THE DECLINE OF BRITISH SHIPBUILDING: NEGOTIATIONS BETWEEN THE BRITISH GOVERNMENT AND THE SCOTT LITHGOW COMPANY 1960 – 1987

Duncan Philip Connors
The University of Glasgow

The history of British industrial decline since 1945 has focused on whether the decline was relative or an absolute process. As a British industry, shipbuilding illustrates many contradictions inherent in both views; although overtaken by Japanese competition from the mid 1950's, between 1945-1973 the output and productivity of British shipbuilding increased faster than at any point previously. This paper will discuss the role of the state in this process by using the negotiations between government and the Scott Lithgow shipyard in Scotland concerning the market for 250,000-ton crude oil carriers as an example, demonstrating that the agency of both management and government influenced the eventual outcome more than prevailing market conditions of the time.

The literature on industrial decline of established economies in the face of competition from Japan and West Germany between 1945 and 1973 has focused on whether this decline was relative or whether it was a process of absolute decline.[1] In recent years, the literature concerning the relative decline of the United Kingdom as an economic power in the period 1950-1973, the so called "Golden Age" of economic growth, has focused on the Broadberry-Crafts "productivity growth failure" hypothesis versus the Booth assertion that actually no decline was evident in the UK during this period.[2] These two viewpoints are based on in-depth analysis of contemporary data covering a wide range of British industries. It is the contention of this paper that a closer study of a specific industry can demonstrate the themes outlined by all three academics, particularly in light of more recent literature by Pemberton and Tomlinson on the theme of governance during the "long boom" of 1945 to 1973.[3]

As a specific industry, shipbuilding in the United Kingdom in this period underwent a rapid transformation from an important player in the world shipbuilding market to a much smaller specialist industry. Yet in terms of output and productivity the industry improved its overall performance. This paper will discuss these developments in two parts. Part one will explore the history and context of shipbuilding in this period. First, it will outline technical developments in British shipyards from 1950, and how these affected overall productivity and manufacturing performance. Second, by discussing the role of government and its industrial intervention in shipbuilding in this period against the background of party political motivations and ideologies, this paper will demonstrate the many conflicting views held amongst both politicians and civil servants in Whitehall and Westminster. Finally, the historical discussion will be contextualized by placing British developments in comparison with those globally, specifically Japan and West Germany.

Part two of the paper will present a case study of the Scott Lithgow shipyard based in Greenock on the west coast of Scotland. Outlining the motivations of the shipyard's management concerning modernization and demonstrating that these goals were not compatible with those held by either politicians or civil servants at the time. This paper will show that the resulting program of government assistance for the shipyard reflected neither the prevailing orthodoxy in technical developments at the time for a successful shipyard, nor the wishes of the shipyard's management or government. Rather, this paper demonstrates that the state mandated intervention in the Scott Lithgow shipyard reflected a compromise between both management and government that did not reflect in any way conventional wisdom on shipbuilding in the late 1960s and early 1970s.

The Demise of British Shipbuilding 1950 - 1980

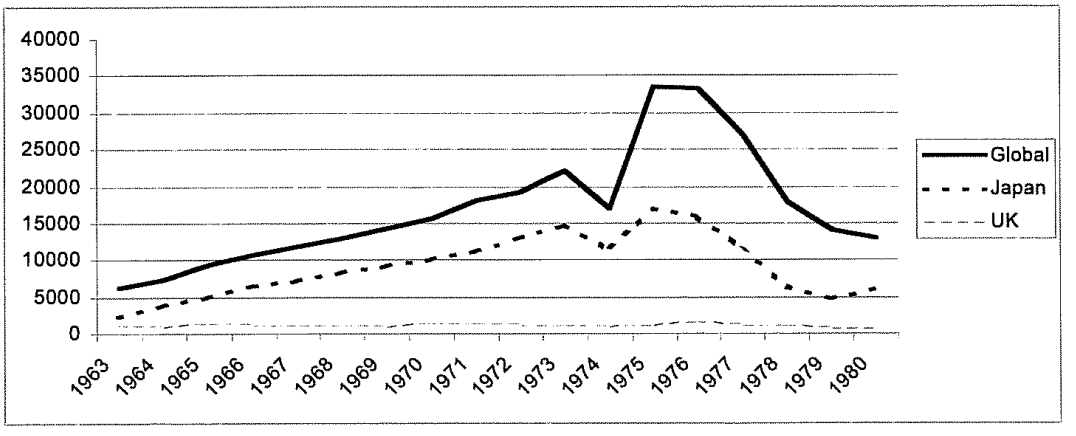
The literature on British shipbuilding has focused on either the technological reasons for decline, the institutional reasons for decline, or on the political economy of decline. The first view advocates that British shipyards failed to modernize and increase productivity when compared to competing yards in Japan, West Germany, and Sweden.[4] The second, as proposed by Lorenz, is that British institutional arrangements and relationships, for example between labor and management, were fractious in British yards especially when compared to the arrangements in Japan and West Germany, and hindered the development of British shipyards accordingly.[5] The political economy analysis undertaken by Johnman and Murphy states that governmental failures exacerbated the problems of the shipbuilding industry and did not seriously address the concerns of the industry.[6]

The discussions concerning economic growth in this period are contextualized by the efforts of the Labour government of 1964 - 1970 to reform British industrial practice and develop industries able to face growing competition from overseas. However, it must be emphasized that while specific bodies such as the Industrial Reorganization Committee (IRC) and the Shipbuilding Industry Board (SIB) were set up to address the problems of industries that were undergoing slower relative growth when compared to competing nations, decisions concerning any individual enterprise had to include the input of disparate ministries, the three most important being the Treasury, the Board of Trade and

the short-lived Ministry of Technology. The competition and conflicting viewpoints between these institutions—under a governing party that had many factions of differing opinions within its ranks—altered and adapted many of the schemes put forward to modernize British industry. Certainly, the Ministry of Technology during its lifetime performed an industrial planning role, rather than one promoting either the use or development of modern technology. This has led to many academics commenting that the intention of Anthony Wedgwood Benn, the Minister of Technology in the 1964-1970 Labour government, was to improve British economic standing by the promotion of industrial modernization for commercial means rather than promote modern technology for the benefit of the economy in general.[7]

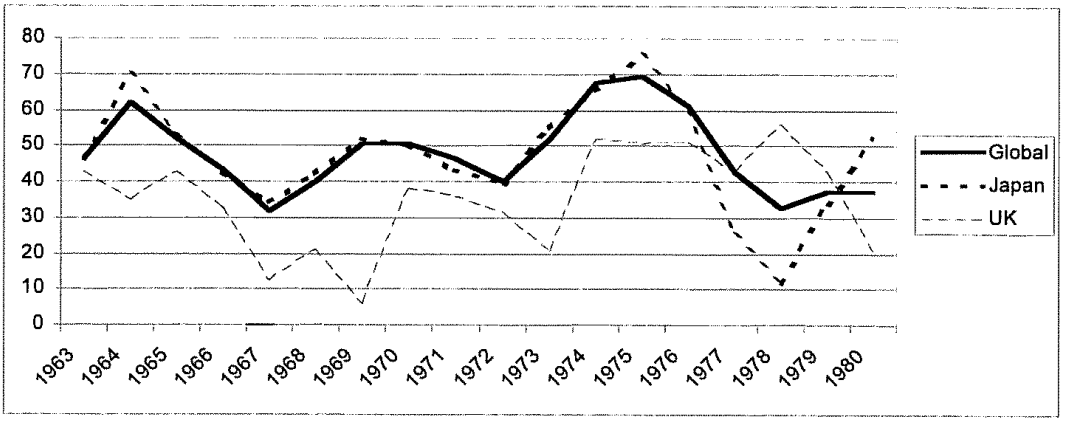
Starting in the early 1800s, the United Kingdom had the world's largest shipbuilding industry in terms of tonnage produced and vessels constructed. Certainly, it was unchallenged by the shipbuilding industries developing in Germany, Japan and the United States from the late 1890s.[8] From 1950 onwards, competition from western European nations such as Denmark, Sweden and Germany, as well as a resurgent Japanese shipbuilding industry, started to gain a larger share of what was traditionally a British market, orders for private carriers based in the UK and those in Greece and Norway. These ship-owners were taking advantage of the increasing imports of crude oil for western nations, whose consequent growth led to the ship-owners requiring the so-called "Supertankers"—vessels of over 100,000 tons in carrying capacity.[9] Although this was a boom period in the output of shipbuilders globally, through its inability to exploit the supertanker market the United Kingdom's share of the market declined and output remained relatively static at approximately a million gross tons produced annually, as the following two graphs demonstrate:[10]

Figure 1. British and Japan Merchant Vessel Output in Global Comparison, Gross Tons (thousands)



Source: *Lloyds Register of Shipping: Annual Report* (London: Lloyds, 1950-1981); *Fairplay International* (London: Fairplay, 1970-1980)

Figure 2. UK and Japanese Tanker Construction as a Percentage of Total Output



Source: *Lloyds Register of Shipping: Annual Report* (London: Lloyds, 1950-1981); *Fairplay International* (London: Fairplay, 1970-1980)

Technology and productivity play an important part in the development of shipbuilding after 1945 in all nations concerned. The introduction of new mass production methodologies developed for the Allies' standardized "Liberty Ship" program during World War II included methods such as prefabrication, welding and standardized components, in addition to the use of automated metal working techniques and improved drafting and design skills.[11] However, British yards did not take up these methods en masse until the early 1960's. Indeed, some British yards involved in the construction of Liberty vessels in the 1940's had reverted to earlier methods of construction such as riveting. However, Japanese shipyards had modernized in the early 1950's as a result of the transfer of technology by National Bulk Carriers (NBC) as part of a contract with the Japanese government to purchase and manage the former Japanese Imperial Naval Yard at Kure. NBC introduced a range of construction methods based upon the Liberty Ship program that increased productivity in an already modern shipyard and, as a condition of its purchase, trained other technicians from yards such as Hitachi Zosen, Chiba, Mitsubishi, and Nagasaki.[12] In addition to these measures, indigenous methods of organizing and managing a shipyard as a production line leading to a central "building dock" also increased productivity and output in Japanese yards, as did the adoption of American methods of production and quality control, such as the Critical Path technique in the 1950s. As a result, Japanese shipyards were producing more tonnage than the UK by 1956 and by 1964 had completely outstripped British production.[13]

British shipbuilders also had additional problems. In comparison with competitor nations, trade unionism, in the form of demarcation and restricted practices, was rife in shipbuilding as were industrial stoppages. Moreover, high wage costs and a strong pound (as opposed to low wage costs and an undervalued Yen) further compounded attempts by shipyards to run profitably. Certainly when compared to West Germany with its *Mitbestimmung* union system and Japan with its consensus management style, UK industry, overall, was restricted by institutional arrangements. This added credence to the Olsonian hypothesis of absolute decline caused by entrenched and deep seated

institutions resistant to change.[14] Nevertheless, it can also be argued that the failure to modernize production facilities in the UK also stemmed from management—labor antagonism focusing the attention of management and employees onto short term concerns of pay and conditions rather than the wider strategic picture of competition with overseas yards. Therefore, in the case of British shipbuilding the "declinist" views of Stråth, Olsen, Broadberry and Crafts provide interlinked themes, dependent upon one another as causes for the particular outcomes they describe.

However, at the level of central government, attempts were made to change the fate of shipbuilding in the UK, which suggests that certain institutions in the UK were not resistant to change. The newly elected Labour government of 1964—as a result of pressure from both the shipyards and unions—set up a committee of inquiry under the chairmanship of Reay Geddes (Chairman of the Dunlop tire company) to look into the causes of decline in British shipbuilding and to recommend a course of action for its modernization. After making a series of visits to shipyards and after taking into account submissions from interested parties, the Geddes report was released to much fanfare in 1966. The report recommended the modernization of British shipyards with the latest equipment, without specifying what the equipment would be, and also recommended that the shipyards merge into larger "super-groupings' based upon existing regional centers. To achieve these aims, Geddes proposed that the government provide both grants and loans. No mention was made of Japan other than labor costs. The report opposed the creation of large modern shipyards based on the Taylorized building dock as being too expensive and elaborate for the British shipbuilding industry.[15] A dedicated body created for the industry in 1967, the SIB oversaw modernization, performing an analogous role to the IRC, which created the impetus and provided funds to bring about the merger of shipyards into large regional conglomerates.

The resulting developments did not achieve the stated aims of the SIB and mostly the industry failed to adapt and survive. Other than Harland and Wolff, Belfast, which constructed a building dock and Fordist manufacturing facilities, no shipyards underwent a comprehensive redevelopment to increase production and reduce costs, and in the case of Harland and Wolff, the yard's modernization created a debt burden for the company to service over thirty years. Mostly, existing shipyards merged into larger groups, yet kept their distinct status as individual yards. Only three yards were large enough to enter the supertanker market, Harland and Wolff, Scott Lithgow and Swan Hunter, and yet these yards made only a fraction of the vessels that Mitsubishi, Nagasaki, and other Japanese ship yards contributed in the same period. Moreover, despite increasing output and productivity, none of these yards were profitable from the late 1960's onwards. Harland and Wolff required over £21 million of government funding between 1966 and 1971 to prevent the shipyard from becoming insolvent; and such funds came more from fear within the government of the potential consequences of mass redundancies in Northern Ireland during a time of civil strife than any economic benefits.[16]

After the 1973 OPEC oil crisis, when the oil exporting nations of the OPEC cartel increased the wholesale price of crude oil four-fold, demand for vessels to carry crude oil fell by 90 percent.[17] Consequently, shipyards in all nations had to compete with a much-reduced demand for merchant vessels during an economic slump. However, the Japanese

shipbuilders also benefited from an energy diversification policy that increased the amount of coal imported into Japan and consequently the number of coal carrying bulk carriers required. Larger tankers were completed in all nations and were launched up until 1979, but mostly this was done using government funds as a means of job preservation. The vessels themselves ended up either going into storage and being restarted in the early 1990's as a response to Chinese economic growth, or being scrapped in South Asia within a few years.

From 1974 onwards, British shipbuilding was competing for a smaller slice of a reduced market and the supertanker shipyards could not adapt to the new realities in shipbuilding. The 1974 Labour government had committed itself to the nationalization of the British aviation and shipbuilding industries. With impending bankruptcies and the wholesale demise of shipbuilding capacity after 1973, the government attempted nationalization from the day it was elected. With a small majority in the House of Commons and entrenched opposition in the House of Lords, it was not until 1977 when the industry was nationalized under the banner of British Shipbuilding.[18] As with the previous efforts at merger, British Shipbuilders was little more than a holding company for the disparate shipyards of the United Kingdom, and the decline of the enterprises continued unabated. During the 1980's, the Conservative government privatized the remaining individual yards. Most of the remaining shipyards closed by the early 1990's. Today, only Harland and Wolff survives as a large merchant shipyard, along with a few smaller specialized ones including those that cater to the Royal Navy. However, even the specialized yards are facing competition from Eastern Europe, as the UK government no longer orders in the national interest, but on the economic criteria of the cheapest cost for the advertised requirements.

It has been demonstrated that the rapid decline in British shipbuilding after 1960 can be attributed to several factors, but the most important one is that the industry failed to adapt to the realities of shipbuilding in the face of rising crude oil consumption amongst the western industrial nations. This can be broken down into the following components. First, after 1950, British shipyards, although modernizing their equipment to reflect contemporary developments in metal working and engineering, were restricted by physical and managerial constraints that an "un-Taylorized" process of shipbuilding imposed upon production. Second, the management was unaware of developments in Japan until the early 1960's—by which time the Japanese yards that had modernized not only their equipment but also their production process were producing a greater tonnage and with higher productivity than comparable UK yards. Third, the unions within the shipyards promoted demarcation and restrictive practices that reduced productivity and output. Fourth, government efforts to redevelop and improve British shipyards failed, as poorly performing but separate yards were merged into larger concerns that were merely holding companies without any form of vertical or horizontal integration. Consequently, few economies of scale were achieved and financial problems were magnified—leading to large scale insolvencies. Finally, the asymmetric shock of the 1973 oil crisis compounded and amplified all these factors to such an extent that the majority of shipbuilding capacity became redundant in the UK by the middle of the 1970's. All the major shipbuilding nations underwent a sharp decline as the supertanker market collapsed, but the British

shipbuilding industry, through the agency of myriad decisions by management, government and labor, suffered a terminal decline from which it never recovered.

Scott Lithgow 1960 - 1987: A case study

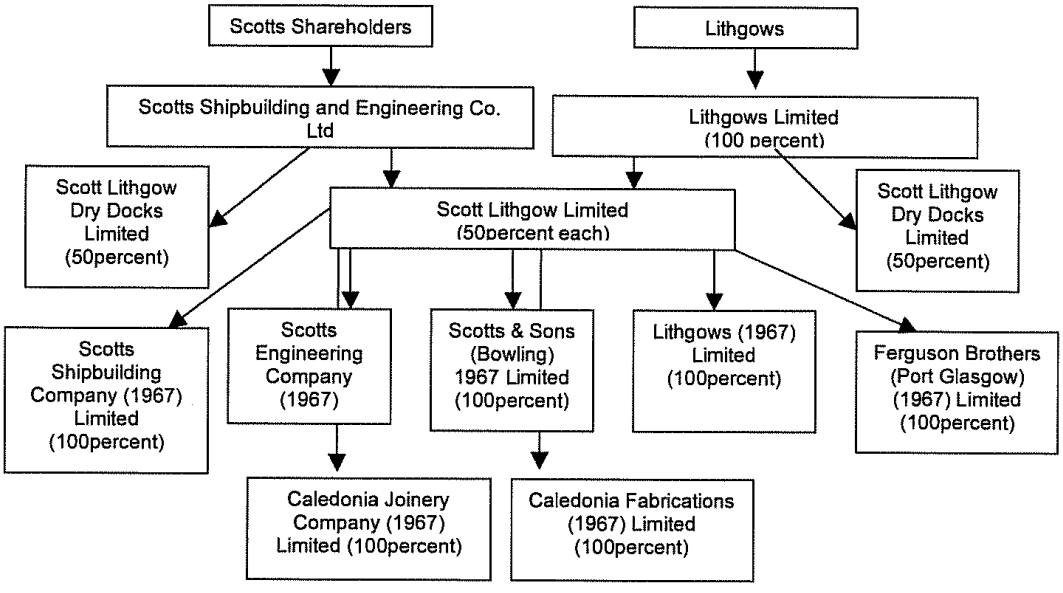
The Scott Lithgow shipyard was the result of a bid by the Greenock based shipyards of Scotts and Lithgows to create a second grouping on the lower river Clyde separate from the yards based on the upper Clyde, thirty miles away in Glasgow. Although the Geddes report made no specific mention of the need for two separate groupings on the Clyde, the SIB reacted positively to the proposal, realizing that Greenock and Glasgow had different wage structures and proximities to suppliers. However, the creation of Scott Lithgow and its subsequent failure as a shipbuilding company is a reflection, not of a lack of ambition on the part of the shipyards and government, but rather a lack of clear management and financial ambition.

Both shipyards were successfully engaged in merchant construction in the mid 1960's, with Scotts building conventional submarines for the Royal Navy and export customers and Lithgows building large bulk and crude oil carriers. Both yards had undertaken re-equipment to use modern methods of steel handling and construction and both were modern yards that could compete in a global marketplace.[19] Therefore, when they proposed a merger in 1967, at the very beginning of the five year lifespan of the SIB, the subsequent government enthusiasm gave a great deal of attention to the opinions of the shipyard's management, specifically the appointed Managing Director of Scott Lithgow, Ross Belch and its chairman, Sir William Lithgow. However, the intentions of the SIB and the intentions of Scotts and Lithgows were highly divergent, as the secretive negotiating employed by both Belch and Lithgow affected the attempt at formulating a government funded development plan within the five-year lifetime of the SIB. Whilst the two shipyards created a company entitled Scott Lithgow in 1967 and changes made to the structure of both Scotts and Lithgows reflected an eventual intention to merge, the result was a shell company set up to please the SIB. Indeed, Scott Lithgow (1967) had a notional value of £100 shared 50:50 between both Scotts and Lithgows.

Over the course of almost four years, the efforts to merge the two shipyards (which shared physical proximity as well as suppliers and therefore had very few concerns as to integration) were slowed down by Belch's refusal to give details of Scott Lithgows' development before he received an undertaking from the government concerning guaranteed naval work.[20] Additionally, up until October 1968, Belch refused to give any details of development plans to the SIB unless he was given an indication about how much the shipbuilding industry board was willing to spend.[21] The exasperation of the principal members of the SIB can be seen in their correspondence between 1967 and 1968, in which they articulated concerns that an opportunity was being wasted on issues that were not part of the SIB's remit. The Ministry of Defense was the final arbiter of naval contracts and the SIB could not comment on any funds without an idea of what Scott Lithgow required.[22] It was only through the intervention in 1968 of the Minister of Technology, Anthony Wedgwood-Benn, (who bluntly reminded both Scotts and Lithgows that no guarantees could be given and that the lifespan of the SIB was due to end in 1971), that

work progressed and a merger was enacted in 1969.[23] However, the following diagram demonstrates that the two companies remained separate entities, both owning 50 percent of a holding company that owned the stock of the two shipyards. The SIB expected that integration and modernization was to follow, but even this did not proceed entirely as planned, as the following table demonstrates:

Figure 3. The Planned Structure of Scott Lithgow's after 1969
(Percentage Ownership in Brackets)



Source: Scotts' Shipbuilding & Engineering Co. Ltd to SIB, 24 March 1969, "Report to Mr. B. Barker on present position of Grouping on the Lower Clyde under Scott Lithgow Limited," TNA FV 37/21.

Scott Lithgow produced a multi-tiered development plan in 1970 which included the development of its existing facilities as the least cost option and the construction of a building dock as a more costly endeavor. The company presented the least cost option with a full set of financial and engineering details, recommending the development of existing berths for the construction of vessels up to 500,000 tons by separately constructing the halves. However, the more expensive option of turning the James Watt dock into a supertanker building dock did not take into account the associated manufacturing infrastructure required, nor the fact that the dock was in use by Tate and Lyle on a daily basis to deliver sugar. Without an expensive relocation of the terminal, the dock was unsuitable for the three-month long construction of a supertanker.[24] Therefore, it appears that the more expensive option of developing a large building dock was not a genuine option and was in fact a sop to the prevailing opinions of the SIB.

Consequently, although Scott Lithgow desired to become a recipient of state aid in the form of grants and loans, and its negotiating stance is an indication of that, it is doubtful that the intention was to spend more than what was strictly necessary on infrastructure. Certainly, considering the location of Greenock and Scott Lithgow, the decision to construct tankers in halves (a methodology developed by NSDM Amsterdam to build

large vessels in the constrained space of the North Sea Canal) appeared to be inadequate, more so considering the potential for quite substantial funding from the SIB. Indeed, equivalent shipyards in similar locations (Mitsubishi Nagasaki, Akers Norway and Odense, Denmark) followed the modern building-dock-based ship factory approach.[25] Although this methodology allowed Scott Lithgow to build larger vessels using its existing facilities, the construction of VLCC supertankers was not a success, with only four vessels being completed in the yard between 1969 and 1980. As the following table demonstrates, the yard was not profitable after 1969 and had additional problems of poor productivity growth and industrial action:

Table 1. Profits and Loss, Scott Lithgow, 1967 to 1971.

Year	Number of Vessels Constructed	Gross Registered Tons Constructed (x 1000)	Profit (UK£ x 1000)	Profit/Loss per gross ton (£)
1967	8	128	312	2.44
1968	6	107	129	1.21
1969	8	166	-206	-1.24
1970	13	172	-1550	-9.01
1971	12	149	-262	-1.76
1972	11	132	662	5.02
1973	10	212	-1,809	-8.53
TOTAL	68	1066	-2724	-2.56

Source: *British Shipbuilding 1972, a report to the Department of Trade and Industry,* Booz-Allen & Hamilton BV, Cmnd 4942, (London: HMSO, 1972).

Between 1967 and 1973 the demand for tankers outstripped supply. Indeed, any vessel delivered to its owner for the contract price in this period would be a valuable commodity on the second hand market.[26] This presumably was the reasoning behind a large order for supertankers by the Israeli shipping line Maritime Fruit Carriers (six at Harland and Wolff, eleven at Swan Hunter and two at Scott Lithgow), a carrier that would be unable in this period to use ports in the Arabian Gulf. Therefore the vessels ordered almost certainly were for the speculative resale market.[27] However, with the collapse of that market in 1973, not only was it the case that Maritime Fruit Carriers (MFC) was no longer a reasonable financial proposition for merchant banks to support, but the vessels themselves had a resale value substantially lower than the contract price. This event hit the British supertanker yards hard, but Scott Lithgow, with few orders to fall back on, took the hardest hit.

The two vessels being constructed for Maritime Fruit Carriers at Scott Lithgow, yard numbers 1192 and 1191, were registered under the ownership of two single-ship owning companies based in Panama, which was a popular way for ship-owners to reduce their liabilities. Although ownership of the vessel ultimately rested with Maritime Fruit Carriers, the relationship between Scott Lithgow and the purchasers was between themselves and the Cartsdyke Dockyard Company Limited, which owned vessel 1191, and Atlantine Limited, the owner of vessel 1192. Therefore, although Maritime Fruit Carriers was in the process of insolvency, the two vessel owning companies were not, and no action for payment was possible until their payments were in arrears. This occurred in November 1976 and

through government pressure, the loans for the vessels were guaranteed by a government body, the Export Credits Guarantee Department (ECGD). The Bank of Scotland then called in the loans.[28] The bank took Cartsdyke and Atlantine into its ownership and a new purchaser was found in the form of the Dexter Shipping Company, a branch of the Niarchos shipping empire. For the first vessel, Niarchos initially offered £15.75 million in cash, but after the poor performance of the vessel, now named "World Score," in sea trials, and with a contrived diplomatic incident at a cocktail party in Athens, Niarchos managed to receive a further reduction in the price of the ship of £3.45 million.[29]

The sale of the second vessel, now called "World Scholar," was more problematic for the Government and Scott Lithgow. Finally, in 1977 Niarchos agreed on a price of £17 million, on condition that the government forward a grant of £5 million to Scott Lithgow, which was now part of the nationalized British Shipbuilders, to guarantee construction. Scott Lithgow never made a profit on either of these vessels, despite receiving over £24 million for World Scholar.[30] Indeed, to prevent the Panamanian Atlantine and Cartsdyke companies from attempting to claim ownership of either vessel (for example a new owner of either concern could argue that whereas Maritime Fruit Carriers had become insolvent and the two ship-owning companies had not) the UK government took legal action to recover grants paid for the construction of both vessels. Although it was unlikely that either company had any funds with which to pay the grants, by gaining a legal judgment against either company, the government could in effect force them into insolvency and remove a potential threat to the agreed sale of the vessels to Niarchos.[31]

After handing over the World Scholar to Niarchos in 1980, the yard delivered its final vessel (a 130,000-ton tanker for British Petroleum) in 1982. Scott Lithgow became part of the Trafalgar House group and specialized in off-shore construction. However, a decade had passed since the offshore boom years and, in 1987, the yard closed for good. From a position of relative strength in 1964, Scott Lithgow in the 1970s underwent a process of decline that few would have expected only a decade earlier. The intentions of management when proposing modernization and their further efforts at negotiation with the Shipbuilding Industry Board prolonged matters, whilst at the same time creating a lack of confidence in Scott Lithgow's abilities. While many British heavy industries at the time such as shipbuilding, coal, steel and automobile manufacturing underwent a relative, and in many cases, an absolute decline in the face of competition. Many industries managed to survive in one form or another until the 1980s, and indeed, the two equivalent yards to Scott Lithgow in the UK, Harland and Wolff and Swan Hunters, are still in existence today. Scott Lithgow faced the same difficult trading conditions caused by competition from abroad, as any shipyard in the UK in the 1960s, and was in a position to receive government help in the same way as any yard. Put succinctly, Scott Lithgow's approach to its merger and modernization was such that the underlying causes of its commercial failure compounded the attempts at a rescue that neither reflected the reality of Scott Lithgow's position within the global shipbuilding market nor its relationship with central government and the Shipbuilding Industry Board.

Conclusion

During a period of sustained economic growth from 1950 onwards, British shipyards had to face increased competition as industrial output grew in Western Europe and Japan, which had developed or was developing shipbuilding industries. Consequently, regardless of any structural weakness in the British industry, the United Kingdom's share of an existing market would have fallen in the face of increased competition. However this is not the whole picture, for the rise in crude oil consumption in the United States, Japan and Western Europe after 1945, combined with a rise in sea-born trade, led to an increased demand for shipping and an exponential rise in the number of vessels constructed globally. That in such a market the United Kingdom's shipbuilding output remained static demonstrates an inability by that industry to react to changing market conditions and adapt accordingly. Indeed, many British shipyards faced other negative factors not related to issues of competition from abroad in this period.

Scott Lithgow also faced additional problems that were not common to other yards. It can be seen that Scotts and Lithgows, the two constituent yards that made up Scott Lithgow, had modernized their equipment in the early 1960's to reflect contemporary techniques, but this was at a time when Japanese yards were undergoing wholesale redevelopment, changing the layout of entire shipyards to increase productivity and output. Given an opportunity in 1967 to modernize much further using government funds in the form of loans and grants, Scott Lithgow prevaricated. Unresolved issues, such as guaranteed military work and the amount of funding it was entitled to, created tension between the company and the Shipbuilding Industries Board mandated by government to provide development funds, extending negotiations over four years. This led to Scott Lithgow losing the commercial initiative and its subsequent scheme to build supertankers in two halves was inadequate in terms of time and productivity compared to other methods. By 1973 when the demand for supertankers had collapsed, Scott Lithgow was fatally compromised by a speculative client facing insolvency and was focusing its efforts on building a vessel no longer in demand using methods that were obsolete. After these events, Scott Lithgow spent its remaining time as a private company employing legal means to prolong its existence without developing any plans to adapt to new commercial realities. In 1977 the British government nationalized the company along with the remaining shipyards of the British shipbuilding industry, creating the short-lived state-owned behemoth British Shipbuilders.

The events at Scott Lithgow between 1966 and 1980 demonstrate at a local level the wider themes of industrial failure that have emerged through the study of this period, providing an important insight into events that occurred on the nexus of corporate and national decision making. Consequently, the individual study of an enterprise such as Scott Lithgow can shed much light on the declinist literature that has emerged in the past twenty years and creates linkages into more recent work on governance networks and decision-making by the Labour government of the 1960s. Whilst there is much evidence of an incontrovertible nature to suggest structural weaknesses and, indeed, many institutional factors acted as a brake on economic growth in the United Kingdom in this period, this is not the entire picture. Rather, the study of corporate decision-making and that of

government is also important and can illuminate the microeconomic causes to the macroeconomic effect outlined by the broad sweep of the literature on Britain's postwar relative economic decline.

NOTES

1. M. Abramovitz, "Catching Up, Forging Ahead and Falling Behind," *The Journal of Economic History* 46, no. 2 (1986): 385-406; M. Olson, *The Rise and Decline of Nations: Economic Growth, Stagflation and Social Rigidities* (New Haven: Yale University Press, 1982); and M. Olson, "The Varieties of Euroslerosis: The Rise and Decline of Nations Since 1982," *Economic Growth in Europe Since 1945* (Cambridge: Cambridge University Press, 1996): 73-91.
2. A. Booth, "The Manufacturing Failure Hypothesis and the Performance of British Industry during the Long Boom," *Economic History Review* 56 (2003): 1-33; S. N. Broadberry, *The Productivity Race: British Manufacturing in International Perspective, 1850-1990* (Cambridge: Cambridge University Press, 1997); and S. N. Broadberry and N. Crafts, "UK Productivity Performance from 1950 to 1979: a Restatement of the Broadberry-Crafts View," *Economic History Review* 56 (2003): 718-735.
3. N. Tiratsoo and J. Tomlinson, *Industrial Efficiency and State Intervention: Labour 1939-1951* (London: Routledge, 1993); R. Toye, "The Labour Party and the Planned Economy, 1931-1951," *Royal Historical Society Studies in History* (London: RHS, 2003); J. Tomlinson, "Conservative Modernisation, 1960-1974: Too Little, Too Late?" *Contemporary British History 11* (1997): 18-38; A. Booth, "Corporate Politics and the Quest for Productivity: the British TUC and the Politics of Productivity Growth, 1947-1960," *Management, Labour and Industrial Politics in Europe* (Cheltenham: Edward Elgar Publishers Ltd, 1996): 44-65; J. Tomlinson, *The Labour Governments 1964-1970: Economic Policy* (Manchester: Manchester University Press, 2002); J. Tomlinson, "The Labour Party and the Capitalist Firm, c. 1950-1970," *The Historical Journal* 47, no. 3 (2004): 685-708; H. Pemberton, *Governance and Policy Learning in the Keynesian-plus Era* (London: Palgrave Macmillan, 2004); and H. Pemberton, "Relative Decline and British Governance in the 1960s," *The Historical Journal* 47, no. 4 (2004): 989-1013.
4. B. Stråth, *The Politics of De-industrialisation: The Contraction of the West European Shipbuilding Industry* (Beckenham: Croom Helm Ltd, 1987).
5. E. Lorenz, *Economic Decline in Britain: The Shipbuilding Industry 1890-1970* (Oxford: Claredon Press, 1991).
6. L. Johnman and H. Murphy, *British Shipbuilding and the State since 1918* (Exeter: University of Exeter Press, 2002).
7. D. Edgerton, "The 'White Heat' Revisited: The British Government and Technology in the 1960s," *Twentieth Century British History* 7, no. 1 (1996): 53-82; D. Edgerton, *Science, Technology and the British Industrial Decline, 1870-1970* (Cambridge: Cambridge University Press, 1996); and D. Edgerton, *Warfare State: Britain 1920 – 1970* (Cambridge: Cambridge University Press, 2006).

8. R. Minami, "The Economic Development of Japan: A Quantitative Study," *Studies in the Modern Japanese Economy* (Basingstoke: Macmillan, 1986).
9. Over 100,000 tons deadweight (carrying capacity) is a Supertanker, over 250,000, a Very Large Crude Carrier (VLCC), and over 350,000, an Ultra Large Crude Carrier (ULCC).
10. *Fairplay International* (London: Fairplay, 1970-1980).
11. B. Stråth, *The Politics of De-industrialisation: The Contraction of the West European Shipbuilding Industry* (Beckenham: Croom Helm Ltd, 1987).
12. P. N. Davies, "The Role of National Bulk Carriers in the Advance of Shipbuilding Technology in Post-War Japan," *International Journal of Maritime History* 4, no. 1 (1992): 131-142.
13. T. Chida and P. N. Davies, *The Japanese Shipping and Shipbuilding Industries: A History of Their Modern Growth* (London: Athlone Press, 1990).
14. E. Lorenz, *Economic Decline in Britain: The Shipbuilding Industry 1890-1970* (Oxford: Claredon Press, 1991).
15. Shipbuilding Inquiry Committee, Report, Cmnd 2937 (London: HMSO, 1966).
16. "Belfast Shipyard: Memorandum by the Ministry of Commerce," Stormont cabinet minutes, 23 December 1970, 1-2, Public Records Office Northern Ireland CAB/4/1574/18.
17. C. Issawi, "The 1973 Oil Crisis and After," *Journal of Post Keynesian Economics* 1, no. 2 (1978): 3-26.
18. J. Callaghan, "Industrial Militancy, 1945-1979: The Failure of the British Road to Socialism," *Twentieth Century British History* 15, no. 4 (2004): 388-409.
19. "A Rebuilt British Shipyard: Completion of a £3-million Reconstruction Scheme on Lithgows Kingston Yard at Port Glasgow," *The Motorship* (June 1961): 154-155; and "250 Years of Progressive Building: The Growth and Development of Scotts' Shipbuilding and Eng. Co.: A modernised Shipyard for Ships up to 40,000 tons d.w. Scotts' Contribution to Marine Engineering," *The Motorship* (October 1961): 312-314.
20. "Note of a working lunch: Lower Clyde Merger," minutes, 20 November 1967. The National Archives, Kew (TNA) FV 37/21.
21. Note of a meeting at Shipbuilding Industry Board (SIB) re: Scott Lithgow project, no date, TNA FV 37/21.
22. SIB, 9 April 1967, TNA FV 37/21.
23. "Lower Clyde Shipbuilders," note of a meeting held on Monday 28th October 1968. TNA FV 37/21.
24. Scott Lithgow Development Plan 1970, Glasgow University Archive Service (GUAS), GD323/1/1/50.
25. "Melania: Largest Tanker Built in Holland," *Shipping World and Shipbuilder* (February 1969): 331-332.
26. J. Newton, *A Century of Tankers: The Tanker Story* (Oslo: Intertanko, 2002); and M. Stopford, *Maritime Economics* (London: Routledge, 1997).
27. "Discussions on MFC tanker sales," *The Times*, September 1973, 25.
28. Notes on a telephone conversation with Mr. A. P. Harvey of S.MFC re: contract for vessel, 21 September 1976, 1191, GUAS GD323/13/11/1191/4.

29. Memo to Department of Industry Deputy Secretary, R.E. Dearing from J de Pauley, 14 January 1976, "Maritime Fruit Carriers: MV Cartsdyke," TNA BT 321/213; Letter from Neil, Clerk & Murray, Solicitors, Greenock to A.G. McNeilage, Lithgows Limited, 30 October 1978, "World Score 1191: Dolman Shipping Company," GUAS GD 323/13/11/1191/4.
30. Memo of agreement between British Shipbuilders and Dexter Shipping Co., 21 December 1979, GUAS GD 323/13/11/1191-2/1(3).
31. Letter from T.E. Wyatt, Treasury to Rawlinson, Department of Industry, 14 January 1978, "Maritime Fruit Carriers," TNA BT 321/214.