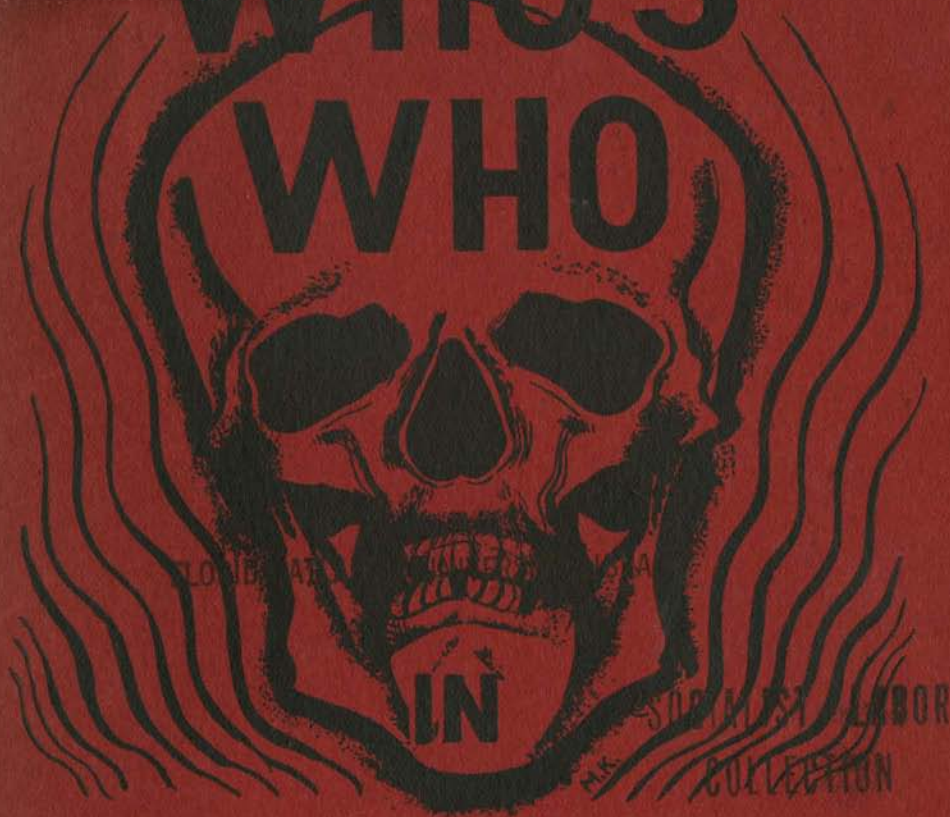


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WHO'S
WHO



IN

SOCIETY LABOR
COLLECTION

ARMS

BY

W. H. WILLIAMS

LABOUR RESEARCH DEPARTMENT
60 Doughty Street, London, W.C.1

WHO'S WHO IN ARMS

BY

W. H. WILLIAMS

ARMAMENTS IN PENGUIN ISLAND

The Penguin democracy did not itself govern. It obeyed a financial oligarchy which formed opinions by means of newspapers, and held in its hands the representatives, the ministers, and the president. It controlled the finances of the republic, and directed the foreign affairs of the country as if it were possessed of sovereign power.

Empires and kingdoms in those days kept up enormous fleets. Penguinia, compelled to do as they did, sank under the pressure of her armaments. Everybody deplored, or pretended to deplore, so grievous a necessity. However, the rich, and those engaged in business or affairs, submitted to it with a good heart through a spirit of patriotism, and because they counted on the soldiers and sailors to defend their goods at home and to acquire markets and territories abroad. The great manufacturers encouraged the making of cannons and ships through a zeal for the national defence and in order to obtain orders. Among the citizens of middle rank and of the liberal professions some resigned themselves to this state of affairs without complaining, believing that it would last for ever; others waited impatiently for its end and thought they might be able to lead the powers to a simultaneous disarmament.

(From "Penguin Island" by Anatole France)

LABOUR RESEARCH DEPARTMENT
60 Doughty Street, London, W.C.1

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PREFACE

The allegations made against the British arms manufacturers at the United States Senate Arms Enquiry have resulted in a widespread feeling of uneasiness in this country. Nor have the replies to the charges been convincing enough to dispel this disquiet.

The appointment by the British Government of a Royal Commission to enquire into the private manufacture of munitions of war was made in such circumstances as to increase rather than to allay suspicion. The Government acted only after prolonged public agitation; the terms of reference to the Commission are very restricted; and the long notice of the enquiry which has been furnished gives the manufacturers every chance of concealing evidence which might damage them. At the same time the vast increase in armament expenditure shows that the Government has no serious intention of bringing the arms racket to an end.

In preparing this pamphlet, the Labour Research Department was concerned with the urgent need for the presentation, in a compact form, of all the material necessary to answer the question, "Who are the people behind the armament firms?" In this study we are concerned with the presentation of facts, not of views. It has been our aim to select and arrange the material in a manner which will enable the reader easily to grasp quickly the essential lines of control.

We preface our accounts of the various firms with some extracts from the public pronouncements of leading personalities associated with them. These quotations reveal the mentality of the armament kings in words which they have themselves chosen.

The preparation of the pamphlet has involved long enquiries, mostly in the search room at Somerset House. The Labour Research Department acknowledges with deep gratitude the help of a band of students who undertook much of the work during their vacation. Thanks are also due to other friends of the Department for much practical help and advice.

It will be understood, of course, that changes in shareholdings may have taken place since the date of the Somerset House files, furnished annually, from which the particulars were extracted, and that changes in directorships may have occurred after this book went to press.

REFERENCES

In the preparation of this pamphlet the following sources have been used, among others:

Documents filed in the company search room at Somerset House; *Who's Who*; *Directory of Directors*, 1934; *Stock Exchange Official Year Book*, 1935; *The Economist*; *The Stock Exchange Gazette*; *The Times*; *The Daily Telegraph*; *Hansard*.

I—VICKERS AT HOME AND ABROAD

"MY LORDS, LADIES AND GENTLEMEN . . ." THE CHAIRMAN SPEAKS.
Sir Herbert Lawrence addresses the Vickers shareholders.

1927. "It is no good disguising the fact that we are an armament firm, dependent largely on armament orders. . . . If there is to be a further limitation of armaments . . . the future of the armament business of Vickers, like that of every other large armament concern in the country, may become difficult . . ." The Times, 30 April, 1927.

1928. "The manufacture of armaments is a specialised trade, requiring special plant and special types of staff and workers, and depending on a limited market determined by the policy of various Governments. Apart from the effect on this company, the limitation of armaments does not necessarily mean limitation of war and might conceivably lead to the limitation of our Empire. War is more likely to be avoided when naval and military power is exercised by nations who have paid the price and know the value of peace." The Times, 30 March 1928.

1930. "If, therefore, a reduction in our Navy, in size of our fighting ships, in the weight of our armaments, is found practicable, consistent with the safety of Empire, even then the Government cannot afford to destroy the potential reserve of armament production of the private armament manufacturers unless absolutely convinced that every other nation has reduced its production facilities accordingly (Hear, hear!) . . . We cannot turn 'guns into ploughshares' without scrapping the whole of the plant required for the production of guns and substituting, for the workers accustomed to gun-production, other men trained from youth in the production of ploughshares. On that aspect of the question I can speak with authority." The Times, 1 April, 1930.

1931. "As the result of the fusion with the armament and other shipbuilding sections of Sir W. G. Armstrong Whitworth and Co., Ltd., Vickers-Armstrongs is the largest armament firm in the world, but the effect of disarmament policy coupled with lack of funds in the Exchequers of every nation has considerably reduced demand . . . Considerable progress has been made in connection with land armaments . . . and we have obtained substantial orders for tanks and armoured tractors, coast defence mountings and anti-aircraft artillery . . ." The Times, 31 March, 1931.

1932. "The general world wide depression and the reduction of armaments under the influence of public opinion, both in this and in other countries, have adversely affected your company's trading results."

"Last year it [i.e. your company] was fortunately able to secure a satisfactory order from the Portuguese Government in addition to work from other foreign Powers . . ." The Times, 5 April 1932.

1933. "It is true that Vickers-Armstrongs Ltd., relies very largely on armament orders for its existence. On the other hand, the safety of Empire in the event of aggression by some other Power depends also on the capacity of the company to increase its production of armaments at short notice." The Times, 4 April, 1933.

1934. "Our relations with the three defence services continue to be satisfactory, and although as an armament firm, we are the subject of opprobrium in certain quarters, we claim that so long as our products are necessary for the defence of the Empire, we are rendering a national service . . .

"There are also certain types of armament on the 'secret list' which your company is not allowed to demonstrate to potential foreign buyers . . . In addition to work for the Air Ministry our aviation companies succeeded in obtaining orders from foreign countries . . ." The Times, 27 March, 1934.

As the largest manufacturers of armaments in the world, the firms associated with Vickers, Ltd., must take first place in our survey.

The company was formed in 1867 under the title of Vickers, Sons and Company, to acquire the business of Naylor, Hutchinson, Vickers and Company.

For twelve years before the war Vickers was connected with the international munitions combine, the Harvey United Steel Company. Other well-known firms associated with this concern were Charles Cammell & Co., Ltd., John Brown & Co., Ltd., Sir W. G. Armstrong Whitworth & Co., Ltd. (in 1927 to become closely associated with Vickers), besides Krupp and the Dillengen Steel Co. of Germany, the French firm Schneider, the American Carnegie Steel Co., and other international undertakings.

In 1887 the capital was increased from £750,000 to £1,500,000 in 1897 to £2,500,000, in 1889 to £2,750,000 and later in the same year to £3,000,000, in 1900 to £3,500,000, in 1901 to £4,800,000, in 1902 to £5,200,000, in 1913 to £5,940,000, in 1914 to £7,050,000, in 1918 to £13,500,000 and in 1919 to £26,500,000.

A drastic re-organisation of the capital was effected in 1926 as a result of pressure from powerful financial interests. The paid-up capital was reduced from £20,697,290 to £12,468,968 by writing 13s. 4d. off the issued ordinary shares of £1. They now became ordinary shares of 6s. 8d. The value of the other classes of shares remained untouched.

The reconstruction was carried out as a result of the recommendation of a committee of investigation appointed to enquire in to the affairs of Vickers. The committee's report implied inefficiency.

"It would appear, however, that the management had not the special experience required to direct and control so varied a body of industrial undertakings, particularly during a period of protracted and severe depression . . .

[it should] dispense with all officials who have not justified their engagements; cut down all salaries which are not fully merited; eliminate waste in works management and production . . ."

The capital bore no relation to the actual assets of the company. One example alone is sufficient to explain the nature of Vickers' financial difficulties. At the height of the boom the Metropolitan Carriage and Wagon Company was acquired at a fancy price; Vickers paid £4,900,000 in ordinary and £6,860,000 in 5 per cent tax free cumulative preference shares for a capital of £3,000,000 which had itself been doubled by a bonus issue of 100 per cent from reserve.

The investigating committee was composed of Reginald McKenna, chairman of the Midland Bank, Dudley Docker, also of the Midland

Bank and chairman of the Metropolitan Carriage and Wagon Company which Vickers had treated so handsomely, and Sir Mark Webster Jenkinson. The capital reorganisation was designed, first, to protect the profits of powerful groups who realised that their interests were endangered by the top-heavy financial structure thrown up during the golden years of war and post-war boom. A second reason was the establishment of units capable of taking advantage of increased armaments expenditure, a far-sighted policy as the events of 1934 and 1935 have already shown. Only a ruthless policy of ridding Vickers of the dead wood could ensure success in this direction. The necessary steps were taken at the expense of the ordinary shareholders, and the monopoly capitalists emerged more firmly entrenched. The share capital of Vickers Ltd., to-day is £12,468,968, of which £4,105,161 is in ordinary shares of £1 (6s. 8d. paid up) and the rest in preference stock and shares of various categories. In addition it has loans and debentures outstanding to the value of £3,237,548 which bring the company's loan and share capital up to a total of £15,707,516.

But this figure is incomplete; it does not convey an adequate picture of the range of the Vickers connections. While we have not the space here to examine in detail the extent and variety of the Vickers interests, a brief survey is essential. Vickers Ltd. since the re-organisation in 1927 finally emerged as a holding company with vast ramifications. Besides the main company and its subsidiaries there are the companies in which Vickers has large interests, besides others with which the parent company is associated directly or through subsidiaries.

The first group comprises some twenty-three companies including Vickers-Armstrong and the English Steel Corporation, concerns with a capital which totals £41,134,634. In the second group there are some twenty-three companies with a loan and share capital amounting to £19,261,901. This group includes the £7,000,000 Associated Electrical Industries, the £5,000,000 British Thomson-Houston, and the £5,000,000 Metropolitan Cammell Carriage Wagon & Finance Company. The third group embraces nineteen companies with a total share and loan capital of £14,609,979. It comprises the group of companies ringed round the £6,000,000 Armstrong Whitworth Securities; the £4,000,000 Lancashire Steel Corporation; and the £2,000,000 Cammell, Laird & Co., Ltd.

The results of this brief survey may be summarised thus:—

	<i>Total loan and share capital</i>
	£
1. Vickers and Subsidiaries	41,134,634
2. Companies in which Vickers have large interests ..	19,261,901
3. Other companies associated with Vickers:	
(a) Armstrong Whitworth Securities group	14,609,901
(b) Lancashire Steel Corporation group	6,892,331
(c) Cammell, Laird & Co. Ltd.	2,152,841
	<hr/>
	£84,051,608

There are, in addition, a foreign subsidiary and a number of associated companies abroad whose capital is not included in this total.

Countries in which the Vickers combine have direct subsidiary undertakings or connections include Canada, Japan (linked with the Mitsui armament concern), Italy, Spain, Turkey, Rumania (Sir Herbert Lawrence, Chairman of Vickers, is a director of the Bank of Rumania), Holland and France. There is evidence of close association between Vickers and the French firm of Schneider-Creusot.

The Vickers Company, therefore, is closely connected with some of the most important industrial undertakings in Great Britain and abroad. The activities of its associates range from the production of armaments and explosives to shipbuilding and rubber, electricity and engineering, coal, iron and steel. Other important connections include such banking and insurance houses as Glyn Mills, the Ottoman Bank, and the Sun Life Assurance Society. Vickers occupies a central and significant position in the capitalist structure of Britain; the way in which that position is secured will appear from the analysis which follows.

THE VICKERS DIRECTORS

The Vickers board of directors is composed of a team experienced in many fields of capitalist enterprise. In addition to those drawn from the realms of finance and industry several have been employed in the government service and a number have held important posts in the army and navy.

The chairman, General the Rt. Hon. Sir Herbert Lawrence, a son of the first Lord Lawrence and married to the eldest daughter of Lord Hillingdon (a member of the Mills family connected with the banking house of Glyn Mills & Co.) had a distinguished record as a soldier. He served in South Africa, 1899-1902, and in the Great War. He was Chief of Staff to the British army in France from January 1918. He retired (on pay) from the army in 1922.

In addition to his chairmanship of Vickers, Ltd., a responsibility which fell on his shoulders in 1926 (shortly after he completed his labours as a member of the Royal Commission on the Coal Industry in 1925) Sir Herbert Lawrence is a managing partner of Glyn Mills & Co. He also finds time to act as chairman of the Bank of Rumania, and of the London Committee of the Ottoman Bank. In addition he sits on the board of two insurance companies, three railway companies (including L.M.S.), Associated Electrical Industries, Dalgety & Co. (merchants), and, finally, he is chairman of Vickers' most important subsidiary—Vickers-Armstrong Ltd.

The deputy-chairman, Lieutenant-Colonel J. B. Neilson, C.M.G., D.S.O., is also the deputy-chairman of Vickers-Armstrong, and in addition is interested in shipbuilding through his directorship in Ailsa Shipbuilding Co.; in coal, iron and steel, through Baldwins Ltd. (of which he is vice-chairman) and British (Guest, Keen

Baldwins) Iron and Steel Co., Ltd.; and in insurance and investment, through the Midland Employers Mutual Assurance Co., and English and Scottish Investors, Ltd.

General Sir J. F. Noel Birch, O.B.E., K.C.B., K.C.M.G., is also on the boards of the English Steel Corporation and Vickers-Armstrong Ltd.

Commander Sir Charles Craven, O.B.E., R.N., whose name is now familiar to millions of British newspaper readers, finds time in addition to carrying out heavy and responsible tasks connected with the Vickers organisation to serve on the board of seventeen other companies. His interests are many and varied. He is connected with shipping through Donaldson South America Line; with insurance, through the World Auxiliary Insurance Corporation Ltd.; real estate, through the Isle of Walney Estates Co. Ltd.; and in addition to service with British iron and steel companies is on the board of a Serbian and two Spanish heavy industrial companies.

Commander Craven has had an interesting career. He served in the Royal Navy from 1900 to 1912, retiring to join the staff of Vickers Ltd. On the outbreak of the war he rejoined the submarine service, but was released in 1916 at the request of Vickers Ltd. to rejoin their staff at Barrow, in order to supervise the construction of submarines and airships. His valuable services to the Vickers organisation were speedily recognised by the board of directors. In 1917 he was naval assistant to the managing director of the Barrow works; in 1919 he was appointed a special director; in 1923 deputy managing director; and later in the same year, managing director.

A letter was read at the 1934 sessions of the U.S.A. Arms Enquiry which it was alleged was written by Commander Craven to the Electric Boat Company in America in which the following passage occurred:

We have received invitations from the Admiralty for one, two or three submarines. Armstrong Whitworth has two. Armstrong will put in their bid whatever the price. I shall tell Armstrong to put the price slightly above ours so that whatever is built will be built at Barrow. My friend at the Admiralty will help us as he tried to get all five submarines for us last year.

He has not denied having written this letter and stated to the press that he preferred to stand on his reputation. Whatever construction is to be placed on the alleged letter and Commander Craven's guarded reply, an authoritative statement by Sir Herbert Lawrence can be placed on record. Sir Herbert spoke in the following terms at the annual general meeting of Vickers Ltd., on 4th April, 1932.

It reflects great credit on Commander Craven and those associated with him that so considerable a volume of orders has been obtained [for the armament business of Vickers-Armstrong] during the past four years under such difficult conditions.

Douglas Vickers brings to the board not merely the family interest and cumulative experience but the directorial skill obtained from his connection with two coal companies, the almost inevitable L.M.S. directorate, and an iron and steel company.

Finally, we come to Sir Mark Webster Jenkinson, K.B.E., who bears the distinctive title of financial controller. Besides Vickers, Sir Mark has fourteen other directorships as an indication of his industry and business acumen. He helps to direct a couple of colliery concerns, two insurance companies, one French and one Spanish, and, last but not least, he is chairman of the Broadway Finance and Investment Co., Ltd. After the war he gained considerable experience of the financial aspects of the armaments trade at the Ministry of Munitions.

The list shows how the control of this centre-piece of the British munitions industry lies in the hands of men intimately connected with the other main elements of capitalism. An analysis of the principal shareholders reveals the same tendency. Besides a host of lesser shareholders we find a few relatively small groups of dominant shareholders closely allied with the directorate and with interests spread widely over the face of British capitalism.

VICKERS SHAREHOLDERS

(DATE OF RETURN: 9 APRIL, 1934)

The shares: 5% Non-Cumulative Preferred stock (£1); 5% Non-Cumulative Preference (£1); 5% Cumulative Preference (£1); Ordinary (6s. 8d.).

The financial group, embracing banks, bank nominees, insurance and investment companies, represents the most important of the shareholders in Vickers Ltd. They hold larger blocks of shares of all classes than any individual with the single exception of Douglas Vickers (with others).

Some banks with the list of their holdings are set below:

Clydesdale Bank Ltd.	..	..	..	{	9,473 ordinary
Commercial Bank of Scotland	..	..	..	{	2,360 5% cumulative preference
S. Japhet & Co.	..	..	..	{	2,935 ordinary
Royal Bank of Ireland	..	..	..	{	6,702 ordinary
Westminster Bank Ltd.	..	..	..	{	3,606 ordinary
Messrs. Coutts & Co.	..	..	..	{	10,291 ordinary
Governor & Company, Bank of Scotland	..	..	..	{	3,440 5% cumulative preference
					7,768 ordinary
					2,500 5% cumulative preference

Nominee company finance is extremely obscure. Nominee companies are set up by banks mainly for the purpose of investing the money of nominees or clients. The nominee company usually has a paid-up capital of £100 and the directors are frequently directors of the bank concerned and/or officials of the bank. To the question, who are the people behind the nominee companies? no answer can be found at Somerset House. This information is lodged safely in the vaults of the banks. The large amounts held in armament shares in the name of nominee companies, therefore, are a fact of some significance. Only a commission of enquiry with wide powers could raise the veil which enshrouds the operations of these concerns.

There is evidence that the practice of investment through nominee companies (which, it has been suggested recently in the House of

Commons, is an evasion of the Companies Act, 1929) is increasing. The matter came under discussion during the failures in the City arising out of commodity speculation. The point was raised by Sir Cyril Cobb (U., West Fulham) on 26th February, 1935, when he asked the President of the Board of Trade:

"Whether he is aware that the provision that the name of the real holder of shares in a limited liability company shall appear with his address on the records of Somerset House is now defeated by the device of registering shares in the name of a nominee company, and whether he proposes to take early steps to make good this defect in the operation of the law intended to protect the public against abuse of the facilities provided by limited liability."

Similar questions were asked by John Wilmot (Labour, East Fulham) and David Grenfell (Labour, Gower).

That 28 nominee companies hold 249,780 ordinary shares (£83,260) in Vickers at the date of the last return is, therefore, of considerable interest. The 28 nominee companies hold in addition 51,325 5% preference shares. The banking nominee companies thus furnish an ingenious means of concealing the identity of some of the most wealthy and influential of the owners of Vickers Ltd. A list of the nominee companies with large holdings is set out below:

Barclays (Nominees) Branches Ltd. (51,904 ordinary), Princes Street Nominees Ltd. (28,800 ordinary), Baring Nominees Ltd. (9,950 ordinary, 10,000 5% cumulative preference), London Nominees Union Bank of Scotland, Ltd. (10,750 ordinary; 10,500 5% cumulative preference), Midland Bank (various Nominees (31,394 ordinary), West Nominees Ltd. (24,734 ordinary), Control Nominees Ltd. (14,853 ordinary), R.B. Nominees (7,587 ordinary), Branch Nominees Ltd. (33,022 ordinary; 3,649 cumulative preference), Lloyds Bank (various Nominees 101,745 ordinary; 3,000 5% cumulative preference) Bishops-gate Nominees Ltd. (5,000 5% cumulative preference; 2,140 ordinary).

Another powerful section of the shareholders is the insurance companies, whose holdings are set out below:

Royal Exchange Assurance	.. ..	1,109 ordinary 949 5% preferred stock 5,490 5% preference
British General Insurance Co. Ltd.	.. ..	3,000 5% cumulative preference
Guardian Assurance Co. .. ..	.. ..	5,000 5% cumulative preference
Scottish Provident Institution	.. ..	10,000 5% cumulative preference
Drapers & General Insurance Co. Ltd.	.. ..	5,000 5% cumulative preference
National Mutual Life Assurance Society	.. ..	10,000 5% cumulative preference
Legal & General Assurance Society	.. ..	25,785 5% cumulative preference
National Farmers Union Mutual Insurance Society Ltd.	.. ..	2,000 preferred stock
Marine & General Life Assurance Society	.. ..	10,000 preferred stock
London & Manchester Assurance Co. Ltd.	.. ..	13,000 preferred stock
Eagle Star & British Dominions Insurance Co. Ltd.	.. ..	5,000 5% preference

As is to be expected, the profitability of Vickers attracts a number of investment and trust companies. A list of 59 such companies held 109,603 ordinary (£33,301), 151,720 5% cumulative preference shares, and £7,000 in 5% preferred stock. Among the largest holdings may be mentioned British Investment Trust Ltd., with 4,500 ordinary and 20,000 5% cumulative preference shares; Scottish American Investment Co. Ltd. with 15,000 ordinary and

15,120 5% cumulative preference shares; Investment Trust Corporation Ltd. with 10,000 ordinary and 50,000 5% cumulative preference shares; and Industrial and General Trust Ltd. with 7,000 ordinary and 15,000 5% cumulative preference shares.

NOTABLE INDIVIDUAL SHAREHOLDERS

We now leave the corporate shareholders and pass to an examination of some of the individuals whose names are found on the list. For convenience we have made a rough grouping of these in order to bring out the varied professions, occupations and social standing of the principal participants in this rich, highly profitable undertaking. We begin with members of the peerage.

The Rt. Hon. the Earl of Dysart, a well-known landowner with 27,200 acres of land, appears with a holding of 40,000 ordinary shares. A no less important personage is the Rt. Hon. Baron Joicey, a director of three companies, including two of the largest coal companies in Durham, who holds 20,000 ordinary shares. His son, Colonel Edward Joicey, who holds the Order of the Redeemer of Greece (second class), owns 5,000 ordinary shares.

The Rt. Hon. Lord Clinton, who enjoys the office of Privy Seal to the Prince of Wales and is a director of six companies, including the Southern Railway and the Commercial Union Assurance, holds 1,530. The Marquis of Linlithgow, who was chairman of the committee which produced the famous India White Paper, appears in the list with 1,500 ordinary shares. The noble marquis is a director of seven companies, which include the Bank of Scotland and J. and P. Coats, the well known cotton thread manufacturers. From 1924 to 1931 he was President of the Navy League (an organisation that carries on agitation for a larger navy).

A noble landowner who has 62,100 acres to his name, the Rt. Hon. Hugo, Earl of Wemyss and March, appears in the list as the owner of 1,100 ordinary shares along with "two others."* Baron Glenconner, who is on the board of Hambros Bank and the London board of the Northern Assurance Co., is listed with "another" as holding 3,000 ordinary shares. This banking baron is a director of nine other companies. Baron Dulverton is on the list as owning 15,000 ordinary. In addition to occupying a seat on the board of the Great Western Railway Co. and the Imperial Tobacco Co., Lord Dulverton is the owner of 5,000 acres of land.

In the name of Viscount Falmouth, governor of the Imperial College of Science and chairman of the National Gas and Oil Engine Co., there were listed 5,000 5% cumulative preference shares; in the name of the Rt. Hon. Lord Southampton 5,000 5% cumulative preference; of the Earl of Plymouth (owns 30,500 acres), Parliamentary Under-Secretary of the Colonial Office, 1,300 5% cumulative preference; of Colonel the Rt. Hon. Baron Bingley, ex-M.P. (1906-31) and Secretary for Mines 1922-24, 8,680 5% cumulative preference; of Baron Alvingham of Woodfold,

* Here and throughout, shares held "with others," etc., are joint holdings, standing in the name of the person listed.

ex-M.P. (1922-29), 1,000 5% cumulative preference; of the Hon. Baron Talbot (owns 3,600 acres), who is described as Hereditary Lord Admiral of Malahide of Adjacent Seas, 1,000 5½% preference.

Other titled shareholders include the following:

Lady Mona Branson (the wife of Judge Branson); The Hon. Mildred C. H., Lady Meux (and "two others"); Sir Herbert Wright (director 34 companies, mainly rubber and tea); Sir George H. Wilkinson (Sheriff, City of London, 1931-32); Sir Stephenson Kent (director of six companies, mainly South Wales coal; was director of Munitions Labour Supply); Sir Percy Loraine (British Ambassador to Turkey since 1933, High Commissioner for Egypt, 1929-33); Lt.-Col. the Hon. Allen Bathurst (ex-M.P., 1893, 1906, and 1910-18); Rt. Hon. Walter, Viscount Long of Wraxall; Rt. Hon. Gertrude, Countess of Albemarle (wife of Earl of Albemarle, A.D.C. to the King); Sir Hewett Skinner (senior partner in the publishing firm of Thos. Skinner); Sir John A. F. Aspinall (Consulting Mechanical Engineer to Ministry of Transport, 1919-27); Sir Fredk. C. Bowring (director of eleven companies, mainly shipping and insurance); Sir Cecil A. Cochrane (director of five iron and coal companies); Rt. Hon. Viscountess Goschen (wife of Viscount Goschen, former Viceroy of India); Rt. Hon. Lord Plender (senior partner in well-known firm of chartered accountants; served on numerous Government committees; Government representative Metropolitan Munitions Committee, 1915-18; Enemy Debt Committee, 1918); Lord Somerleyton (Lord-in-Waiting, 1918-23); Rt. Hon. Lord Selsdon, ex-M.P. and "two others" (director of Restriction of Enemy Supplies, 1916-19).

The next group consists of members of parliament, past and present. The widespread charges that armament concerns have special means of protecting their interests in Parliament take their origin from the number of M.P.s who hold or have held shares in these undertakings.

Members of the Present Parliament:

Rt. Hon. Sir John Gilmour (Secretary of State for Home Affairs)	3,066 ordinary
Sir J. S. Wardlaw-Milne (since 1922), director of six companies including Bombay & Baroda Central Railway Co.; trustee Port of Bombay; published articles on Eastern war questions ..	3,000 ordinary
Harold P. Mitchell (since 1931; Private Secretary to Colonel Colville (Overseas Trade) since 1931; studied coal industry all over the world)	1,000 ordinary
Rt. Hon. Sir Robert Horne, P.C. (since 1918); Chancellor of Exchequer, 1921-22; President, Board of Trade, 1920-21; director of ten companies, including Great Western Rly. Co. (Ch.), Lloyds Bank, and Imperial Smelting Co. (Ch.).	5,000 ordinary
Stuart J. Bevan, K.C. (since 1928; Recorder of Bristol)	1,750 ordinary
Lt.-Col. Sir Alymer Hunter-Weston (since 1916; on General Staff Eastern Command before the War)	1,000 5% cumulative preference

Members of Earlier Parliaments:

Lionel de Rothschild and another (U. M.P. 1910-33; partner of the well-known banking house of N. M. Rothschild) ..	1,395 ordinary
--	----------------

Douglas Vickers (M.P. 1918-22), with others	52,500 ordinary 6,968 ordinary 11,142 5% preference stock 11,321 5% preference
Sir Norman Lamont, (Former M.P.: owns 8,000 acres; member Legislative Council of Trinidad, 1915-23) ..	1,200 5% cumulative preference
Major Sir G. R. J. Hennessey (M.P. 1918-31; Vice-Chairman Conservative Party since 1931; Vice-Chamberlain, H.M. Household, 1925-28)	1,000 5% preference

THE CHURCH AND THE LEARNED PROFESSIONS

Many salaried exponents of Christianity find no conflict with their faith in deriving monetary gain from the production of instruments of destruction. Nor do members of artistic and academic circles feel any scruples at basing their cultural pursuits on profits from the manufacture of death-dealing implements. The short selection which we print below show representatives of many brands of the Christian faith; in the instruments of death they are not divided.

Rev. John S. Allen (Basingstoke).	(and five others), St. Cuthbert's College, Durham.
Rev. Joshua J. Case (Plymouth).	
Rev. Alexander C. Evans (Brough, Yorkshire).	Rev. E. E. Hasluck (Caversham) and two others.
Rev. Joseph Fawcett (Brighton).	Prof. A. S. E. Yahuda (late Professor of Hebrew Literature at Madrid and Berlin); writes to the <i>Daily Telegraph</i> on the truth of the Old Testament.
Rev. Enos Fenton (Coleford, Glos.).	Rev. Percy F. Wigan (near Tewkesbury).
Rev. Michael Godfrey (Catholic Church, Nuneaton).	Rev. Jeremiah Ahern (Ballinaspittle, Ireland).
Alan Gray, Mus. Doc. (late organist, Trinity College, Cambridge; married Maud, daughter late Albert Vickers, author of <i>Song of Redemption</i>).	Rev. Frank M. Brodie (Hastings).
The Venerable Archdeacon Harry Line (County Waterford).	Rev. H. V. Hodson (Cheltenham).
Rev. J. W. Montgomery (Thetford).	Rev. Robert J. C. Patten (Malvern).
Rev. George D. Nash (Margate).	Rev. Arthur L. Preston (Bishop Suffragan of Woolwich).
Venerable Archdeacon H. S. Phillips, Wallington, Surrey (formerly C.M.S. Missionary in China).	Rev. Ed. H. Firth (Clifton, Bristol), (Honorary Canon, Winchester Cathedral).
Very Rev. John N. Phillips (Newport, Mon.).	Sir Wm. Llewellyn and two others (President, Royal Academy since 1928; his portraits include state portrait and other portraits of Queen Mary).
Rev. Robert N. F. Phillips (Woking).	
Rev. W. H. Powell (Bath).	
Rev. Robert Wm. Straw (Wells).	
Rt. Rev. Monsignor W. H. Brown	

SHAREHOLDERS AT COURT

At one stage in the U.S. Arms Enquiry, it was alleged that both the King and the Prince of Wales had played a part in the salesmanship of the British armament firms or had some financial interest in them. The most minute examination of Somerset House files fails to provide a single indication that any such interest exists. The president of the Federation of British Iron and Steel Trades (Lord Dudley) has indeed praised the prince's part in securing Brazilian railway contracts for British firms, but there is no evidence

that his services have been similarly utilised in the arms trade.

It is, of course, true that Prince Arthur of Connaught, an uncle of the King, was listed as holding 3,000 5% preference shares. Moreover, a number of distinguished persons who are or have been connected with the royal retinue appear as shareholders in the latest file. They include:

- Rt. Hon. Lord Clinton (Privy Seal to Prince of Wales),
Rear-Admiral Thomas D. Gilbert, C.B. (Naval A.D.C. to King, 1921-22;
Member of Committee to Enquire into Discipline in Navy, 1912).
Rt. Hon. Lord Somerleyton, K.C.V.O., P.C. (Lord-in-Waiting, 1918-23).
Fredk. S. Osgood, M.V.O., O.B.E. and another (Secretary, Lord Chamberlain's
Office; Sergeant-at-Arms to the King since 1929, St. James Palace),
Colonel Llewellyn Partridge, D.S.O., T.D. (A.D.C. to the King, 1926).
Brigadier-General Ernest B. Macnaghton, C.M.G., D.S.O., R.A. (retired),
(A.D.C. to the King, 1920).
Plunkett-Erle-Drax, C.B., D.S.O., R.N. (Naval A.D.C. to King, 1927-28;
Director, Manning Dept., Admiralty, 1930-32; Commander-in-Chief,
America and West Indies Station, 1932-34).
Colonel Henry A. Barclay, C.V.O., T.D., M.V.O. (A.D.C. to King George,
1910-25).
Sir Bernard E. H. Bircham, K.C.V.O., T.D. and another (Senior Partner in
Bircham & Co. Private Solicitor to the King, 1922).
Rt. Hon. Gertrude L. Countess of Albemarle (wife of Earl of Albemarle,
G.C.V.O., C.B., A.D.C. to the King).

VICKERS-ARMSTRONG

We conclude this chapter with a short analysis of Vickers' most important subsidiary. Vickers-Armstrong Ltd. was formed in December 1927 to acquire and amalgamate the armament and main shipbuilding interests of Vickers Ltd. and Sir W. C. Armstrong Whitworth and Co. Ltd. (now Armstrong Whitworth Securities Co. Ltd. and controlled by the Bank of England). As will be seen later, a controlling interest is held by Vickers Ltd. The company's commercial steel interests were transferred in January 1929 to the English Steel Corporation in return for £3,253,000 ordinary and £1,708,428 7% cumulative preference shares.

Vickers-Armstrong also directly controls the following companies: Thames Ammunition Works Ltd.; Variable Speed Gear Ltd.; Vickers (Ireland) Ltd.; Whitehead Torpedo Co. Ltd.; Placencia de las Armas Co. Ltd.; and the English Steel Corporation (jointly with Cammell, Laird and Co. Ltd.).

The company has a paid-up capital of £17,464,251. This is divided up as follows: £6,099,839 in 7% cumulative "A" preference shares; £3,500,000 in 6% cumulative "B" preference shares; and the balance of £7,864,412 in ordinary shares.

VICKERS-ARMSTRONG'S DIRECTORS

Of the eleven directors of Vickers-Armstrongs, five have already been mentioned: they are—Sir Herbert Lawrence, Colonel J. B. Neilson, Commander C. W. Craven, General Sir J. F. Noel Birch, and Sir Mark W. Jenkinson. Their co-directors are no less important.

Sir James A. Cooper, K.C.B., is on the London Board of the British American Assurance Co. and a director of Goodyear Tyre and Rubber Co. (Great Britain) Ltd.; of the Lancashire Cotton Corporation, set up by the Bank of England for the purpose of rationalising the Lancashire cotton industry; and of the London board of the Western Assurance Co. He establishes a useful connection with William Beardmore and Co. in his capacity as a member of the voting control committee of that firm.

In Major-General G. P. Dawnay we meet an interesting personality. He is chairman of both the Armstrong Whitworth Securities Co. Ltd. and Sir W. G. Armstrong Whitworth Co. (Shipbuilders) Ltd., and a director of Sir W. G. Armstrong Whitworth and Co. (Engineers) Ltd. Major-General Dawnay is on the board of two newspaper companies (including Financial Newspaper Proprietors Ltd.), two insurance companies, two hotel companies, of both of which he is chairman (Dorchester House Syndicate is one); and two other companies, the Anglo-Norwegian Holdings Ltd. (president) and the Army and Navy Stores Ltd.

A noteworthy connection is with the family banking company, Dawnay, Day and Co. Ltd., of which he is a joint managing director. In the summer of 1934 questions were asked in the House of Commons which referred to the activities of this firm. A question was asked by Mr. Dobbie as to whether high officials at the War Office, the Admiralty and other departments were allowed to hold shares in concerns dealing directly or indirectly with their departments. The reference was to Lieut.-General Sir G. Sidney Clive, who is the largest ordinary shareholder in the firm of Dawnay, Day, a private banking house with a paid-up capital of £182,000, of which Clive held over £31,000. Its investments included the sum of £280,000 in the firm of Andrews Toledo, largely concealed under the names of the Moseley Street and Lombard Street nominees. Andrews Toledo, which produces hardened steel for aeroplane engines, cutting tools for machinery, arms, and other war material, is on the Admiralty, War Office and Air Ministry lists.

Every obstacle was placed in the way of Labour Party members, who experienced great difficulty in getting the question raised, but finally, on June 5th, Mr. Dobbie succeeded in obtaining a reply. Mr. Duff Cooper stated that Clive's official appointment had already "terminated in the ordinary course of his duties" and, in somewhat injured tones which implied that the question was not in the best taste, informed the House that Lieut.-General Clive's post as military secretary had "not the remotest connection with the purchase of armaments." The announcement was greeted with the ironical laughter of members, for only a few days before (June 1st) it was recorded in the *London Gazette* that Lieut.-General Clive had relinquished his post as Military Secretary to the Secretary of State for War as from 1st June, 1934.

Sir Otto Niemeyer is deputy-chairman of the Agricultural Mortgage Corporation Ltd., a director of the London Committee

of the National Bank of Egypt, and a director of the Bank of International Settlements. Since 1927 he has been at the Bank of England. An expert in financial matters, he has gained international experience as a member of the Financial Committee of the League of Nations since 1927, and has been on financial missions to Australia (1930), Brazil (1931), and the Argentine (1933). From 1906 to 1927 he was at the Treasury, where he was controller of finance from 1922 to 1927.

The Shares: 7% "A" Preference (£1); 6% "B" Preference (£1); and Ordinary (£1).

(DATE OF FILE: 5 APRIL, 1934)

Each of the Vickers-Armstrong directors holds 100 "A" preference shares. The rest are held by companies. The banking firm of Glyn Mills and Co., with which Sir Herbert Lawrence is closely associated, holds 2,000,000 "A" preference, 1,500,000 "B" preference and 5,000,000 ordinary shares. Next comes Vickers Ltd. with 3,848,737 "A" preference and 206,800 ordinary shares; Armstrong Whitworth Securities Co. Ltd., controlled by the Bank of England, with 2,605,075 ordinary shares; A. W. Second Stock Trust Ltd.* with 250,000 "A" preference and 1,000,000 "B" preference shares; and, finally, A. W. Consolidated Stock Trust Ltd. with 1,000,000 "B" preference shares.

II—THE I.C.I. OCTOPUS

No study of the British armament firms would be complete which did not include Imperial Chemical Industries Ltd., the £77 million chemical combine. It ranks to-day among the most important producers of explosives and other materials essential to the war machine throughout the world. The range of its products is so varied that peace-loving shareholders who would hesitate to defend investments in armaments can take comfort in the knowledge that the I.C.I. is the chief producer of goods familiar in every household; that it supplies the bulk of the fertilisers which make agriculture possible in England to-day; and is engaged in the peaceful pursuit of supplying chemicals that are ranged in almost military formation on the shelves of every chemist shop and every laboratory in the country.

Addressing the shareholders of the I.C.I. on 1 May, 1935, the chairman, Sir Harry McGowan, denied that the I.C.I. "is essentially an armaments firm," but admitted:

"It is true that many I.C.I. factories can be readily turned to the production of war material, and that thus they provide a valuable means of extended supply in case of the country's need."

In this pamphlet we can do no more than barely indicate the extensive ramifications of the I.C.I. Those who wish to know more

* The directors announced, in January, 1935, that the "A" preference shares were sold at 28s. per share.

of what the I.C.I. is, its international associations, and the full range of its products, are referred to an excellent study by W. Fox.* Nor can we do better than quote from this pamphlet, which in a single paragraph sums up the comprehensive nature of this mammoth of modern capitalist industry.

"How far beyond chemicals—and let us say at once that for all practical purposes the I.C.I. is the British chemical industry—how far beyond chemicals does the I.C.I. extend? Outside chemicals, it largely dominates, first, the British copper-refining and nickel-refining trades, supplies of material essential to the electrical power, electrical engineering, high grade steel and munitions industries. It exercises a most important voice in the control of the largest makers of motor accessories in Great Britain. It is linked to a combine covering three-quarters of all the anthracite coal turned from the British pits. It is by far the greatest producer of incandescent gas mantles in the United Kingdom, and of artificial leather (or rexine). It produces bicycles and bayonets, zip-fasteners and cellulose paints, radiators and gunpowder and gas mantles, paints and insurance policies, motor accessories and munitions. It is the fertiliser industry, the dyestuffs industry, the alkali industry, the explosives industry, the heavy chemical industry."

The I.C.I. was created in 1926 by the merging of four groups: Brunner Mond & Co. Ltd., Nobel Industries Ltd., the United Alkali Co. Ltd., and the British Dyestuffs Corporation. With each group came a host of subsidiary enterprises. In the words of W. Fox: "Each merged firm trailed its long line of subsidiaries and even sub-subsidiaries." Since then, others have been added to swell the ranks of the I.C.I. and its associated companies.

Who are the people engaged in the direction of this gigantic enterprise? The chairman and managing director, Sir Harry McGowan, is on the board of 14 other companies, including the Midland Bank Ltd., Finance Company of Great Britain and America (of which he is the chairman), General Motors Corporation, New York, and British Overseas Bank (advisory director).

The Marquess of Reading has had a distinguished career. His directorates total eight; three in insurance companies, of two of which he is deputy chairman (London and Lancashire Insurance Co. Ltd., and Law Rock Insurance Co. Ltd.); the National Provincial Bank Ltd.; and the Palestine Electric Corporation. He was appointed chairman of Carreras Ltd., the tobacco manufacturers, in 1934. The son of the late Joseph Isaacs, a merchant in the city of London, Rufus Isaacs turned to law, became Solicitor-General in 1910, and was Attorney-General 1910-13. He was Lord Chief Justice from 1913 to 1921, and Viceroy of India from 1921 to 1926. In between whiles he found time to act as president of the Anglo-French Loan Mission to the U.S.A. in 1915, special envoy to the U.S.A. in 1917, and high commissioner and special ambassador to the U.S.A. in 1918.

Lord Ashfield, the chairman of the London Passenger Transport Board, and a director of the Midland Bank Ltd. and two London electric power companies, was born at Derby in 1874, and migrated to America, where he received his education. Prior to his appointment

* *Imperial Chemical Industries*. Martin Lawrence, 32 pp., 6d.

ment in 1907 as general manager of the Metropolitan District Railway and tube railways in London, he was general manager of American electric railways for twelve years. Later he became managing director of the London Electric Railway Co., the largest unit in London transport before the London Passenger Transport Board was set up in 1933. He was president of the Board of Trade from 1916 to 1919.

Sir George Christopher Clayton, M.P., represented the Widnes Division (Unionist) from 1922-29 and Wirral Division from 1931. He is also chairman of the Liverpool Gas Co. and vice-chairman the Power Gas Corporation Ltd.

W. H. Coates, before becoming a director of the I.C.I., passed through the Civil Service. He was in the War Office 1900-4, Inland Revenue 1904-19, and Director of Statistics and Intelligence in the same department from 1919 to 1925. He also acted as secretary to the Treasury Committee on Departmental Contracts from 1916 to 1920. He was a member of the Senate of the University of London 1929-33, and of the Board of Governors of the London School of Economics 1926-32. He is a director of two I.C.I. subsidiaries.

Lord Colwyn is described as an india rubber and cotton manufacturer, and a director of collieries and railways. To this may be added banking, for in addition to his directorship of the famous Dunlop Rubber Co. Ltd. and the Manchester Ship Canal Company he is deputy chairman of Martins Bank Ltd. His directorships total eight. Lord Colwyn has served on a number of government commissions, the most important being the Royal Commission on Income Tax, the Bank Amalgamation Committee, and the Government Contracts Committee.

Lord Melchett, son of the first Baron Melchett, better known as Sir Alfred Mond, is on the board of Barclays Bank, the Amalgamated Anthracite Collieries, and eight other companies, including the Palestine Electric Corporation Ltd. and the Victoria Syndicate Ltd. He represented the Isle of Ely as a liberal in 1923-24, and in 1929-30 the East Toxteth Division of Liverpool as a conservative. Since 1928 he has been master of the foxhounds to the Tedworth hunt.

H. J. Mitchell is on the board of 13 companies, chiefly I.C.I. subsidiaries, and J. J. Nicholson of three I.C.I. subsidiaries. G. P. Pollitt's claim to distinction is as technical expert. He has held a technical position at Woolwich Arsenal and positions with chemical firms in a technical and directing capacity. John Rogers holds a solitary I.C.I. directorship; E. G. Solvay maintains the Brunner Mond connection with Solvay & Cie, Belgian coke and chemical producers. B. E. Todhunter is on the board of a number of I.C.I. subsidiaries; J. H. Wadsworth has four directorates (I.C.I.); with Lord Weir we complete the list, but he deserves special attention.

Lord Weir rose to prominence during the war when he organised various branches of the war machine. In 1915-16 he was Scottish Director of Munitions. He became controller of aeronautical supplies and a member of the Air Board (1917-18) and later director

of general aircraft production (1918). From April to December 1918 he was president of the Air Council and in 1919 he was appointed chairman of the Advisory Committee on Civil Aviation.

Lord Weir is to be found in chemicals, in sugar beet, and in steel houses, all of which have enjoyed government assistance. He is chairman of the family concern, G. and J. Weir Ltd., an important engineering firm. In 1924 he became a member of the Council of the Federation of British Industries, a year later he became associated with a group of sugar beet companies ringed around the Anglo-Scottish Sugar Beet Corporation. In 1929 Lord Weir joined the board of I.C.I. He was already a director of the Advisory Committee of the International Nickel Company of Canada. In the same year he joined the board of Lloyds Bank Ltd., adding this banking interest to his connection with the National Bank of Scotland, of which he was an extraordinary director.

This list does not exhaust Lord Weir's activities. In 1930 he became a vice-president of the British and Allied Manufacturers Association and chairman of the Cathcart Investment Trust. He is also honorary president of the National Confederation of Employers Associations. A touch of lightness is added by his presidency of the Royal Automobile Club.

In 1924 Lord Weir achieved great prominence as a result of the invention of the Weir Steel House, which was produced by his firm, and was eligible for a government housing subsidy. The reaction of the workers to this innovation may be judged from resolutions passed at the 1925 Trades Union Congress protesting at Weir's wage-cutting attempts and a similar resolution of the Amalgamated Union of Building Trade Workers in the same year. It was also reported to the Trades Union Congress in 1925 that Lord Weir was purchasing materials from other countries which were made by non-union labour.

Lord Weir's relations with the working class again came under review in 1926 when David Kirkwood made the following statements in the House of Commons:

"As our leader* has stated there would have been absolutely no trouble to-day had it not been that the government has seen fit, in its wisdom or otherwise, to introduce into this vexed question one of the worst type of employers of labour that we have in Scotland. . . . Remember it is the same Lord Weir that came down to the Clyde to get us to accept the dilution of labour, so reducing our standard. That is why the building industry view with suspicion—and rightly so—anything which emanates from Lord Weir. . . . I do not say he is a tool in the hands of the Government. I do not believe it. I know him. I have followed him for 20 years. I know he is making the Government his tool. He is the power behind the throne."

I.C.I. SHAREHOLDERS

(DATE OF FILE: 3 MAY, 1934)

The Shares: 7% Cumulative Preference (£1); Ordinary (£1); Deferred (10s.)

In analysing the I.C.I. shareholders we begin with Solvay et Cie, the Belgian company with a director on the board, which holds

* J. Ramsay Macdonald.

2,485,895 ordinary and 600,000 deferred shares. The banks and financial houses occupy a prominent position. The total holdings of the bankers in their own names are:

Preferred (£1) .. 119,218. Ordinary (£1) .. 251,816. Deferred (10s.) .. 112,271.

Among the largest shareholders are Clydesdale Bank, the Bank of London and South America Ltd., the Bank of Ireland, S. Japhet & Co., the Hibernian Bank, the District Bank Ltd., and Barclays Bank Ltd.

In addition to these holdings, the banks have extensive shares through nominee companies. The holdings of these companies total:

Preference (£1) .. 286,613. Ordinary (£1) .. 2,667,858. Deferred (10s.) .. 880,824.

Among the most notable nominee companies are those associated with the Midland Bank (total holdings, 6,444 preference, 263,032 ordinary, 201,054 deferred); British Linen Bank (3,393 preferred, 79,768 ordinary, 65,075 deferred); Lloyds Bank (12,024 preferred, 153,834 ordinary, 67,787 deferred) and Barclays Bank (25,716 preferred, 178,112 ordinary and 107,405 deferred).

It is not surprising to find the insurance companies heavily involved. As might be expected, the Prudential Assurance Co. has extensive interests, a tribute to the profitability of the I.C.I., for few investors have a better nose for a good return than this financial octopus. We set out some of the main holdings in this field:

	<i>Preference</i>	<i>Ordinary</i>	<i>Deferred</i>
Prudential Assurance Co. Ltd.	354,787	151,407	58,546
Standard Life Assurance Co.	100,000	—	—
Eagle Star & British Dominions Insurance Co. Ltd.	43,500	10,000	—
Alliance Assurance Co. and another ..	39,600	1,500	1,000
Scottish Widows Fund and Life Assurance Society Ltd.	39,371	—	—
London & Lancashire Insurance Co. Ltd.	30,000	—	—
Scottish Life Assurance Co., Ltd. ..	20,000	5,000	—

From the investment trust companies, we select the following with large holdings:

	<i>Preference</i>	<i>Ordinary</i>	<i>Deferred</i>
Cushion Trust Ltd.	200	71,414	3,565
Framlington Syndicate	—	7,658	49,533
Bankers Investment Trust	14,713	19,857	12,601
Northern Securities Trust	—	16,541	12,467
Witan Investment Co. Ltd.	2,500	15,400	8,800
Holt & Co. Trustees	3,374	22,913	300
Investors Mortgage Security Co., Ltd.	10,000	7,500	—
Second Investors Mortgage Security Co. Ltd.	10,000	7,500	—
Alliance Investment	120	11,019	4,921
Army & Navy Investment Trust ..	4,595	7,060	3,394
Sterling Trust Ltd.	—	12,447	1,167
D.B.H. Ltd.	—	8,069	4,394
I.C.I. Savings Bank Ltd.	10,000	—	—

The Dean Finance Co. Ltd., involved in the recent shellac speculation, holds 1,810 ordinary shares.

At the head of the list of large individual shareholders come the Brunners, the Monds, and the Melchetts. The total value of these family holdings in as far as they can be traced is shown below:

Preferred (£1) .. 87,444. Ordinary (£1) .. 574,135. Deferred (10s.) .. 173,716.

Some of the largest holders are Sir Felix J. M. Brunner and another; Mrs. Louise Brunner; Sigismund G. H. Goetze, brother of Lady Melchett, and his wife; Emile Mond, Sir R. L. Mond; and the Rt. Hon. V. F. M. Melchett (with others).

Many prominent persons in social, political, educational and religious life are listed as shareholders in the I.C.I. Here we find the Earl of Dysart (see Vickers' list) with a holding of 31,353 ordinary and 6,667 deferred shares; the Duke of Berwick and Duque de Alba, Spanish Minister of Education in 1930 and Foreign Minister 1930-31, holds 2,099 ordinary; Colonel Sir George Abercrombie holds 2,000 ordinary; His Excellency Pasha Mohamed Ahmed Abboud, managing director of Nuttall, Mowlem, Brand and Abboud, and on the board of two other companies, has 9,100 ordinary; Sir John Archer, a retired distiller, appears with the holdings of 4,687 preference, 6,429 ordinary, and 1,000 deferred.

Viscount Allendale appears with 2,512 ordinary and 1,675 deferred; Colonel Sir Ralph W. Anstruther, deputy governor of the Bank of Scotland and governor of the Standard Life Assurance Co. Ltd., holds 6,700 preference, 12,696 ordinary and 11,797 deferred shares; Viscountess Byng of Vimy appears with 1,125 ordinary and 1,000 deferred; and Sir Louis J. Baron, chairman and managing director of Carreras Ltd., holds 5,000 preference and 30,000 ordinary. The Duchess of Bedford holds 800 preference, 3,000 ordinary and 2,000 deferred; while Sir Jeremiah Colman, the mustard maker, vice-president of the Boy Scouts Association and the Young Men's Christian Association, appears in the list as the fortunate possessor of 10,500 ordinary and 14,000 deferred shares.

Sir George S. Clark, chairman of the Great Northern Railway Co. of Ireland and a senator of the Northern Ireland parliament, holds 19,249 ordinary and 11,000 deferred shares; the Rt. Hon. Viscount Erleigh (and others), son and heir of the Marquess of Reading, who married a daughter of the first Lord Melchett, is listed with 983 ordinary and 11,000 deferred shares. Baroness Forteviot, wife of Baron Forteviot, holds with others 1,000 preference, 6,564 ordinary and 3,655 deferred shares; the Countess Haig and others hold 1,950 ordinary and 1,300 deferred shares; the Earl of Inchcape, who married the second daughter of the Rajah of Sarawak and a director of many companies including shipping, banking, and insurance, appears, with others, with 25,000 deferred shares.

Other holdings include:

	<i>Preference</i>	<i>Ordinary</i>	<i>Deferred</i>
Rt. Hon. Baron Joicey (coalowner) ..	—	6,700	333
Lt.-Col. Sir Cecil B. Levita, C.V.E., M.V.O. (L.C.C. since 1911)	2,250	6,351	3,630

	<i>Preference</i>	<i>Ordinary</i>	<i>Deferred</i>
Marquis of Lothian and another (Editor <i>Round Table</i> , 1910-16; Secretary to Prime Minister, 1916-21; Under Secretary, India Office, 1931-32; owns about 28,000 acres)	—	1,675	—
Earl of Radnor (director of the Southern Railway)	—	—	2,300
Sir John C. E. Shelly-Rolls (owns about 3,000 acres)	—	9,043	6,475
Rt. Hon. Lord Somerleyton (Paymaster-General, 1903-6, Lord-in-Waiting, 1918-23)	1,250	3,061	2,000
Sir Harold A. Wernher (director of Ericsson Telephones, Electrolux, and Anglo-Spanish Construction Co. Ltd.)	—	1,500	5,000
Lord Woodbridge (controlled Mineral Oil Dept., Ministry of Munitions)	—	14,207	333
Marquess of Zetland (Governor of National Bank of Scotland)	—	1,102	—
S. A. R. La Princesse Georges de Grèce and de Danemark	—	3,500	—
Baron Strathcona (Captain, King's Body Guard of Yeomen of the Guard) ..	2,000	2,000	—

Some industrialists with large holdings are:

	<i>Preference</i>	<i>Ordinary</i>	<i>Deferred</i>
Horatio Ballantyne (managing director, Lever Bros.), Tadworth, Surrey ..	4,027	2,650	1,515
Cosmo Bevan (director, Barclays Bank) ..	900	533	2,129
Barrow Cadbury and others (director, British Cocoa and Chocolate Co., and chairman, National Adult School Union)	30,875	—	—
Egbert Cadbury and others (director, British Cocoa & Chocolate Co., J. S. Fry & Sons Ltd. and Bristol Gas Co.)	7,500	—	—
Miss Dorothy A. Cadbury and others ..	9,375	—	—
C. P. Fry (director, British Cocoa & Chocolate Co.)	2,000	2,013	—
Stephen L. Courtauld (director, Associated Talking Pictures and Raycol British Corp. Ltd.), Grosvenor Square, W.1...	—	13,041	10,666
Henry Glendinning (chemical director, Brunner Mond, retired 1928), St. Albans	6,483	14,700	8,400
Col. Benjamin Hansford (of B. Hansford & Co., stockbrokers. Military member of City of London Territorial Army Association. Has done much to encourage shooting)	—	4,950	100
Alexander C. McCorquodale and others (director of McCorquodale & Blades, printers)	6,712	3,187	2,125
Joseph Crowther and another (Rochdale)	1,983	15,398	28,277
Frank Gaskell (director, <i>Liverpool Daily Post & Echo</i> and three other companies)	34,000	10,000	—
Robert Mathias (director, Imex Ltd. and two other companies) with others ..	6,250	60,106	20,291
John Melvin, Birmingham	12,545	7,029	5,714

Members of parliament, past and present, are well represented in the share list of Imperial Chemical Industries Ltd. The Rt. Hon. Neville Chamberlain, Chancellor of the Exchequer, holds 833 preference and 5,414 ordinary shares. Some others are listed below:

	<i>Preference</i>	<i>Ordinary</i>	<i>Deferred</i>
Sir Christopher T. Needham	6,500	1,637	550
Lionel N. de Rothschild and another ..	—	47,269	2,233
Lord Cochrane of Cults	3,133	43,900	147
Col. R. F. Ratcliffe (director, Bass, Ratcliffe & Gretton)	—	6,524	15,300
*Lt.-Col. Sir Alan J. Sykes (director, Williams Deacons Bank and Bleachers Association Ltd.)	450	11,900	8,600
Commander Sir Edward Nicholl (director of several companies)	6,000	5,000	50,000
*Sir John H. Rutherford	237	7,728	—
Do. and another	406	589	537
Viscount Devonport	12,500	—	—
*Nigel C. D. Colman	—	2,000	8,000
*Sir George Christopher Clayton, C.B.E., Ph.D., J.P. (director of I.C.I.)	1,500	4,500	1,600
Do. and another	1,135	—	—
*Capt. Malcolm Bullock (on Committee Anglo-German Association. Military Secretary, British Embassy in Paris 1918-20)	—	1,900	8,000
Philip M. Oliver and others, author of <i>Genesis to Geneva</i>	—	6,000	—
Sir Francis J. C. Ganzoni	2,533	60	—

Past and present M.P's with smaller holdings than those listed include Rt. Hon. Oswald Lord Doverdale, Rt. Hon. Sir J. M. Astbury, P.C., Q.C., late Judge of High Court, Geo. K. Anderson, J.P., D.L. (Bridge Hill), a member of the Church Assembly, James B. Couper, J.P., D.L., Sir Henry F. Bowles, Bt., J.P., D.L., Sir Chas. L. Dillwyn-Venables Llewellyn and others, Captain A. S. Cunningham-Reid*, Sir J. S. Wardlaw-Milne*, Wm. N. Birkett, K.C., Earl Fitzwilliam and others, Col. James N. Horlick, O.B.E., Lord Daryington and others, Lord Crawley of Prestwick, Lieut.-Colonel W. B. du Pre, Sir Clive Morrison-Bell, Brig.-General A. C. Critchley and others*, Rt. Hon. Sir R. W. H. O'Neill*, Sir Cecil A. Cochrane (coal-owner), Brig.-General Sir Henry Page Croft, Bt., C.M.G.*, Sir Ian Malcolm, Sir Reginald Craddock, English Universities since 1931, Rt. Hon. Sir E. M. Archdale*.

THE CHURCH AND PROFESSIONS

In the I.C.I., as in Vickers, many professions are represented, and not least the church. The Bishop of St. Andrews held £2,100 in ordinary and preference shares; the Bishop of Bath and Wells £1,500 in ordinary shares, Canon J. H. Armitstead £3,562 in preference; Canon L. G. Buchanan of Leicester, who has written a book entitled *After the War*, £1,000 in preference; and the Archbishop of Sudbury appears with £2,500 preference shares.

Others in the list include the Rev. F. S. Caddick-Adams and others (near Whitchurch), the Rev. George R. Aitken (with another) (Dalbeattie), the Rev. Bernard N. Atkinson and another (Chester), the Rev. Will G. Allan (Callender), the Rev. Relton Askey, the

* Members of present Parliament.

Rev. Godfrey F. Baxter (Hatfield), the Rev. Thos. Crawford (landed proprietor, Edinburgh), who was chairman of the district recruiting committee during the war, and who is a writer of songs with music for children, the Rev. Joshua J. Case (Plymouth), the Rev. Chas. M. Chamberlin (Norwich), the Rev. Canon Ernest A. Coghill (Southwell, Notts), the Rev. H. R. Fitzgerald, M.A. and another, the Ecclesiastical Insurance Office, the Rev. Cecil J. Jones (Great Malvern), the Rev. Herbert Lowe and others, Prebendary of St. Paul's, and Rural Dean of Kensington since 1931, the Rev. George Lamb (Melrose) (with others), the Rev. Father A. P. Power (Woolstanton) and the Rev. E. T. Slater (Shifnal, Salop).

The record of holdings by members of the ruling classes may be completed by mentioning a few people of standing in the learned professions. Academic learning is represented by Professor J. L. Brierly with others, of Oxford, Clive Cuthbertson, O.B.E., F.R.S. of University College, London, the Chancellor, Masters and scholars of Cambridge University, Professor E. J. Garwood, the geologist, F. A. Lindemann, professor of experimental philosophy at Oxford, Professor F. Soddy of Oxford, Sir Henry J. Wood, the musical conductor, and Sir S. W. A. Noble, director of the Royal Academy of Music.

Some notable writers are Major G. W. Warwick Deeping and Arthur Mee, editor of the *Children's Newspaper*, formerly literary editor of the *Daily Mail*, and author of *Who Giveth Us the Victory*, *Every Child's Creed*, *The Children's Bible*, *Arthur Mee's Wonderful Day*; he also edited the *Words of Jesus*.

To the long lists we have already given could be added many other names—large industrial corporations, financiers, and men and women illustrious in various walks of life. Enough has been said to show how richly the eggs of the capitalist class are strewn in the baskets of the I.C.I. and in other armament enterprises. Wherever the prospect of profit is seen, the investing class rush to lay their bait. And when working class criticism of profits in the instruments of death is heard, champions rise up in every other section of society to defend private profiteering and to protect the holdings of the rich. The dragon of armament holdings is indeed a many-headed monster.

III—OTHER ARMS MANUFACTURERS

As in earlier parts of this book, we include some quotations from the speeches of company chairmen as forewords to the notes on the various concerns.

WILLIAM BEARDMORE & COMPANY LIMITED

The firms grouped round William Beardmore and Co., Ltd., closely linked with Vickers, are forge makers, armour plate makers,

and marine and general engineers. The chief shareholder, Lord Invernairn, has thus spoken at the annual meetings:

1927. "During the war considerable extensions were made to the company's works to meet national requirements . . . The price at which these extensions were acquired was the subject of considerable negotiation, and in deciding to take them over the Board was influenced by substantial orders which were then in hand for armament and other Government work. Unfortunately, most of this Government work was cancelled following upon the Washington Conference* coupled with the slump in trade which occurred in 1920, rendered it impossible to employ economically the extending manufacturing facilities possessed by the company the acquisition of which imposed a heavy financial burden on the company and detrimentally affected earnings. Certain units were closed down and other economies are being effected as rapidly as possible. . . .

"We have also acquired through one of our subsidiary companies a licence for the manufacture in this country of the Bauer-Wach system of marine propulsion, which has proved highly successful on several ships fitted with this system on the Continent." The Times, 23 December, 1927.

1928. "We were very expensively equipped for the manufacture of war-ships, armour-plate, guns and other war material and for the production of steel far in excess of the possibilities of the market to absorb to-day. . . . Then the Washington Treaty further curtailed armament expenditure . . ." The Times, 26 October, 1928.

In 1931 and subsequent years Mr. H. A. Reincke (chairman and managing director) spoke as follows:

"The losses on departments closed down or disposed of during the year are accounted for almost entirely by the shipyard and locomotive departments at Dalmuir. The shipyard, as I have already stated, was sold to the National Shipbuilders Security, Ltd. In view of the discontinuance of Admiralty orders as a result of the policy of disarmament and, indeed, the lack of orders for ships which could be constructed without loss, your directors decided that they had no right to incur heavy and inevitable losses. . . .

"We trust that we may be favoured with further orders as a result of the policy with regard to airships recently announced by H.M. Government."

1932. "At Dolwin, the principal item of work has been the machinery for the Flotilla Leader, H.M.S. Duncan . . . A set of twin-screw machinery for a small special service vessel. . . H.M.S. Skylark is also in process of manufacture. A number of Vulcan hydraulic couplings have been completed for important Naval and Merchant vessels . . ."

"In the past it had always been successful in obtaining participation in Admiralty orders, whether at Parkhead or Dalmuir, a fact which encourages the hope that during coming months we may again participate in such new orders as may be placed." The Times, 19 May, 1932.

1933. "The results at Parkhead for 1932 as compared with 1931 do not show an improvement, but the reason is to be found in the fact that the 1931 Admiralty building programme was postponed, thus seriously affecting the volume of work passing through the shops. This programme having now been embarked upon, and having been followed up closely by the 1932 programme, the volume of Admiralty work passing through both Dalmuir

* 1928, where an attempt at naval disarmament was made.

and Parkhead in 1933 is considerably in excess of what it has been during any one of the three preceding years. In addition to the contracts for the machinery for the two cruisers, the *Amphion* and the *Apollo*, which, as has been announced in the newspapers, have been secured by Dalmuir. Parkhead is now engaged upon the manufacture of armour, guns and the largest types of forgings and castings as part of the company's participation in the present Admiralty programme . . .

"It would not have been possible for the company to finance the orders received . . . but for certain loan facilities granted to the company by Lloyds Bank and the two Scottish Banks—the Royal Bank of Scotland and the National Bank of Scotland. Without this measure of confidence at a moment when for the first time since 1929 the prospect appears on the horizon of securing a volume of work commensurate with the capacity of the company's establishments we could not have carried on." *The Times*, 13 July, 1933.

The firm of William Beardmore & Co., Ltd., with a share capital of £3,154,959 and a loan capital of £1,393,336 (secured by trust deed to the Law Debenture Corporation, Ltd.), was formed on 21 January, 1904, to take over a business by the same name. It controls Allay and MacLennan Ltd., Beardmore Diesels Ltd. (formerly Beardmore (Paisley) Ltd.), British Marine Turbine Co. Ltd.; Dawson and Mason Gas Plant Co. Ltd., Inchterff Sand Quarry Co. Ltd. (in liquidation), John Bronsfort and Sons Ltd., and of Newton Mines Ltd. It is now controlled by the Law Debenture Corporation.

The four directors are all involved in heavy industry and at least two are connected with the Bank of England or companies in which the Bank of England has a controlling influence.

The chairman and managing director, H. A. Reincke, is on the board of nine other companies. Frank Hodges was at one time secretary of the Miners' Federation of Great Britain, and since he was relieved of this office has been connected with a number of companies which have operated under the ægis of the Bank of England or its subsidiaries. He is a director of four companies, including the Securities Management Trust, a concern which has taken over numerous enterprises with a view to rationalising them and closing down the less remunerative.

Colonel Sir James Lithgow, who is chairman of the shipbuilding firm of Lithgow, Ltd., is connected with a number of engineering concerns and is chairman of the Bank of England product, National Shipbuilders Security Ltd., set up for the purpose of scrapping "redundant" shipyards.

The fifth is Ralph Freeman, senior partner of Sir Douglas Fox and Partners, and of three other companies.

BEARDMORE SHAREHOLDERS

(DATE OF FILE: 11 MAY, 1934)

All the ordinary shares are held by seven people, and two of these have an overwhelming holding, Lord and Lady Invernairn. The list is given below:

<i>Name</i>	<i>Ordinary Shares</i> (of 1s.)	<i>3rd Preference</i> (of 10s.)
Rt. Hon. Lord Invernairn	1,014,790	407,790
Rt. Hon. Lady Invernairn	1,005,000	201,359
Rt. Hon. Viscount Brentford	100	—
Claude W. Jeffrey	1,100	—
Hon. L. W. Joynson-Hicks	100	—
Hans A. Reincke and two others	10	—
Julia P. Berry (widow)	29,000	—

The preference shares are held largely by banks and their nominee companies with substantial holdings by a few individuals and insurance companies. Vickers is heavily interested with a holding of 108,000 second preference.

The Banks

	<i>1st</i> <i>Preference</i> (£1)	<i>2nd</i> <i>Preference</i> (£1)	<i>3rd</i> <i>Preference</i> (10s.)
Basil G. Catterns and another of the Bank of England	125,000	188,510	—
Lloyds Bank Ltd.	266,094	—	—
National Provincial Bank	—	10,989	—

Nominee and Insurance Companies

Glasgow Office, Royal Bank of Scotland Nominees	155,269	—	—
National Bank of Scotland, Glasgow Nominees Ltd.	191,794	—	—
Abchurch Nominees Ltd.	—	1,161	—
Barings Nominees Ltd.	—	16,200	—
Lombard Street Nominees	—	2,160	—
Branch Nominees Ltd.	—	—	16,000
Consolidated Nominees Ltd.	—	—	4,000
Lloyds Bank City Office Nominees	—	—	80,000
Prudential Assurance Co. Ltd.	—	30,078	—
Refuge Assurance	—	69,633	—

Other shareholders of note are Viscount W. R. W. Peel with 3,996 second preference; the Duke of Montrose, 11,000 third preference; and the Duchess of Montrose with another 3,000 third preference.

CAMMELL, LAIRD & COMPANY

This company, an offspring of the firm of Charles Cammell and Co. Ltd. (established in 1864), shipbuilders and engineers, is now connected with the Vickers organisation. It is operating on a paid-up capital of £957,429 in ordinary shares of 5s. and including one majority voting share of 5s. which is in the hands of the Law Debenture Corporation, and confers the right to poll three times as many votes as the holders of all other shares and stock as long as the debentures exceed £500,000. There are also outstanding 5½% first debentures for £422,217 and 3½% third debentures for £762,275. The directors are W. L. Hichens (chairman) of the L.M.S. and English Steel Corporation; R. S. Johnson of Merseyside Dock and Harbour Board; the Rt. Hon. L. S. Amery of the Southern Railway and Industrial Finance and Investment Corporation; Lord Rankeilour, Member of the Council of the Corporation of Foreign Bondholders and director on the London Board of the Northern Assurance

Co. Ltd.; Robert Whitehead, chairman of the Bergen Food Co. Ltd., Staveley Coal and Iron and Oregon Finance; and C. L. Mason.

The shareholders' list is interesting. We find Major J. G. Dugdale (Cirencester) who, on his own account and with others, owns 10,000 shares, rubbing shoulders with Fritz Zehnder and another of Zurich with 4,000. Henry Barron, J.P. (Leeds) with 18,340 ranks higher than Miss W. M. B. de la Chere (c/o Messrs. Hoare) holding 13,396, or Miss M. G. Consterdine (Hall, Cheshire) with 10,360, and T. G. Consterdine (same address) with 5,612, or again Miss H. S. Fisher of Sheffield with 11,666 shares.

We list a few Cammell, Laird shareholders, whose significance lies either in the size of their holdings or in the social class which they represent. Notable in the latter group are such holders as the governors of a public school, members of the clergy, and a university.

(DATE OF FILE, 24 APRIL, 1934)

	Ordinary (5s.)
Robert Clark (shipowner)	6,080
Alfred Clegg (solicitor, Barnsley)	7,250
Geo. Eastgate (E.18)	12,020
Sir R. A. Hadfield and another	1,000
G. G. Iliffe (Birmingham)	17,270
Dame S. A. Lees, D.B.E., L.L.D. and others, Oldham	7,650
The Governors of Marlborough College.. .. .	1,200
G. C. O. Liebert (shipper)	20,554
H. H. Nelson (S.W.1)	10,000
University of Sheffield	1,200
E. A. Radford (Royal Mail House, Manchester)	13,120
Brig. Gen. Sir P. M. Sykes and others	3,930
Sir W. F. H. Thomson (York) and others	5,000
Rev. Arthur Welsh and another (Bournemouth)	3,432
Sir John Wood and others	11,500

Then come the banks, financial houses, and nominee companies.

Abchurch Nominees Ltd.	3,366
Bank of Scotland Nominees Ltd... .. .	1,296
Barclays Bank Ltd.	6,270
Barclays Nominees (Branches) Ltd.	5,842
" " (Lombard St.)	2,200
Branch Nominees Ltd.	3,078
Control Nominees Ltd.	4,033
District Bank Ltd.	2,040
Midland Bank (various nominee companies)	8,909
National Bank City Office Nominees Ltd.	8,125
Swiss Bank Corporation (London Office Nominees)	10,800
Westminster Bank Ltd.	3,448
Whitehall Trust, Ltd.	20,000

The large holdings of the shipping firm of Elder Fyffes (50,000) and of the Prudential Assurance Company (30,000) are worth noting.

SWAN HUNTER & WIGHAM RICHARDSON & SON, LTD.

Sir G. B. Hunter presiding:

1928. "We have had a large output of work, and if we leave out of account

the 50,000 tons included for the Admiralty floating dock, the tonnage of ships we have built is more than that built by any other company." The Times, 21 March, 1928.

Mr. Thirlaway presiding:

1930. "This [output] places our company for the eighth time and for the third consecutive year at the head of the world's list of tonnage output . . . by far the greater part of the output was for foreign and colonial owners." The Times, 25 March, 1930.

Mr. J. Denham Christie presiding:

1931. "Among the work done deserving first mention is the completion of the flotilla leader Codrington . . . Other work included sloops and destroyers for His Majesty's Navy, and a few passenger ships." The Times, 24 March, 1931.

1933. " . . . We are fortunate in having secured Admiralty orders for a cruiser, H.M.S. Phaeton and two destroyers, the Esk and Express." The Times, 22 March, 1933.

This £2½ million company came into existence in 1903 when the businesses of C. S. Swan and Hunter Ltd. (shipbuilders) and Wigham Richardson & Co. Ltd. (shipbuilders and engineers) were amalgamated. Since then it has acquired Tyne Pontoons & Dry Dock Co. and North British Diesel Engine Works Ltd.; it owns the entire capital of Barclay Curle & Co. Ltd., one-half (£300,000) of the Glasgow Iron & Steel Co. Ltd., an interest in John Kincaid & Co. Ltd., and a controlling interest in Wallsend Slipway & Engineering Co. Ltd.

The ten directors between them hold thirty-one directorships; the chairman, J. D. Christie, holds five, C. S. Swan (vice-chairman) four, Sir G. B. Hunter, four, Earl Grey, five; G. B. Richardson, six; Sir P. W. Richardson, four, and G. F. Tweedy, three.

SHAREHOLDERS

(DATE OF FILE: 3 APRIL, 1934)

Among the important individual shareholders are to be found:

						Preference (£1)	Ordinary (£1)
Lady Mabel Armsley	..	..	..	..	..	—	1,470
Baron Whitburgh	..	..	..	..	..	—	1,000
Lord Woodbridge	..	..	..	..	..	—	5,000
Mrs. H. Garrett (Northumberland)	..	..	..	..	..	6,033	18,315
James Gilchrist (Glasgow)	..	..	..	..	..	1,500	11,740
Sir Robert Greig	..	..	..	..	..	—	1,000
Sir G. B. Hunter and others	..	..	..	..	..	18,221	32,587
Miss Janet Martin (Glasgow)	..	..	..	..	..	7,200	18,185
James Napier	..	..	..	..	..	2,773	6,656
Sir P. Wigham Richardson	..	..	..	..	..	1,240	1,431
Miss Mary Swan (S.W.1)	..	..	..	..	..	13,062	37,848
G. F. Tweedy	..	..	..	..	..	1,075	9,860
Geo. E. Hunter and others	..	..	..	..	..	5,000	31,000
Mrs. Nora Hunter (Jesmond)	..	..	..	..	..	10,032	8,240
Sir Alex Gibb (Westminster)	..	..	..	..	..	—	4,900
Wm. Christee, Glasgow	..	..	..	..	..	5,472	11,984
John Cook and others	..	..	..	..	..	50,000	23,182
Major Hector G. Gilchrist	..	..	..	..	..	4,800	11,520

	<i>Preference</i> (£1)	<i>Ordinary</i> (£1)
Sir P. Wigham Richardson and G. B. Richardson ..	14,000	4,969
The Duchess of Bedford	—	1,000
J. Denham Christie	14,200	24,000
Sir G. B. Hunter and others	1,700	—
Chas. F. Swan	17,386	50,920
Miss Vera M. Swan	13,062	37,848
Mrs. M. F. Tweedy and others	9,000	27,686
Fredk. C. Burt and Sir J. R. Ellerman	19,832	199,950
G. B. Richardson, Wallsend Shipyard	7,079	7,492
John M. Gilchrist (Glasgow)	—	10,760
J. B. Christie and others	5,564	9,836
Sir Edward Wm. Mollington, K.C.B., C.M.G., Buckingham Palace, S.W.	—	200

In this company the banks and other finance corporations do not represent a large percentage of the total. Their holdings amount to £85,575 preference and ordinary shares. An interesting shareholder in this concern is the Salvation Army Trust Company.

WALLSEND SLIPWAY & ENGINEERING CO., LTD.

Now controlled by Swan Hunter & Wigham Richardson Ltd., this company, which dates back to 1871, has a paid-up share capital of £705,120. With the exception of Alfred Bonnin, who is a director of two other companies, Sir Edward Chichester, and Thomas McPherson, we have met the others on the board of Swan Hunter.

The controlling company heads the shareholders' list with 386,690 ordinary and 77,660 preference shares, while Sir P. Wigham Richardson and G. B. Richardson jointly hold a further 1,200 ordinary. Other interesting shareholders in the list are:

(DATE OF FILE: 14 MARCH, 1935)

	<i>Ordinary</i> (£1)
Cox & Co.'s Nominees Ltd.	1,500
Adeline M. Traill (Glasgow)	14,920
Mrs. Mary Vickers (Darlington)	640
Sir G. B. Hunter	1,440
and with Lief Jones, M.P.	440

R. & W. HAWTHORN LESLIE & COMPANY LIMITED

The engineering and shipbuilding concern of R. & W. Hawthorn Leslie & Co., formed in 1886 to take over the business of R. & W. Hawthorn (Newcastle-on-Tyne) and A. W. Leslie & Co. (Hebburn-on-Tyne), has now a paid-up share capital of £358,275 (in ordinary shares of 10s.) and 5% debentures outstanding to the value of £104,372. Four of the eight directors are on the board of other companies; J. T. Batey is on Lawson-Batey Tugs Ltd. and National Shipbuilders Security Ltd.; R. S. Rowell on Associated British Manufacturers (Near East) Ltd.; H. I. Brackenbury on British Automatic Refrigerators and the Newcastle District Electric Lighting Co. Ltd., and R. J. Allan on Charles W. Taylor & Son Ltd., and Titan Crane Ltd. The chairman is C. E. Straker and the other directors are H. B. R. Rowell, E. C. Straker and P. D. Johnson.

The largest shareholders are Frank B. Atkinson, Newcastle, with 53,670 (£26,835), and Lt.-Col. John S. Unthank and another (Minehead) with 35,330 (£17,665).

Other prominent shareholders in the list are Benjamin C. Browne (Northumberland) 12,325 shares, Mrs. Janet Gray, 15,000; Ed. C. Straker, 20,000; Hy. Straker, 7,000; Sir Arthur M. Sutherland, 4,200; H. B. R. Rowell, 10,500; R. S. Rowell, 5,000; the executors of Sir H. B. Rowell, 21,100; H. I. Brackenbury, 8,825; Arthur Coate (S.W.1), 8,000; Andrew L. Coate and Fanny Coate (c/o Bank of Montreal S.W.1), 6,000 and 4,500 respectively.

The familiar Abchurch Nominees Ltd. appears with 4,224; the Atlas Electric & General Trust with 7,500, and Birmingham & District Investment Trust with 5,000 shares.

YARROW & COMPANY LIMITED

This famous firm of shipbuilders was founded in 1897. The measure of its success in selling war craft to the various governments may be gathered from the cheerful speeches of the chairman, Sir Harold E. Yarrow, who spoke as follows:

1927. "Reference has been made in the report to the building of *H.M.S. Ambuscade*. This vessel is one of the two special destroyers ordered by the British navy and represents the most up-to-date and efficient destroyer afloat and the first post-war torpedo-boat destroyer to enter the navy. Since the report was printed two of the four river gunboats building for the Admiralty have successfully completed their trials and have been handed over to the navy. The remaining two vessels will be finished at an early date. The Dutch Government have decided to lay down two further torpedo-boat destroyers of the Yarrow design, making eight in all." *The Times*, 13 December, 1927.

1928. "The torpedo-boat destroyer built in Holland for the Dutch Navy, of the Yarrow design, and under the supervision of the company, had proved highly successful in service." *The Times*, 15 December, 1928.

1929. "Since the conclusion of the company's year, Mr. Yarrow said that important contracts had been secured for a large and powerful flotilla leader for the royal Yugo-Slav Navy, three gunboats for the Columbian Government, a shallow draught river gunboat for the British Navy and other smaller craft." *The Times*, 19 December, 1929.

1930. "Three gunboats built for the Columbian Government had been delivered and are now in service in Columbia . . . During the year the firm has undertaken the supply of a boiler of 1,000 lbs. pressure for the Imperial Japanese Navy."

"It was considered necessary to take an interest in a small shipyard in Kraljevica, Yugo-Slavia . . . At present it is engaged in the completion of a number of ships for the Yugo-Slav Navy, the machinery and boilers for which are under construction in the company's works at Scotstoun. Your directors are of an opinion that this investment should be beneficial to the company and be the means of obtaining a certain amount of work for Scotstoun. At the present time the company has in hand a gunboat for the British Admiralty; a flotilla leader for the Royal Yugo-Slav Navy representing the largest and most

powerful case of its kind ever built in this country." *The Times*, 16 December, 1930.

1931. "The flotilla leader *Dubrovnik*, which the firm is constructing for the royal Yugo-Slav Navy, was launched on October 12th last by H.R.H. Princess Olga. . . . *H.M.S. Falcon*, the latest gunboat built for the British Admiralty, has been handed over at Shanghai. . . . With regard to new work, one of the most important orders recently secured by the firm is from the Portuguese Government for four torpedo destroyers . . . It is satisfactory that, during the last four years, the Dutch, Yugo-Slav and Portuguese Governments have all selected destroyers of the Yarrow design Following the success of the latest Italian cruisers equipped with Yarrow boilers designed by the company, an order for Yarrow boiler designs for a new aircraft carrier has been obtained from an Italian firm the company has sufficient work in hand to remain fairly well occupied until 1933." *The Times*, 22 December, 1931.

1932. "The work on the four Portuguese destroyers is making good progress. . . . The hulls of two of these vessels are being built by our sub-contractors, *Sociedade de Construcoes E. Reparacoes Navaes Ltda*, Lisbon. . . . The company has received an order for the complete designs of the boilers [in the new cruiser which is being built by the Dutch Government.] . . . The plant at the shipyard at Kraljevica, Yugo-Slavia, is being maintained at a high standard." *The Times*, 30 December, 1932.

1933. "During the year the torpedo-boat destroyers *Vonga* and *Lima* were handed over to the Portuguese Government An order for a fifth destroyer was secured during the year Orders have been received from places as far apart as South Africa, Peru and Finland." *The Times*, 19 December, 1933.

The company has a paid-up capital of £150,000. With the exception of the chairman and managing director, Sir Harold Yarrow, who is also on the board of the Steel Co. of Scotland Ltd., the directors concentrate their activities on this company alone.

The shareholders' list (6 October, 1934) reveals extensive family holdings. The bulk of the shares* are in the hands of the Yarrows. Sir Harold individually owns 25,336 shares and jointly with the Rt. Hon. Minnie Ethel Dawson of Penn (related to the King's physician) an additional 50,000. Lady Yarrow has a mere 150 shares, but Norman Alfred owns 20,000 shares, and Lady Dawson of Penn 2,850 shares.

A few of the bank nominee companies are among the list but their combined holdings are comparatively small, totalling only 6,777 shares. The Scottish Equitable Life Assurance Society, Ltd. appears with a holding of 5,000 shares.

HADFIELDS LIMITED

The public speeches of Sir Robert Hadfield, head of the world famous Sheffield steel firm, reveal with particular clarity the salesmanship methods of armament dealers. Thus he mentions the publicity value to his trade of the state-subsidised visits to this

*Ordinary Shares of £1.

country of foreign potentates. Sir Robert shows, moreover, how closely the political views of the die-hard imperialists follow the commercial interests of the munition-mongers.

1928. "I have always claimed that in armaments this country can still hold its own. The recent various visits of King Amanullah, which have enabled him to see 'in being' our Naval, Army, Air-Force and mechanisation equipments, show in a most remarkable manner that we are not behindhand—very much the contrary. In this changing world it is highly desirable not to relax our efforts, notwithstanding all the talks about League of Nations and peace propaganda which are still very well in their way."

"I have the utmost sympathy with Mr. Bridgeman* in the disagreeable experiences he has had in connection with the Geneva Conference. . . . Mr. Bridgeman has the interests of the country at heart. When naval matters are being discussed we do not want any weak-kneed individuals, but one who ever bears in mind that Britain's safety depends upon our security at sea to enable communication between the far-flung boundaries of our Empire to be maintained. . . .

"Regarding the work which Hadfields have done for our Admiralty, there is not a firm in the country who can show a finer record than we can in the question of satisfactorily passing the most difficult specifications. . . . In the Hadfield armour-piercing projectile, we have for example, the monster 16 in. weighing over a ton, which would satisfactorily perforate, and emerge unbroken after performing the ordeal of perforating, the best and latest quality of hard-faced armour of some 14 in. thickness not merely at normal impact but under specially difficult conditions of extremely oblique impacts."

The Times, 27 March, 1928.

1930. Coming now to a consideration of the work . . . of the Naval Conference now sitting in London and particularly desirous that it should go to the world that the city of Sheffield is no war-monger. Quite the contrary, we prefer to make ploughshares rather than swords We here in Sheffield, which has always been to the fore in the supply of naval requirements, have brought home to us very forcibly the other side of the shield, as presented by works closed down and skilled men walking the streets in unemployment." The Times, 18 March, 1930.

1931. "Turning to reduced orders for naval work, I think it possible to go too far with the policy of naval limitation. This nation's first defence was the navy, and to pinch the navy is I think very shocking."

1933. "Let me now come to the speech quite recently delivered by the new and most able First Sea Lord, Sir Ernle Chatfield, K.C.B., K.C.M.G. The associations of myself and Major Clarke with Admiral Chatfield for a considerable period of time have been unusually cordial, and he has on many occasions smoothed down obstacles in our path. . . . Our country is indeed fortunate in having so able a chief at the head of our senior service which forms the backbone of our Empire defences, of the British navy. . . . Now what I am going to say next may seem self-interested, but this nevertheless is true British interests—namely that our leading expert Admiral Chatfield points out very strongly that our battleship fleet must be replenished by battleships even if their tonnage may be reduced. The cruisers are useful and necessary, but cannot take the place of battleships in our first line of defence."

*Now Chairman of the B.B.C.

The firm of Hadfields Ltd. dates back to 1888. It was then registered as Hadfields Steel Foundry Co. Ltd., and changed its title for the present one in 1913. Operating as manufacturers of steel castings, forgings, machinery of various kinds, steels and projectiles, it must be ranked as one of the most important armament manufacturers. Hadfields owns a direct controlling interest in Manganese Steel Co. Ltd. In 1933 it acquired all the assets of Bean Cars Ltd., subsequently transforming them to Beans Industries Ltd. for all the shares of that company. The paid-up share capital is now £2,159,784, of which £300,000 is in 4½% cumulative preference, the rest being in ordinary shares of £1 each. There are, in addition, £1,039,137 in 5½% debentures (secured by trust deed to Sir Robert Hadfield, chairman of the company and of British Shareholders Trust Ltd.)

The chairman is Sir Robert Hadfield, who has a heavy financial interest in the company. In addition to being a vice-president of the Federation of British Industries and the British Electrical & Allied Manufacturers Association, he is a director of the Sheffield Gas Company. The deputy-chairman, P. B. Brown, is a director of four companies, including the Hadfields' subsidiary, Beans Industries, Ltd., of which he is chairman. The other directors are: A. B. H. Clerke (also on the board of Beans Industries Ltd.), W. J. Dawson, Commander E. H. M. Nicholson, D.S.O., W. B. Pickering, and Alfred Roebuck (managing director).

HADFIELDS SHAREHOLDERS

(DATE OF FILE: 11 APRIL, 1934)

The largest single block of ordinary shares stood in the name of Sir Robert Hadfield, with a holding of 238,540. Among other prominent shareholders are the following:

	Ordinary (£1)
Mrs. Alma I. N. Armitage-Smith, c/o H. M. Treasury	2,250
Geo. Baker (Rotherham)	3,220
Commander Bellairs, M.P. and another	2,000
J. W. Best, Sheffield	8,500
Peter B. Brown, Sheffield	9,144
Commander Virgoe Buckland	1,500
Frederick J. Butcher	11,700
Sir Charles Clifford	1,064
Mrs. Charlotte E. F. Davy, Bournemouth	6,632
Arthur S. Denton and another, c/o Bank of Montreal	17,200
Lady Ethel C. H. Vincent	5,722
Lord Weir	1,600
Joseph R. Wright (Crowborough)	14,500
University of Sheffield	9,820

The banks are represented on the list by Westminster Bank Limited, holding 1,000 ordinary; Hibernian Bank Ltd., 3,000 ordinary; and through nominee companies by the following:

Abchurch Nominees Ltd.	1,000
Bank of Scotland Glasgow Nominees Ltd.	1,000
Bank of Scotland London Nominees Ltd.	1,000

	Ordinary (£1)
Bishopsgate Nominees Ltd.	2,000
Commercial Bank of Scotland (Glasgow) Nominees Ltd.	2,640
Midland Bank (Angel Court) Nominees Ltd.	1,000
Midland Bank (Church St.) Nominees Ltd.	4,250

The Vulcan Foundry Co. Ltd. held 15,000 ordinary; the Wallsend Slipway & Engineering Co., 1,000 ordinary; and Lewis's Ltd. 5,000 ordinary.

JOHN I. THORNYCROFT & COMPANY LIMITED

Sir John E. Thornycroft, K.B.E., presiding:

1927. *"The Amazon, one of the two experimental destroyers which the Admiralty had ordered went through her acceptance trials with results that were highly satisfactory and proved her to be the most economical and fastest post-war destroyer in the British Navy. There was every reason to believe that the successful results helped the company to secure the order which it had received from the Chilean Government for six destroyers. This was the first important order for foreign warships placed in this country since the war and was secured in the face of severe international competition."* The Times, 30 March, 1927.

1930. *"Following the delivery of the six destroyers to the Chilean Navy, the company has been engaged upon the Acheron, the special experimental destroyer for the British navy, and the Saguenay and Skeena for the Canadian navy. The company had recently delivered . . . three motor torpedo boats for the Siamese navy."* The Times, 20 November, 1930.

1931. *"They felt confident that they would serve to maintain the company's reputation as leading designers and builders of vessels of the destroyer class not only in Canada but in the navies of the world generally. The company succeeded, in the face of the keenest competition, in securing the order for two destroyers for the British Navy."* The Times, 12 November, 1931.

The firm of John I. Thornycroft has built up a reputation throughout the world as builders of torpedo boats; the Thornycroft commercial motor was a later bid for fame in more peaceful pursuits.

The company has a share capital of £750,000 and debentures to the value of £310,000. There are two Thornycrofts on the Board of five, Sir John (managing director) and Lieutenant-Commander J. W. Thornycroft. T. Donaldson, C. R. Charles and John Maughling complete the list. Sir John is on the board of the Southern Railway and two other companies, one insurance, the other shipping.

THORNYCROFT SHAREHOLDERS

(12 DECEMBER, 1934)

A whole range of Thornycrofts, Sir John (with "another" and "others"), Lady Louisa Isabel, Lieutenant-Commander John W., Agatha, Blanche I., Blanche C., Helen, and Isaac T. Thornycroft hold between them 12,243 preference, 9,125 preferred ordinary, and 73,760 ordinary, all in shares of £1.

Other prominent names in the list are:

			<i>Preference</i> (£1)	<i>Preferred Ordinary</i> (£1)
Blanche B. Borthwick (Woodcote, Oxon.)	..	..	3,300	—
Patrick J. Borthwick	..	..	—	1,000
Harold Leopold Cohen (Liverpool)	..	..	—	4,000
Lt. Col. Stanley S. O. Cohen (E.C.2)	..	..	—	7,500
Rev. Wm. Farrer (Maidenhead)	..	..	1,000	—
Sir Ernest V. B. Rutherford	..	..	1,000	—
Rt. Hon. Lord Whitburgh	..	..	—	14,450

The nominees companies are to be found in the share list. Control Nominees have the considerable holding of 6,450 ordinary, 530 preference and 500 preferred; Branch Nominees hold 1,400 ordinary. Barclays Bank and the Westminster Bank appear with small holdings.

Three other firms engaged in various branches of armament production are worthy of a brief reference.

The £5,318,933 Birmingham Small Arms Ltd. is noteworthy as a producer of military rifles and machine guns, although during the lean years after the war the company extended its production of bicycles, motor-bicycles and wireless apparatus. One of the directors, J. Ferguson, is also on the board of Armstrong Whitworth Securities, Ltd., providing a useful link with Vickers-Armstrong in which the former company is heavily involved. Another director, P. J. H. Hannon mixes in a directoral capacity H.P. Sauce Ltd. and the London Evening Standard Ltd.

The Fairfield Shipbuilding and Engineering Co. Ltd., now controlled by the Shipbuilding Investment Co., Ltd., operates on a paid-up share capital of £500,000 and debentures to the value of £210,000. The third company, Parsons Marine Steam Turbine Co. Ltd., which has a capital of £211,000, is still largely a family concern, the largest shareholders being members of the Parsons family.

IV—THE AIRCRAFT MANUFACTURERS

The two most modern means of warfare are aviation and chemical products. To the second—centred in the giant combine Imperial Chemical Industries—we devote a separate chapter. Some of the major aviation firms are dealt with briefly below. British firms have a world-wide reputation for the quality of the aeroplanes which they produce. Several concerns run subsidiaries in other countries, while the export of British machines and aircraft material has steadily grown. In a recent article Captain C. de Havilland claimed that British exports of aircraft material exceed those of any other country in the world:

“From 1924 to 1934—the eleven years since records have been kept—British exports of aircraft material have far exceeded those of any other nation in the world. In 1924 their value was £1,201,350; at the peak of the boom, in 1929, they amounted to £2,158,667, and in 1934 the figure was £1,921,102. The total for these eleven years has exceeded £17,000,000.

The figures for the first three months of this year indicate that 1935 will surpass previous years. In 1924, 526 aircraft and 884 aero engines were manufactured, and in 1930 the figures were 1,434 and 1,941 respectively. It is estimated that the figure to-day is in the neighbourhood of 6,000 for engines and aircraft.

The total production of British aircraft, aero engines, and accessories, totalled £4,677,000 in 1924 and £8,202,000 in 1930. Since that date no figure has been issued, but there is every indication that it has reached £10,000,000 a year."

Daily Telegraph, Jubilee Supplement, 29 April, 1935.

The buoyant tone of the chairmen's speeches indicates the bright outlook for this young and developing branch of the arms trade.

DE HAVILLAND AIRCRAFT COMPANY LIMITED

A. S. Butler (presiding): 1930.—"*Following out our policy of Empire development outlined in my speech last year, our branch in India has made satisfactory progress . . . we have established a branch at Johannesburg to cope with the business which is steadily increasing in the Union. We now have a complete chain of associated companies in the four great dominions. We have sent a representative of the company to South America to study trade conditions and to report to us what steps we should take to arrange for the best methods of selling our machines in the various wealthy countries of that continent.*" *The Times*, 1 January, 1931.

1931. "*The deficit, which the falling off in demand from the Empire left, has fortunately to a large extent been made up by sales elsewhere, substantial orders for 'moths' having been obtained in China to be used in training purposes, and in Iraq for the Iraq air force. The Egyptian Government have acquired the nucleus of a small air force with the same machines. Other foreign governments have bought other machines of this type. . . . I am glad to say that the first fruits of our efforts are shown by the important order received within the last two weeks for the Brazilian Airforce. A number [of 'Tiger Moth' machines] are being tried out by the Royal Air Force and further substantial orders are expected.*" *The Times*, 1 January, 1932.

1932. "*Last year I referred to orders that had just been received from Brazil. We have been fortunate in receiving further orders from that country's army and navy for training purposes, although we encountered the very fiercest foreign competition. Twelve Puss Moths have been ordered from Japan for the use of their various commercial enterprises. Persia ordered a large quantity of Tiger Moths, with additional engines and spares to be used for training purposes. . . . Besides these new markets, it is gratifying that we have been able to increase our sales with countries that we had contracts from last year, including China and Iraq . . . the suitability and economy of the Tiger Moth for air force training have been proved beyond all question . . . we have now supplied no fewer than nine different countries with Tiger Moths for training purposes.*" *The Times*, 31 December, 1932.

1933. "*A quantity of 'Dragons' have been purchased by the Iraq Government. These machines were supplied as a military version of that type with machine-guns and bomb-gear. . . . I think it would interest you to know that 'Dragons' have been sold in 11 different countries outside the British Isles. These are: Africa, Algiers, Australia, Canada, Czechoslovakia, Egypt, France, India, Iraq, Persia and Spain.*" *The Times*, 30 December, 1933.

Formed as a private company and subsequently turned into a public company, the De Havilland Aircraft Co. operates on a share capital of £400,000. It has interests in De Havilland subsidiaries in Australia, Canada, and South Africa, and a branch in India. The directors, six in number, are concerned in addition with associated companies.

DE HAVILLAND SHAREHOLDERS

(7 FEBRUARY, 1935)

Among the prominent individual shareholders are listed:

	(1£)
A. S. Butler (chairman)	44,975
A. S. Butler with two others	7,000
Lois Butler	6,975
Constance M. A. Butler	4,500
Geoffrey de Havilland	5,770
Louis de Havilland	10,468
Gerrard B. Matthews, brewer, Dorset	20,000
James G. Weir (son of Lord Weir)	15,900

Other shareholders of special interest are Sir Alan Cobham, whose concern with aviation has a sound economic basis, and Mrs. Lizzie Cobham; Lord Wakefield, an indefatigable propagandist for "air-mindedness" and a consequent increase in the sales and profits of the firms in which he has investments; Lord Whitburgh, whose name appears in the share lists of several aircraft undertakings; Air Commodore T. C. R. Higgins, a link with the Air Force; and Lord Eustace Percy, a link with the intelligentsia of the Tory Party.

In the ranks of finance and other companies are listed Barclays Bank Nominees (Lombard Street) Ltd. (2,150), Consolidated Nominees Ltd. (2,527), Guaranty Nominees Ltd. (6,235), Lloyds Bank (City Office) Nominees Ltd. (2,500), London Nominees Union Bank of Scotland (4,000), Strand Nominees Ltd. (11,000), West Nominees Ltd. (3,225), Prudential Assurance Co. Ltd. (5,000).

FAIREY AVIATION LIMITED

A similar cheering tale is told by chairmen at Fairey Aviation meetings. Machines are being sold to all comers, so that bombing in the next war may reach its maximum efficiency in all countries.

Thus in 1930 Mr. C. R. Fairey said:

"Our turnover has again shown a marked increase. . . . A most satisfactory feature of the company's present position is the marked increase in orders from abroad. Within the last few months the company has obtained important contracts in Belgium and Greece and minor orders from other countries, and there appear to be good prospects for further orders in the future. Foreign contracts will form a considerable proportion of our turnover for next year. The aircraft industry is one of the very few showing an increase in export business at the present time. . . . I am pleased to say that our excellent relations with the British Air Ministry are being maintained." The Times, 30 December, 1930.

1933. *"Our foreign business has continued very satisfactorily, and has reached our record figure, our best successes being in Belgium and South*

America. . . . to meet the requirements of the Belgian authorities we are extending our establishment in that country. We have also had good results in South America, where competition is very severe. . . .

"The company are also engaged on another important activity with a view to strengthening our business, with the knowledge and approval of the Air Ministry, but I am unable to make any disclosure of this at the present time owing to the provisions of the Official Secrets Act."

Speaking of the British Air Force expansion programme, he said: "If it is decided to complete or enlarge the original programme, the result should reflect on this company's prospects. Our relations with the Air Ministry continue to be excellent and, in view of . . . the large production organisation that is available to meet any national emergency, we feel justified in assuming that we shall continue to receive our quota of official support." (Applause.) *The Times*, 30 December 1933.

In its review of the company's report for 1933 the *Stock Exchange Gazette* said:

"In the past year the company, through its subsidiary, Avions Fairey, had the benefit of a large order from the Belgian Government for military aeroplanes. We are unable to trace the profit value of this business, but the trading profit of the company has increased from £174,165 to £185,640. . . . The success of the company may be attributed largely to sound organisation."

"Incidentally, of course, Fairey's have to keep an eye on developments at Geneva, but disarmament seems a long way off, and I cannot imagine such a handling of matters at the Conference as would damage the prospects of this company."

Formed in 1927 to acquire the undertaking of Fairey Aircraft Holdings Co. Ltd., it has works at Hayes and Hanwell and a direct controlling interest in the Air Survey Co. Ltd. and the French Avions Fairey S.A. The capital is £500,000, in shares of 10s. Its manufactures of military aircraft are among the most extensive in the country.

The chairman and managing director is C. R. Fairey, the other directors being M. E. A. Wright, T. M. Barlow and Wilfred Broadbent.

From an extensive list of shareholders we select the following:

(DATE OF FILE: 12 JANUARY, 1935)

	10/- Shares
Charles R. Fairey	170,446
Lord Whitburgh	5,000
Lt. Col. Robert D. Alexander and another	1,400
Rev. John S. Allen (Basingstoke)	600
Mrs. Ellen F. M. Bartlett and others, Dorset Square	10,322
Arthur Chamberlain, J.P. and another	1,000
Francis G. T. Dawson	6,250
Dame Alice M. Godman	1,200
Sir John D. Horsfall	1,000
Dame Janet F. Matthew	2,000
Sir John C. E. Shelley-Rolls	1,000
Sir George A. Wilkinson	3,000
Sir John Wood	1,000
Princesse Hélène de la Transille (Paris)	500
Lionel de Rothschild	4,000

The banks and the nominee companies and other financial firms are well represented:

	10/- Shares
American Investment & General Trust	5,000
Bishopsgate Nominees	4,300
British Linen Bank (London) Nominees Ltd.	6,500
Consolidated Nominees	1,650
Control Nominees	20,480
Lake View Investment Trust Ltd.	5,000
Mercantile Investment & General Trust	2,000
Lloyds Bank (City Office) Nominees Ltd.	4,050
Lloyds Bank (Threadneedle St.) Nominees Ltd.	3,100
London Nominees Union Bank of Scotland Ltd.	6,000
Prudential Assurance Co. Ltd.	10,000
London Office Royal Bank of Scotland Nominees	23,000
Midland Bank Executor & Trustee Co. Ltd.	42,300
Midland Bank (Threadneedle St.) Nominees	1,735
National Bank of Scotland (Edinburgh) Nominees Ltd.	1,600
Royal Exchange Assurance	1,000
Stockholder Investment Trust Ltd.	5,000
West Nominees Ltd.	13,400

HANDLEY PAGE LIMITED

At the 1927 annual meeting of this famous firm S. R. Worley (presiding) remarked: "*The number of our customers is limited, our largest customer naturally being the British Government.*"

F. Handley Page said: "*The Air Ministry has decided to adopt and fit the slot and aileron control—the subject of your patents—on the Bristol fighter aircraft, a type which is, at the moment, one of the most widely used by the R.A.F. . . . We have had to turn more and more to manufacturing for service requirements. . . .*" The Times, 28 July, 1927.

In 1928 Handley Page said: "*The slotted-wing is being adopted throughout the British Air Force. . . . Licences have already been granted in France, the United States and Germany, and negotiations are proceeding in other countries, including Japan, Italy, Belgium, Sweden and Spain. . . . During the past year we have continued to receive our share of Air Ministry contracts. . . .*" The Times, 9 April, 1929.

1929. "We . . . have granted licences for service and commercial use in France, Germany, Italy, Canada, Great Britain and the United States. We have during the year received our share of Air Ministry contracts. . . . Four of the squadrons of the Royal Air Force are equipped with our twin-engined type of bomber as standard." The Times, 9 April, 1929.

1930. Mr. F. Handley Page said: "*During the year under review our company has been mainly engaged in the manufacture of all-metal aircraft for the Air Ministry and Imperial Airways . . . for the Air Ministry we have continued in the production of our large twin-engine bomber, known as the 'Hinadi'. . . . In addition we have supplied machines called the 'Clive' type, of similar design but equipped with troop carriers, and these are being delivered for use in India. Other experimental designs are being constructed, but as these are still on the Secret List no particulars can be given.*" The Times, 9 April, 1930.

1931. F. Handley Page said: "Considering the times of intense depression which exist in the world to-day, I think we may congratulate ourselves upon the strong position which our company has achieved and look forward with some measure of confidence towards the future." The Times, 22 May, 1931.

1932. "The whole development of aviation, military or civil, would continue for some time to depend upon Government support, and to no country was this development so important as to our own. It was not merely a question of disarmament, but much more vitally a question of progress or decay. If it were decided materially to reduce the Air Force they might have seriously to consider their position, and it was evident that such a company as this must primarily depend upon orders from the Government."

F. Handley Page said: "The whole aircraft position to-day was to a very large extent overshadowed by the Conferences now proceeding at Geneva and Lausanne. Our Air Force, he would point out, was relatively very small compared with those of other countries. . . . The great progress in aviation which this country had made in past years could not be maintained if the technical resources of the country were broken up." The Times, 1 July, 1932.

The firm of Handley Page started business as a private company in 1909, and was converted into a public company in 1919. It holds the majority of the issued capital of Handley Page Transport Ltd., 9,043 of the ordinary shilling shares in A.D.C. Aircraft Ltd., and 34,334 ordinary shares of £1 in Imperial Airways Ltd. Its capital to-day, after being heavily written down in 1927, is £206,644, of which only £7,500 is in ordinary shares (1s. each), the rest being in 10% preference shares of 8/-.

The company's chairman, S. R. Worley, of James Worley & Sons, chartered accountants, is also chairman of Filani (Nigeria) Tin Mining Co. Ltd. The managing director, F. H. Page, is in addition a member of the Society of British Aircraft Constructors Ltd. and on the board of Handley Page Transport; D. F. Sutherland, also a member of a firm of chartered accountants, Lindsay Jamieson & Holden, is on the board of Handley Page Transport; and Wing Commander Sir Louis Greig is connected with the firm of J. & A. Scrimgeour, city stockbrokers.

(DATE OF FILE: 19 JULY, 1934)

Nearly all the ordinary shares are in the hands of Frederick Handley Page, who holds 148,897 ordinary and 39,250 preference. The only other ordinary shareholders are A. J. Page with 1,100, and Louis Greig, D. F. Sutherland and S. R. Worley, with one share each.

The holders of the preference shares include:

	8/-
Lord Whitburgh	3,250
S. R. Worley	2,250
Sir Henry Grayson (Curzon Street)	1,000
Robert J. R. Flett (Writer to the Signet)	1,000
Bishopsgate Nominees Ltd.	4,000
Guaranty Nominees Ltd.	13,917
Strand Nominees Ltd.	23,000

ROLLS-ROYCE LIMITED

The speeches at Rolls-Royce meetings reflect the chauvinism of the ruling class who buy their motor cars from this firm.

Lord Wargrave, presiding at the annual meetings, spoke as follows:

1927. *"The era of an ideal when universal peace shall reign seems a vain dream. Warlike operations have been necessary during the year in many parts of the world, and in every case the aeroplane has proved essential. It cannot be neglected with any prudence whether in peace or war."* The Times, 22 February, 1927.

1929. *"During the past twelve months a further number of their new Faero engines had been fitted to a large number of experimental types of Royal Air Force aircraft. These were rapidly completing their tests in a flight of Royal Air Force service machines intended for permanent use in one of the permanent squadrons. There could be no two opinions with regard to the national character of the property of Rolls-Royce Ltd. They had only to recall the invaluable services rendered by the company on land and in the air during the War to give proof of that statement."* The Times, 23 February, 1929.

1931. *"The present position was that craft fitted with Rolls-Royce aero-engines were holders of world speed records in air and on water. This was further proof of the pre-eminence of Rolls-Royce design and manufacture."* The Times, 18 April, 1931.

1932. *"The special efforts made to develop the export trade for aero-engines have been very successful, and a number of 'Kestrel' and 'Buzzard' engines have been exported to various foreign countries during the last twelve months in particular. A substantial order was received for 'Kestrel' engines last year from the Belgian Air Force, and it was a striking testimony to the satisfaction they had given that he was able to state that a still larger order was recently placed for similar engines."* The Times, 7 April, 1932.

The name of Rolls-Royce conveys to the minds of millions the famous plutocratic car. Not all know that the firm also produces aero-engines for war aeroplanes. Formed in 1906 to take over the business of the manufacturers of the Rolls-Royce motor car, the firm to-day operated on a paid-up capital of £847,138, of which £737,176 is in ordinary shares and £59,962 in workers shares of £1.

On the board are names that loom large in industry and finance. The company's chairman, Lord Wargrave, is also on the board of the Assam Co. Ltd., the Industrial and General Trust, Westminster Electric Supply Co. Ltd. (chairman), Norwich Union Fire Insurance Society Ltd. (London board), and nine other companies, which include brewery investments and mining. The managing director, A. F. Sidgreaves, is on the boards of three other motor companies. Lord Herbert Scott, of the Sun Insurance Office and the United Glass Bottle Manufacturers, is also president of the Federation of British Industries, vice-president of the Association of British Chambers of Commerce, and vice-president of the London Chamber of Commerce. His directorates number seven. With

the exception of W. M. Cowen, who is on the board of the Rolls-Royce subsidiary, Bentley Motors (1931) Ltd., the other two directors, A. Wormald and Major General Sir Wm. G. B. Boyce, do not appear to swell the directorate list.

(DATE OF FILE: 19 JULY, 1934)

The largest single block of shares is in the hands of one C. B. Johnson, who, with six others, holds 53,196 ordinary shares. Then we find the bank nominees: Barclays Nominees (Branches) Ltd., with 9,625; Barings Nominees Ltd., with 3,500; the banking house of S. Japhet & Co., with a diminutive 100; and the Royal Exchange Assurance with 1,274.

Baron Whitburgh (a name familiar in the aircraft share lists) appears with 7,650; Lord Wargrave with 1,200; Lady Shelley-Rolls with 4,000; Lady H. A. Firth with 2,000; Sir T. A. Callender with 1,000; and, with characteristic modesty, the Rev. H. R. L. Sheppard with 100 ordinary shares.

HAWKER AIRCRAFT LIMITED

The Hawker Aircraft Ltd. is a firm of special interest. Formed in 1933 to take over the military aircraft construction business of the Hawker Engineering Co. Ltd., it was described by the *Stock Exchange Gazette* (26.5.33) as "one of the largest firms of aircraft constructors in Great Britain." Its capital is £86,700, divided into £500,000 in ordinary shares of 5s. and £386,700 in preference shares of £1.

The small board of directors is composed of T. O. M. Sopwith (whose recent bid for fame in the U.S. Yacht Race ended in defeat under circumstances which left a nasty taste behind) is a managing director, along with Frederick Sigrist. F. S. Spriggs and F. I. Bennett are, in addition, on the board of the Gloster Aircraft Co. Ltd., a subsidiary company of Hawker Aircraft.

The real controllers of this enterprising firm are enshrouded in mystery, for the majority of the shares are held by bank nominee companies. Here are the few known facts:

(DATE OF FILE: 26 JULY, 1934)

	Preference £1	Ordinary 5s.
Schroeder Nominees Ltd.	14,000	498,650
Lloyds Bank City Office Nominees Ltd.	82	386,234
Strand Nominees Ltd.	—	20,000
Abchurch Nominees Ltd.	3,870	335
Barclays Nominees (Branches) Ltd.	1,500	8,820

Then follow the banks and investment companies:

Clydesdale Bank Ltd.	—	2,500
American & General Investment Trust	3,000	2,000
Hoare Trustees	3,750	—
S. Japhet Ltd.	—	140
Equity & Law Life Assurance Society	10,000	—

Among the prominent individuals on the list are included the following: Kaye Don, another racing man who derives cash advantages from his associations with this industry; the usual Lord Whitburgh, T. O. M. Sopwith, and Vincent C. Vickers of the Vickers family.

V—CONCLUSIONS

In recent months a number of questions have been raised about the operations of the armament firms. Does the information presented here render it possible to answer these queries? The facts set out in the foregoing pages clear up a number of points, but gaps still exist. The limitations of public sources of information will not have been overlooked by the reader: shortcomings are demonstrated which can only be overcome by access to the private documents of the armament manufacturers. The most noteworthy of these is a consequence of the holding of shares by nominee concerns. Behind these firms undoubtedly stand important figures in the capitalist world; whether they are financiers too shy to let their riches be known or politicians and national rulers who find it easier to protect their interests behind a veil of secrecy cannot be told with certainty. All that can be stated with assurance is that the growing importance of nominee companies in the control of the arms trade adds another element of sinister secrecy to a branch of capitalism already justly suspect.

Apart from the structure of the various branches of munitions manufacture there are important gaps in our knowledge of the manner in which these concerns conduct their business. The revelations already made through such agencies as the United States Senatorial enquiry and the publications of the Union of Democratic Control* suffice to show that in the past the agents of the arms firms have been busy fomenters of war. The speed of the armaments race has been deliberately set, with diabolical cunning, by such salesmen of arms as Sir Basil Zaharoff, the Vickers agent, William B. Shearer, the representative of American war boat builders, or the *Echo de Paris* and other papers controlled by French armament firms. The former holdings of *Daily Mirror Newspapers Ltd.*, in a British air firm have a clear moral in this connection. If such things are known to have been done in the past, what of the present? Are Vickers and the I.C.I. and the rest of them still seeking profits at the price of the lives and limbs of mankind? On such problems we might have expected light to be thrown by the Royal Commission recently appointed to enquire into the desirability of a state monopoly in arms manufacture and trade. How far are such expectations likely to be realised?

* *The Secret International and Patriotism Ltd.*, U.D.C. 34 Victoria Street, S.W.1.

The terms of reference to the Commission are:

(1) To consider and report on the practicability and desirability (both from the national and international point of view) of the adoption

(a) By the United Kingdom alone;

(b) By the United Kingdom in conjunction with other countries, of a prohibition of private manufacture of, and trade in, arms and munitions of war, and the institution of a state monopoly of such manufacture and trade.

(2) To consider and report whether there are any steps which can usefully be taken to remove or minimise the kinds of objections to which private manufacture is stated in Article 8 (5) of the Covenant of the League of Nations to be open.

(3) To examine the present arrangements in force in the United Kingdom relative to the control of the export trade in arms and munitions of war, and to report whether these arrangements require revision, and, if so, in what directions.

The members are:

Sir John Eldon Bankes, G.C.B. Aged 81 years. Lord Justice of Appeal, 1915-27;

Sir Thomas Allen. Aged 71 years. Vice-chairman, C.W.S.; Chairman, Co-operative Insurance Society.

Professor H. C. Gutteridge. Aged 58 years. Professor of Comparative Law at Cambridge University.

Sir Philip Gibbs. Aged 57 years. War correspondent, 1912-18. Author.

Dame Rachel Crowdy. Principal commandant of the V.A.D's, France and Belgium, 1914-19. Chief of Social Questions and Opium Traffic Section, League of Nations, 1919-31.

Sir Kenneth Lee. Aged 56 years. Director of the District Bank Ltd. and Chairman of the Tootal Broadhurst Lee Co. Ltd. Member of the Imperial Shipping Committee and the Fuel Research Board. Was a member of the Industrial Fatigue Research Board 1918-21; of the Royal Commission on the Coal Industry, 1925; and of the United Kingdom Sugar Industry Inquiry Committee, 1934.

J. A. Spender. Aged 72 years. Editor of the *Westminster Gazette*, 1896-1922. Member of the County of London Territorial Association.

Mr. Macdonald, when announcing the setting up of the commission, said that the Government had not selected anyone:

" . . . who had written or spoken or in any public from had committed himself, either "Yea" or "Nay" on the issues that will be before the Commission . . . "

He did not mention (a) that there are no experts; (b) that there is no representative of organised labour; or (c) that the chairman is himself a shareholder in Imperial Chemical Industries, Ltd. On 3 May, 1934 (the date of the last return) he held (with others) 1,000 preference, 765 ordinary and 170 deferred shares.

The commission has been set up after prolonged delay. Its powers and duties are restricted. There is no certainty that evidence will

be given on oath. There is no indication that the personnel of the commission will be competent to deal with expert and unscrupulous witnesses. And, finally, the armament makers have now had ample opportunity of destroying or concealing any inconvenient documents which might have been brought to light. It is difficult to escape the conclusion that the National Government, in setting up a commission with restricted powers, is acting as the protector of the powerful interests behind the armament firms. Its gesture of impartial investigation is exposed as nothing more than cover for those who benefit from the trade in death and destruction.

To what extent is the British Government involved in the trade in arms? Sir Herbert Lawrence told the Vickers shareholders on 2 April, 1935, that the

"Armament firms in this country carry on a legitimate business under strict control by Government Departments;"

while in reply to a shareholder—who asked at the I.C.I. meeting on 1 May, 1935, if it were possible to separate the armament from the other business of the company—Sir Harry McGowan said:

"No, I am afraid it is impossible. We are in the hands of the Government."

The British diplomatic machinery is used, moreover, to secure contracts for British armament firms:

"Our diplomatic help is given only when a foreign state has announced its intention to purchase from abroad; then our service naturally does its best to secure that the British firms should get a proper opportunity" (Sir John Simon, in the House of Commons, 8 November 1934).

Other questions arise. Who are the real controllers of the arms trade? What is the position of the mass of shareholders in large capitalist units such as Vickers Ltd. and Imperial Chemical Industries Ltd.? How far do they participate in the control of what the chairman in his annual speech to the shareholders delights to describe as "your company"? A remark by Miss Eleanor Rathbone, M.P., at the annual meeting of Vickers Ltd. held on 2nd April, 1935, will help to supply the answer. Seeking replies to questions of armament policy and methods, she remarked that the annual meeting provided the only opportunity for shareholders to obtain accurate information. The newspaper reports do not state whether or not she was successful, but certainly others were fobbed off with the explanation that, as representatives of the company were to appear before the Royal Commission, no information could be given. It is indeed typical of procedure on such occasions for enquiring shareholders to be courteously but firmly informed by the chairman that in the view of the directors it is not in the best interests of "your company" to supply the information.

Thousands of shareholders, moreover, do not even trouble to attend the annual meetings. They are content, apparently, to accept gratefully the annual dividend recommended by the board. It must be remembered above all that, if a matter is pressed to a vote, the majority of the voting rights are carefully secured in the hands of a few dominant shareholders. The democracy of capital

introduced by the limited liability form of enterprise is a democracy in name only. Holders of controlling shares are in a position to control vast sums of money which they do not own. The democracy of capital emerges as the dictatorship of the directors, whose policy in turn is governed by the interests they represent and whose nominees they are.

A group of powerful shareholders, whether corporations or individuals, hold sway at company meetings, and, even more important, direct policy in the inner counsels of the company's directorate. Controls are also established by the fine threads of financial penetration that have developed under present day capitalism. The holders of debenture stock—mainly financial groups who represent the fusion of dominant industrial and banking capitalism—wield enormous influence under certain circumstances. It is these interests which have enforced a drastic financial and structural re-organisation of the chief armament companies since 1927.

Typical of the changed relationships in industry was the reorganisation of Wm. Beardmore & Co. Ltd. in 1927. The Law Debenture Corporation, as the debenture trustee, forced a reconstruction of the company's financial structure, an operation which meant vigorous pruning and the writing down of the ordinary shares—the majority of which were held by Lord Invernairn and his wife—from £1 to 1s. One of the bank's nominees became chairman in the place of Lord Invernairn. The powerful individual industrial capitalist, typical of the period of rising industrial capitalism, is either ranged with the banker to form the compact financial oligarchy, or is crushed out of existence by the more powerful grouping which modern capitalism has placed in the seat of power.

In George Bernard Shaw's *Major Barbara*, Andrew Undershaft, the armament maker, is made to say, in an often quoted passage:

"The Government of your country! I am the Government of your country. I and Lazarus. Do you suppose that you and half a dozen amateurs like you sitting in a row in that foolish gabble shop, govern Undershaft and Lazarus? No, my friend, you will do what it pays us. You will make war when it suits us and keep peace when it doesn't. . . . When I want anything to keep my dividends up, you will discover that my need is a national need. When other people want something to keep my dividends down, you will call out the police and the military. And in turn you shall have the support of my newspapers, and the delight of imagining that you are a great statesman."

This dramatic picture contains the essence of the truth. But to-day the seat of influence has shifted from the powerful individual to the powerful finance-capitalist groups. A whole process of changed relationships has been effected in capitalist society since Shaw wrote *Major Barbara*. The large shareholders in the armament firms are, as we have seen, the banks, nominee, insurance, and financial companies, in short, the finance-capitalist groups. The one fact which emerges above all others is that the effective influences behind the armament firms are the dominant capitalist groups in British society.

APPENDIX

(i) NOTE ON PROFITS

That the production and trade in armaments is becoming an increasingly remunerative business is shown by the recent profits of the chief companies. The net of profit of Vickers Ltd. has risen from £574,493 in 1931 to £613,261 in 1934. Vickers-Armstrongs Ltd. shows a spectacular increase. For the last four years the figures run: 1931, £565,289; 1932, £425,652; 1933, £491,952; and 1934, £724,542.

The net profits of Imperial Chemical Industries Ltd. have nearly doubled since 1931. Here are the figures: 1931, £3,408,290; 1932, £4,729,672; 1933, £6,001,605; and 1934, £6,349,107.

(ii) VICKERS' NEW DIRECTOR

As we go to press we learn that Vickers have appointed another ex-naval officer to their directorate in the person of Engineer Rear-Admiral Robert Beeman for special duties at the Barrow Works. He was formerly naval A.D.C. to the King and was deputy engineer-in-chief at the Admiralty from 1932 onwards.

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