Committee, composed primarily of Scottish Labour MPs, suggested that ‘the industrialists are now playing their last desperate card—rearmament—in its terrible consequences the most reckless of all their misdeeds to Scotland’.<sup>82</sup> Yet despite valid criticisms, the prospect of full order books was appealing, and Scottish business ended the decade believing that a corner had been turned.

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Inter-war Unionist Nationalism may have been defined by economic exigencies, but there was also a more profound debate about the future governance of Scotland. Scotland’s business leaders understood that the nation’s particular problems demanded a Scottish solution, but they were clear that these solutions came as part of the wider Union. Indeed, as the inter-war years progressed, there was a conscious effort to restate the value of Empire, linking Scotland’s long involvement with Imperial trade to the benefits of continuing union.<sup>83</sup> While Alvin Jackson has noted that ‘Scottish national identity was consolidated amidst the carnage of War’, he goes on to emphasize that this identity was still located within the Union relationship—a bond which had been strengthened, not weakened, by the War.<sup>84</sup> Yet despite this, uncertainty in the 1920s helped boost interest in Home Rule. Nationalism remained the



concern of a very small, but dedicated, minority, but the founding of the National Party of Scotland (NPS) in 1928 and the Scottish Party in 1932 signalled a brief but nevertheless important upturn in Home Rule activity. The question of Scotland's political future, the need for a separate parliament in Edinburgh, moved centre-stage. The business community was vociferous in its rejection of Home Rule, yet in coming to an accommodation which ultimately accepted a degree of administrative devolution, concessions were offered which helped sustain economic Unionist Nationalism.

At a meeting convened by the ship-owner Lord Maclay in the Merchants House in Glasgow on 14 November 1932, a gathering of prominent West of Scotland business leaders met to form a committee to oppose Scottish self-government. The meeting followed an autumn where public interest in Home Rule had been stimulated by a circulation war between the *Daily Record* and recently launched *Scottish Daily Express*. The *Express* had gone as far as publishing some unscientific, but alarming, polling figures which, it was suggested, indicated a majority of Scots in support of Home Rule.<sup>85</sup> The newspaper campaigns never translated into any meaningful electoral support, but they built upon general dissatisfaction with rationalisation, unemployment, emigration and the perception of a nation in decline. More importantly, the platform offered by the newspapers allowed moderate Home Rule ideas to prevail, a fact not lost on a business community which feared that the middle-classes might be tempted.

The founding of the Scottish Party during the summer of 1932 transformed the business community's attitude to Home Rule campaigners. With respectable leaders like the duke of Montrose and Sir Alexander MacEwen and support from well-connected Unionists, the

Scottish Party presented itself as the model of moderation.<sup>86</sup> The party was essentially a grouping of those Home Rule supporters who felt unable to support the NPS policy of outright separation, preferring to campaign for self-government while stressing the primacy of Empire. They argued for a separate parliament in Edinburgh, suggesting that congestion at Westminster caused by imperial business, prevented Scottish affairs from receiving due attention, reviving ideas espoused by the Scottish Home Rule Association in the 1880s.<sup>87</sup> The party had its roots in the Imperial Committee of Cathcart Unionist Association, and the leading figure in the Association, J. Kevan McDowell, a Glasgow solicitor and Burns aficionado, was an articulate advocate of self-government within an Imperialist framework.<sup>88</sup> To date, Scotland's industrialists had paid scant attention to the nationalist movement, but the emergence of a credible voice, backed by the opportunistic newspaper magnate Lord Beaverbrook, with his call to 'remove the political deadwood', galvanised the business community.<sup>89</sup>

The subsequent meeting of several hundred leading figures from business, the professions and the landowning classes in mid-November 1932 was designed to halt moves towards Home Rule. Styling themselves as 'representative of business and public opinion' the list contained four dukes, two marquises, nine earls, three viscounts and seven lords.<sup>90</sup> John McCormack wrote later that the assembly consisted of '400 of the leading reactionaries in Scotland'.<sup>91</sup> From a West of Scotland perspective, there was impressive support from business. All of the principal industrialists were either present at the Merchants House or sent letters of support: Sir James Lithgow, Lord Weir, Sir Thomas Bell, Sir Alexander Kennedy, Sir John Cargill and John Craig all associated themselves with the cause.<sup>92</sup> The past, present and future presidents of the Glasgow Chamber of Commerce attended; the Chamber formally

expressing its disapproval of any form of self-government at a meeting ten days later.<sup>93</sup> Banking and insurance, manufacturing and the area's main trade organisations were also well represented in a list which demonstrated the unity of Scottish commerce. The invitations called for a 'spontaneous expression ... so representative and striking' that MPs would realise the folly of supporting any moves for self-government.<sup>94</sup> However, the widespread support from the aristocracy and landowners, far from appearing representative, emphasised the extent to which the anti-Home Rule campaign appeared to be made up of vested interests. Describing the 400 signatories as the 'Little Scotlanders', the *Scots Independent* protested: 'they are of the same type as those who were on the famous Ragman's Roll of six hundred years ago—men who were ready to sell and betray their country to England'.<sup>95</sup>

The business community appeared rattled. At the preliminary meeting of the Anti-Scottish National Parliament Movement in late October 1932, Lord Maclay expressed the hope that in setting up a campaign, 'Nationalist agitation would be nipped in the bud'.<sup>96</sup> Reporting how the leaders of industry were, 'coming together to set up resistance', the *Dundee Courier* articulated another deep-rooted fear. It warned that, 'Scotland is no longer thought of primarily as the land of mountain and flood, but as the land of the Maxtons, the Kirkwoods, the Buchanans and the McGoverns.'<sup>97</sup> Despite Labour having been routed in the recent general election, there remained a strong antipathy to socialism. The very real possibility of a Labour majority in any future Scottish parliament and the associated dangers of higher taxes on income and profits exercised minds. Reflecting this, Maclay ignored the Home Rule movement's most potent argument, that it was the 'drift southwards' of industry that presented the greatest danger, claiming instead that 'the need was for ever closer relations between England and Scotland'.<sup>98</sup> The *Scots Independent* picked up on Maclay's argument,

complaining that 'it is just that interlocking that has been so tragically detrimental to Scotland, although it may have been quite congenial to some of those at the meeting whose interests are similarly interlocked'.<sup>99</sup> Maclay's Unionist Nationalism was typical of the business community's belief that whatever solutions were to be applied to Scotland's problems, they should be rooted in the Union.

Prior to the Glasgow meeting, the organisers prepared their ground well. Sir Godfrey Collins was briefed in advance by the Glasgow businessman Cecil Weir.<sup>100</sup> Days before the Glasgow meeting, Weir told Collins that:

The position briefly is that the Home Rulers of all sorts have been obtaining far too much publicity of late considering the far from representative character of both their leadership and following, and we felt it was high time that the political parties should be made aware that representative business and responsible public opinion in Scotland was not in favour of any form of devolution.<sup>101</sup>

This viewpoint, that the nationalist line had been allowed to seep into the public consciousness almost unchallenged, was mirrored by the business community's principal supporter, the *Glasgow Herald*. While certain that the Scottish people were unlikely to be taken in by nationalist propaganda, the newspaper argued that, 'it was undoubtedly time for their claims to be vigorously refuted and for the real facts ... to be authoritatively set forth'.<sup>102</sup> The organisers themselves were clearly confident. Cecil Weir wrote that he hoped that the meeting would, 'have a shattering effect upon the various bodies of Scottish Nationalists and Home Rulers'.<sup>103</sup> Michael Dyer's suggestion of a 'non-political common sense citizenry',

essentially those on the centre-right of Scottish political life who the industrialists regarded as their natural constituency, is recalled in the repeated use of the term 'representative opinion'.<sup>104</sup> The innate self-confidence was clear in Cecil Weir's comment on the eve of the Glasgow meeting that that 'their authority to issue this statement is .... unchallengeable'.<sup>105</sup>

Business opinion was implacably against Home Rule, but it became clear during the autumn of 1932 that there was a willingness amongst those opposed to Home Rule to concede some concrete changes in the administration of Scotland. In his letter to Sir Godfrey Collins before the Glasgow meeting, Cecil Weir had confided that 'my personal opinion is the best way to dispose finally of the Home Rule agitators is to produce a positive policy, by means of which some adjustments might be made in the present machinery'.<sup>106</sup> Speaking at the Merchants Hall, Sir James Lithgow admitted that he too was sympathetic towards reform. He believed that if this was addressed, it 'would remove the only real ground upon which the present demands for a separate Parliament rested'.<sup>107</sup> The concessions suggest a tactical decision to offer a degree of devolution which might appease moderate supporters. Moreover, given that the same group of industrialists was pushing their own agenda of economic revival through the SNDC, an effective civil service based in Edinburgh was perhaps an appealing prospect.

When Home Rule was discussed in Parliament as part of the debate on the King's Speech ten days after the anti-Home Rule meeting, it was clear that concessions would be offered. Sir Robert Horne, the former chancellor of the exchequer and Unionist MP for Glasgow Hillhead, told the House 'there should be concentrated in Edinburgh—I say boldly "in Edinburgh"—all the main work of the Departments which look after the business of Scotland'.<sup>108</sup> Horne went on to suggest that since a suitable site was available near Calton Hill in Edinburgh the

Government should move quickly to provide a building capable of accommodating the staff of the various Scottish Office departments. The turnaround on the part of Unionists stemmed primarily from a pragmatic realisation that the existing system was no longer fit for purpose. A more professionally-minded administration was a crucial step in modernising Scottish affairs. Lindsay Paterson has described how, by the late 1930s, 'the real power in Scottish politics came to lie with the Scottish Office bureaucrats', underlining how the location of a professional civil service within Scotland itself improved the quality of administrative governance.<sup>109</sup> There was also the symbolic effect of returning a degree of power to the Scottish capital. John Buchan, the author and Unionist MP for the Scottish Universities, welcomed proposals to transfer the Scottish Office to Edinburgh as 'an outward and visible sign of Scotland's nationhood'.<sup>110</sup> Buchan's language in the King's Speech debate on 24 November came close to that of the moderate Home Rulers, arguing that, 'Scottish administration should not be regarded as a backwater', but rather as a 'sister nation, with her own compact and organic system of government'.<sup>111</sup> This was the language of Unionist Nationalism and consensus developed between the more progressive Unionists and the industrialists. MPs like Walter Elliot, Noel Skelton and Robert Boothby saw merit in greater state involvement and recognised the need for a more responsive approach to Scottish problems.<sup>112</sup>

The subtext, of course, was that by influencing the reshaping of the Scottish Office, Scottish capital was in effect working to improve the Union. Building a more effective Edinburgh-based administration could only help strengthen bodies like the SNDC or the SEC. Nevertheless, there remained a deep unease about nationalism. The Glasgow writer William Power, one of many to claim credit for the original idea of the SNDC, complained about the organisation's

rebirth as the Scottish Development Council in 1936, noting that 'the Council has now dropped the word 'National', of which businessmen in Scotland are queerly afraid'.<sup>113</sup> Yet the establishment of the modern Scottish Office owed much to the interventions of the business community in 1932. Unionist Nationalism had moved far from its civic origins and was now defined by concern for the economic wellbeing of Scotland. The magnitude of the inter-war crisis demanded bold thinking, and although their solutions ultimately fell short, Scotland's business elite had engaged with the future direction of the country in a manner which demonstrated, at the very least, an understanding that the *status quo* was no longer tenable.

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By the end of the 1930s, Scotland's industrialists had embraced significant change. It might not have been their preferred option, but they made a pragmatic accommodation with greater state involvement. Echoing the work of Graeme Morton, new bodies like the SNDC and SEC had their roots in an associational culture which stretched back to the nineteenth century, but they also reached out to a much broader constituency across Scottish society. Economic planning and state intervention were a reaction to the extended depression, but the fundamental recalibration of the Scottish economy was conceived as a process of self-help. For the generation of West of Scotland industrialists who entered business at the turn of the century, the deep-seated economic problems which were revealed after the Great War could only be addressed within the Union. The solutions, however, would be Scottish ones, conceived and carried out in Scotland. The energy expended by Scotland's industrialists, and the underlying urgency in their actions, rebuts the suggestion of 'banal unionism'. Rationalisation was a response to a more threatening global environment, but it also

preserved the strongest elements of Scottish industry. The stress on diversification recognised that the staple trades would never regain past glories and attempted to shift the balance towards the new industries of the future. By fostering a sense of renewal, economic revival became part of a wider narrative that sought to counter socialism or Nationalism. Inter-war economic Unionist Nationalism may have had a defensive element to it, but by the end of the 1930s, the acceptance of corporatist economic planning, combined with the enhanced status of the Scottish Office had set the course for the future.



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<sup>1</sup> The author acknowledges the helpful comments and suggestions of the two anonymous referees and the assistance of Professor Graeme Morton.

<sup>2</sup> E. A. Cameron, *Impaled Upon A Thistle: Scotland since 1880* (Edinburgh, 2010); R. H. Campbell, *The Rise and Fall of Scottish Industry, 1707–1939* (Edinburgh, 1980); Christopher Harvie, *No Gods and Precious Few Heroes* (Edinburgh, 1998); C. M. M. Macdonald, *Whaur Extremes Meet: Scotland's twentieth century* (Edinburgh, 2009); P. L. Payne, *Colvilles and the Scottish Steel Industry* (Oxford, 1979); Anthony Slaven, *British Shipbuilding, 1500–2010* (Lancaster, 2013).

<sup>3</sup> Peter Scott, *The Triumph of the South* (Aldershot, 2007).

<sup>4</sup> G. M. Thomson, *Scotland, That Distressed Area* (Edinburgh, 1935), 3; George McKechnie, *The Best Hated Man: Intellectuals and the condition of Scotland between the wars* (Edinburgh, 2013).

<sup>5</sup> R. J. Finlay, 'National identity in crisis: politicians, intellectuals and the "end of Scotland", 1920–1939', *History* 79 (1994) 242–259.

<sup>6</sup> Anthony Slaven and S. G. Checkland (eds), *Dictionary of Scottish Business Biography 1860-1960. 2 vols, The staple industries* (Aberdeen, 1986), i, 197; 222. Lithgows Ltd in Port Glasgow (Russell & Co. Ltd until 1918) was one the leading shipbuilding firms on the Clyde, specialising in cargo vessels. G. & J. Weir Ltd, based in Cathcart, Glasgow, is still a significant engineering firm, having built its reputation on naval pumping systems. For more on each firm see Lewis Johnman and Hugh Murphy, *Scott Lithgow: Déjà vu all over again! The rise and fall of a shipbuilding company* (St John's, Newfoundland, 2005); W. J. Reader, *Weir Group: A centenary history* (London, 1971).

<sup>7</sup> J. M. Reid, *James Lithgow: Master of work* (London, 1964), 94; W. J. Reader, *Architect of Air Power: The life of the first Viscount Weir of Eastwood, 1877–1959* (London, 1969), 26.

<sup>8</sup> Anthony Slaven and S. G. Checkland (eds), *Dictionary of Scottish Business Biography 1860-1960, 2 vols: Processing, distributing, services* (Aberdeen, 1986), ii.

<sup>9</sup> Glasgow, Scottish Business Archive, Glasgow University [SBA], DC96/18/89, Papers of 1<sup>st</sup> Viscount Weir of Eastwood, Memo on Scottish Steel.

<sup>10</sup> Colin Kidd, *Unions and Unionisms* (Cambridge, 2007), 31–35.

<sup>11</sup> *Ibid.*, 26, 265.

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- <sup>12</sup> Graeme Morton, *Unionist Nationalism: Governing urban Scotland, 1830–1860* (East Linton, 1999).
- <sup>13</sup> *Ibid.*, 97.
- <sup>14</sup> Graeme Morton, ‘Civil society, municipal government and the state: enshrinement, empowerment and legitimacy. Scotland 1800–1929’, *Urban History* 25 (1998) 348–367.
- <sup>15</sup> Theodora Pagan, *The Convention of the Royal Burghs in Scotland* (Glasgow, 1926).
- <sup>16</sup> *Colville’s Magazine*, April 1932; SBA, Accn 2270/9/1, Papers of earl of Elgin and Kincardine, SNDC Annual Report, 1935.
- <sup>17</sup> Harvie, *No Gods*, 51; Lindsay Paterson, *The Autonomy of Modern Scotland* (Edinburgh, 1994), 104–105; Arthur Marwick, ‘Middle Opinion in the Thirties: Planning, progress and political “agreement”’, *English Historical Review* 79 (1964) 285–298. For more on the Scottish Office in the 1930s see James Mitchell, *The Scottish Question* (Oxford, 2014), 67–71.
- <sup>18</sup> Paterson, *Autonomy of Modern Scotland*, 118.
- <sup>19</sup> Julian Greaves, *Industrial Reorganization and Government Policy in Inter-War Britain* (Aldershot, 2005), 32.
- <sup>20</sup> Campbell, *Rise and Fall*, 165.
- <sup>21</sup> Parliamentary Papers [PP], 1935 (Cmd 4827), *Statement Relating to Defence*.
- <sup>22</sup> Steven Tolliday, *Business, Banking and Politics* (Cambridge, 1987), 90.
- <sup>23</sup> In the Scottish context, rationalisation was a catch-all term used by both industrialists and their critics to describe various closures and mergers. For a broader discussion on rationalisation see Greaves, *Industrial Reorganization*.
- <sup>24</sup> John Hume and M. S. Moss, *Beardmore: The history of a Scottish giant* (London, 1979); H. B. Peebles, *Warshipbuilding on the Clyde* (Edinburgh, 1987); Richard S. Sayers, *The Bank of England, 1891–1944*, 2 vols, i, 320–326.
- <sup>25</sup> Sayers, *Bank of England*, i, 321.
- <sup>26</sup> Keith Greaves, ‘Duncan, Andrew, Rae (1884–1952)’, *Oxford Dictionary of National Biography* (Oxford, 2006). A friend and colleague of both Sir James Lithgow and Lord Weir, Duncan was appointed to the Court of the Bank of England in 1929 where he advised the Governor on industrial matters.
- <sup>27</sup> Bank of England Archive [BOE], SMT 2/280, Securities Management Trust (SMT), National Shipbuilders’ Security Ltd, Sir Andrew Duncan to Montagu Norman, 11 Mar. 1929.

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- <sup>28</sup> Anthony Slaven, 'Self-Liquidation: The National Shipbuilders' Security Ltd and British shipbuilding in the 1930s', in Sarah Palmer and Glyndwr Williams (eds), *Chartered and Uncharted Waters: Proceedings of a conference on the study of British maritime history* (London, 1982), 127
- <sup>29</sup> SBA, DC96/18/41, Brassert Report—rough notes on Lord Weir's speech.
- <sup>30</sup> Payne, *Colvilles*, 183.
- <sup>31</sup> Payne, *Colvilles*, 180; Campbell, *Rise and Fall*, 163.
- <sup>32</sup> *Glasgow Herald Trade Review*, 30 Dec. 1931.
- <sup>33</sup> Greaves, *Industrial Reorganization*, 221.
- <sup>34</sup> BOE, SMT 3/106, Papers of Charles Bruce Gardner [henceforth Gardner Papers], Reorganisation of the Steel Industry in the West of Scotland, Sir James Lithgow to Sir Andrew Duncan, Jun. 1932.
- <sup>35</sup> BOE, Bankers Industrial Development [BID], BID 1/58, Bankers Industrial Development (BID), File relating to Steel—Lithgow, Sir James Lithgow to Charles Bruce-Gardner, 25 May 1934.
- <sup>36</sup> Payne, *Colvilles*, p209.
- <sup>37</sup> BOE, SMT 3/121, Gardner Papers, Memo by Frank Hodges, 11 Nov. 1931.
- <sup>38</sup> Glasgow City Archives, TD1520, Box 25, File 105, Glasgow Chamber of Commerce—Sir Stephen Bilsland.
- <sup>39</sup> *Glasgow Herald Trade Review*, 31 Dec. 1932.
- <sup>40</sup> *Glasgow Herald*, 10 Jul. 1944.
- <sup>41</sup> *Scotsman*, 9 Apr. 1931.
- <sup>42</sup> *Glasgow Herald*, 1 Nov. 1932.
- <sup>43</sup> *Scottish Biographies 1938* (London, 1938).
- <sup>44</sup> *Glasgow Herald*, 19 Sep. 1931.
- <sup>45</sup> National Archives (TNA), BT56/40, Board of Trade Papers, Proposed Scottish Industrial Survey, Edinburgh Development Committee to Sir Horace Wilson, June 1932. Members of the Chairman's Committee of the SNDC with links to local government included, Sir Henry Keith (Lanarkshire), Sir William Sleigh (Edinburgh), Lord Provost Dempster (Perth), Sir Alexander MacEwen (Inverness), William Elgar (Glasgow), Bailie Alexander Swann (Glasgow).
- <sup>46</sup> Edinburgh Development Committee, *Place Your Factory in Edinburgh* (Edinburgh, 1932).
- <sup>47</sup> Development Board for Glasgow and District, *Glasgow and the Clyde* (Glasgow, 1932).
- <sup>48</sup> National Records of Scotland [NRS], DD10/292, *Industrial Development*, Memo c.1931.
- <sup>49</sup> TNA, BT56/40, Letter from Sir James Lithgow to Sir Horace Wilson, 6 Oct. 1931.

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- <sup>50</sup> Morton, *Unionist Nationalism*, 46.
- <sup>51</sup> SBA, DC96/18/149, Glasgow Development Board, Sir James Lithgow to Lord Weir, 13 Nov. 1931.
- <sup>52</sup> TNA, BT56/40, Proposed Scottish Industrial Survey, Sir James Lithgow to Sir Horace Wilson, 28 Oct. 1931, BT56/40.
- <sup>53</sup> Scottish Trade Union Congress, *Annual Report*, 1931, 82.
- <sup>54</sup> W. W. Knox, *Industrial Nation: Work, culture and society in Scotland* (Edinburgh, 1999), 228.
- <sup>55</sup> Scottish Trades Union Congress, *Annual Report* (1937), 151.
- <sup>56</sup> W. W. Knox (ed.), *Scottish Labour Leaders, 1918-1939* (Edinburgh: Mainstream, 1984), 107–110.
- <sup>57</sup> *Glasgow Herald*, 16 Aug. 1937.
- <sup>58</sup> R. H. Campbell, 'The Scottish Office and the Special Areas in the 1930s', *Historical Journal* 22 (1979).
- <sup>59</sup> J. S. Gibson, *The Thistle and the Crown* (Edinburgh, 1985), 77.
- <sup>60</sup> Harvie, *No Gods*, 40.
- <sup>61</sup> *Scots Independent*, May 1931.
- <sup>62</sup> *PP*, 1934 (Cmd. 4958), *First Report of the Commissioner for the Special Areas (Scotland)*.
- <sup>63</sup> TNA, BT104/84, Scottish Economic Committee, Nov. 1936.
- <sup>64</sup> M. McCrae, 'Collins, Sir Godfrey Pattison (1875–1936)', in *Oxford Dictionary of National Biography* (Oxford, 2006).
- <sup>65</sup> *Glasgow Herald*, 7 Apr. 1936.
- <sup>66</sup> *Glasgow Herald*, 18 Apr. 1936.
- <sup>67</sup> Clydesdale Bank Ltd, *Fourth Annual Survey of Economic Conditions in Scotland* (Glasgow, 1937).
- <sup>68</sup> NRS, DD10/170, Special Areas, Neville Chamberlain to Sir Godfrey Collins, May 1936.
- <sup>69</sup> Campbell, 'The Scottish Office and the Special Areas in the 1930s', 179.
- <sup>70</sup> Richard Saville, 'The Industrial Background to the Post-War Scottish Economy' in R. Savile (ed.), *The Economic Development of Modern Scotland* (Edinburgh, 1985), 12–18.
- <sup>71</sup> SBA, Accn 2270/10/1, Scottish Development Financial Trust.
- <sup>72</sup> Campbell, 'The Scottish Office and the Special Areas in the 1930s', 182.
- <sup>73</sup> G. F. Millar, 'Elliot, Walter Elliot (1888–1958)' in *Oxford Dictionary of National Biography* (Oxford, 2006).
- <sup>74</sup> I. G. C. Hutchison, *Scottish Politics in the Twentieth Century* (Basingstoke, 2001), 50.

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- <sup>75</sup> Paul Ward, *Unionism and the United Kingdom, 1918–1974* (Basingstoke, 2005), 26. Unionist candidates secured a majority of Scottish seats in both the 1931 and 1935 general elections. See also Gabrielle Ward-Smith, ‘Baldwin and Scotland: More than Englishness’, *Contemporary British History* 15 (2001) 61–82.
- <sup>76</sup> Scottish Economic Committee, *The Case for Planned Development* (Glasgow, 1939).
- <sup>77</sup> TNA, BT104/84, Scottish Economic Committee, BT104/84.
- <sup>78</sup> SBA, Accn 2270/9/1, Scottish Economic Committee, Executive Committee, Mar. 1937.
- <sup>79</sup> SBA, Accn 2270/8/1, Scottish Economic Committee, General Report, Dec. 1938.
- <sup>80</sup> SBA, DC96/21/9, Committee of Imperial Defence, Notes on War Preparation.
- <sup>81</sup> Peebles, *Warshipbuilding on the Clyde*, 143.
- <sup>82</sup> Thomas Burns, *Plan for Scotland* (London, 1937), 20.
- <sup>83</sup> R. J. Finlay, ‘National Identity, Union and Empire, 1850–1970’ in J. M. Mackenzie and T. M. Devine (eds), *Scotland and the British Empire* (Oxford, 2011), 306.
- <sup>84</sup> Alan Jackson, *The Two Unions: Ireland, Scotland and the survival of the United Kingdom, 1707–2007*, (Oxford, 2012), 351.
- <sup>85</sup> *Scottish Daily Express*, 27 Sep. 1932. The figures from on-street polling in Glasgow, Edinburgh, Dundee and Aberdeen were 112,984 in favour and 4,596 against.
- <sup>86</sup> *Glasgow Herald*, 1 Sep. 1932.
- <sup>87</sup> R. J. Finlay, *A Partnership for Good* (Edinburgh, 1997), 45.
- <sup>88</sup> R. J. Finlay, *Independent and Free* (Edinburgh, 1994), 175–177.
- <sup>89</sup> *Scottish Daily Express*, 7 Sep. 1932.
- <sup>90</sup> Movement to Oppose Agitation for a Scottish National Parliament, *Statement to give expression to Public Opinion in Scotland in Opposition to agitation for a Scottish National Parliament* (Edinburgh, 1932).
- <sup>91</sup> John MacCormick, *Flag in the Wind* (London, 1955), 72.
- <sup>92</sup> *Glasgow Herald*, 15 Nov. 1932.
- <sup>93</sup> *Glasgow Herald*, 26 Nov. 1932.
- <sup>94</sup> SBA, Records of Upper Clyde Shipbuilders Ltd, UCS1/9/22, Anti-Home Rule Propaganda.
- <sup>95</sup> *Scots Independent*, Dec. 1932.
- <sup>96</sup> SBA, UCS1/9/22, Minutes of Private Meeting of Preliminary Committee—Anti-Scottish National Parliament Movement, 24 Oct. 1932.
- <sup>97</sup> *Dundee Courier*, 5 Nov. 1932.

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<sup>98</sup> SBA, UCS1/9/22, Minutes, 24 October 1932.

<sup>99</sup> *Scots Independent*, Dec. 1932.

<sup>100</sup> Steven Bilsland, 'Weir, Cecil McAlpine (1890-1960)', in *Oxford Dictionary of National Biography* [DNB] (Oxford, 2006).

<sup>101</sup> NRS, HH1/795, Scottish Home Rule, Cecil Weir to Sir Godfrey Collins, 12 Dec. 1932.

<sup>102</sup> *Glasgow Herald*, 15 Nov. 1932.

<sup>103</sup> NRS, HH1/795 Weir to Collins, 12 Nov. 1932.

<sup>104</sup> Michael Dyer, 'The Evolution of the Centre-right and the State of Scottish Conservatism', *Political Studies* 49 (2001) 40.

<sup>105</sup> NRS, HH1/795, Weir to Collins, 12 Nov. 1932.

<sup>106</sup> *Ibid.*

<sup>107</sup> *Scotsman*, 15 Nov. 1932.

<sup>108</sup> *Parliamentary Debates* [Parl. Debs.] 5<sup>th</sup> ser. vol. 272, col 251, 24 Nov. 1932.

<sup>109</sup> Paterson, *Autonomy of Modern Scotland*, 109.

<sup>110</sup> *Parl. Debs.*, 5<sup>th</sup> ser., vol. 272, col 264, 24 Nov. 1932.

<sup>111</sup> *Parl. Debs.*, 5<sup>th</sup> ser., vol. 272, cols 263–264, 24 Nov. 1932.

<sup>112</sup> Hutchison, *Scottish Politics*, 49–50.

<sup>113</sup> William Power, *Should Auld Acquaintance* (London, 1937), 157.