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1909-1939**

Catterall, Pippa

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Arms and the Free Churchman: Arms Control and Regulation in Britain 1909-1939¹

In the House of Commons debate on the Navy Estimates on 18 March 1914, Philip Snowden congratulated Sir Joseph Compton-Rickett 'on his election last week as hon. President of the Free Church Council'. He then added that Compton-Rickett was nonetheless 'a great imperialist'. Snowden came from Wesleyan stock and was a long-time evangelist for the Independent Labour Party (ILP) who would go on to oppose Britain's involvement in the First World War before becoming the first Labour Chancellor of the Exchequer in 1924. Compton-Rickett was a Congregationalist lay preacher, science fiction writer, businessman and Liberal MP who went on to serve as Paymaster-General in the wartime coalition government. His offence in Snowden's eyes was that he owned 3,200 shares in John Brown and 2,100 shares in Cammell Laird.² The aspersion was that Compton-Rickett and his fellow shareholders in naval shipyards were profiting from the production of armaments. Other Nonconformists unmentioned by Snowden, such as Arthur Chamberlain, the Unitarian head of Kynoch's munitions company in Birmingham, certainly were.³

Snowden's speech was based on research by a young Quaker Socialist, Walton Newbold. Newbold had conducted extensive investigations into what Snowden called the International Armament Ring, a cartelised web of price-fixing and cross-ownership among international armaments companies, many headquartered in Britain. Among the resulting revelations – none of which were challenged – was that Lord Sydenham, the former Secretary of the Committee of Imperial Defence (CID), had moved on to head Armstrong's Italian operations in what was then seen as a likely hostile power. After being listened to 'in strained silence', Snowden sat down to a spontaneous and unparliamentary burst of applause from the Strangers' Gallery. His words were so impactful that his party rushed out a pamphlet version 'in response to a widespread demand for a full report of the speech'. Congratulatory letters from around the world led to its publication in several other languages.⁴

The newsworthiness of Snowden's speech was in part because it responded to demands by the First Lord of the Admiralty, Winston Churchill, for £15,282,950 of new naval construction, reviving the naval

¹ I am grateful to the Bodleian Library, Oxford for a Sassoon Visiting Fellowship in 2024 which enabled me to complete research on this chapter.

² Philip Snowden, *Dreadnoughts and Dividends* (London: Labour Party, 1914), 11.

³ The propriety of Kynoch's exports of ammunition to China during the Boxer rebellion was, however, raised in 1900: *House of Commons Debates*, 4th ser., vol.85, cc.1306-1307, 12 July 1900.

⁴ Philip Snowden, *An Autobiography: Volume One 1864-1919* (London: Nicolson & Watson, 1934), 249-251; Snowden, *Dreadnoughts and Dividends*, foreword.

race with Germany. The Chancellor of the Exchequer who had again to find the money for this, as he had during the earlier naval scare of 1908-1909, was the leading lay Free Churchman of his generation, David Lloyd George. Fulminating against this 'gigantic expenditure which is now being entailed by devices for war', the Chancellor lamented 'I cannot help thinking that civilisation, which is able to deal with disputes amongst individuals and small communities at home should be able to extend its operations to the larger sphere of disputes amongst States'. This suggests Lloyd George was still thinking of peace as a matter of negotiation and not, as the foreword to Snowden's pamphlet emphasised, also of the impact of 'the international interests of armaments firms' and their under-explored role in international relations and conflict.⁵

As war neared, Free Church leaders were instead heavily involved in more traditional forms of peace-seeking. In 1908-09, the naval rivalry led British and German churches to arrange reciprocal visits to their respective countries in efforts to build amity and understanding.⁶ These were followed by the inaugural conference in Constance of what became the World Alliance for the Promotion of International Friendship through the Churches (WAIFC). Unfortunately, this opened on 1 August 1914, by which time war had already broken out on the continent stranding British delegates in Switzerland.⁷ In contrast, Snowden's speech suggested that seeking peace was not just about engendering friendships: it also entailed controlling and regulating the availability and spread of armaments. Despite its importance in contemporary discourse, this is not a dimension of the Free Church witness for peace in the inter-war period, or of the British disarmament movement in general, that has often been explored. Yet the increasing sophistication and firepower of weaponry – particularly in the form of the Dreadnought – brought to the fore both the issue of the role of arms, and the activities and interests of their manufacturers.

The growing centrality of munitions in the waging of war was underlined by Sir Edwin Arnold's observation about the Battle of Omdurman in 1898: 'In most of our wars it has been the dash, the skill, and the bravery of our officers and men that have won the day, but in this case the battle was won by a scientific gentleman living down in Kent'.⁸ The American origins of that scientific gentleman, Hiram Maxim, the inventor of the Maxim gun, illuminated the growing internationalisation of the armaments industry. Quoting from the trade journal *Arms & Explosives*, Snowden noted that

⁵ Cited in Snowden, *An Autobiography*, 247-248; Snowden, *Dreadnoughts and Dividends*, foreword

⁶ James Dudley, *The Life of Edward Grubb 1854-1939: A Spiritual Pilgrimage* (London: James Clarke, 1946), 95.

⁷ Keith Robbins, *The Abolition of War: The 'Peace Movement' in Britain 1914– 1919* (Cardiff: University of Wales Press, 1976), 18; *The Churches and International Friendship: Report of Conference held at Constance, 1914* (London: World Alliance of Churches for Promoting International Friendship, 1914), 4-5.

⁸ Cited in H. C. Englebrecht and F. C. Henighan, *Merchants of Death: A Study of the International Armaments Industry* (London: Routledge, 1934), 92.

these firms were nonetheless 'very keen to avail themselves of the services of prominent officers' of national governments to help sell their wares. *Arms & Explosives* acknowledged that this could be seen as corrupt but justified it on the ground that thus firms were 'enabled to survive from year to year so as to be at hand in the event of national emergency'.⁹ Snowden's view, in contrast, was that this use of insider knowledge and contacts was itself inimical to the cause of peace: to prevent war it was necessary to discourage manufacture and trade in the means of war as well.

This was particularly the case with those denounced as 'commercial travellers and touts' by Snowden,¹⁰ who indiscriminately sought to promote and profit from fear and international rivalry. The classic example was Basil Zaharoff, whose exploits included selling submarines made by the Swedish arm manufacturer Nordenfelts to both the Greeks and their Turkish enemies in the 1880s. When the British firm of Vickers, then the largest arms manufacturer in the world, bought Nordenfelts in 1897 they also acquired Zaharoff's services. These included his talent for 'doing the needful' through bribery in cash or kind and the buying of favourable press coverage to secure contracts. Vickers were an integrated firm whose business spanned from iron and steel manufacture to the use of such products in weaponry. Indeed, H. G. Wells argued in 1932 that 'The iron and steel industry, the chemical industry, the electrical industry and the oil refineries are at the root of all armaments whatever. In concert they could suppress modernized warfare to-morrow. But they prefer to stimulate it'. In Vickers' case, this included selling to both sides during the 1899-1902 South African War.¹¹

Yet Zaharoff's sometimes sensationalized career remained shadowy until the publication of Richard Lewinsohn's biography in 1929.¹² Snowden may have had him in mind, but he did not mention him in 1914. Indeed, it was only after the Great War that Zaharoff became notorious, and the arms trade he worked in the subject of extensive public scrutiny. That war, as Wells put it, proved 'harvest time for the trade in war munitions'. Wells nonetheless conceded 'It would be unjust to say that the armament industry had sown the harvest, but certainly for half a century it had done everything possible to stimulate the sowing'.¹³

Snowden and Newbold were not the first to point to this linkage. The American Baptist theologian Walter Rauschenbusch had denounced the role of capitalist ventures in the promotion of war in his *Christianity and*

⁹ *Arms & Explosives*, 21/252 (1913), 124; Snowden, *Dreadnoughts and Dividends*, 12.

¹⁰ Snowden, *Dreadnoughts and Dividends*, 8

¹¹ H. G. Wells, *The Work, Wealth and Happiness of Mankind* (London: Heinemann, 1932), 636-640; H. C. Engelbrecht, 'One Hell of a Business' (New York: Robert McBride, 1934), 13-21.

¹² Richard Lewinsohn, *The Man Behind the Scenes: The Career of Sir Basil Zaharoff, 'The Mystery Man of Europe'* (London: Gollancz, 1929).

¹³ Wells, *Work, Wealth and Happiness*, 640.

the Social Crisis in 1907.¹⁴ Although some English Free Churchmen were certainly aware of his work, particularly those similarly attracted to the social gospel Rauschenbusch espoused, few seem to have made this connection. Free Church politicians indeed could instead call for peace whilst seeking arms contracts to revitalise trade in their constituencies. Snowden referred to Sir John Tudor Walters, a Congregationalist and Liberal MP who succeeded Compton-Rickett as Paymaster-General in 1919, lobbying the War Office and Admiralty for business for his Sheffield constituents during the trade downturn in 1907.¹⁵ If he had been less partisan, he might also have noted that Keir Hardie, another Congregationalist and the founder of the ILP – despite his vehemence against war – did the same as MP for West Ham South during an earlier naval scare in the 1890s.¹⁶

It was the Dreadnought naval race that created public awareness that arms manufacturers might self-interestedly foment international fears and hostilities to sell their products. Snowden's prime evidence for this was Herbert Hall Mulliner and his Coventry Ordnance Works, shares in which were largely owned by John Brown and Cammell Laird. This firm had in May 1906 recently invested in a large gun-mounting works and urgently needed orders. In these circumstances, Mulliner wrote to the War Office warning of the growing capability to churn out naval guns at Krupp's works in Germany. It may have been the Conservative MPs Arthur Lee and George Wyndham who coined the phrase 'We want eight and we won't wait', ably assisted by the campaigning Congregationalist journalist, W. T. Stead. Nonetheless, Mulliner also played a key role, culminating in him telling the future Lord Sydenham on 24 February 1909 that 'if the Germans suddenly resolved to outbuild us in battleships they would be able to do so, since they would be a position to arm the ships as soon as they were built', whilst the British lacked the capacity to 'suddenly increase the output of the heavy guns and mountings that are necessary for arming these ships'. These were exactly the armaments his firm made and Mulliner's alarming message about this deficiency led to an invitation to present to the Cabinet on 3 March 1909.¹⁷ Lloyd George later complained that arms firms deliberately exaggerated German naval building to create this panic. This 'diverted the Admiralty from the building of the small craft essential for our commerce to construction of the

¹⁴ Walter Rauschenbusch, *Christianity and the Social Crisis* (New York: Macmillan, 1907), 350.

¹⁵ Snowden, *Dreadnoughts and Dividends*, 15.

¹⁶ Fred Reid, *Keir Hardie: The Making of a Socialist* (London: Croom Helm, 1978), 161.

¹⁷ The National Archives, Kew (henceforward TNA): ADM 116/3340, Sir Charles Ottley note, 24 February 1909; O. A. R. Murray, 'The Mulliner Case', 26 June 1935, 1-2. There is also a second dossier in this file entitled 'The Mulliner Case', in which the references to Stead and Wyndham appear on p.10. According to these documents, no orders were placed directly with Mulliner's firm before he left it in 1911.

biggest of big ships. There was much more profit in the building of these gigantic ships with their monster guns'.¹⁸

The moral panic over the naval race with Germany reached its height early in 1909. A leading Nonconformist newspaper, the *Christian World*, warned:

The danger of the present raucous rivalry is that one Power or the other might reasonably arrive at the conclusion that a war to settle the question of supremacy once for all would be cheaper in the end than perpetual war expenditure in time of peace.¹⁹

The importance of the Navy to British security was recognised, but so was the risk that this situation might be exploited by scaremongers. A month later they noted of the Croydon by-election of 29 March 1909: 'The scare over the Navy has been worked in this election with scandalous mendacity', with unspecified outside interests spending £10,000 on securing the Conservative victory. An editorial in the same issue argued that Dreadnoughts were a costly experiment at the expense of social reform, a view also expressed by Robert Hinds in the *Primitive Methodist Leader*.²⁰ As it turned out, in his celebrated 'People's Budget' a month later Lloyd George tried to fund both. By the summer, on 26 July, the eight Dreadnoughts had been conceded. Nonetheless, as the subsequent general election got under way, the *Christian World* noted that the Tories were still trying to make political capital out of the issue.²¹

In other words, it was the political exploitation of the naval scare by the Conservative opposition, rather than the arms trade itself, that the *Christian World* focused upon. Mulliner certainly did his best to help the Conservatives, particularly through the letter he published in *The Times* on 3 January 1910. This was timed to combine an accusation against the Liberals of failing to spend adequately on defence with the opening of the general election campaign.²² It also made Mulliner himself notorious. Nonetheless, his activities were questionable but not criminal, and at the outbreak of war Snowden and Newbold were still unique in their efforts to think systematically through the ethics and politics of arms manufacturing. However, the exigencies of war thereafter required Lloyd George also to do plenty of thinking on this subject.

Some of the British armaments industry, in the form of the Royal Ordnance factories and naval dockyards, had long been state-controlled.

¹⁸ Cited in *The Times*, 7 May 1936.

¹⁹ *Christian World*, 11 February 1909.

²⁰ *Christian World*, 18 February 1909, 1 April 1909; Michael Hughes, *Conscience and Conflict: Methodism, Peace and War in the Twentieth Century* (Peterborough: Epworth Press, 2008), 36-37.

²¹ TNA: ADM 116/3340, 'The Mulliner Case', 4; *Christian World*, 6 May 1909, 29 July 1909, 23 December 1909.

²² TNA: ADM 116/3340, 'The Mulliner Case', 6. See also Mulliner's letter in *The Times*, 17 December 1909.

Private firms like Vickers which had both civil and military sides were part of a small group of trusted suppliers who provided additional production capacity. The War Office also joined these suppliers in resisting suggestions at the start of the Great War that they follow the successful French example of pooling orders, resources and expertise on a regional basis to build capacity. Instead, there was an insistence on sub-contracting to inexperienced firms. Some of these accepted orders from both the British and Russian governments that they had no hope of fulfilling, with deadly consequences on both the Western and Eastern fronts. As early as 13 October 1914, Lloyd George had to promise the four main contractors that the government would provide the capital to extend their works and those of their sub-contractors and compensate them for any loss in order to develop their capacity. There were nonetheless large arrears in shell deliveries to the front by June 1915. It was only after the resulting scandal led to the establishment of the Ministry of Munitions in July 1915 that experiments with pooling production commenced. By the end of the war there were 26 such groups.²³

Lloyd George moved from the Treasury to head up the new Ministry. Shortly thereafter, on 25 July, he told Parliament of the War Office's failure to identify the capacity of the arms industry or to specify the type and volume of guns and ammunition that might be required. The War Office had, however, spotted the need to scale up production of TNT and cordite immediately war broke out. Realising that 'there appeared to be no prospect of a large-scale demand after the War which would induce manufacturers to extend their works the bulk of our home-produced war supplies came from these new national factories'. The multiplicity of requirements and materials meant that there were 218 of these by the end of the war covering not only everything 'from cannon and aeroplanes to small arms ammunition, but saw-mills, factories for boxes, tools, optical instruments and ball-bearings, and establishments for sorting and storing salvage'. This enabled cost comparisons and helped the Ministry to control profiteering in the private sector. Indeed, the state's demand for products like glycerine was such that 'the Ministry was obliged to fix the price for soap'.²⁴

State production's crucial importance was also underlined by the inquiry into the Royal Ordnance factory at Woolwich by the Liberal MP and Congregationalist, Thomas McKinnon Wood, in 1919. As the Unitarian and Independent MP, Eleanor Rathbone, later observed, this report 'expressed the view that the disappearance of the larger armament firms would not materially handicap production in the event of a serious war'. This was also emphasised later by Christopher Addison, a Presbyterian who

²³ David Lloyd George, *War Memoirs* Vol. 1 2nd ed. (London: Odhams, 1938), 82-83, 89; TNA: PREM 5/123, Christopher Addison's evidence to the Royal Commission, May 1935, paras.2-10, 68.

²⁴ Lloyd George, *War Memoirs* I, 153-154, 339, 342-343; TNA: PREM 5/123, Addison evidence, paras.17, 35, 39.

became Minister of Munitions in 1916-17: at the start of the war Woolwich was the only factory that kept up with orders.²⁵

The pressing need for supply and the demands of efficiency help to explain the support for nationalisation of the armaments industry Lloyd George voiced at a conference with representatives of Labour and trade unions on 18 January 1918. Yet the key reason he gave was that 'I do not think there ought to be any pecuniary incentive to encourage armaments in the world'.²⁶ This seemingly marked awareness of the extent to which procurement in both the Admiralty and War Office had been captured by arms manufacturers before 1914.²⁷ Lloyd George later claimed that it also reflected concerns about the influence Alfred Krupp and his successors had on German armaments policy in the run-up to the Great War,²⁸ and thus the need to contain the German militarism denounced by the victorious Allies throughout that conflict. As Lloyd George emphasised in clandestine peace talks with the Austrian envoy Count Mensdorff in Geneva in December 1917, if the League of Nations that was by then envisaged was to be a success, it was essential 'that German military domination should be broken in this war'.²⁹ Most of his fellow Free Churchmen were of a similar mind: in his chairman's address to the Congregational Union in 1917 Bernard Snell argued that German militarism had to be shattered for justice to triumph.³⁰

At the end of the war, German arms were drastically limited by the 1919 Versailles Treaty. To make this more palatable to Germany, the objective of a 'general limitation of armaments of all nations' was also written into Part V of the Treaty.³¹ This need for this was highlighted by the slaughter of the war itself. That slaughter also made clear the opportunities the war had created for the munitions industry. Snell was among the many Free Churchmen at the time to voice concern about war profiteering, not least by armaments firms.³²

The Great War starkly reinforced the warning issued by Sir Edward Grey, the then Foreign Secretary, in 1914 that 'the enormous growth of armaments in Europe, the sense of insecurity and fear caused by them - it was these that made war inevitable'.³³ Or, as the former chemical

²⁵ *House of Commons Debates*, 5th ser., vol.298 c.2126, 7 March 1935; TNA: PREM 5/123, Addison evidence, para.65.

²⁶ Lloyd George, *War Memoirs* II, 1596.

²⁷ Lloyd George, *War Memoirs* I, 5-6.

²⁸ *The Times*, 7 May 1936.

²⁹ Lloyd George, *War Memoirs* II, 1481-1482.

³⁰ *Congregational Year Book* 1918, 23.

³¹ Cited in Dick Richardson and Carolyn J. Kitching, 'Britain and the World Disarmament Conference' in P Catterall and C. J. Morris (eds) *Britain and the Threat to Stability in Europe, 1918-45* (London: Pinter, 1993), 36.

³² P. Catterall, *The Labour Party and the Free Churches 1918-1939: Radicalism, Righteousness and Religion* (London: Bloomsbury, 2016), 46.

³³ Cited in Viscount Grey of Fallodon, *Twenty-Five Years* (London: Hodder & Stoughton, 1928), 162.

weapons expert, Victor Lefebure, pithily put it in 1932: 'Disarmament is a problem which has been created by armament'.³⁴ After all, 50 per cent of global naval expenditure at the time was on ships and equipment, mainly supplied by the private sector.³⁵ To Lloyd George and his counterparts gathered in Paris for the post-war settlement in 1919, the preceding years had taught that armaments were not only the means of war but at its roots. At the peace conference, President Woodrow Wilson proposed that the private manufacturing of arms should be ended.³⁶

The resulting recognition in Article 8 of the League of Nations Covenant that 'the maintenance of peace requires the reduction of armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations' has been widely noted.³⁷ Less noted has been the essential backdrop to this in the form of the capacity for and production of armaments themselves addressed in paragraphs 4 and 5 of Art.8. These noted:

The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety.³⁸

The Members of the League undertake to interchange full and frank information as to the scale of their armaments, their military, naval and air. programmes and the condition of such of their industries as are adaptable to war-like purposes.³⁹

These objectives were easy to write, but less easy to put into practice. In 1934 Snowden could only lament 'the efforts of the League of Nations to deal with the appalling traffic in arms have so far done nothing to lessen its nefarious activities'.⁴⁰ It was indeed argued that the evils alleged in paragraph 4 were never adequately investigated.⁴¹ The main attempt by the League of Nations corporately to do so was the Temporary Mixed

³⁴ Victor Lefebure, *Scientific Disarmament: A Treatment based on the Facts of Armament* (London: Gollancz, 1932), 20.

³⁵ H. C. Engelbrecht and F. C. Hanighen, *Merchants of Death: A study of the international armaments industry* (London: Routledge, 1934), 255.

³⁶ Matthew Ware Coulter, *The Senate Munitions Inquiry of the 1930s: Beyond the Merchants of Death* (London: Greenwood, 1997), 8.

³⁷ See, for instance, Carolyn J. Kitching, *Britain and the Geneva Disarmament Conference* (Basingstoke: Palgrave, 2003), 14.

³⁸ As Wells noted (*Work, Wealth and Happiness*, 636), Britain, France, Germany and the United States were the only states that 'possess the complete industrial outfits needed to equip great modern armies'.

³⁹ 'The Covenant of the League of Nations' *League of Nations Official Journal* (3) February 1920, 5.

⁴⁰ Snowden, *An Autobiography*, I, 251.

⁴¹ *Parliamentary Papers* (1935-36), VII, 483-583: *Royal Commission on the Private Manufacture of and Trading in Arms Report* Cmd 5255, October 1936, 14.

Commission (TMC) which reported in 1921. This presented the following charge-sheet of problems associated with the private manufacture of arms:

1. Armaments firms solicit purchases from governments and therefore have a vested interest in fomenting war
2. They pursue this end by bribery of officials at home and abroad
3. They disseminate false reports of the military capabilities of rival countries to stimulate arms orders
4. They create a favourable climate of opinion by controlling or suborning the press
5. They establish international arms rings to play off countries against each other
6. These arms rings also act as cartels to enable them to fix prices
7. They prolong wars by supplying arms to both sides
8. Their covert activity disrupts normal channels of international relations
9. They hamper rather than support military research and development
10. They have been known to pass military secrets to foreign powers
11. They are an inadequate source of reserve capacity in wartime.⁴²

Such an indictment raises the question as to why there was not more progress on addressing these issues during the 1920s. Yet internal dissension within the TMC bedevilled progress.⁴³ Furthermore, as Lefebure later pointed out, tackling issues of disarmament required a depth of technical knowledge conspicuously absent even at the most successful of the various conferences held on the subject, the Washington naval negotiations in 1921.⁴⁴

In the immediate aftermath of the war, Free Church leaders were generally content instead to cheerlead for the newly formed League of Nations. The Welsh Liberal MP and Calvinistic Methodist, David Davies, played a prominent part in founding and bankrolling what became the League of Nations Union (LNU) in November 1918, and the Free Church Council played an active part in promoting the new organisation.⁴⁵ Enthusiasm for the League, and active engagement in the LNU, were to be characteristics of the Free Churches throughout the inter-war years both at chapel and denominational level. In 1920 the chair of the Congregational Union, Alfred Garvie, unanimously carried a resolution calling on Parliament to recognise the League of Nations as a high Christian ideal and way forward in world peace.⁴⁶ Throughout its

⁴² *Royal Commission Report*, 16-17.

⁴³ *Royal Commission Report*, 21.

⁴⁴ Lefebure, *Scientific Disarmament*, 15-17.

⁴⁵ Helen McCarthy, *The British people and the League of Nations: Democracy, citizenship and internationalism, c.1918-45* (Manchester: Manchester University Press, 2011), 2, 88.

⁴⁶ *Congregational Year Book* 1921, 50.

existence, Free Church chapels were always a large majority of the corporate membership of the LNU, with the Congregationalists particularly active. The eminent Congregationalist, J. D. Jones, in 1927 was invited to preach the League of Nations sermon in Geneva cathedral that marked the start of the annual assembly. The leading Wesleyans John Scott Lidgett and Henry Carter served on the LNU Council. In 1926-27 the Baptist minister of City Temple, F. W. Norwood, embarked on a preaching tour on behalf of the LNU.⁴⁷

The focus was on peace by negotiation, rather than controlling the means of war. One of the prime motives for establishing the League of Nations was a concern about secret diplomacy and alliances as causal factors in the origins of the Great War that had been highlighted by the Union of Democratic Control (UDC) from its foundation in 1914. Prominent Free Church laymen, including the Labour politicians Ramsay MacDonald, Arthur Henderson and Charles Ammon – as well as the left-wing Wesleyan minister Samuel Keeble – were active in this body, whilst the Primitive Methodist and Labour MP Ben Spoor unsuccessfully nominated it for the Nobel Peace Prize in 1920.⁴⁸ Yet Garvie was already warning darkly in his 1920 chairman's address of the return of secret conclaves in international diplomacy.⁴⁹

Two years later E. Griffith-Jones carried unanimously another resolution at the Congregational Union calling both for an end to secret diplomacy and for drastic disarmament, leaving just sufficient forces for international policing purposes.⁵⁰ By 1927 the *Christian World* was lamenting that, despite the pious hopes at the war's end, the killing power of global armaments had nonetheless increased by two-thirds since 1914 and Europe remained 'as haunted by the fears and hopes that produce war'. There were also 3,145,000 soldiers in Europe, more than in 1914.⁵¹ Meanwhile, the newspaper's League of Nations correspondent, John H. Harris, drew attention to the steady supply of arms to all sides in the civil conflict in China from manufacturers in Europe and North America.⁵² At the time China was the third largest importer of arms in the world and Britain, with a 35 per cent share, the largest exporter. However, as Wells later pointed out, according to League of Nations sources, 56 per cent of the destinations of arms exports were unaccounted for, suggesting that 'their destinations were concealed or lied about'.⁵³

Nonetheless, some apparent progress was made on the requirements of Art.8 (5). A conference was held in Geneva in May-June 1925 to establish a Convention on the international trade in arms and ammunition and

⁴⁷ McCarthy, *British people*, 84-89; *Christian World*, 27 January 1927.

⁴⁸ Catterall, *Labour and the Free Churches*, 73, 168; Maldwyn Edwards, *Methodism and England: A study of Methodism in its social and political aspects 1850-1932* (London: Epworth, 1944), 197.

⁴⁹ *Congregational Year Book* 1921, 7.

⁵⁰ *Congregational Year Book* 1923, 5-6.

⁵¹ *Christian World*, 17 March 1927, 15 September 1927.

⁵² *Christian World*, 14 April 1927.

⁵³ Wells, *Work, Wealth and Happiness*, 636.

implements of war. However, by 1932 most large states, like Britain, were holding off full ratification until everyone else agreed, whilst smaller states like Finland which did not themselves manufacture arms were unwilling to sign the Convention in the present situation of international insecurity.⁵⁴ About the only tangible outcome was better information on the level of armaments around the world.⁵⁵ In May 1927 the *Christian World* reported that the Preparatory Commission of the World Disarmament Conference (WDC) had at last secured agreement on the annual statements on the size of their forces and armaments to be submitted by its member states.⁵⁶ That month Norwood reported back on his preaching tour for world peace. He had spoken at 250 meetings to a total of over 200,000 people, signing up 20-30,000 new members for the LNU. However, the optimism of the moment soon faded. By August Norwood was denouncing the recent failure of the Geneva conference, called by the Americans to try to extend the provisions of the Washington naval agreement, as the 'greatest blow to world peace we have suffered in years'.⁵⁷

One of the Americans who turned up at Geneva during these talks was William Baldwin Shearer. He had achieved fame by bringing a suit against the scrapping of the partially completed *USS Washington* in 1924 and went on to denounce the advocates of disarmament as unpatriotic and communist in a pamphlet entitled *The Cloak of Benedict Arnold* in 1928.⁵⁸ His aim at Geneva was to scupper the conference. Claims that he had a principal hand in doing so are undoubtedly exaggerated. That doyen of the LNU, Lord Robert Cecil, was rightly given more credit when he argued in his speech resigning as minister for League of Nations Affairs in Stanley Baldwin's Conservative government that the British attitude was largely responsible for the failure at Geneva.⁵⁹ Shearer's wrecking efforts were nonetheless clearly not unsupported. It later transpired that a consortium of three American steel and engineering companies had paid him \$25,000 to go to Geneva. He had also been employed to lobby Congress in 1928-29 for a new cruiser programme. These matters came to light when Shearer sued the companies for \$250,000 in further compensation in 1929. This produced abundant negative publicity for his erstwhile employers. The revelations prompted President Hoover to fulminate: 'it is obviously against the public interest for those who have financial interests in, or may be engaged in contracts for the construction of naval vessels, to attempt secretly to influence public opinion or public officials in favor of

⁵⁴ League of Nations, *Conference for the Reduction and Limitation of Armaments* Conf. D. 58. Geneva, 6 February 1932, 1-4.

⁵⁵ Mary S. Barton, *Counterterrorism between the wars: An international history 1919-1937* (Oxford: Oxford University Press, 2020), ch.4.

⁵⁶ *Christian World*, 5 May 1927.

⁵⁷ *Christian World*, 12 May 1927, 11 August 1927.

⁵⁸ Engelbrecht and Hanighen, *Merchants of Death*, 207-214.

⁵⁹ *Christian World*, 24 November 1927.

larger armaments'. The ensuing Senate inquiry helped to prepare the way for the relative success of the 1930 London naval conference.⁶⁰

Shearer's activities at Geneva and after seemingly were little noticed in Britain at the time, though their consequences in the US were to prove of transatlantic significance. Nor were there equivalent scandals involving British armaments firms. The Communist MP Cecil Malone alleged that Vickers had an interest in the prolonging of the Russian civil war in 1920.⁶¹ Later American investigations also drew attention to Vickers lobbying the Admiralty against the Washington naval agreement. As a result of that agreement, arms orders dwindled. Accordingly, both Vickers and Armstrongs attempted diversification during the 1920s. In Armstrongs' case the results were disastrous, leading to the Bank of England overseeing a merger of their armaments businesses with Vickers in 1927-28.⁶²

Free Churchmen nonetheless still complained about naval spending. The *Methodist Times* anathemised the first Labour government in 1924 thus: 'It has quoted the Sermon on the Mount and has voted for the building of more battle cruisers'. It was the Wesleyan lay preacher, Charles Ammon, by now the Parliamentary Secretary to the Admiralty, who had to defend the decision. He did so by arguing that building these cruisers would help to tackle unemployment.⁶³ Neither he nor his detractors in the Free Church press addressed the role of private contractors in the naval programme.

Attention remained focused on the possibility of sweeping international agreements on arms limitations, most notably with the convening of the WDC under Henderson's chairmanship in 1932. It was only as the hopes invested in that gathering faded that the Free Churches began corporately to address the issue of private arms manufacture. An important context was the perception that the WDC was doomed by Germany's complaint that the other powers had failed to disarm as required by the Versailles Treaty. In September 1933 the annual League of Nations resolution at the Congregational Union, moved as usual by Garvie, therefore called for the abolition of all weapons proscribed to Germany by Versailles and the reduction of all arms to the point where no nation could claim a need to rearm to regain parity or safety. Alongside these it urged the need for international supervision of arms manufacture as an essential means of achieving these ends.⁶⁴

⁶⁰ Cited in Peter H. Odegard, 'Lobbies and American Legislation' *Current History* 31/4 (1930), 690; *Cornell Daily Sun*, 3 October 1929.

⁶¹ *House of Commons Debates*, 5th ser., vol.133, c.303, 10 August 1920.

⁶² Engelbrecht and Hanighen, *Merchants of Death*, 198-199; David Kynaston, *The City of London: Vol. III Illusions of Gold 1914-1945* (London: Pimlico, 1999), 132.

⁶³ *Methodist Times*, 10 April 1924; *House of Commons Debates*, 5th ser., vol.169, c.171, 21 February 1924.

⁶⁴ *Congregational Year Book* 1934, 71.

A similar Methodist 'Declaration on Peace and War' in 1933 was seen by its principal author, Henry Carter, as a compromise between increasingly entrenched factions within the church.⁶⁵ In the 1920s, Keeble had been an outlier within the denomination in calling for unilateral total disarmament and uncompromising pacifism while expressing scepticism about the League of Nations. He felt the latter was a league of victors representing states and secret diplomacy rather than peoples, with all the paraphernalia of 'the hateful reign of force'.⁶⁶ In the early 1930s, with the looming prospect that force might be required to contain Nazi Germany, occasionally bitter divisions between pacifists for whom war was always wrong, and those for whom it was nonetheless sometimes a necessary evil, opened out in all the Free Churches and in the columns of the denominational press.⁶⁷ Carter, who himself came out as a pacifist in March 1933,⁶⁸ was the dominant figure in Methodist thinking on social welfare between the wars and strongly believed in the need to demonstrate 'the relevance of the Christian gospel to all areas of life'. In this vein, his compromise picked up on the links between war and social order contained in Keeble's writing. The following year, Carter led the adoption by the Methodist Church that 'Arms for private profit constitute a serious menace to international peace'.⁶⁹

Concern was clearly growing about how to regulate armaments firms during rearmament even in advance of the formal announcement by Baldwin in July 1934 of plans to form 41 new air squadrons. Henderson had already warned that a new arms race was begun,⁷⁰ which took the form of a naval race in the Far East with Japan and an air race with Germany. This was the context of growing international tension in which the Congregationalist, pacifist and Labour MP, Rhys Davies – in what the *Christian World* considered the speech of his parliamentary career – on 14 February 1934 moved that 'the private manufacture of armaments in the pursuit of private profit is contrary to the public interest and should be prohibited'. His anxiety was not just about the threat to international diplomacy by the machinations of a Mulliner. Davies pronounced that 'so long as armaments are made for private profit no disarmament conference of any kind can have much hope of success'. He also forecast:

that, under the present system, the Imperial Chemical Industries (ICI), who will manufacture most of the poison gas probably for the whole of Europe, will sell that poison to our own Government, to the French Government and to the German Government all at the same time. This firm will probably supply poison gas to all the combatants

⁶⁵ E. C Urwin, *Henry Carter CBE: A Memoir* (London: Epworth, 1955), 82.

⁶⁶ Samuel E. Keeble, *Christian Responsibility for the Social Order* (London: Epworth, 1922), 192-202.

⁶⁷ See, for instance, the account of the annual Free Church Council assembly in *Methodist Times*, 11 April 1935.

⁶⁸ Urwin, *Henry Carter*, 79-81.

⁶⁹ Cited in Hughes, *Conscience and Conflict*, 74.

⁷⁰ *House of Commons Debates*, 5th ser., vol.292, c.1275, 19 July 1934; *Christian World*, 12 April 1934.

in the next war irrespective of their nationality. If it gives them a decent profit they will on top of all that manufacture gas masks for the population to prevent them from being poisoned, and they will profit by that process as well.

To prevent this, he argued that Britain should forego the £3m of arms exports earnings per year as an example to the world. A Free Churchman on the Conservative benches, Sir Austen Chamberlain (nephew of Arthur and the owner of 666 shares in ICI), was more impressed by Davies' references to the British soldiers killed in the Great War by guns manufactured by their compatriots. He concluded that 'the practical method is the control of the international traffic in arms' and voted with the majority who defeated Davies' motion by 173 to 58.⁷¹

This did not kill the issue. That spring various Free Church assemblies passed motions on controlling private manufacturing and trade in arms. The *Christian World* noted that though the pacifist S. Maurice Watts argued in the Congregational Union assembly that suppressing the arms trade would be a false breach in the citadel of war most of the other delegates saw it as the point of attack.⁷² There were two immediate reasons why this now seemed a fruitful approach. First was the reporting on the Chaco War between Bolivia and Paraguay. This revealed that European and North American arms manufacturers were selling to both sides. The author Beverley Nichols reported a visit to a British factory where one set of armaments was painted green and the other blue, to tell apart the ones going to each country.⁷³ As neither country had a native arms industry, these armaments companies were helping to prolong the conflict. This prompted the council of the League of Nations to try to prohibit arms exports to the combatants.⁷⁴

Second, was the linkage between rearmament and the self-interest of the arms companies revealed in the pamphlet *Profits or Peace?* published by the National Peace Council (NPC).⁷⁵ In Britain the manufacture of warplanes was wholly in private hands and the pamphlet majored on the way in which these companies were campaigning for increased defence spending with the willing assistance of the Rothermere press. C. R. Fairey, Chairman of Fairey Aviation, used the *Daily Mail* on 5 January 1934 to call for a 400 per cent increase in the aircraft reserves held by the Royal Air Force (RAF). By 4 March the financial editor of the *Sunday Times* could reflect: 'This agitation for the strengthening of our Air Force has been going on for quite a long time, and has been accompanied by rising prices of the shares of companies that are supposed to be benefiting most from

⁷¹ *House of Commons Debates* 5th ser., vol.285, cc.1935-2005, 14 February 1934; *Christian World*, 22 February 1934; Engelbrecht and Hanighen, *Merchants of Death*, 257.

⁷² *Christian World*, 17 May 1934.

⁷³ *Christian World*, 25 October 1934.

⁷⁴ *Christian World*, 31 May 1934.

⁷⁵ *Christian World*, 17 May 1934.

Government contracts'. Furthermore, the pamphlet darkly hinted that the 4,000 Fairey shares owned by Lord Rothermere's *Daily Mirror* suggested that its role in the campaign was not disinterested.⁷⁶ Although less noticed by peace activists, shipbuilders whose yards had become dependent on tiny orders from second-rate powers were also by 1933 lobbying government both directly and via letters in the press for an increase in orders.⁷⁷

These calls for rearmament shifted focus back onto the role of private firms. This was reflected in the Peace Ballot the LNU decided in July 1934 to hold the following year. Question 4 in this asked: 'Should the manufacture and sale of armaments for private profit be prohibited by international agreement', a question which received overwhelming affirmation by 10,417,329 to 775,415.⁷⁸ The *Christian World* felt that most of the attacks on the Peace Ballot – including Austen Chamberlain's resignation from the LNU executive over it – were because of this question.⁷⁹ Nonetheless, the newspaper also concluded that the Conservative-dominated National Government would have to set up an inquiry into private arms companies. This was because of the disclosures about the conduct of British firms emerging from the Senate munitions inquiry in Washington.⁸⁰

This inquiry arose from various forces that came together during the first term of President Roosevelt's administration. Within a few months of the Senate inquiry into Shearer's activities, Congress established a War Policies Commission on 27 June 1930,⁸¹ partly because of lobbying from the veterans' organisation, the American Legion, about profiteering during the war. Reviewing its report, which recommended high taxation of wartime profits and a maximum 6% profit margin, was the ostensible reason for calls for a new Senate inquiry in 1934. How far its progenitors were also isolationists in face of the storm-clouds gathering over Europe is debatable, but the committee certainly investigated the role of American banks and big business in dragging the US into the conflict in 1917. The inquiry was formally constituted under the chairmanship of Senator Joseph Nye in April 1934, with Walter Rauschenbusch's son Steve appointed as its chief researcher.⁸²

⁷⁶ *Profits or Peace?* (London: National Peace Council, 1934).

⁷⁷ Christopher W. Miller, 'The Clydeside Cabal: The Influence of Lord Weir, Sir James Lithgow and Sir Andrew Rae Duncan on naval and defence policy around 1918-40' *Mariner's Mirror* 197/3 (2021), 344-345.

⁷⁸ Cited in Harold Nicolson, 'British Public Opinion and Foreign Policy' *Public Opinion Quarterly* 1/1 (1937), 57-58; *Christian World*, 5 July 1934.

⁷⁹ *Christian World*, 22 November 1934.

⁸⁰ *Christian World*, 13 September 1934.

⁸¹ Arthur Deerin Call, 'The Work of the War Policies Commission to the Peace Movement' *Advocate of Peace through Justice* 93/2 (1931), 87.

⁸² Coulter, *The Senate Munitions Inquiry*, 15-31, 52, 109-115.

Despite necessarily concentrating on American arms businesses, the Nye Committee also drew attention to their links to British companies. There was a cartel arrangement between Du Pont and ICI which enabled the former to get round the US arms embargo during the Chaco War. However, this cartel was not as extensive as that between the Electric Boat Co. (EBC) and Vickers. This included EBC and Vickers selling the same submarines to each side when Chile and Peru nearly came to war. The American manufacturer Louis Driggs also claimed that Vickers 'use women of doubtful character freely' in soliciting arms contracts in Turkey, while Zaharoff was paid \$750,000 by EBC for his services in Spain. Evidence also emerged of Vickers using personal connections in the Admiralty to tout successfully for sales.⁸³

Captain John Ball of British Soley, a company specialising in selling surplus British war stock, was the witness most open about such dubious activities. He admitted 'We fully understand that arms deals are not usually done without some officials getting "greased" but as our prices are at least 50 per cent less than factory prices for the same arms, they will stand a lot of grease'.⁸⁴ Yet the most disturbing allegations were that British warplanes were being shipped for assembly in Germany. By September 1934 the Nye inquiry findings were reinforced by the publication in London of *Merchants of Death*, Engelbrecht and Hanighen's sensational attack on the armaments industry. That month a Congregational Union assembly 'profoundly shocked' by the revelations in America passed a resolution calling for a similar inquiry in Britain, as did the Free Church Council, while LNU branches called on its executive to do the same. Meanwhile, the NPC planned a petition and a large London demonstration in support of its campaign for an investigation.⁸⁵ In October these were followed by a resolution from the British section of the WAIFC condemning the 'sinister influence upon the effort for disarmament' of the armaments manufacturers and calling for a commission of inquiry.⁸⁶

The Commons debate of 8 November 1934 might suggest that such calls had limited prospects. Clement Attlee drew extensively on the evidence from the Nye Committee in introducing a Labour motion to prohibit all private manufacturing and trade in arms. The responses revealed the scepticism of National government ministers. The Foreign Secretary, Sir John Simon, Liberal National MP and a son of a Congregational manse, quoted the 1921 TMC report on the effects of such a ban on non-producing states: 'This might mean that all governments would feel themselves called upon to prepare for the eventualities of war by storing

⁸³ Coulter, *The Senate Munitions Inquiry*, 15-31, 38-39, 52, 109-115; Engelbrecht, *One Hell of a Business*, 40, 51; *House of Commons Debates*, 5th ser., vol.293, cc.1294-1298, 8 November 1934.

⁸⁴ Engelbrecht, *One Hell of a Business*, 14. Vickers also admitted to using 'grease': see *House of Commons Debates*, 5th ser., vol.293, cc.1296, 8 November 1934.

⁸⁵ *Christian World*, 20 September 1934, 27 September 1934; *Royal Commission Report*, 81.

⁸⁶ *The Times*, 8 October 1934.

up large stocks of munitions and by equipping themselves with large munition funds'. For Baldwin, winding-up for the government, this demonstrated that the ban Attlee proposed would instead increase armaments. Certainly, as he pointed out, large armed forces stocked by the state monopoly of armaments in Russia did not help to make Attlee's case.⁸⁷

What was needed, Simon suggested, was regulation and control by international treaty. In Geneva on 30 May he had pressed again for the ratification of the 1925 Convention.⁸⁸ He had also then proposed that rather than seeking a massive portmanteau treaty the League might be better served by pursuing more specific objectives around chemical warfare, publicity on arms spending and the creation of a Permanent Disarmament Commission.⁸⁹ To build public support for and trust in such arrangements both domestically and internationally, the Liberal leader Sir Archibald Sinclair nevertheless argued on 8 November 1934 that a public inquiry along the lines of the Nye Committee was required.⁹⁰

Although Attlee's motion was heavily defeated by 279 to 68, Sir Thomas Inskip subsequently claimed that this debate prompted the decision to set up the inquiry Sinclair sought.⁹¹ Another likely factor was the electoral concern Baldwin later controversially gave voice to when he noted with 'appalling frankness' his doubts about whether the National Government could retain its majority – following John Wilmot's victory on a pacifist platform for Labour in East Fulham in the 1933 by-election – without concessions to pacifistic opinion in the country stirred up by the Peace Ballot.⁹² A third was the impact of the Nye Committee and the Chaco War. In the debate on the Address on 22 November 1934 the Welsh Congregationalist and Labour MP David Grenfell mentioned both these and Art.8 in a speech that included an attack on church members earning dividends from arms companies. Later in the debate he was followed by Simon. The Foreign Secretary, after updating the House on the ongoing naval negotiations with the Americans and Japanese, performed the unusual task of criticising his own speech in the debate a fortnight earlier. In stating that:

I should like to be informed by a responsible and impartial report whether the undoubted opportunities which the system of private manufacture may afford in some cases, and in some parts of the world, for improper pressure could be dealt with more effectively through State action

⁸⁷ *House of Commons Debates*, 5th ser., vol.293, cc.1293-1299, 1313, 1407, 8 November 1934.

⁸⁸ *Christian World*, 15 November 1934.

⁸⁹ *House of Commons Debates*, 5th ser., vol.295, c.297, 22 November 1934.

⁹⁰ *House of Commons Debates*, 5th ser., vol.293, cc.1327-1335, 1407, 8 November 1934.

⁹¹ *House of Commons Debates*, 5th ser., vol.324, c.302, 26 May 1937.

⁹² *House of Commons Debates*, 5th ser., vol.317, c.1144, 12 November 1936.

Simon gave effect to a Cabinet decision taken the day before and announced the setting up of the enquiry which Sinclair had called for.⁹³

A final factor was the support of the Prime Minister, Ramsay MacDonald. His views clearly weighed in the balance.⁹⁴ MacDonald certainly took a personal interest in the establishment of the Royal Commission on the Private Manufacture of and Trading in Arms, meeting privately with the key members to discuss their willingness to serve. After trying several eminent lawyers, the octogenarian Sir John Eldon Bankes, a leading member of the Church in Wales,⁹⁵ was appointed as chair. Simon made various suggestions for the seven members of the commission, including Scott Lidgett, though in the end the only one of these actually appointed was the veteran Liberal journalist, J. A. Spender, probably because he had recently written on the subject.⁹⁶ Another journalist, Sir Philip Gibbs, a Catholic and expert on contemporary European politics, was sounded out about membership over lunch with his old friend MacDonald.⁹⁷ The only commissioner with strong Nonconformist connections was Harold Gutteridge, professor of comparative law at Cambridge whose father Michael was a prominent Methodist, leading member of the British and Foreign Bible Society and key founder of Wesley House, Cambridge.⁹⁸

MacDonald, exemplifying what would later be called ethical investment policies, had asked the commissioners to assure him that they possessed no interests in arms firms. This caused Harold Gutteridge some embarrassment when his father, who had made his money as a draper in Naples, died in May 1935 and turned out to own 909 shares in Vickers and 325 shares in Armstrong-Whitworth which were inherited by his son and sole executor. Fortunately, Baldwin – who had by then succeeded MacDonald as Prime Minister – was able to reassure him that, as he had passed them on immediately, no conflict of interest applied.⁹⁹

The issue of shares in arms firms had been raised even more starkly for Simon a few months earlier. On 21 November 1934, the same day that the Cabinet decided to establish the Royal Commission, the superintendent Methodist minister of the Dereham and District circuit, J. Whitaker Bond, spoke incautiously at what he thought was a private meeting of the local

⁹³ *House of Commons Debates* 5th ser., vol. 295, cc.281, 302, 22 November 1934.

⁹⁴ The editorial in the *Christian World*, 4 October 1934, welcomed the strong support for an inquiry recently voiced in *The News Letter*, the newspaper of the National Labour Party, widely seen as MacDonald's mouthpiece.

⁹⁵ Obituary notices in *The Times* 2 January 1947, 7 January 1947.

⁹⁶ TNA: PREM 5/123, Sir John Simon, CP 292 (34), 6 December 1934; Spender to MacDonald, 22 January 1935.

⁹⁷ TNA: PREM 5/123: MacDonald to Bankes, 8 February 1935; Sir Philip Gibbs, *Ordeal in England (England Speaks Again)* 2nd ed., (London: Heinemann, 1938), 53; Obituary notice in *The Times* 12 March 1962.

⁹⁸ Obituary notice in *The Times*, 25 May 1935; Paul Glass, 'The Origins of Wesley House, Cambridge' *Proceedings of the Wesley Historical Society* 49 (1993), 44-54.

⁹⁹ TNA: PREM 5/123, Gutteridge to Baldwin, 20 June 1935, Baldwin to Gutteridge, 21 June 1935.

Free Church Council.¹⁰⁰ He alleged: 'The reason why Sir John Simon has been running down the peace ballot promised by the League of Nations Union is because his money is invested in armament firms Your statesmen are prepared to make money out of warfare and bloodshed'. On 6 December a fellow MP alerted Simon to a report of these remarks in the *Dereham and Fakenham Times and Journal*.¹⁰¹ Simon had been subject to hints and insinuations of this kind almost ever since he became Foreign Secretary, indeed similar rumours also circulated in the US and Europe. Bond unwittingly provided Simon with the opportunity to scotch these once and for all by suing for libel.¹⁰²

As Simon's statement showed, he had never owned shares in arms firms in the ordinary sense, but he did own ICI stock between 1927 and February 1932. Then

an application to the Foreign Office for a licence to export cartridges came before the Foreign Secretary's personal attention and he was told that the applicant was a firm which was part of the Imperial Chemicals combination – a fact he did not know before. Sir John took immediate action by refusing to deal with the application and getting it dealt with by a colleague in the office and selling his shares in Imperial Chemicals the next day.¹⁰³

Bond was so distraught he was found in a state of collapse by the local doctor, who pleaded with Simon to show him clemency. Simon had meanwhile enlisted Lidgett's help in explaining to Bond 'that it is absolutely necessary that I should deny these monstrous charges on oath, but that I would be the last to seek to be vindictive'.¹⁰⁴ Simon only wanted an apology and an admission that there was no truth in these allegations, which Bond was only too happy to provide. The extensive publicity the libel case received in Britain and abroad when it was heard on 29 January 1935 then helped to kill the rumours. Among the consequences was the withdrawal from publication of an obscure book by the eccentric Col. Hutchison in which similar insinuations had appeared.¹⁰⁵

Simon then moved onto the Home Office. However, his role in drafting its terms of reference meant he nonetheless shaped the Royal Commission's enquiry. These required them to investigate the regulation of the arms export trade and the practicality of prohibiting private arms manufacture or means of minimising the objections to it.¹⁰⁶ As Simon told the

¹⁰⁰ Bodleian Library, Oxford (BLO): MS Simon 80, f.11. Newbald Kay & Son to Stephenson, Harwood and Tatham, 10 December 1934.

¹⁰¹ BLO: MS Simon 81, ff.56-59. Enclosure in Sir Robert Witt to D. Rowland Evans, 23 January 1935.

¹⁰² BLO: MS Simon 81, ff.47-48: Evans to G. W. Rollings, 22 January 1935.

¹⁰³ BLO: MS Simon 81, ff.50-54. Simon statement.

¹⁰⁴ BLO: MS Simon 80, ff.87-88. J. K. Howlett to Simon, 19 December 1934; ff.99-100, Simon to Lidgett, 21 December 1934.

¹⁰⁵ BLO: MS Simon 81, ff.76-84. List of press notices; f.211, Witt to Evans, 11 February 1935.

¹⁰⁶ *Royal Commission Report*, 3.

Commons, they were deliberately so drawn to avoid the kind of roving commission that the Nye Committee was felt to have become. His view was that the existence of possible abuses was assumed and that it was undesirable for the commission to detail allegations, a view with which MacDonald concurred.¹⁰⁷ In consequence, Gibbs felt there 'was a severe limitation as the corruption of the Press, the bribery of officials, pressure upon governments by arms manufacturers, and many notorious scandals in foreign countries, could not be dealt with as evidence before us'.¹⁰⁸ He was among the five commissioners who complained unsuccessfully about the need to demand papers and cross-examine witnesses on oath in order 'to command the respect and confidence of those sections of public opinion most interested'.¹⁰⁹ The Commission accordingly had limited opportunity to follow up the laconic observation by Vickers managing director, Sir Charles Craven, that 'the further you get away from here, the looser the business morals are'.¹¹⁰

At its annual meeting in April 1935 the Free Church Council welcomed the appointment of the Commission. This was followed by a submission to the Commission by various Nonconformist leaders jointly with the archbishops of Canterbury, York, Dublin and Wales. Its key points were that:

1. Arms manufacturers should be controlled by an international authority that publicises orders and licenses sales
2. Private profiteering should be eliminated by restriction, control or, if necessary, nationalisation
3. Inspection to prevent evasion.

Garvie's memorandum, in his capacity as President of the British section of the WAIFC, took a similar line. A petition from North Wales and Cardiganshire led by the bishop of Bangor and supported by many Nonconformist clergy went further in urging the abolition of private arms manufacturing.¹¹¹ *The Inquirer* noted that American Unitarians had also come out in favour of nationalisation of the armaments industry, but the memorandum submitted by their British co-religionists simply urged such measures as might end private armaments manufacture.¹¹² Some individual congregations submitted memoranda, such as Tiverton Baptist Church. The fullest denominational statements (including from their synods in Ireland and Scotland) came from the Methodist Church. Its demands included that:

- private profits from arms sales should be eliminated

¹⁰⁷ *House of Commons Debates*: 5th ser., vol.295, c.301-303, 22 November 1934; TNA: PREM 5/123, MacDonald to Bankes, 21 December 1934; Simon, CP 292 (34),

¹⁰⁸ Gibbs, *Ordeal in England*, 60.

¹⁰⁹ TNA: PREM 5/123, Neville Butler to MacDonald, 27 May 1935.

¹¹⁰ Cited in *The Times*, 10 January 1936.

¹¹¹ *The Times*, 11 April 1935, 15 April 1935, 16 April 1935; *Royal Commission Report*, 95-97.

¹¹² *The Inquirer*, 23 February 1935; *Royal Commission Report*, 81.

- supply of armaments to countries engaged in war should be embargoed
- Britain should take these steps unilaterally as a first step towards international agreement.¹¹³

Commencing on 1 May 1935, the Commission held 22 hearings.¹¹⁴ The 74 individuals who testified ranged from Sir Harry McGowan of ICI – who pointed to the difficulty of defining what an arms firm is when only 1.4 per cent of his profits came from such activities – to the Cabinet Secretary, Sir Maurice Hankey.¹¹⁵ Several of the witnesses were Nonconformists. Philip Noel-Baker, a Quaker and former and future Labour MP who had been involved in the founding of the League of Nations and served with Henderson's team at the WDC, appeared before the Commission in a personal capacity, as did Newbold and Addison. The latter, by then a Labour MP, argued from his wartime experiences that only government direction could meet the need as private manufacture proved 'a tragic and perilous failure'. Another Labour figure, Ronald McKinnon Wood, son of the aforementioned Thomas, noted the flaws in the export licence system that enabled shipments of materials used in warplanes to Germany. He was an expert witness, having been head of the aerodynamic research department at Farnborough, but he appeared as part of the UDC delegation, while his fellow Congregationalist, the former Labour MP Samuel Perry (father of then Wimbledon champion, Fred) was part of that from the NPC. The Quakers also worked with the NPC, rather than submitting their own memorandum.¹¹⁶

Lloyd George was the witness who impressed Gibbs the most. He critiqued the flaws of private industry during the Great War: indeed, another witness – the former inspector of naval ordnance, Lt. E. H. Llewellyn – argued that the war would have lost by 1916 if Britain had relied on these suppliers. The former Prime Minister drew particular attention to the reluctance of private arms firms to invest in research and development because of the lack of opportunities for commercial spin-offs. Instancing the way in which Britain had fallen behind in tank design and capabilities by the 1930s, Lloyd George emphasised that only government had the land and resources to ensure the effective development of such weapons. He told the Commission that he supported state control of the industry 'as far as it is practicable. The less you leave to private manufacturers, the

¹¹³ *Royal Commission Report*, 74, 80-81.

¹¹⁴ *Royal Commission Report*, 12.

¹¹⁵ *The Times*, 6 February 1936; Gibbs, *Ordeal in England*, 94-99. In contrast, the percentages for Vickers were Vickers-Armstrong, 68.9; Vickers Aviation, 98.09; Super Marine Aviation, 92.36; and Whitehead Torpedo Company, 100 per cent: *House of Commons Debates*, 5th ser., vol.324, c.283, 26 May 1937.

¹¹⁶ Gibbs, *Ordeal in England*, 60; *The Times*, 18 July 1935; *Royal Commission Report*, 30, 71; TNA: PREM 5/123, Addison evidence, paras.35, 47, 65; TNA: CAB101/293, notes on the Royal Commission, 10.

less is the incentive to promote agitation for war'. Unsurprisingly, he was less critical of the export licensing system that originated in 1914 and adapted under his premiership in 1921, except to comment that he would have allowed exports to Abyssinia to help them resist the Italian invasion, rather than embargoing them as the National Government had done.¹¹⁷

The Commission reported on 24 September 1936. The drafting process was contentious, but the final report unanimous, except for a minority who favoured abolition of the export trade.¹¹⁸ It noted that not even the most hostile witnesses alleged that arms firms caused wars. There was also little direct evidence of bribery, though the Commission noted that it could be 'cloaked under commissions [which] leaves the principals free to profess ignorance'. It also found no compelling examples of undue influence on the press. No evidence was uncovered of impropriety in the movement of former officers and government officials into the private sector, though the report still recommended that this should only be permitted with ministerial approval.¹¹⁹ A story which broke too late to influence their findings was the contemporary scandal surrounding the permanent under-secretary at the Air Ministry, Sir Christopher Bullock, who was dismissed after lobbying for a job with Imperial Airways.¹²⁰ The Commission did not investigate movements in the opposite direction by those like Lord Weir who became significant advisers to the CID and its web of sub-committees that Hankey had spun around himself. Among Weir's achievements in this position that have subsequently come to light was pressing successfully for ICI – on whose board he served – to gain a government contract for a new ammonia plant despite the existence of a lower tender.¹²¹

The best way to address the problems raised by Art.8 (4 & 5), the Commissioners concluded, was by international agreement, whilst acknowledging that the 1925 Convention was effectively already a dead letter.¹²² They also found against nationalisation. This was not least because the Navy, and even more the RAF, were so dependent upon private manufacturers. To this was added the problem of the needs of non-producing nations. Nationalisation was also felt likely to require a larger and less flexible labour force. Furthermore, there remained the problem of disentangling what is and is not an armaments firm. The Commission therefore concluded: 'We are not convinced that the nationalisation of even those industries more closely and directly associated with the provision of warlike needs could be satisfactorily

¹¹⁷ *The Times*, 28 November 1935, 7 May 1936; *Royal Commission Report*, 68.

¹¹⁸ Gibbs, *Ordeal in England*, 100-101; *Royal Commission Report*, 47.

¹¹⁹ *Royal Commission Report*, 24, 35-37.

¹²⁰ *Christian World*, 13 August 1936.

¹²¹ Miller, 'The Clydeside Cabal', 354.

¹²² *Royal Commission Report*, 40, 53.

achieved except as part of a general scheme of nationalisation as a whole'.¹²³ State control, however, was commended, to ensure:

1. Rapid expansion in emergencies
2. The curbing of price-gouging
3. Prevention of profiteering
4. Encouragement of research and development and the standardisation of production.¹²⁴

This was not least because there was evidence of price maintenance agreements and collusive tendering. Indeed, given its role in supplying the state, the arms industry was effectively 'a public service and is virtually of a monopolistic character'. It was therefore not a normal economic sector or subject to stringent competition. Complete removal of the profit motive was nonetheless seen as undesirable except in wartime, but 'price control by government is essential'. A Ministry of Supply, as recommended by Addison, was seen as a means of ensuring most of these goals.¹²⁵

The final issue addressed by the Commission was that of the export trade. Simon maintained that British arms export controls were far superior to those elsewhere: 'No consignment of armaments can leave this country without a licence to export'.¹²⁶ He boasted to the Commons in February 1934 that if a British memorandum to the WDC was accepted:

all licences for the export of arms and munitions will be permanently withheld, and will only be granted when the competent authority, presumably the Council or the Assembly of the League of Nations, decide that a nation has been attacked and needs these armaments and munitions for self-defence.¹²⁷

With the failure of the WDC, global arms licensing arrangements remained unsatisfactory. Nor, according to the Commission, were they as good in Britain as Simon claimed. The default setting was in favour of exports unless the defence departments or the Foreign Office objected, and all of these tended to interfere as little as possible. Instead, the Commission argued, the onus of proving the right to export should be on the exporter, and shipments should only be authorised for their specific destination and not for re-export (though it is hard to see how they thought this latter stipulation could be policed). Understandable concern attached to aircraft exports. Instead of the current system of open licensing (except to Abyssinia) the government were urged to 'make it an offence to equip,

¹²³ *Royal Commission Report*, 27-33.

¹²⁴ *Royal Commission Report*, 43-44.

¹²⁵ *Royal Commission Report*, 38, 43-45.

¹²⁶ *House of Commons Debates*, 5th ser., vol.293, c.1318, 8 November 1934.

¹²⁷ *House of Commons Debates*, 5th ser., vol.285, c.1066, 6 February 1934.

arm, despatch or man' these to 'hostilities in which a friendly nation is engaged'.¹²⁸

Ball, who cynically told the Commission that he could change the political balance in parts of the world with his munitions and easily evade any arms embargo, clearly left the Commission unimpressed: they concluded 'The trade in surplus or second-hand arms is in our view one to be condemned' and prohibited.¹²⁹ On arms exports more generally, they advocated that Britain should support American proposals put to the WDC in 1934. These had recommended a system of national inspection under international supervision, which would provide for 'full publicity of all manufacture, publicity of order, strict, licensing of all exports and imports and licensing of manufacture'. The report suggested that this should be done through annual or quarterly returns. It thus addressed Garvie's recommendation that there should be the 'fullest publicity in regard to the licensing and sale of arms'.¹³⁰ One of Henderson's team, Margery Corbett Ashby, noted that the British government at the time had rejected these American proposals 'so contemptuously that I saw the United States delegation go white with rage'.¹³¹

More circumspectly, the government response to the report voiced reluctance about providing such publicity during a renewed arms race with Germany. The government also, in direct contradiction of the Commission, introduced an excess profits duty that was, in Noel-Baker's view 'incomparably less effective than that which was in operation during the last War'.¹³² The only recommendations that were immediately accepted were those to end open licensing of exports on aircraft, bayonets, swords and lances, later followed by partial implementation of the recommended controls on the movement of officials into private firms.¹³³ Gibbs was told privately that several of the Cabinet were angered by a report which proved 'too radical for the Conservatives and not radical enough for the Opposition'.¹³⁴

In the absence of any mention of the report in the King's speech, the Liberal MP and Congregationalist, Kingsley Griffith, in November 1936 moved a critical amendment in the debate on the Address. Griffith favoured a state monopoly on armaments but concentrated his remarks on the report's actual recommendations. Both he and his fellow

¹²⁸ *Royal Commission Report*, 48-50.

¹²⁹ Gibbs, *Ordeal in England*, 71; *Royal Commission Report*, 51-52.

¹³⁰ *Royal Commission Report*, 41 51-52, 97.

¹³¹ Cited in *House of Commons Debates*, 5th ser., vol.324 c.290, 26 May 1937.

¹³² *House of Commons Debates*, 5th ser., vol.324, c.293, 26 May 1937.

¹³³ *Parliamentary Papers* (1936-37), XXI, 493-513, *Statement relating to Report of the Royal Commission on the Private Manufacture of and Trading in Arms* Cmd 5451 (May 1937), 10-19; *The Times*, 15 July 1937.

¹³⁴ Gibbs, *Ordeal in England*, 108.

Congregationalist, the Labour MP Hastings Lees-Smith, unavailingly urged the need for a Ministry of Supply to control profiteering.¹³⁵

The following year Noel-Baker – with Griffith's support – instead tried a censure motion on a supply vote. He commenced by drawing on his personal experience of the WDC to condemn the obstructive attitude the National Government had then shown, particularly to proposals touching on the arms industry. This industry, he sourly noted, worked hard in their efforts 'to defeat the purpose of that conference'. He also criticized the Commission for not demanding papers as Nye had done. Gibbs and another commissioner, Rachel Crowdy, had only spent a few hours going through a room at Vickers headquarters piled high with files thick with dust. Nonetheless, they still uncovered an intended bribe of £50,000 to the head of a foreign state. To this evidence of corruption, Noel-Baker added examples of the profiteering from rearmament that was already evident from the dividends being paid by arms companies.¹³⁶

By 1938, Sinclair – who went on to serve as Air Secretary in 1940-45 – was alleging that air manufacturers were making profits of £300 on each machine.¹³⁷ This was despite companies complaining that the minor modifications demanded by the Air Ministry were delaying orders and denting profits.¹³⁸ That April the guidelines on profit controls for aircraft firms devised by Sir William McLintock in 1936 finally came into operation. The Air Secretary, the prominent Methodist and Conservative MP Sir Kingsley Wood, in early 1939 noted that the enormous increase in orders had nonetheless rendered these guidelines over-generous and already outdated. For Labour, Hugh Dalton growled that 'We are being grossly overcharged and gigantic fortunes are being made But why we should be making millionaires nearly as fast as we are making aeroplanes I cannot think.' He reminded the House of the Commission's recommendation 'that all branches of the Defence Services should have, at any rate, some element of genuine State manufacture in order that the costs of production in private firms might be checked by a comparable figure in a Government establishment'. Instead, all that transpired was a revision to the McLintock guidelines to allow for a 5 per cent profit margin apparently as a reward for risk, in addition to the new factories and works extensions that had again been gifted by the state.¹³⁹

The problem of preventing profiteering continued into the Second World War after the Ministry of Supply was finally created on 1 August 1939.

¹³⁵ *House of Commons Debates*, 5th ser., vol.317, cc.709-720, 746-747, 10 November 1936.

¹³⁶ Gibbs, *Ordeal in England*, 84-86; *House of Commons Debates*, 5th ser., vol.324, cc.281-294, 26 May 1937.

¹³⁷ *The Times*, 28 April 1938.

¹³⁸ Hugh Gault, *Kingsley Wood: Scenes from a Political Life 1925-1943* (London: Gretton Books, 2017), 367.

¹³⁹ *House of Commons Debates*, 5th ser., vol.344, cc.2393, 2405. 9 March 1939; *The Times*, 11 March 1939, 28 July 1939.

Fixed prices were used on 60 per cent of orders by 1941, but it was felt they 'can only be safely employed on munitions contracts where there is factual experience of the costs of the process involved in the manufacture by the particular firms and the overheads are more or less static'.¹⁴⁰ The Minister, Labour's Herbert Morrison, was urged by his junior, the Conservative MP Harold Macmillan, 'to take over directly or on an emergency basis, the armaments industry (The Royal Commission's report should not be forgotten)' as a means of containing profiteering.¹⁴¹ By 1942 the number of Royal Ordnance factories had expanded from 2 to 41, supplemented by 134 agency factories managed by private companies on an expenses-only basis.¹⁴²

If progress had finally been made on one of the evils of the arms industry the TMC had named, albeit temporarily in the emergency of wartime, most others remained to be fully addressed. Along with continuing, if covert, evidence of corruption there remained the problem of how best to manage the relationship between armaments and the state. Exploring such technicalities had been led by Quakers like Newbold and Noel-Baker, while denominational statements dealt more with general principles. By the end of the 1930s, the tone of these made clear that the need to tackle the production and dissemination of the means of war, as well as the will for war, had been grasped. This was in marked contrast to the 1890s. When criticism was then raised about a firm attempting to sell arms to hostile tribes on India's North-West Frontier, *Arms & Explosives* responded: 'prohibitions are usually a farce Our view is that it is better to wink at an evil than to make futile and impossible attempts at its remedy'.¹⁴³

The Mulliner scandal during the Dreadnought race made it increasingly difficult to wink at such evils. Yet even during the cruisers debates in the mid-1920s, although the experience of the Great War and the creation of the League of Nations had put the machinations of the arms industry on the agenda, Nonconformist focus was upon the number of warships ordered rather than the ethics of how they were sold. Nonetheless, attitudes were clearly changing, not least towards the ethics of owning shares in arms firms, as the contrast between Compton-Rickett and Simon clearly shows.

Despite the disillusioning experience of the WDC, Carter and others saw critiquing the arms trade as a way forward in the early 1930s as a means of getting away from the interminable wrangling over pacifism. The Nye Committee in America then provided the Free Churches and others with an opportunity to campaign for a similar inquiry in Britain. The ensuing

¹⁴⁰ BLO: MS Macmillan dep. c. 274, f.184, Harold Macmillan (Parliamentary Secretary to the Ministry of Supply) speech notes, c. May 1941,

¹⁴¹ BLO: MS Macmillan dep. c. 273, f.267, Macmillan to Morrison, 19 May 1940.

¹⁴² BLO: MS Macmillan, dep. c. 274, ff.353-356.

¹⁴³ *Arms & Explosives* 3/32 (1895), 128.

Royal Commission may have been seen as futile, not least by some of its members.¹⁴⁴ Yet, despite the hostility of the National Government and of Hankey behind the scenes, it had more impact than initially seemed likely to be the case. Nonetheless, as the *Christian World* in welcoming the report acknowledged, 'many will feel that the one of the chief evils of private enterprise in this particular field – the temptation to make money out of other people's wars – still remains to be dealt with'.¹⁴⁵

¹⁴⁴ Gibbs, *Ordeal in England*, 102.

¹⁴⁵ *Christian World*, 5 November 1936.