PRINTERS PRESS AND PROFITS

SRM

A Study of the Newspaper and General Printing Trades in London and in the Provinces—their share bonuses, their profits, their dividends, their directors and their workers

TWOPENCE

Third and Revised Edition
February, 1933

Prepared by

W. FOX

for

THE LABOUR RESEARCH DEPARTMENT
60 DOUGHTY STREET, LONDON, W.C.1

PRINTERS PRESS AND PROFITS

Prepared by W. Fox

LONDON
THE LABOUR RESEARCH DEPARTMENT
60 DOUGHTY STREET, W.C.1

PRINTERS, PRESS AND PROFITS

THREE shillings in the pound off wages! Such is the demand now presented by the master printers to their operatives. Added to this is a curt request for a "revision"—O blessed word!—of working conditions which will destroy for the operative printer almost all the few advantages which he has been able to retain since the end of the war. These employers' proposals are backed by pleas of the extreme poverty and financial distress of the printing firms. Here, in this pamphlet, without bias, without exaggeration, without heat, we have set out to examine what is and what has been the financial position of the printing and newspaper trades. The results of our task lie plain for all to see.

THE NATIONAL COMBINES.

THE "National" newspapers have been trustified in the course of the last ten years to a very high degree. Northcliffe set the example: following him, more modestly, came Beaverbrook with the profits from his cement financing in Canada. The Berry brothers, rich from the war and post-war "boom" profits of South Welsh coal and steel and Lancashire cotton, swallowed Hulton's papers in Manchester and branched into scores of periodicals. Most recent of all, J. S. Elias created the Odhams group.

In the Beaverbrook group are the *London Express Newspaper Ltd.*, the *Evening Standard Co. Ltd.* and the *Sunday Express Ltd.* The newspapers of Odhams Press Ltd. are the *Daily Herald* (along with the Trades Union Congress) and *The People.* Its other periodicals range marvellously from *Debrett's Peerage* and *Sporting Life* through *Passing Show* and *Coming Fashions* to the *Picturegoer* and the *Paper Maker's Directory*. In other directions its subsidiaries include:—

A. E. Abrahams Ltd.
Wondersigns Ltd.
Borough Billposting Co.
Elm Press.
Coming Fashions Ltd.

Gosnay Advertising Co. (1919) Ltd.
Dean and Son Ltd. (Rag Books).
Press Printers Ltd.
Endell Street Estates Ltd.
Long Acre Press Ltd.
M.L. Publishing and Copyright Co. Ltd.
Wyman and Sons Ltd. (London printing business).

The most "national" of the combines is the Rothermere Press. Its organisation is too complicated to describe in detail. The core is the *Daily Mail Trust Ltd.*, which significantly has very large, but not controlling, interests in the *London Express Newspaper Co. Ltd.* Through *Associated Newspapers Ltd.* the group publishes the *Daily Mail, Evening News* and *Sunday Dispatch.* Two other large holding units in the combine are the *Daily Mirror Newspapers Ltd.* and the *Sunday Pictorial Newspapers (1920) Ltd.*

In the provinces the "war" between the Berrys (Allied Newspapers Ltd.) and the Rothermere group (Northcliffe Newspapers Ltd.) ended in June, 1931, with a truce which left nine provincial papers with the latter. In October, 1932, Northcliffe Newspapers Ltd. was liquidated (the £3,000,000 debentures outstanding being repaid at £3,210,000 in cash), and the bulk of its properties transferred to Associated Newspapers Ltd. These provincial papers are:—

*Staffordshire Sentinel.
*Gloucestershire Echo.
*South Wales Daily Post.
*Gloucester Citizen.
*Hull Daily Mail.
*Grimsby Daily Telegraph.
Derby Daily Telegraph.
Lincolnshire Echo.
Leicester Evening Mail.
Newcastle Evening World.
Bristol Evening World.

* Sold to Associated Newspapers in October, 1932.

It is also worth noting that *Western Morning News* is attached to the Rothermere combine.

The Rothermere organisation is simplicity itself in comparison with the rings of subsidiaries and sub-subsidiaries erected by the Berry brothers (Lord Camrose and Sir J. G. Berry). This runs into three national daily papers (*Financial Times, Daily Telegraph,* and *Daily Sketch*), into six Sundays (*Sunday Graphic, Sunday Times, Empire News, Sunday Chronicle, Glasgow Sunday Mail* and *Newcastle Sunday Sun*), into twelve provincial dailies (*Aberdeen Press* and *Evening Express, Daily Dispatch* and *Manchester Evening Chronicle, Glasgow Daily Record* and *Evening News, Newcastle*

Evening Chronicle and *North Mail, North-Eastern Daily Gazette, Western Mail, South Wales Echo* and the *Cambridge Daily News*). Through the *Amalgamated Press Ltd.*, the Berrys produce a host of popular weeklies, through *Iliffe & Sons Ltd. and the Associated Iliffe Press Ltd.* another dozen "trade" journals, through *Kelly's Directories Ltd.* scores of directories, and in the world of printing, directly or indirectly, they own:—

Cornwall Press Ltd.
St. Clements Press Ltd.
Suttley and Silverlock Ltd.
Fixol and Stickphast Ltd.

In addition, the Berry interests also control the Leng papers in Yorkshire (*Sheffield Daily Telegraph* and the *Yorkshire Telegraph and Star*) and the two Berrys are personally associated with the fashion publications of *Weldons Ltd.* (which is controlled by the Hunters, who run the *Sun Engraving Company Ltd.*).

Remarkable prosperity has attended all the "Big Four." A fifth group, however, formed in 1928 by William Harrison, has struck very heavy financial weather. Harrison had built up after 1922 a great papermaking combine, covering a dozen firms, and ranging back to the esparto growers in Algeria, around the *Inveresk Paper Co. Ltd.* In 1926, to secure a permanent market for his paper, he formed the £3½ million *Illustrated Newspapers Ltd.* Through that the Inveresk owned the £700,000 *Illustrated London News and Sketch Ltd.* In 1928 a further step into "national" newspapers enabled Harrison to buy control of the *Daily Chronicle* group at a cost of £1,142,500 from Lord St. Davids, Lloyd George and Lord Reading. The *Daily Chronicle Investment Corporation Ltd.* brought with it the Edinburgh and Yorkshire papers of *United Newspapers Ltd.* (in which it had secured £767,503 shares at a price of £3,042,142); and on this and other acquisitions Harrison built his £3 million *Provincial Newspapers Ltd.* This covers to-day:—

Edinburgh Evening News.
Yorkshire Evening News.
Doncaster Gazette.
Lancashire Daily Post.
Preston Guardian.
Blackburn Times.
Burnley News.
Eastern Morning News.

and a 49 per cent. interest in the Rothermere Hull and Grimsby papers. In addition, Harrison adventured into property (*Inveresk Real Property Co. Ltd.*) and into books (*Thomas Chalmers and Sons Ltd.*).

Nationally the group has a half share in the *News-Chronicle*, along with the older Cadbury interests of the *Daily News Ltd.* (which owns the *Star*) and Cowdray.

The financial lavishness of Harrison, which was urging his paper and papermaking firms hard into the Bankruptcy Court, was cut short by the banks in 1930; and the new chairman could declare (*Financial Times*, 24th February, 1930), that the disasters of the group were:—

> "largely due to the policy of indiscriminate expansion initiated by Mr. Wm. Harrison . . . and loose business methods on his part; to the distribution of all revenue in dividends . . . and to the purchase of properties without proper investigation or regard to intrinsic values."

It is clear from the figures we give in our tables of profits that the Inveresk papers (particularly the illustrated weeklies) have suffered not so much from any lack of earning power as from the gross over-capitalisation imposed on them by Harrison.

THE FINANCES OF THE NATIONAL GROUPS.

WITH the Rothermere group we enter the highest sphere of newspaper finance. It is difficult to describe its financial career, its ever-ascending ranges of mountainous dividends, its glowing peaks of capitalised share bonuses, without becoming lyrical. But let the figures shine ungilded. In 1923/24 the *Daily Mail Trust Ltd.* had a paid-up capital of £201,000. To-day that capital stands at £2,014,500. The increase is due solely to the issue, in 1925, 1927 and 1928, of capitalised share bonuses totalling £1,813,000. In the last eight years (1925–1932) the net profits of the Trust have totalled £2,366,000 and the shareholders have received £1,963,000 in dividends. In other words, the return on the original £201,000 capital has been £1,963,000 in dividends (or 970 per cent.) and in share bonuses £1,813,000 (or 900 per cent.), while these share bonuses have to-day a market value of nearly £4,000,000.

Daily Mirror Newspapers Ltd. has been almost equally prosperous. In the eight years 1925–1932 it paid out in dividends £2,520,000 or a total of 232½ per cent. and, even so, could scatter this richest of puddings with two plums in 1927 representing £700,000 (or 100 per cent.) in share bonuses. Another Rothermere firm—*Sunday Pictorial Newspapers (1920) Ltd.*—saw its dividend in 1932 pushed down to a miserable, meagre and unusual 18¾ per cent. after seven years on the 25 per cent. level. Even so, it can look with modest pride on the payment of £2,110,000 in ordinary and preference dividends since 1925 *plus* a £300,000 share bonus five years ago.

The isolation of a separate paragraph is essential to frame the record of *Associated Newspapers Ltd.* On an original half-million deferred capital, it has paid £1,750,000 in share bonuses in the last thirteen years (or 350 per cent.) and in cash dividends since 1924 the grand and almost certainly unique total of £6,537,500 or 1,300 per cent.

THE ROTHERMERE PROFITS.

Year		Daily Mirror N.P.		Sunday Pictorial N.P.		Daily Mail Trust N.P.		Associated Newspapers N.P.	
		£	%	£	%	£	%	£	%
1932	...	374·4	22½	264·2	18¾	173·3	8¾	704·6	25
1931	...	476·1	30	340·5	25	370·1	8¾	1,059·8	40
1930	...	480·4	30	351·7	25	367·0	17½	1,245·3	40
1929	...	479·5	30	350·4	25	387·8	17½	1,205·6	40
1928	...	374·6	30*	330·2	25	376·0	23½*	1,170·8	40
1927	...	271·8	30	270·0	25*	306·1	30*	1,121·9	40
1926	...	270·2	30	273·5	25	226·5	33⅓*	953·7	40
1925	...	288·9	30	269·4	25	158·2	nil*	917·0	40

* Plus a share bonus.
N.P. £—Net profit in thousand £s.
%—Ordinary dividend.

The remarkable level reached and maintained by the Rothermere firms has not been attained by the other national groups. Yet these have made some most gallant attempts. Beaverbrook's *London Express Newspaper Ltd.* has managed to maintain a steady 10 per cent. ordinary dividend for the last five years. The two great Berry units have weathered competition with considerable success, the *Amalgamated Press* dividends totalling 56 per cent. in the last four years and the *Allied Newspaper* dividends 63½ per cent. in the last eight years. Another Berry firm—the £2½ million *Kelly's Directories*—shows 102½ per cent. in the last six years (1927–1932), against 92½ per cent. in the previous six years (1921–26). The *Odhams* group showed for 1931 a record trading profit and has managed to push its dividend from 6 per cent. in 1925 to an average of 14 per cent. for the last six years. The table below summarises clearly the success with which Odhams, Beaverbrook and the Berrys have struggled to emulate Rothermere.

PRESS PROFITS (£s in thousands).

Company	Period	No. of years	Total net profit.	Total Ordinary dividends.	
			£	£	%
Odhams Press	1925–31	7	1,280	458	91
Allied Newspapers	1924–31	8	4,833	1,012†	63½
Amalgamated Press ...	1929–32	4	2,737	672*	56
London Express Newspaper	1928–32	5	448	165	50

* Plus £1,260,000 in preference dividends.
† Plus £2,258,000 in preference dividends.

THE PROVINCES BEGIN TO GROUP.

THE inroads by the Berrys, the Rothermere group and the Inveresk interests into the ranks of the provincial weeklies and dailies have been so impressive that to-day these three control forty-four daily or Sunday papers published outside London. Yet it is a mistake to assume that the remaining provincial newspapers are fighting a gallant battle against monopoly for the freedom of an independent press. A dozen years before the Berrys heard of Fleet Street, the foundations of the first great provincial combine had been laid.

This is the "Starmer Group," managed—but not owned—by Sir Charles Starmer. This numbers one Sunday paper (*The Sunday Mercury* which is a determined rival in that line of British journalism on which Lord Riddell's *News of the World* has set such a peculiar stamp), four morning and six evening dailies and nineteen weeklies, including:—

Birmingham Gazette ... ... Birmingham Evening Dispatch Sunday Mercury	Birmingham Gazette Ltd.
Bradford Telegraph and Argus Yorkshire Observer ... ... Keighley News	Bradford and District Newspapers Co. Ltd.
Durham County Advertiser	
Lancaster Guardian	
Blackpool Times	
Lincolnshire Chronicle ... ... Lincoln, Rutland, etc., Mercury	Lincolnshire Newspapers Ltd.
Northern Echo ... ... Northern Dispatch (Darlington) Yorkshire Gazette	North of England Newspaper Co. Ltd.
Westmorland Gazette	
North Wilts Herald	
Nottingham Journal ... ... Nottingham Evening News ...	Nottingham Journal Ltd.
Oxford Times ... ... Oxford Mail	Oxford Times Ltd.
Swindon Evening Advertiser	
Darlington and Stockton Times	
Durham County News	
North Berks. Herald	
West Yorkshire Pioneer Morecambe Guardian Barnoldswick & Earby Pioneer	Counties Press Ltd.

The Starmer group is strongly Liberal (e.g. the Articles of Association of *The Birmingham Gazette Ltd.* lay down that "any political paper it shall publish must support and advocate the principles of Liberalism"). It is closely associated in some of its enterprises with the cocoa Rowntrees of York, J. B. Morrell and A. S. Rowntree (both of Rowntree and Co. Ltd.) being directors of almost all the Starmer companies, while groups of Rowntrees hold a majority shareholding in some of the units (e.g. in the *North of England Newspaper Co. Ltd.*). The great bulk of the money behind Starmer has been found, however, by Viscount Cowdray, who made his money on the one hand in Mexican oil and on the other hand through the great contracting firm of S. Pearson and Son Ltd. Cowdray is the financial controller of many of the Starmer paper firms (e.g. the Bradford group) and also of another Starmer London unit—the £500,000 *Westminster Press Ltd.* Through Cowdray and the Rowntrees the Starmer group is linked with the *News-Chronicle* and the London *Star*. All the Starmer firms are private; but indications of prosperity are shown by the issue of share bonuses (see table), and by the repayment by six of the newspaper concerns of £270,000 of debenture debt in 1930 alone.

A smaller combine ringed round Sam Storey (Tory M.P. for Sunderland), and his family, is based mainly on the north-east coast with a curious southern attachment at Portsmouth. The Storeys control:—

Sunderland Echo Co. Ltd.:—
Sunderland Echo.

Northern Counties Conservative Newspaper Co. Ltd.:—
Newcastle Daily Journal. *Northern Star.*

Northern Daily Mail Co. Ltd.:—
Northern Daily Mail.

Portsmouth Newspapers Ltd.:—
Portsmouth Evening News. *Hampshire Telegraph.*

In Manchester, the *Manchester Guardian*, forgetting for the moment its Liberal individualism, has attempted to strengthen its position against the Berry inroads by buying control in recent years of the *Manchester Evening News* and the *Manchester City News*; and a similar development in Liverpool has seen the *Evening Express* (C. Tinling and Co. Ltd.) fall into the ownership of the *Liverpool Daily Post and Echo.*

Other local groupings are fairly numerous. In the East Midlands, Sir Richard Winfrey brings together the *Peterboro' Advertiser*, *Bury St. Edmunds Free Press*, *Lincolnshire Guardian* and the *Northampton Evening Telegraph*. The *Norfolk News* bought control of the *Norwich Mercury* from the Starmer group. In Barnsley the Liberal *Chronicle* and the Conservative *Independent* have the same owners (the executors of Sir J. Hewitt); and the two Stafford papers (the *Advertiser* and the *Chronicle*) are both controlled by C. J. Clay and E. Cotton. The *Midland United Newspapers Ltd.* owns the distant *Weston-super-Mare Gazette* while the *Leamington Spa Courier* and the *Leamington Chronicle* run in common harness.

THE MASTER PRINTER ORGANISES.

SO keen is the spirit of individual enterprise amongst our master printers that it is notorious that they would sooner cut the throat of their grandmother than lose an order. The operative printer is only too well aware of the existence of this price-cutting, cut-throat spirit since the masters now propose to use the same razor-edged enterprise against printers' wages and working conditions.

The urge towards combination, to squeeze on the one hand the operative printer and on the other hand the printing customer is, however, making considerable inroads into the old independent outlook. In the last ten years large groupings, covering, it is true, not the whole of the industry but yet some of the greatest units, have come into existence; and to-day the Hutchinson, Benn, McCorquodale, Newnes and Universal Printers firms hold control of a very considerable block of printing capital.

In the most marvellous of all printing family affairs—*McCorquodale and Sons Ltd.*—where, rank upon rank, McCorquodale follows McCorquodale in the share list with a profusion that is a marvellous tribute to the excellent effect of printing on the shareholders' birth-rate, five firms are included, viz.:—

McCorquodale and Blades Trust Ltd.
McCorquodale and Sons Ltd.
Blades, East and Blades Ltd.
Liverpool Printing and Stationery Co. Ltd.
Hy. Blacklock and Co. Ltd. (Manchester).

All hide their profits under the anonymity of private companies, but even in that shroud we can count a total for three of the units of no less than £691,250 in share bonuses.

Larger in number, though not greater in importance, are the printers in the *Hutchinson Printing Trust Ltd.* This merges a mass of firms in and out of London, including:—

Fisher, Knight and Co. Ltd. (St. Albans).
Wm. Brendon and Son Ltd. (Plymouth).
Anchor Press Ltd. (Tiptree).
Gilbert Whitehead and Co. (Eltham).

Geographia Ltd. (London).
Percy Bros. Ltd. (Manchester).
Webb, Son and Co. Ltd. (London).
Wm. Cate Ltd. (London).
Richard Johnson and Son Ltd. (Manchester).

The Trust is itself controlled by *Hutchinson and Co.* (*Publishers*) *Ltd.*, which in turn controls another dozen subsidiaries (e.g. Hill and Co. (Engravers) Ltd., Hurst and Blackett, John Long, Skeffington's, Stanley Paul, Andrew Melrose). Ownership of this holding firm lies in the hands of Walter Hutchinson.

The Benn and Newnes groups cover much the same ground. In the first prosperous set are included:—

Geo. Newnes Ltd.
Country Life Ltd.
C. Arthur Pearson Ltd.
Newnes and Pearson Printing Co. Ltd.
London Opinion Ltd.
Leach's Publications Ltd.
W. H. & L. Collingridge Ltd.

while the smaller *Benn Bros. Ltd.* also controls *Ernest Benn Ltd.* and *William Agnew Ltd.*

Behind the simple statement that in 1922–23 *Universal Printers Ltd.* acquired control of:—

Whittaker and Sons Ltd.
Bemrose and Sons Ltd. (Derby).
Norbury, Natzio and Co. Ltd. (Manchester).
Alf. Cooke Ltd. (Leeds).

and a shareholding in a Greek company, is a most entertaining little story of high printing finance. The merged firms sold at excellent prices. For £300,000 of their own capital (which had been

Firm bought	Shares bought	£	Price in U.P. shares paid	£
(*a*) Norbury, Natzio and Co. ...	5% preference	20,169	7½% preference	13,446
	ordinary ...	85,676	7½ preference	58,236
			ordinary ...	116,472
(*b*) Bemrose and Sons ...	ordinary ...	100,000	7½% preference	83,333
			ordinary ...	166,667
(*c*) Alf. Cooke ...	ordinary ...	95,000	7½% preference	50,744
			ordinary ...	101,488
Totals ...	Preference ...	20,169	7½% preference	205,750
	Ordinary ...	280,676	ordinary ...	384,627

already "watered" in the case of Norbury, Natzio and Co., by a 100 per cent. share bonus), they received nearly £600,000 of Universal Printers' shares. It is a tribute to the prosperity of provincial printing that the net profits of U.P. at around £45,000 a year in the last five years show, even on this inflated capital, net earnings of 7½ per cent. per annum.

The U.P. story needs rounding off. It was trimmed very expertly. New wage agreements were drawn up for the directors of the merger and were signed willingly. The story is complicated but the unravelling was pleasant for the U.P. board. The U.P. became the Holding Company with a board formed by directors from the controlled or Unit firms. Each Unit company was to pay the director of the Unit firm who was also a director of the Holding Company the sum of £2,500 per annum. It was also agreed that the Unit companies (apart from the fees paid to the Holding directors) should pay the following total amounts to be shared by their Unit directors, viz.: Bemrose and Sons, £3,500 per annum; Alf. Cooke Ltd., £1,050 per annum; and Norbury, Natzio and Company, £500 per annum. It is no surprise, therefore, in 1932 to find the six U.P. directors drawing a total of £528 in directors' fees from the U.P. itself *plus* another £8,550 in directors' fees from the subsidiaries. In addition, other Unit directors not on the U.P. board also draw fees from the firms. Need we make any comment?

Of other groups, the more interesting include *Harrison & Sons Ltd.* (which acquired *J. G. Hammond & Co. Ltd.* in 1923 and which is linked to *Collogravure Ltd.*, *St. Martin's Engraving Co. Ltd.* and the *Nederlandsche Rotogravure Co.* in Holland) and the *Whitefriars Press Ltd.*, which is associated with the *Roseberry Press Ltd.* and the *Standard Catalogue Co.*, while *Associated Printers Ltd.* embraces *Wm. Brown & Co. Ltd.*, *Chas. Knight & Co. Ltd.* and *Wm. Lewis (Printers) Ltd.* of Cardiff.

A WORD ON SCOTLAND.

SPACE forbids us delving deep into the records of the Scottish newspapers and general printers. In newspapers, the great English invasion took place in 1925–26, when the Berry interests entered Glasgow. Through the £500,000 *Associated Scottish Newspapers Ltd.*, they acquired the *Daily Record*, *Evening News* and *Sunday Mail*, and through another subsidiary the firm of *J. M. Smith Ltd.* In Aberdeen, two years later, they beat Rothermere and secured control of *Aberdeen Journals Ltd.*

This invasion was not disastrous for the home producer. Behind *George Outram & Co. Ltd.* of Glasgow, stands a long record of prosperity which, even in the shrinkage of the last three years, is sufficiently impressive. The firm paid out a first 20 per cent. capitalised share bonus of £97,358 in February, 1923, and a second and greater bonus of 50 per cent. (or £292,074) in February, 1926. Apart from these bonuses, it has given to its shareholders a total of no less than 167½ per cent. in ordinary dividends in the last eight years (1924–31) and has cleared £845,000 net profit in the last five years. On the printing side it strengthens itself with the ownership of *James Hedderwick & Sons Ltd.*, while its seven directors share thirty directorates between them.

We have chosen three representative Scottish units. Below are their profits.

SCOTTISH PROFITS.

Year		Geo. Outram N.P.			Aberdeen University Press N.P.			Morrison & Gibb N.P.	
		£	%		£	%		£	%
1932	...	122,624	15	...	2,159	5	...	8,906	6
1931	...	101,664	15	...	1,338	2½	...	11,831	6
1930	...	141,665	17½	...	2,118	12	...	12,832	6
1929	...	186,485	22½	...	2,201	12	...	14,915	5
1928	...	210,389	22½	...	1,522	12	...	—	—
1927	...	205,195	22½	...	—	—	...	—	—

N.P.—Net profit. %—Ordinary dividend.

THE LONDON PRINTERS.

WE are not going to analyse in great detail the great printers whose activities are concentrated largely in London. Many of the largest are subsidiaries to the newspaper combines. Some, it is true, have either established works outside London or have acquired provincial firms. *Wyman and Sons Ltd.*, for example, who have now moved out of London, own *Miller, Sons and Co. Ltd.*, at Fakenham, and *Alexander and Shepheard Ltd.; Sir Joseph Causton and Sons* controls *Hodgetts Ltd.* and the *General Sign Co. Ltd.*, while the *Solicitors' Law Stationery Co. Ltd.* (the stronghold of "yellow unionism") has at various times in the last six years bought up *David Robertson and Co.* and *Kennedy, Robertson and Co.* in Glasgow and the Liverpool *Central Stationery and Printing Co. Ltd.* But here we are concerned more with money. The table overleaf shows that over the last five years—a period deliberately selected by us as containing three years of national depression—the general level of profits has been maintained remarkably well. It is true that between 1929 and 1931 profits fell by about one-third, but as the figures amply indicate the fall was from a "boom" level—a "boom," incidentally, in which printers' wages did not share. In fact, the 1931 profits on the whole are on the same high level as in 1923 and in some cases (e.g. *Hazell, Watson and Viney*) actually higher. A glance will show also that two companies which have reported for 1932—*De la Rue's* and *Eyre and Spottiswoode*—show far better results than in the previous year.

So far as the private printing firms are concerned we need only point out that the drain on the resources by the controlling families, the high family salaries, the lavish over-depreciation, etc., are notorious throughout the printing world.

THE LONDON PRINTERS.

Company	1927 N.P. £	1927 %	1928 N.P. £	1928 %	1929 N.P. £	1929 %	1930 N.P. £	1930 %	1931 N.P. £	1931 %	1932 N.P. £	1932 %
Solicitors' Law Stationery ...	45·2	10	45·7	10	51·5	12	53·5	12	38·5	9	—	—
Hutchinson Printing	44·4	10	48·4	10	53·2	10	35·0	10	28·1	10	—	—
Hazell, Watson and Viney ...	59·3	9	51·4	9	47·2	9	57·9	10	55·4	10	36·4	7
Waterlow and Sons	189·8	15	190·8	15	171·5	12½	162·3	11½	87·5	7½	73·4	2½
Loxley Bros.	nil	nil	8·2	nil	5·1	nil	5·3	nil	0·5	nil	*5·0	nil
John Waddington	—	—	—	—	22·1	nil	26·5	5	24·3	5	3·6	nil
De la Rue	—	—	18·8	nil	30·2	3	16·2	nil	*35·3	nil	2·7	nil
Sir J. Causton	12·0	1¼	18·1	5	13·3	1¼	27·8	5	16·4	2½	1·8	nil
Wyman's	—	20	—	20	—	20	60·0	17½	14·7	2½	—	—
Argus Press...	56·9	12½	62·9	25	65·3	25	56·7	22	58·1	24	—	—
Eyre and Spottiswoode	—	—	—	—	—	—	0·6	nil	*5·3	nil	*1·8	nil

N.P.—Net profit in £s. '000. %—Ordinary dividend. * Net loss.

One or two points are worth a little more light. *John Waddington's* career appears from the table (*See p.* 14) mildly prosperous; in fact, in addition to its occasional ordinary dividend it pays over £12,000 each year in preference interest or 6 per cent. on its total share capital. The fall in *Wyman's* profits is due largely to losses not on the printing side but on the railway newspaper distributing trade. *Eyre and Spottiswoode* (whose position improved considerably in 1931–32) has much of its money and, therefore, its possible profits, locked up in the recently unsuccessful *Financial Newspaper Proprietors Ltd.* It is now amalgamated with *W. Speaight & Sons Ltd.*

Some of the London printers are suffering undoubtedly not so much from lack of orders as from financial troubles. Over-capitalisation is often an acute disease. *Thomas De la Rue and Co. Ltd.* (which bought *Chas. Goodall and Sons Ltd.* in 1921 for £203,000 in cash), is one sufferer and is now paying over £9,000 a year in debenture interest alone. It is striking, incidentally, that *De la Rue's*, partly owing to a capital reorganisation, turned a net loss of £35,263 in 1930–31 into a net profit of £2,660 in 1931–32. Another sufferer from the same wasting disease of over-capitalisation is *Loxley Bros. Ltd.* (which owns *T. Whittingham and Co.* and is closely locked to the Starmer group of papers). Surely these diseased concerns cannot blame the printers' wages as the cause of the disease when the remedy lies in their own hands.

Most striking of all tributes to the long period success of the London firms since 1924—a period in which wages did not move upwards—is a summary of their records. It will be brief and pointed. The *Hutchinson Printing Trust* has made £209,000 net profit and paid £218,000 in dividends in the last five years; the *Solicitors' Law Stationery Society* has flourished on non-unionism to pay 184 per cent. in ordinary dividends (apart from a 100 per cent. share bonus) in the last lucky thirteen years. *Hazell, Watson and Viney* has averaged a 9½ per cent. dividend since 1921, while *Waterlow and Sons* has squeezed from printing a net profit of nearly £2,200,000 in the last thirteen years, and has paid out in dividends in the last nine years no less than £1,314,000! The *Argus Press* in seven years has returned to its shareholders 126½ per cent. Would that the operative printer could share fully in such a "depressed industry"!

A last and final word. In 1923–24, eight of the largest London printers held total reserves and undivided profits of roughly £410,000. In 1931–32 the amount for the same eight firms was £1,220,000 or nearly three times as much. Only in one case (Loxley's) was the reserve position worse in 1931–32 than in 1923–24. What a "depletion of reserves"!

PRINTING, PUBLISHING AND NEWSPAPER PROFITS.

(in £'000)

Company	1927 N.P. £	1927 %	1928 N.P. £	1928 %	1929 N.P. £	1929 %	1930 N.P. £	1930 %	1931 N.P. £	1931 %	1932 N.P. £	1932 %
London Express	—	—	63·9	10	65·3	10	67·0	10	151·3	10	160·5	10
Amalgamated Press	—	—	—	—	684·5	15	735·7	15	716·5	15	600·2	11
Allied Newspapers	644·4	14	654·1	14	611·2	10	495·2	2½	410·9	nil	—	—
Kelly's Directories	98·7	17½	103·3	17½	117·2	17½	156·1	17½	167·1	17½	160·7	15
Financial Times	—	—	191·2	7½	131·3	10	65·7	nil	12·1	nil	—	—
Weldons	—	—	19·1	14	19·5	10	31·1	10	27·5	10	30·3	10
Odhams Press	151·7	12½	176·8	15	203·7	17½	261·3	17½	250·4	12½	—	—
Benn Bros.	37·6	17½	44·6	17½	48·6	20	48·0	20	49·4	20	44·3	15
Geo. Newnes	115·8	20	116·2	20	116·6	20	155·3	20	154·2	20	135·5	15
Liverpool Daily Post	276·3	25	270·7	25	263·7	25	234·7	25	239·3	25	258.9	25
Manchester Guardian	—	—	—	—	—	—	73·2	nil	19·6	nil	23·8	nil
Provincial Newspapers	—	—	—	—	214·7	5	145·2	nil	130·8	nil	—	—
Wessex Associated News	12·0	10	12·7	15	10·1	15	9·2	15	7·8	15	—	—
Barrow News and Mail	—	—	3·3	10	3·7	10	3·1	10	2·8	10	2·4	10
F. Hewitt	—	—	49·7	315	55·5	414	40·8	95	40·7	115	—	—
Knapp, Drewett	—	—	—	—	—	—	27·8	12	28·9	13	23·1	13
W. and J. Mackay	2·4	14	1·4	14	2·7	14	2·1	15	2·8	14	1·2	n.s.
Jarrold and Sons	—	—	—	—	12·8	10	12·0	12½	9·4	10	—	—
Jas. Cond†	—	—	—	—	6·4	100	4·6	100	3·5	50	—	—
Raithby, Lawrence	—	—	—	—	*0·4	nil	7·5	nil	*4·0	nil	—	—
Hunt, Barnard	—	—	—	—	2·6	n.s.	*1·2	n.s.	*2·5	n.s.	—	—
Universal Printers	47·6	n.s.	44·6	n.s.	45·4	n.s.	46·4	n.s.	46·0	n.s.	35·3	n.s.
Camelot Press	4·7	10	6·4	nil	4·8	nil	11·3	n.s.	11·3	n.s.	6·3	n.s.
Associated Printers	10·5	5	10·7	5	8·3	3	12·3	5	2·3	1	*0·4	nil
Gale and Polden	—	7½	—	10	12·7	12½	11·9	10	5·9	10	2.3	7½
Andrew Reid	—	—	—	—	—	—	4·0	12½	5·0	12½	2·1	10
A. R. Mowbray	9·9	n.s.	10·4	n.s.	10·6	n.s.	9·5	12½	8·0	12½	—	—
Portsmouth Newspapers	61·6	n.s.	63·8	n.s.	60·9	n.s.	58·7	n.s.	60·4	n.s.	‡48·7	n.s.

N.P.—Net profit in £s'000. %—Ordinary dividend.

† Dividend as stated on £1,000 ordinary shares; dividends on £20,000 preference shares were 1931, 7½%; and 1929 and 1930, 10%.

* Loss. ‡ Nine months only. n.s.—Dividend not stated.

SHARE BONUSES AND WHAT THEY MEAN.

BY the issue of capitalised share bonuses we mean the distribution of profits by a company not in the form of a cash payment on dividend of so much per cent. to the ordinary shareholders, but in the form of a number of free shares in proportion to the number of ordinary shares already held. The normal cash dividend is paid out of profits; the share bonus is provided for out of the reserves and undivided profits.

To the shareholder a cash dividend is part of his income and is, therefore, liable to income tax. A share bonus is an addition to his capital and therefore not liable to income tax; and he can, of course, turn the bonus into actual cash by selling these free shares.

The issue of bonuses has other results. It is used partly as a means of deceiving the worker as to the true position of the company employing him. If the capital is doubled by a 100 per cent. share bonus (one bonus share for each share held), then the same *amount* of cash can be later distributed in dividend although the *rate* of dividend per cent. is halved. For example, the 17½ per cent. dividend on the *Daily Mail Trust's* "watered" capital in 1930 absorbed £50,000 more in cash than the nominally higher 30 per cent. dividend of 1927, and the 18¾ per cent. on the *Sunday Pictorial Newspapers'* "watered" capital in 1932 took £196,875 cash as against the £187,500 distributed in 1925 on the higher 25 per cent. dividend of that year. Since the employer emphasises the *rate* of ordinary dividend as the standard of prosperity, the worker assumes wrongly that a decreased dividend (after a share bonus) represents a diminished prosperity.

A second result ensues. The company, having written up the book values of its property, now carries a higher capitalisation; it has to increase its provision for depreciation and, therefore, the net profits (which are arrived at after depreciation) are affected adversely. Thirdly—and this has to some degree touched the general printing firms—in a period of economic stringency, the company finds that the reserves have been distributed in share bonuses; it has few liquid capital resources left and it is driven to borrow from the bank. The interest on these bank loans becomes part of the costs of production and to counteract this increase in costs (an increase due to his own action), the employer turns to attack wages.

Capitalised bonuses are an undeniable indication of great prosperity, before and at the time of their issue, and show also an anticipation by the companies that these prosperous times will be maintained.

First and impressive stand the London newspaper and periodical firms. We do not claim it to be a completely comprehensive list, but it indicates how extensive—even as late as the autumn of 1929—this practice has been.

SOME LONDON SHARE BONUSES.

Company	Present Issued Ordinary Capital £	Date of Bonus	Amount of Bonus £	Rate of Bonus %
George Newnes	464,944	Oct., 1925	100,000	50
		Aug., 1929	232,472*	50*
C. Arthur Pearson ...	262,500	May, 1925	87,500	50
Daily Mail Trust	2,014,600	Dec., 1925	553,000	275
		Jan., 1927	251,800	33⅓
		Jan., 1928	502,600	50
		Nov., 1928	502,600	33⅓
Associated Newspapers ...	2,250,000	Sept., 1920	250,000	50
		Oct., 1922	250,000	33
		April, 1923	250,000	25
		Oct., 1923	250,000	20
		June, 1927	750,000	50
Daily Mirror Newspapers...	1,400,000	Jan., 1927	350,000	50
		Dec., 1927	350,000	33
Sunday Pictorial	1,050,000	March, 1927	300,000	40
Kelly's Directories ...	436,969	March, 1920	88,634	33
Benn Brothers	141,830	Aug., 1927	70,715*	50*
United Newspapers ...	770,630	May, 1929	154,126	25
McCorquodale's	859,656	July, 1920	400,000	100
		Dec., 1927	224,000	40
Solicitors' Law Stationery	133,902	1926	58,301	50
Waterlow's...	690,000	April, 1919	270,000	100
Wyman's	120,000	Oct., 1925	14,666	20
Hazell, Watson and Viney	327,690	July, 1912	13,000	—
		July, 1918	28,600	22
		July, 1920	51,480	33⅓
		June, 1926	54,610	20

* Issued in preference shares to ordinary shareholders.

Of the *News of the World*—if we may be permitted a slight divergence—we can only summarise the startling facts since all comment is beyond us. The old company had a paid-up capital in 1904 of £34,170; the new company to-day has a paid-up capital of £1,800,000. This is what the shareholders have received in bonuses since 1904:—

		£	
1904	On reconstruction	86,425	preference
		68,340	ordinary
1910	Refund of capital	40,000	cash
1921	Capitalised share bonus ...	200,000	ordinary
1923	Refund of capital	100,000	cash
1925	Refund of capital	200,000	cash
1927	Capitalised share bonus ...	1,600,000	preference
		£2,294,725	

On the 1904 capital they have obtained (apart from dividends) bonus payments of £2,300,000, or a total of 6,800 per cent.! In addition, they are receiving to-day on £1,600,000 bonus preference shares an annual interest of £119,000, which is equal to 350 per cent. per annum on the 1904 capital. What they have drawn and are drawing in ordinary dividends, heaven alone knows!

The nine newspaper and periodical companies (apart from the *News of the World*) have issued between them since 1920 eighteen share bonuses, totalling roughly £300,000 in preference shares and £4,950,000 in ordinary shares. Their total issued ordinary capital is to-day £8¾ million. In other words, of this ordinary capital only £3¾ million (or 44 per cent.) represents the shareholders' original contribution. The five general printing firms have issued nine bonuses amounting to £1,114,000, so that only 48 per cent. of their present ordinary capital of £2,130,000 comes from the shareholders' own pockets. It is upon the existing inflated capital, and not upon the original capital, that the high rates of dividend prevalent to-day in the London newspaper and printing world are being paid.

THE PROVINCES LEND A HAND.

THE glaring prosperity which these share bonuses prove to have been so common a feature in London printing has not been confined to the metropolis. The provinces, on a smaller scale, but only a smaller scale because the average capitalisation of the provincial firms is lower, have rushed manfully to show that what London did yesterday they themselves did the day before. We have collected fifty-four provincial firms, general printers and publishers of newspapers who have, in some degree or other, "watered" their capital with share bonuses. They are a most representative list. They range, in newspapers, from the *Craven Herald* to the *Liverpool Daily Post*, from the *Cornish Guardian* to the *Staffordshire Sentinel*. In printing, firms from Norwich to Newcastle and from Burnley to Bournemouth swell the happy throng. The smallest of back-yard country shanties and the largest of provincial shops fall into step with the "bonus army."

Who runs may read the story as it stands tabulated in this pamphlet. Let us merely summarise. In the general printing group, twenty-six provincial firms have issued thirty-seven share bonuses, ranging in magnitude from the 17 per cent. of *Jarrolds* of Norwich, through the 100 per cent. of *Silk & Terry* to the 750 per cent. of the *Greycaine Book Manufacturing Co.* and up even to the 1,000 per cent. of *Dent's* of Letchworth. These bonuses total impressively £512,000 in ordinary shares, £84,000 in preference shares and £32,500 in debentures, as compared with a total issued ordinary capital for these twenty-six concerns of £1,210,000. In provincial newspapers, the nuggets have been as golden. Here the purest metal shines in the three *Staffordshire Sentinel* bonuses, in *Knapp, Drewett's* three, in the 200 per cent. of the *Midland United Newspapers*, in the 600 per cent. of *W. Edmunds* at Chesterfield, and in the 950 per cent. of Lyne's *Cornish Guardian*. Twenty-seven of the provincial newspapers have issued forty-one share bonuses. These bonuses total £580,000 in ordinary shares, £100,000 in preference shares, and £7,000 in debentures.

Let us linger on the story. Let us fill in the picture for Greycaine and Dent's, for the *Derbyshire Times* and the *Cornish Guardian*. No rough printer's sarcasm must harm their fragrance. The last comes first. As late as November, 1930, the old *Cornish Guardian* company was most blessedly "reorganised." For the old share capital of £2,000, the Lynes received £14,000 in 7 per cent. preference and £7,000 in ordinary shares. This was a total bonus of 950 per cent. The interest on the new preference shares alone represents £980 a year or 49 per cent. on the old capital. The eagerness to "reconstruct" is partly explained by the fact that for the three years to 1929 averaged net profits per annum had run to almost exactly 100 per cent. on the old capital. To-day, we regret that the company is carefully private. Mr. Lyne maintains it was originally under-capitalised. At only one-tenth of its real value?

Now for the *Derbyshire Times*. The crooked spire has never before looked down on a juicier collection of plums. In July, 1923, the shareholders picked up the first plum—a 50 per cent. bonus of £6,003 in hard cash. The second came in March, 1929. For each ordinary share held the Edmunds received six new preferred ordinary shares. This absorbed £37,242 from the reserves. Not only that. These new preferred shares receive 15 per cent. per annum; since their issue, therefore, these bonus shares will have received in dividends about £20,000, or 170 per cent., on the original cash capital of the *Times*. Is it surprising that this firm also is a strictly family and private affair?

J. M. Dent & Sons is a household word, so household indeed that the Letchworth printers must feel a thrill of pride at enabling the Dent family to maintain its status. 1926 was Dent's hallelujah year. The undivided profits then stood at £108,761 or over eleven times the total capital. £97,500 was distributed; £65,000 went in 5 per cent. deferred ordinary shares to the £6,500 ordinary shareholders (a 1,000 per cent. bonus), and £32,500 in debentures (a 500 per cent. bonus). The original Dent share capital of £9,500 has jumped to £73,500, plus debentures of £32,500. On the 1926 bonus shares (as apart from the dividends paid on the ordinary shares), the Dents will have drawn, if the interest has been paid regularly, a total of £20,500 and on their bonus debentures £8,000. Could a higher financial tribute be paid to—and by—Everyman and the operative printer?

This roseate record is wearying. Let us cut it short with one more glance. For the rest, let the magnificent simplicity of the two tables of share bonuses speak aloud. The *Greycaine Book Manufacturing Co.* at Watford is owned by F. J. C. Grey and G. R. Hall Caine, M.P. To both the rewards of ownership have come thick and sweet. They started with an agreement with the company (that is, with themselves) that they should share a combined fee of £500 per annum, *plus* a bonus on the profits until each received £1,100 a year. In 1920, on an ordinary issued capital of only £1,002, they gave themselves bonuses of 400 per cent. in ordinary shares and 750 per cent. in preference shares. Nine years later (still leaving £23,400 in undivided profits) they gave themselves a £30,000 treat in ordinary shares. This was a nominal bonus of 600 per cent. on the already "watered" capital and a real bonus of 3,000 per cent. on the original cash ordinary capital. How rich will the next Greycaine beano be?

Many of the "reorganisations" and mergers of the post-war boom period are almost indistinguishable from bonuses and have resulted in gross capital inflation. *John Waddington* of London and Leeds took over in 1921 an old company of the same name, the owners remaining the same. For £4,275 7 per cent. preference the holders received £4,275 10 per cent. preference shares; for £4,987 old 10 per cent. preference they received £9,974 new 10 per cent. preference; and finally for £5,000 old ordinary no less than £35,000 new ordinary shares. In other words, in exchange for £14,262 of old shares the owners drew £49,249, or three-and-a-half times as much. It is remarkable that *Waddington's* could not only carry this greatly increased capitalisation, but could also "water" it with a 20 per cent. share bonus early in 1928.

The story of *Loxley Bros.* is as cheerful. In gladsome 1920 it bought the £4,710 capital of old Loxley Bros. for £18,510 in ordinary shares (at the rate of seven new ordinary shares for one old) *plus* £10,919 in cash; it paid £48,983 in shares for the *Sheffield Independent Press Ltd.* and another £20,000 ordinary shares and £60,464 cash for *British Periodicals Ltd.* and the *St. Dunstan's Press.* Is it surprising that it has staggered ever since under these burdens?

Finally, a glance at *Associated Printers Ltd.*, another 1921 merger, which paid £169,570 in shares and £45,504 in cash for £101,353 shares in the three concerns bought, while 5 directors signed contracts for fees totalling £4,600 a year.

PROVINCIAL NEWSPAPER BONUSES.

Company	Present issued Ordinary Capital	Share Bonus: Date	Rate	Amount	Owners.
	£		%	£	
Midland United Newspapers	4,500	May, 1923	200	9,000*	G. M. Morton
Craven Herald	5,000	Jan., 1921	25	1,000	Local families
Lincolnshire Newspapers	13,750	May, 1919	100	2,502	In Starmer group
		Nov., 1919	70	3,496	
		April, 1920	10	1,250	
Cheltenham Newspaper Co	32,800	Feb., 1925	100	16,400	Associated Newspapers
Staffordshire Sentinel	187,500	May, 1919	100	50,000	Associated Newspapers
		May, 1923	25	25,000	
		June, 1926	50	62,460	
South Wales Argus	14,612	Oct., 1921	160	8,992	Mainly Garrod Thomas family
Sunderland Echo	75,000	Feb., 1920	150	45,000	Storey family
Wessex Associated News	50,000	Feb., 1920	50	8,481	Local families; owns Mendip Press Ltd.
		May, 1925	25	6,361	
Barrow News and Mail	16,000	Sept., 1925	100	8,000	Local families
Cheshire and N. Wales Newspaper Co. ...	19,500	March, 1926	50	6,500	Local families
Knapp, Drewett	93,000	March, 1919	50	7,500	Knapp and Drewett families
		March, 1926	200	60,000	
		March, 1926	125	37,500*	
Liverpool Daily Post	700,000	June, 1927	50	233,330	
North-Western Newspaper Co.	100,000	Dec., 1923	100	50,000	Ritzema family
Parrett and Neve	15,000	Jan., 1930	50	5,000	Parrett and Neve families
Dewsbury Reporter	14,550	1930	50	7,275†	Local manufacturers
Thomasons	4,214	April, 1928	100	2,107	Thomason family
Bedfordshire Times...	24,000	Feb., 1927	80	8,000	Hawkins family
Bury St. Edmunds Free Press	12,000	Jan., 1922	100	4,000	Mainly Sir R. Winfrey
		Dec., 1927	50	4,000	
Cornish Guardian	7,000	Nov., 1930	950	19,000‡	Lyne family
Tamworth Herald	12,000	Sept., 1920	100	4,000	Local shareholders
		March, 1931	50	4,000	
Geo. Toulmin and Sons	50,000	May, 1919	—	27,398§	Provincial Newspapers
Durham County Advertiser	14,350	Dec., 1919	8	1,000	In Starmer group
		March, 1920	7	800	
Counties Press (Lancaster)	7,652	May, 1920	14	800	In Starmer group
Hy. Garnett and Co.	7,750	Feb., 1920	150	4,650	J. Dickinson and F. J. Car
J. and W. Griffin (Walsall)	20,000	Oct., 1910	154	7,000‡	H. J. Hicklin and C. P. Roberts
		Oct., 1910	209	10,458¶	
		July, 1927	80	8,656	
W. Edmunds (Chesterfield)	6,407	July, 1923	50	6,003¶	Edmunds family
		March, 1929	600	37,242*	
Southern Newspapers	181,560	Jan., 1924	33⅓	17,020	Local shareholders, espec ally Perkins family
		Sept., 1927	33⅓	30,260	
		May, 1929	50	60,520	

* In preference shares.
† In debentures.
‡ On reorganisation.
§ £10,000 in preference and £17,398 in ordinary.
¶ In cash.
|| In deferred ordinary.

PROVINCIAL PRINTING AND PUBLISHING HOUSES.

Company	Present issued Ordinary Capital	Share Bonus			Owners
		Date	Rate	Amount	
	£		%	£	
Ben Johnson & Co. (York)...	54,500	April, 1920‡ April, 1920‡	250 200	37,500 20,000*	Johnson family affair
Fletcher & Sons (Norwich)...	37,500	Jan., 1920	50	12,500	Fletcher family
Adams Bros. & Shardlow (Leicester) ...	25,000	Sept., 1923	36	9,000*	Mainly Adams family
Jarrold & Sons (Norwich)	44,800	April, 1923	16⅔	5,000	Jarrold family
Manifoldia (W. Bromwich)...	42,914	March, 1920 Jan., 1921 Oct., 1926	25 33⅓ 50	8,206 13,678 5,701*	J. Bailey and J. and J. P. Plant
Silk & Terry (Birmingham)	19,428	—	100	9,714	Silk and Terry families
Greycaine Book (Watford)	35,000	Aug., 1920 Aug., 1920 June, 1929	400 750 600	3,998 7,600* 30,000	F. J. C. Grey and G. R. Hall Caine
Albaster, Passmore (Maidstone) ...	27,500	April, 1920	46	14,000	Passmore family
Dobson and Crowther (Birmingham)	40,000	March, 1918 Sept., 1920 Nov., 1927 Dec., 1927	82 17 100 100	8,192 3,474* 20,000 30,000*	Dobson and Crowther families
Unwin Bros. (Woking)	3,000	Nov., 1927	100	3,000*	Unwin family
Richmond Hill Printing (Bournemouth)...	7,000	April, 1926	400	5,763	E. J. Mapp and P. M. Bright
Crypt House (Gloucester)	16,000	Sept., 1928	700	14,000	Harmer family
Sir Isaac Pitman (Bath)	113,100	April, 1925	25	28,275	Pitman family
J. W. Arrowsmith (Bristol)	20,000	April, 1920	100	8,709	Mainly by J. A. A. Brown
Norman Bros. (Cheltenham)... ...	4,290	Nov., 1928	400	3,432	F. and N. T. Norman
J. M. Dent (Letchworth)	65,000	Sept., 1926 Sept., 1926	1,000 500	65,000‖ 32,500†	Dent family
Simson & Co. (Hertford)	5,875	Oct., 1920	25	3,476	A. McL. Shand
Wm. Collins (Glasgow)	165,000	—	25	33,000	Largely Collins family
John Waddington (London and Leeds) ...	60,012	March, 1921‡ March, 1921‡ Feb., 1928	100 600 20	4,987* 30,000 10,002	Large directors' holdings
Hortus Printing (Burnley)...	14,000	March, 1930	300	10,500	Baldwin and Simpson families
Norbury Natzio (Manchester)	85,676	April, 1920	100	43,338	Universal Printers Ltd.
Liverpool Printing and Stationery ...	87,132	May, 1920	80	36,000	McCorquodale family
Hy. Blacklock (Manchester)	135,425	Aug., 1920	25	31,250	McCorquodale family
Andrew Reid (Newcastle)	21,000	June, 1919	50	7,000	Mainly by Reids
Gale & Polden (Aldershot)...	45,995	Feb., 1930	25	9,005	Largely Poldens
Jesse Broad (Manchester)	17,483	June, 1920	100	5,685	Local families
Sun Engraving (Watford)	25,000	March, 1920 Nov., 1923	200 19	14,000 4,000	Mainly Hunters

* In preference shares.

† In debentures.

‡ On reorganisation.

§ £10,000 in preference and £17,398 in ordinary.

¶ In cash.

‖ In deferred ordinary.

THE DIRECTORS—AND SOME PICKINGS.

THE printing industry swarms with hordes of directors. Every petty family affair carries its deadweight cargo of directors, drawing fees, sometimes individually small, but in the aggregate grossly high. No firm is too small to run its board of directors to add directors' pickings to the family salaries drawn from the business. The needs of a company for efficient management are too often disregarded in order to supply these Christmas boxes to the owning families.

The McCorquodale group is a striking instance of overweighted boards; *McCorquodale & Co.* has twelve directors, *Hy. Blacklock* nine, and the *Liverpool Printing* six. As gross a case is supplied by *Universal Printers'* combine, whose story we have already told, and where the holding company has six directors, *Bemrose's* eight, *Alf Cooke's* seven and *Norbury Natzio* six. Eight directors are found sharing the fees in each case with *Adams Bros. and Shardlow* and *Sir Isaac Pitman* and seven with *Loxley's*. On a capital of £3,000 *R. G. Evans* manages to run five directors, *Goddard, Walker & Brown* six on £9,500, the *Garden City Press* five on £5,000, etc. A rough summary of sixty-one general printing firms in the provinces gives us no fewer than 280 directors.

What do some printing directors, many of them with no knowledge of printing and about as ornamental as Elongated Latin, draw from the industry for gracing it with their presence? Unfortunately with these deadheads we usually strike a dead end. But we obtain elsewhere some idea of the fees paid. Two directors only of *Sir Isaac Pitman* draw £1,300 per annum (free of income tax). The directors' fees of *A. R. Mowbray* are £1,792 per annum (or 2½ per cent. on the total share capital), and of *James Cond* a minimum of £1,000 per annum (or 5 per cent.). The *Sun Engraving Co.* splits £600 per annum free of tax, *Andrew Reid* £1,000 (including a bonus of £800 in 1930–31), *Jarrold & Sons* £892, *John Waddington* £825, etc. Twenty-two provincial printing firms, most of them fairly small, decorate their boards each year with a total minimum payment of £26,500. This is equivalent to the total weekly wages bill of some 6,000 or 7,000 printing operatives.

May we be permitted to dwell for a moment on the *Cornishman Newspaper Co. Ltd.* of Penzance? We will be brief—but pointed. The total issued share capital is only £2,000, held mainly by various members of the Thomas family. Herbert Thomas is chairman and editor for life at £520 per annum; Herbert H. Thomas is vice-chairman and general manager for life at £520 per annum; Ivy Mabel Thomas draws £104 per annum as life assistant secretary;

and Miss Ilva Thomas £312 per annum as life assistant editor. After W. H. Thomas retires or dies, H. H. Thomas shall be editor and general manager at £730 per annum, and Ilva Thomas's salary will be raised to £420 per annum. Three are to-day permanent directors with a solace of ten guineas each (minimum) per annum. Such was the agreement drawn up two years ago by the firm. In salaries alone, therefore, out of this company, these four Thomases are drawing £1,456 a year—£28 a week—or the equivalent of 73 per cent. of the firm's issued capital.

WHAT THE PRINTER PRODUCES.

WHAT is the basis upon which these vast printing and newspaper profits have been built? Why has the rate of exploitation of the printing worker been so high? Here the Board of Trade steps in to help us. In 1924 the net output per worker (man, woman and boy) in the general printing trade was £214; in 1930 it was £222 or £8 higher. In the newspaper trade every worker was producing £552 net in 1924 and £518 net in 1930. In other words, every worker was producing in 1930 86s. a week in general printing and no less than £9 a week in the newspaper trade.

That, in itself, is remarkable enough, but it becomes even more remarkable when we turn from the net output in cash to the net output in *volume*. Between 1924 and 1930 and even more between 1930 and 1932, the prices of the main raw materials used by the master printer were falling steadily. As a result the actual volume of work covered in 1930 by, say, a cash output of £222 was probably 20 per cent. above the volume output for £218 in cash in 1924; and in the newspaper trade, although the net output dropped slightly in cash, yet there was actually an increase in the volume of work that every printing worker handled. This is a fact which no employer can deny. But this increase in the volume of output per worker from 1924 to 1930 was not reflected in a corresponding increase in the wages of the printer.

It is confirmed by another fact. Newspaper circulation, in general, has not only not fallen, but has also actually risen since the end of the war. Between 1918–19 and 1926–27 there was a general increase in the circulation of the national dailies of from 30 to 40 per cent., and between 1926 and 1931–32 a second similar rise. We could pile instance upon instance to show this upward movement (e.g. the *Daily Express* since 1918–19 has seen its sales soar by 1,050,000 a day, the *Daily Mail* by 900,000, the *News of the World* by a quarter of a million; the *Daily Herald* by one-and-a-half million since 1926–27, and the *People* by over two million). Nor is this confined to the nationals. The bulk of the provincial press has shared in the upward surge. It is also worth noting that in spite of this advance in circulation (both as to the number of copies printed and as to the number of pages and amount of print per copy) advertisement rates still remain on the high levels of 1924–26 or at double or over double the pre-war rates.

Let us consider one last point which affects the workers and the costs of production. We have heard much too much about wage costs in the costs of production, although actually the increased production per worker has resulted in a fall in his proportion of the total costs. But why the discreet silence of the employers about the great slump in production costs arising from the fall in paper prices? In the last few years newsprint prices have dropped quite sensationally. In 1924 newsprint was £18 6s. 0d. a ton. In 1930 it had dropped a quarter to £13 18s. 0d. To-day it stands at little over £9 or only one-half the 1924 figure.

What is true of newsprint is true, though to a lesser extent, of other printing materials. General printing paper dropped from 1924 to 1930 by £2 10s. 0d. a ton and has dropped more since; cardboard and pasteboard by £3 10s. 0d., millboard by £6 16s. 0d. a ton, etc. Since paper represents some 30 per cent. of the total costs of production, these great falls in value have reduced total costs of production very considerably indeed. What a paradise to employers would printing be if these cheapened raw materials went hand in hand with cheapened human labour!

TO-DAY AND 1924.

ARE our masters finding printing less profitable to-day than in 1924? Have they been driven by any economic crisis into the hands of the banks? Have they exhausted the last of their carefully hoarded reserves? Have they filed, one by one, into solemn bankruptcy? Have they been forced to cut down their capital to meet overwhelming losses?

It is clear from the figures of profits we have given that, although in some cases earnings have fallen below the level reached in the minor "boomlet" of 1929, yet in a remarkable number of cases profits to-day are not only as high as they were in 1927–28, but also higher than they were in 1924. And in some cases—let us instance reorganised *De la Rue's*—profits have been returned for 1932 even higher than for 1931!

Nor have reserves suffered over the last eight years. On the contrary, so far from reserves and undivided profits dropping between **1924** and **1931–32**, they have, in almost every instance where we could trace comparative figures, actually increased well beyond the **1924–25** basis. The figures for seventeen of the most important London and provincial firms show that against a total issued capital of **£3,900,000** these firms held in **1931–32** undivided profits reaching no less than £1,440,000. In earlier years (it is difficult to obtain consecutive figures, but mainly in 1924–26) these seventeen firms held only £900,000 reserves. In other words, far from their reserves being depleted, they have actually added the impressive sum of £540,000 to their undivided profits. Not only that, but within that period three of those firms—*Hazell, Watson & Viney, Solicitors' Law* and *Wyman's*—have issued £128,000 from reserves in share bonuses. What nonsense they talk of "depleted reserves"!

The table below shows not only the increase in every case, except one, of undivided profits in the last six or seven years, but indicates also the remarkably high ratio of undivided profits to share capital. No fewer than eight of these firms have undivided profits to-day equivalent to over **40** per cent. of their capital. It is true to say that to-day there is scarcely any other industry in Britain with such a sound financial basis.

RESERVES.

	Issued Share Capital	Reserves 1931 or 1932	Earlier Period		
	£	£	£		
Andrew Reid	27,000	34,164	21,992	in	1922
E. T. W. Dennis	28,365	17,070*	12,395*	,,	1927
Jesse Broad	23,756	6,733*	5,331*	,,	1927
Jarrold and Son	74,790	56,301*	44,991*	,,	1929
James Cond	21,000	14,221*	13,554*	,,	1929
Raithby, Lawrence ...	12,587	6,809†	2,000	,,	1927
Gale & Polden	45,995	45,000	37,738	,,	1924
Hunt, Barnard	44,792	10,633*	12,484	,,	1928
W. E. Baxter	21,467	3,212	2,250	,,	1924
A. R. Mowbray	66,282	20,385	7,475	,,	1925
Solicitors' Law Stationery	133,902	74,243*¶	81,160*	,,	1925
Wm. Collins	245,000	53,931*	40,030	,,	1925
Camelot Press	70,200	24,000	11,879	,,	1926
Sir. J. Causton	369,610	24,000	16,000	,,	1925
Waterlow's...	1,770,000	800,000	450,000	,,	1924
Hazell, Watson & Viney ...	468,879	130,000§	87,568	,,	1925
Wyman's	490,108	116,000‖	52,000	,,	1925

* Reserves and carry forward.
† called "special reserve."
‡ in 1930.
§ Share bonus of £54,610 in 1926.
¶ Share bonus of £58,301 in 1926.
‖ Share bonus of £14,666 in 1925.

HANDS OFF THE PRINTERS' WAGES!

WE have told a plain story plainly. We have made no attempt to embroider, to exaggerate or to expand. Where we have commented, our comment has been as brief as possible. In the whole of this pamphlet no single figure is used that is not an employers' figure. What are the conclusions that any honest man must draw?

Beyond the shadow of any doubt, this plain statement of facts has revealed that the printing and newspaper trade of Great Britain has stunk in the past with gross prosperity and stinks to-day with great prosperity. The owners have squeezed from the industry for their services as directors scores of thousands of pounds each year. They have drawn, even in the years of economic crisis, a high level of dividends that no other great British industry can hope to approach. They have pocketed literally millions of pounds since the end of the war in capitalised share bonuses. And still, in spite of these grossly lavish fees, dividends and bonuses, so huge is the profit made that the industry holds more reserves to-day than it did eight years ago.

Unemployment and short time are, at the moment, prevalent in the industry to a degree far beyond the normal. But this unemployment is due not least to that mechanising, rationalisation policy which has been adopted by the employers, to the working of overtime when other labour could be employed (as is indicated by the trade union returns of hours worked), to the forcing into the industry by the employers of large numbers of juveniles and apprentices, etc. In other words, printing unemployment is in a high degree the direct result of the employers' actions; and to-day the employer is attempting to use this weapon to cut at the root of the wage standards of those left in employment.

If there is any crisis in the printing industry, that crisis is confined only to some sections of it, and there it is essentially a financial crisis arising from frenzied price-cutting and gross over-capitalisation. Why should the printing trade workers bear the burden? As J. L. Silk (of *Silk and Terry, Ltd.*) says:

> "The present move towards reduction of wages only shows into what a befogged and muddled state the Master Printers have arrived . . . . The move is a futile one and if brought into force will not offer the least solution to the problem with which the trade is faced . . . . wage reduction will not help the man who has quoted a reasonable price to get the order, and will allow the price-cutter to reduce the quotation to an even lower figure . . . . The cure lies in the hearts of the Master

Printers themselves . . . . They are attempting to shift on to the workers the onus of their incapability . . . . In so many words, they are trying to make believe that high wages are the cause of cut prices. Such lunacy is unworthy of comment." (*World's Press News*, 18/8/1932).

The printing trade workers rank amongst the most highly-skilled and organised bodies of workers in Great Britain. What fools the employers must think the operatives to be when, in face of all the accumulated evidence, they ask the workers to swallow at their command their plea of profits falling below "reasonable" levels, of "depleted reserves," of "bankrupt owners," and so on.

The printer has a great tradition of trade unionism behind him. By trade union organisation he has forced from the employers a few crumbs of that great prosperity which they have enjoyed for the past dozen years. He has seen his fellow-worker in coal, cotton and steel forced down by wage reduction upon wage reduction to the lowest subsistence level. He has now to face the attack in his turn.

Printers have the advantage over most trades in that their union organisation has always been based on the shop, at the point of production. The Chapel, embracing all the trade unionists in each department, and the House Chapel, which in many large establishments federates all the different departmental chapels (compositors, machinemen, stereotypers, warehouse, etc.), is the traditional instrument of solidarity and united action.

Surely the printer is not prepared to be smashed. This proposed wholesale cut in wages and working conditions is a gross and unjustifiable attack on that standard of living which, by his own sacrifice, he has attempted to build up. It is not so many years ago since the printing industry was the worst paid of all skilled trades in this country. Does the printer want to go back to those bad old days?

It should be remembered, too, that printing trade wages vary not only as between London and the provinces; the provinces themselves are divided up into six grades, with a difference of 15s. (and in some cases nearly £1) a week between towns in Grade I and towns in Grade VI. When the employers talk glibly about high wages, let it be recorded that in the highest graded provincial towns—and they are only two, Liverpool and Manchester—the wage of the jobbing compositor is but the same as that of the London 'bus conductor. And in the biggest grade of all, the lowest grade, numbering fifty towns, the compositor receives the princely sum of £3 2s. 6d. a week.

These are the wages the employers want to slash! The acceptance of their demands would mean that—quite apart from the general worsening of conditions—the basic wage of the compositor in the grade VI towns would be reduced to the beggarly level of £2 13s. 0d. This miserable pittance the employers offer, not in tiny towns where printing is of little consequence, but in such centres as Cambridge, with its great University Press, Fakenham, where the wealthy Wymans have a large works, Beccles and Bungay, with large book-printing establishments, to name but a few. The employers want to pay these wages to skilled craftsmen, who have served a seven years' apprenticeship, and many of whom are engaged on the most expert and exacting side of printing, fine book-work.

Against a united offensive by the employers the printing worker can only maintain his wages and working conditions by united action. We are convinced that whatever the nature of the employers' attack, however bitter and vicious that attack may be, the printer must fight or see his wages, already too often inadequate, driven down to a mere subsistence level.

WHAT THE L.R.D. HAS DONE—

FOR THE RAILWAYMEN—

*"Ten Years of Railway Finance." (April 1932 2d.)
*"Wages and Profits on the Railways." (November 1932 1d.)
"The National Wages Board and After." (January 1933 1d.)

FOR THE BUSMEN—

*"The London Traffic Combine." (February 1932 2d.)
"The London Busmen's Case." (September 1932 1d.)
"Speed !" (October 1932 1d.)

FOR THE PRINTERS—

"Printers, Press and Profits." (November 1932 2d.)

FOR THE CO-OPERATOR—

"The Food Combines." By W. Fox (October 1931 3d.)

* Out of print.

Write for full list of publications.

Each Month

LABOUR RESEARCH

Single copies 3½d. post free
Annual Subscription - 3/6

AND ANSWER →

ENQUIRIES—

The enquiries answered by the L.R.D. during the last few weeks cover such varied ground as:

The working of the Bedaux System.
—*Electrical Trades Union (London West).*

Profits and ownership of engraving companies.
—*Lithographic Artists and Engravers' Society.*

Prices of electricity, power and light in various areas.
—*Horden Lodge, D.M.A.*

Details of finances of tailoring concerns.
—*Tailor and Garment Workers' Union.*

Rationalisation and Unemployment on the Railways.
—*National Union of Railwaymen (South Wales District).*

Working conditions and conveyors in German engineering factories.
—*Individual Member.*

Study of Finances, Output, Rationalisation and Ownership in London Printing and Newspaper Firms.
—*National Society of Operative Printers and Assistants.*

THESE ARE SAMPLES OF OUR WORK. CAN WE HELP YOU?

TERMS OF AFFILIATION:

Affiliation fee for Trade Union branches, Co-operative societies, local Labour Parties, Socialist organisations, etc., £1 per annum. Full particulars from :—

The Secretary, Labour Research Department,
60 Doughty Street, London, W.C.1

HAVE YOU READ these Articles in "LABOUR RESEARCH"?

"Housing and Health in South Wales."	(November, 1932)
"Ottawa and The Empire Again."	(October, 1932)
"Industrial Legislation, 1926-1931."	(September, 1932)
"Food and Distributive Profits."	(August, 1932)
"The Menace of World War."	(July, 1932)
"Mining Agreements and Miners' Wages, 1920-1932."	(June, 1932)
"The Five Year Plan."	(May, 1932)

DO YOU KNOW that each month "Labour Research" deals fully with Important Questions under the headings

"ON THE ECONOMIC FRONT"
"INTERNATIONAL NOTES" ?

ARE YOU INTERESTED IN

DIRECT BUILDING?

"Direct Building." (5s. 1d. cloth, 1s. 1d. paper, post free)

TRADE UNION PROBLEMS?

"British Trade Unionism—Problems and Policy." By G. D. H. Cole (7d., post free)

FINANCE?

"Finance." By Emile Burns. (7d., post free)

IMPERIALISM?

"British Imperialism in India." (1s. 1d. boards, 7d. paper, post free)

IS YOUR ORGANISATION AFFILIATED TO THE L. R. D.?

Printed by Watford Printers Limited (T.U.), 58 Vicarage Road, Watford