

## Mulliner & the Big Navy Scare

In 1909, a scandal, which was to become notorious as the Big Navy Scare, 'swept the country off its feet.'<sup>1</sup>

### **Mulliner's Lies**

Between 1906 and 1909, Mr. Herbert Hall Mulliner, managing director of Coventry Ordnance Works, propagated lies and fabricated documents about German naval ambitions. The scare stimulated massive naval expenditure, created an atmosphere of mutual suspicion, and so contributed to the impetus to war. It was later admitted by Winston Churchill that the claims were entirely false.

In May 1906, Mulliner, alarmed at low naval estimates and slackness of work in Coventry Ordnance Works,<sup>2</sup> informed the Admiralty that he was 'performing the public and patriotic duty'<sup>3</sup> of warning them that the German firm, Krupp Works, had begun a secret policy of rapid naval expansion. British admiralty practice was to maintain a 'Two-Power Standard': i.e. a navy capable of outgunning the combined strength of the next two greatest naval powers.

Yet this was also a time when government priorities were changing. At the end of 1905, the Liberal Party had swept into office with a mandate to bring about social reform. After much heated debate in parliament, they voted to vastly reduce the shipbuilding program and use the funds to deal with the problems of poverty, unemployment, old age and education.<sup>4</sup> Putting brains in appeared to be valued more than blowing brains out (read more about military spending debates here).

At this time, things were not going well for Mulliner's firm. Any orders being placed were going to the larger firms of Vickers and Armstrong. Coventry specialised in gun-mountings and Mulliner had recently invested in a big gun manufacturing plant, which was now lying idle. He urgently needed to get some orders.

He embarked on a relentless campaign throughout the next three years, insisting on the urgent necessity for more warships, and claiming that 'the naval policy of the government was nothing less than a gigantic mistake, the possible consequences of which are almost too dreadful to contemplate.'<sup>5</sup> His campaign came amidst an atmosphere of paranoia, when anyone who questioned the validity of the naval race was dismissed as a 'grumbling pacifist.'<sup>6</sup> Robert Blatchford, a journalist on the *Daily Mail*, fanned the flames of the controversy throughout 1908, reporting massive increases in German warship building,

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<sup>1</sup> George Herbert Perris, *The War Traders: An Exposure* (London: National Peace Council, 1913), 30.

<sup>2</sup> Irene Pickard, *The War Trade and the Christian Conscience* [pamphlet], (Friends Peace Committee, 1933).

<sup>3</sup> Gerry Docherty and James McGregor, *Hidden History: The Secret Origins of the First World War* (Edinburgh: Mainstream Publishing, 2013), 138.

<sup>4</sup> Hansard, July 30, 1906, 18.

<sup>5</sup> JT Walton Newbold, *How Europe Armed for War 1871-1914*, (1913): 84.

<sup>6</sup> Docherty and McGregor, *Hidden History*, 13.

and warning that 'the Germans are preparing to invade us at the first opportunity.'<sup>7</sup> His articles were widely distributed and had a big influence on public opinion.

In late 1908, Mulliner got the ear of 'one of our greatest generals', probably Lord Roberts, who lamented in the House of Lords on 23<sup>rd</sup> November that 'a terrible awakening is in store for us at no distant date.' The First Lord of the Admiralty, Reginald McKenna, then supplied Sir Edward Grey, the Foreign Secretary, with information, probably from Mulliner, about the secret German build-up. Grey, who distrusted Germany, then spelt it out to Prime Minister Asquith: 'It is my duty to submit to you,' he said, 'that:

1. Germany is anticipating.
2. She is doing so secretly.
3. She will certainly have thirteen big ships by spring 1911.
4. She will probably have 21 big ships by spring 1912.
5. Germany's capacity to build Dreadnoughts is at this moment equal to ours.'<sup>8</sup>

Asquith, though he had been voted in on a 'pledge of peace and retrenchment,'<sup>9</sup> obviously took this very seriously. On 23<sup>rd</sup> February 1909, he called a meeting in his rooms at the House of Commons with Reginald McKenna; First Lord of the Admiralty, Sir Edward Grey; Foreign Secretary, Admiral Jellicoe; Third Sea Lord, and Lloyd George; Chancellor of the Exchequer. The very next day, Mulliner met Admiral Ottley, and the news he had to tell him – 'evidence' that the German firm, Krupp, had hugely increased its manufacture of naval guns - must have been music to his ears. Ottley was director of Naval Intelligence, but he had also been employed at Armstrong and may still have been a shareholder.<sup>10</sup>

It was common knowledge that there was an intimate relationship between the government and arms manufacturers. It was so ingrained that it was not really regarded as corruption. In 1911 a British financial journal produced a chart showing the number of earls, dukes, baronets, knights, MPs, JPs, and bishops who were on boards of directors of British arms firms, like Vickers, John Brown and Armstrong.<sup>11</sup> Philip Snowden, the Labour MP, in his speech about the naval estimates to the House of Commons on 18<sup>th</sup> March 1914, said that so many MPs were shareholders that 'it is not possible to throw a stone at the benches opposite without hitting one.'<sup>12</sup>

## Number 10 Downing Street

What happened next was really astonishing. As Philip Snowden later told the House of Commons, 'I do not suppose that it is a very usual practice for Cabinet Ministers to

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<sup>7</sup> Frans Coetzee, *For Party or Country: Nationalism and the Dilemmas of Popular Conservatism in Edwardian England* (New York: Oxford University Press, 1990), 110.

<sup>8</sup> Phillips Payson O'Brien, *British and American Naval Power: Politics and Policy, 1900-1936*, Praeger Studies in Diplomacy and Strategic Thought (Westport, Conn: Praeger, 1998): 15.

<sup>9</sup> Philip Snowden, *Dreadnoughts and Dividends; Exposure of the Armaments Ring* (Boston: World Peace Foundation, 1914), 3.

<sup>10</sup> *Hidden History*, 140.

<sup>11</sup> Helmut Carol Engelbrecht and Frank Cleary Hanighen, *Merchants of Death: A Study of the International Armaments Industry* (1934), 114.

<sup>12</sup> *Ibid.*

interview commercial travellers and touts, but they made a departure on this occasion, and after three years of importunity, they enlisted the services of this gentleman [Mulliner], who was received by the Prime Minister in 10 Downing Street on March 3<sup>rd</sup> 1909.<sup>13</sup> Mulliner told them that 'the enormous acceleration in Germany for producing armaments, about which he had perpetually warned the Admiralty, was an accomplished fact, and that large quantities of naval guns and mountings were being made with great rapidity in that country.'<sup>14</sup>

That this meeting had a profound effect on government policy was immediately evident. A mere ten days later, the naval estimates were published showing an increase of £2,823,200. It was announced that four Dreadnoughts were to be built immediately, with a footnote in the estimates for a further four, if fears about German acceleration proved justified.<sup>15</sup>

Public pressure for these 'footnote four' was mounting. The MP for Dover, Mr. Wyndham, invented the slogan: 'We want eight and we won't wait', which whipped up public anxiety, and was soon resounding in music halls across the country. On 29<sup>th</sup> March, the annual debates on naval estimates began. Despite the enormous increase in proposed expenditure, Conservative Arthur Balfour warned that national security was at risk, insisting that Germany would have 25 Dreadnoughts by March 1912, even though the German Admiral, Alfred von Tirpitz, had assured Britain that they would only have 13 by that date. After the war, naval records revealed that Germany had in fact only had nine Dreadnoughts at that time.<sup>16</sup>

A couple of days later, Balfour, who was coincidentally, but not insignificantly, an important shareholder in Coventry Ordnance Works, addressed a crowded meeting of shareholders at Guildhall. 'You must build now to meet the present necessity,' he said, 'for believe me, the necessity is upon you.' In Parliament, resistance to the naval build-up collapsed and on 26<sup>th</sup> July 1909 the 'footnote four' Dreadnoughts were voted through by 290 votes to 98.

Although contracts from the Admiralty had been assured, these were still not forthcoming for Coventry Ordnance Works. The government could not be seen giving orders to a firm whose managing director had so publicly lobbied them. Mulliner had become an embarrassment. His resignation was accepted, and he was given a very handsome payoff. He was replaced by Rear Admiral Bacon, and it was not long before Coventry began to receive big orders.<sup>17</sup>

Mulliner should have gone away quietly to enjoy his new-found wealth, but he had made no promises to keep out of the public arena. In August he began writing an endless stream of letters to the *Times* newspaper, accusing the government of 'culpable or criminal neglect' and spelling out his exhaustive campaigning and his visit to Downing Street in his 'Diary of the Great Surrender.'<sup>18</sup> He finally avowed publicly his share in the propaganda - to his own undoing.<sup>19</sup>

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<sup>13</sup> Engelbrecht and Hanighen, *Merchants of Death*, 12.

<sup>14</sup> *The Times*, Jan 3, 1910, 10.

<sup>15</sup> Frans Coetzee, *For Party or Country: Nationalism and the Dilemmas of Popular Conservatism in Edwardian England* (New York: Oxford University Press, 1990), 110.

<sup>16</sup> Docherty, *Hidden History*, 137.

<sup>17</sup> *Ibid.*, 139.

<sup>18</sup> *The Times* Newspaper, January 3, 1910.

<sup>19</sup> Pickard, *The War Trade and the Christian Conscience* [pamphlet].

## Repercussions of the Big Navy Scandal

It was not long before the exaggerations made by Mulliner became evident. A *Times* article from 4<sup>th</sup> January 1910 confirmed this and quoted from the official German naval figures supplied by Mr. John Leyland.

By 1912, Winston Churchill was First Lord of the Admiralty, and after the failure of Lord Haldane's mission to Berlin, he proposed a 'year's holiday' in naval construction, in an attempt to reduce tension between the two countries. But Von Tirpitz dismissed this as 'another dishonest British maneuver, like the Mulliner scare.'<sup>20</sup> McKenna later confessed that he had greatly miscalculated the pace of German construction,<sup>21</sup> and long after the war Churchill admitted that 'there were no secret German Dreadnoughts.'<sup>22</sup>

The scandal was quoted in Parliament many times during the following decades. When Churchill announced the naval estimates for 1914, Philip Snowden made a lengthy and eloquent reply. He pointed out the dangers of international armament races, which increased the possibility that armaments built by British firms abroad could end up killing British servicemen. **Whitehead torpedoes had been made using British capital, but were loaded into German U-boats to be used against British ships. A further irony in this was that Vickers owned a quarter of the shares in Whitehead, which was making torpedoes to destroy the ships built by Vickers.**<sup>23</sup>

The case was mentioned again in Parliament in 1979, when Lord Noel-Baker used it as a warning against scaremongering about Soviet armaments. He said that politicians of the day all agreed that Mulliner had played a very serious part in the causation of the war, and concluded his speech with the words, 'I recite that past event to show how dangerous it is to make unsupported allegations about armaments of a rival power.'<sup>24</sup>

Read more about arms company exploits before and during the war in the Vickers & Krupp and the Ottoman Navy Scandal case studies.

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<sup>20</sup> Sami Sare, *The League of Nations and the Debate on Disarmament (1918-1919)* (Edizioni Nuova Cultura, 2013), 13.

<sup>21</sup> D Stevenson, *Armaments and the Coming of War: Europe, 1904-1914* (Oxford; New York: Clarendon Press ; Oxford University Press, 1996), 16.

<sup>22</sup> Winston Churchill and Martin Gilbert, *The World Crisis, 1911-1918* (London: Penguin, 2007), 20.

<sup>23</sup> Docherty, *Hidden History*, 143.

<sup>24</sup> Hansard May 22, 1979, 5.