



CHAPTER 5

The Business of the Press

DANIEL RAFF

THE records of Oxford University Press for the three-quarters of a century from 1896 suggest an enterprise with very specific economic characteristics. It published a huge number of titles and sold them all over the world, but there was real uncertainty about what kinds of books or which specific titles would sell well, at least within any given period. The accumulation of a large saleable inventory entailed cash-flow risk and perhaps risk concerning the ultimate value of inventory as an asset. Within the inherited, rather than planned, structure of the organization, some decision-making authority was granted to those outside the circle of the Secretary and his senior staff in Oxford, but much was not. The decentralized decision-making authority was assigned to a person as often as to an office. Information on the basis of which to make decisions did not flow freely, transparently, or quickly in any direction.

As a commercial enterprise, Oxford University Press had some unusual features. First, it was charged with publishing works of academic or intellectual significance, some of which might not (or almost certainly would not) make a profit. Second, it was owned by the Masters and Scholars of the University of Oxford. This meant that the Press was under the formal control of Oxford academics. Practical responsibility lay with the Delegates, who were appointed to oversee all the Press's activities. Moreover, the Secretary to the Delegates—who acted as chief executive officer—was also, during this period, an academic, and usually a classicist. An outside businessman might have seen this absence of management experience as a recipe for commercial incompetence or at least lack of enterprise. A great deal depended on whom the Delegates employed in key managerial posts. Could their business acumen offset the presumed lack of it in their employers? Would they make wise day-to-day decisions? What about longer-term investments and commitments?

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FIGURE 5.1 Time clock at OUP Oxford

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Corporate development

The Press grew a great deal from 1896 to 1970: the real value of sales increased roughly tenfold during the period. What is most interesting about this growth is how it happened. The economic aspects of the Press's history were strongly affected by the larger publishing and bookselling environments, the availability and quality of both material and human resources, the means of mobilizing them for specific tasks, and the ability to reallocate and refocus those resources when necessary. Equally important were the conscious and unconscious aspects of how decisions were approached. The distinction is not trivial: OUP was an organization in which a major executive could say to an able new assistant, still puzzled after a few guidance-free weeks on the job, 'I don't engage first-class brains to ask me to tell them what to do.'¹ The assistant was Geoffrey Faber, in the fullness of time himself a major force in British publishing.

Demographic change in Britain during this period was generally favourable. The population increased by nearly 45 per cent, and life expectancy (averaged across the sexes) increased by more than 50 per cent.² Society became financially better off: gross domestic product per capita more than doubled, from slightly more than £3,000 (in 1995 prices) to roughly £7,500. Virtually full literacy had been achieved by 1913.³ Enrolments at universities and other tertiary educational institutions grew dramatically. In 1922 only about ten thousand first degrees were awarded; in 1970, the number was probably slightly in excess of fifty thousand.⁴ Faculty members and libraries bought books; students bought books; and many students grew into lifelong readers who were, on average, living longer and more prosperously.

It is less easy to track these characteristics reliably everywhere in the world where the Press was selling books in 1970, but the trends are unmistakable. The American population grew from 76 million in 1900 to 205 million in 1970, and life expectancy (again averaged across the sexes) rose from about 49 to nearly 71.⁵ Overall American illiteracy declined from 10.7 per cent in 1900 to 1 per cent in 1969.⁶ It is unsurprising that the United States became a large and prosperous potential market for OUP.

Commonwealth countries such as Australia and Canada were more thinly settled but had a culture similar to those of Britain and the United States and offered qualitatively similar prospects when their population growth rates increased sharply after the Second World War. The populations of former British colonies in southern, eastern, and western Africa grew steadily. The Indian population, large

¹ Geoffrey Faber, 'Forty Years Back: A Fragment of Autobiography, 1', *The Bookseller*, 10 January 1953, 40.

² A. H. Halsey, *British Social Trends since 1900: A Guide to the Changing Social Structure of Britain* (Basingstoke: Macmillan, 1988), tables 2.3 and 11.3.

³ Joe Hicks and Grahame Allen, 'A Century of Change: Trends in UK Statistics since 1900', House of Commons Library Research Paper 99/111, 11.

⁴ See Central Statistical Office, *Annual Abstract of Statistics* (London: HMSO, 1971).

⁵ *Historical Statistics of the United States: Millennial Edition* (New York: Cambridge University Press, 2006), series Aa9, Ab644.

⁶ *Historical Statistics of the United States*, series Bc793.

to begin with, increased sharply from the mid-1920s. Other parts of the former British Empire in Asia, particularly Malaya and Singapore, represented a small base but tremendous growth potential. All this population growth was particularly salient in countries whose governments made a priority of expanding educational opportunity, leading to improvements in initially low literacy rates and enrolments.

Other developments, although negative in most respects, can be regarded as favourable environmental changes for OUP. For example, twentieth-century wars were voracious consumers of resources, material as well as human. Yet during the Second World War, despite a fall in aggregate consumption of 37 per cent relative to 1938, publishers could sell most of what they were able to produce.⁷ The Press profited particularly from huge government-printing contracts. Once the economy was freed from the enormous wartime demands placed on it, consumption shot up.

But the world wars also played havoc with the Press's operations. Shortages of raw materials, rationing, a reduction in the labour force (skilled as well as unskilled), the physical destruction of infrastructure and channels of distribution, and the relocation of staff and operations disrupted old routines and required new ones to be developed (and invested in). Obtaining enough paper and ink during the Second World War was a problem for the Press: allocations were fixed in 1940 at 60 per cent of usage per quarter from the previous year.⁸ But possession of a paper mill proved a valuable asset. The departure for war service of some employees—by the end of the Second World War, the Printer's workforce had lost 254 men—greatly increased the burden on those who remained or were hired as replacements; and when those who left were skilled employees, the quality of work may have suffered. There was no significant destruction of premises, equipment, or warehoused books during the First World War, but the Press was nothing like so lucky in the second. Amen House closed for the duration at the outbreak of war, with some of the staff and work moved to Neasden and about fifty employees to Southfield House on the outskirts of Oxford. The Neasden warehouse itself, located on the periphery of London, was damaged slightly by bombs in the summer of 1940 and later, more substantially, by V-1 and V-2 rockets.⁹ Although relocation and the other associated changes imposed substantial costs on OUP, it bears repeating that overall the Press did quite well during the war; in fact, work on contracts for government printing (on government-supplied paper), including handbooks and top-secret codebooks, was so extensive that some of it had to be delegated to Cambridge University Press and other printing firms around the country.

Recessions also took their toll. Britain experienced one in the 1890s, one just after the First World War, another in the mid-1920s, and one just after the Second World

⁷ Sidney Pollard, *The Development of the British Economy* (London: Edward Arnold, 1983), 214.

⁸ On paper rationing, see Valerie Holman, *Print for Victory: Book Publishing in England, 1939–1945* (London: British Library, 2008), 14.

⁹ G. T. Hollis, 'A Little History of Neasden, Part Three: The Warehouse at War', *The Lantern*, 14, no. 3 (January 1948).

War. There were the stop-go policies and changing budgets of the 1960s. The worst of course was the Great Depression of the 1930s. Sales in 1933 were nearly 29 per cent lower in nominal pounds than those of 1930. Profits collapsed into losses for a time.

Also of considerable importance for any business is the rate of interest. The nominal long-term interest rate moved in long cycles, falling from the mid-1860s to about 1898, rising until the end of the First World War, falling until the end of the Second World War, and then rising fairly steadily through 1970. All else being equal, rising interest rates make capital investment (and operating with borrowed money) more expensive. The question was how much more productivity the more expensive borrowing might finance. Since wages rose steadily (indeed, at a gently increasing rate) in the period 1940–70, firms, including the Press, had an incentive to invest in mechanization and automation.

Technological change in production, distribution, and marketing can also benefit publishers. Major advances in paper-making and printing technology in the nineteenth century facilitated low-cost book production. But once the introduction of hot-metal composition in the form of Linotype and, more importantly for the Press, Monotype was completed about 1900, change was merely incremental for many years thereafter. The next significant developments in production technology, offset lithography and phototypesetting, came in only at the end of the 1950s. Computerization, which arrived in the 1960s, offered the most potential to change printing and to provide control over all elements of the supply chain. Computerization was adopted haltingly at first, and for relatively modest goals, though it was later to have immense importance.

The Press operated in highly competitive markets, both in Britain and abroad. This was true for all its main product categories: bibles and other religious publications, learned works, classical texts and related scholarship, dictionaries, schoolbooks, and the varied output of the London Business. Such competition meant that whenever the Press could not count on the University's name or the specifics of a particular book (popular demand for an anticipated title or a well-known author, for example) to allow it to set a price in excess of production costs, it had either to find some other means of making the book compelling or to resign itself to the prospect of lowering prices or even losing money on sales. The loss might eventually come through writing down the price from a promising but optimistic level to an unremunerative one or through a failure to sell at all. It might be argued, as will be suggested, that the Delegates tried hard not to think about these matters. But the senior staff did.

The most striking development in the book market, the growth of overseas opportunities aside, concerned the development of the paperback market. Paperback publishing was hardly a novelty, but it was rediscovered, or at any rate entrepreneurially exploited, for works of serious fiction and non-fiction by Allen Lane's Penguin Books starting in 1935. Penguin's offerings met with prompt success, and the firm expanded briskly into a range of genres and subject categories. So-called trade paperbacks—larger than mass-market, or pocket, paperbacks—began to be issued in the United States in the early 1950s. The market in both eventually grew large, offering publishers the chance to sell the same title over a period of time in different

forms and at varying prices. A firm with a large backlist was well placed to take advantage of paperback markets. Though the Press was the epitome of such a firm, it was not a leader in the development of trade paperbacks and shunned mass-market paperbacks altogether. Eventually, the pull of the market, most notably the millions of post-war university students in the United States and Britain, became irresistible. The New York branch offered its first paperback line, Galaxy Books, in 1956; London offered Oxford Paperbacks in 1960. The volume of their sales grew briskly.

A related innovation in low-cost publishing was the mail-order book club. Although few OUP titles were suitable for most book clubs, which dealt in popular fiction and journalistic non-fiction, the New York branch of the Press had some luck placing titles with the Book-of-the-Month Club. Such sales could be substantial.

One important aspect of the operating environment did not change at all. Throughout this period, the Press's profits in Britain were subject to tax.¹⁰ Learned books, being generally unprofitable, created no tax burden. But other books and other work did. The tax rates were substantial. In 1929 the Press's auditors, Price Waterhouse, approached the Inland Revenue informally to enquire whether the Press could be exempted from the tax on profits; nothing came of the initiative. The matter was brought up again in 1950 and was again rejected, a decision concerning an earlier approach from Cambridge University Press being cited as a precedent.¹¹ It was sometimes possible in overseas jurisdictions to obtain complete immunity from taxation on locally generated profits (or in some cases, sales). Repatriated profits were thus subject to tax in Britain, but unrepatriated profits ploughed back into the local businesses could be a source of relatively cheap finance.

During this period the Press's publishing programme began as an approach that was in part specifically targeted (especially with bibles, prayer books, and hymnals in a profusion of formats and styles), in part aimed more broadly (as with the Clarendon Press Series), and in part somewhat opportunistic and haphazard. As it developed, the programme much more systematically sought to reach particular markets (schools, for example, which were offered integrated series of textbooks in particular subject areas) and particular audiences (musicians and scientists, among others), efforts that led to the formation of specialized departments within the Press. And the Press improved its offerings for the general reader interested in works of high quality. Sometimes the Press expanded its holdings by purchasing extant product lines, rather in the fashion of more modern corporate acquisitions, as when it acquired the World's Classics series from Grant Richards in 1906 and the

¹⁰ *Report of the Committee on the University Press*, *University Gazette*, 100, supplement no. 7 (May 1970), 31; hereafter cited as *Waldock Report*. For brief background on the tax, see *Royal Commission on the Taxation of Profits and Income Final Report*, Cmd. 9474 (London: HMSO, 1955), 15.

¹¹ See memoranda of 26 May 1950 and 10 June 1950; and, for the prior action and explanation, Decision [of the Commissioners for the Special Purposes of the Income Tax Acts], 22 November 1940, T1085/8/40. The key statutory language is section 24 of the Finance Act 1927: 17 & 18 Geo. V, c. 10.

Home University Library from Thornton Butterworth in 1940. More often it was a matter of editors building up lists and areas title by title. The principal exceptions to this image of incremental internal development were the projects that resulted in the *Oxford English Dictionary* and the *Dictionary of National Biography*. Both massive enterprises were initiated externally, and both were eventually well understood to be necessarily exceptional.

It is difficult to measure at a fine level of detail the attention given to different subject areas. There are no surviving data from these years for product-specific revenues or even print runs, making it impossible to see what kinds of titles were earning the most money or which were being diffused most widely. From an investment perspective (since the development of new subject areas required editorial attention and called for advertising and other promotional expenses), it is of some interest to track changes in the number of titles in specific categories. The listings in the *General Catalogue* from the first one in 1916 onwards (by catalogue page count) shed some light on this.

A comparison between the listings in the 1916 and 1970 *Catalogues* is instructive (Table 5.1). Two trends stand out: the large percentage increase in titles in History and Geography and in Science and Medicine, and the large percentage decreases in Bibles and Devotional Works and in the Ancient World (classics). These trends reflect a conscious reordering of the Press's publishing priorities—a response to increased secularization, the decline of classical education, and the world becoming permeated by technology.¹² Nonetheless, it should be kept in mind that these figures provide only very rough indications of the Press's changing programme, and so should be interpreted cautiously. For example, the gains in History and Geography were not distributed equally: the number of history titles declined and those in the other social sciences skyrocketed. And even though Children's Books, Educational Books, and English Language Teaching accounted for a mere 4 per cent of the offerings in 1970, many titles in the category sold worldwide and contributed hugely to the firm's profits.¹³

Two aspects of the Press's organization as a business deserve comment: the Press's vertical and horizontal scope, and their economic significance. The vertical scope did not change formally between 1896 and 1970. Strikingly for a publisher, the Press was highly backward integrated (that is, it owned operations that might otherwise be the province of outside vendors or suppliers), maintaining the Wolvercote paper mill and its own Printing House throughout. There was also forward integration: besides the Press showroom in the Oxford High Street, there was in the 1960s a joint venture with B. H. Blackwell Ltd for operating bricks-and-mortar retail outlets in provincial university towns. This was never structurally or financially significant, and the Press eventually sold its interest to Blackwell.¹⁴ But ownership and operation in themselves do not indicate economic significance. For that, data are needed

¹² For the expansion of the social science, medicine, and science lists, see the discussion in Chapter 10.

¹³ For a detailed discussion of how the Press's offerings changed during this period, see Chapter 17.

¹⁴ For the initial approval of the joint venture, see FC minute book 1960–5, 25 June 1963.

TABLE 5.1 OUP *General Catalogue* titles by category, 1916 and 1970 (%)

Subject category	1916	1970	Change
English and Modern Classics	28	30	+7
History and Geography*	20	33	+65
Bibles and Devotional Works	17	6	-65
General Literature	11	8	-27
Ancient World	10	5	-50
Science and Medicine	8	14	+75
Children's Books, Educational Books, and English Language Teaching	6	4	-33

* This category included all social science works.

on how much of the Press's business those units were doing and what fixed costs, which the Press would have to pay regardless of whether the Mill or the Printing House was busy or idle, were involved.

Wolvercote's sales to the London Business hit a trough during the Great Depression, rose through the early war years, and then fell briskly through the late 1950s and more briskly still after that. The sales level was less than one-third of its peak by 1970. Sales to the Clarendon Press had a slightly rising trend up to the early 1950s, then a fairly steady decline, again falling to about one-third of its peak. Sales to the Printing House itself (that is, for non-Clarendon Press jobs) never amounted to much. But sales to 'Others'—third parties—rose sharply from the mid-1950s, and at the end of the period amounted to about three-quarters of the Mill's total. From the early 1950s onwards the Mill was less and less important in the Press's operations. The balance between the advantages and disadvantages of owning it tipped toward the latter to the point that by the end the 1960s, the Press was actively seeking to sell its interest.

Where was the London Business buying the paper it needed? The proportion of its paper purchased from the Mill varied significantly over time, but on average was only about one-quarter of the total: most paper the London Business used was sourced externally throughout. The main real trend for London was the decline in India paper purchases, perhaps one face of the declining sales of thin-paper bibles.

A complementary question concerns where the London Business was having its books printed. There was a great deal of year-to-year variation, and the pattern was distorted by unique events such as top-security printing for the government in Oxford during the Second World War, which, as mentioned, provided the Printing House with more work than it could handle. But the trend is clear: in 1930 about 60 per cent of printing work for the London Business was done in Oxford, but by the end of the period, the figure was about 40 per cent. Like the Mill, the Printing House was forced to rely less and less on in-house demand.

There was a London Bindery as well as the bindery operations in the Printing House in Oxford. The former's share of the London office's binding business did not outlast the Great Depression. But the main story of the Press's binding services is the progressive and sharp decline of the use of the Oxford Bindery, from about 45 per cent of the total in 1930 to about 10 per cent in 1970. The case for vertical integration seemed to be slipping away.

Besides being vertically integrated, the Press had a horizontal structure, that is, its organizational arrangements allowed the horizontal components of the business to operate with varying degrees of independence. The Press account books reflect several divisional schemes during this period. In the early 1890s, there were separate accounts for the Mill, the Binding Business, the Learned Press, the Bible Press, and the Bound Book Business. From 1897 there were also separate accounts for the New York branch. From 1906, there was an account for the London Business, and neither the Bound Book Business nor the Learned Press was any longer reported separately. The next year the Printing Business began reporting on its own. The Binding Business last reported in 1924. The Clarendon Press per se began reporting in 1930 (Fig. 5.2).

There were several organizational realities in the background. In the 1890s there was a Publisher in London and a Printer in Oxford. In 1905 some of the Printer's business was made over to the Publisher.¹⁵ In 1906, financial responsibility for bible and prayer book printing went to London, and operations there were reorganized as the London Business. This change was not simply a matter of determining which units would be responsible for which publications: some profits from an externally sourced wholesale trade in paper, for example, were shifted from the Printing House accounts to London, and London gained control over the Printing House's pricing, and therefore its profits, on certain work.¹⁶ At the same time, the Learned Press and the Bible Press in Oxford were amalgamated under local supervision. Overseas business continued to be managed through the London Business. (As will be seen later in this chapter, the New York branch became something of an exception.)

A variety of structures emerged to support the overseas business. In regions where there was only a small amount of trade, a local agency was employed. In areas with better prospects, OUP set up offices of its own. Where a large volume of business seemed possible, a formal branch was established. The first example of this was in the United States. Sales there had for many years been handled through an agency relationship, overseen by the London Publisher, with the New York office of the Scottish firm Thomas Nelson & Son. That relationship was dissolved in late 1895, and in 1896 a New York branch of the Press was formally established. This was soon incorporated, with the Delegates holding most of the shares and a few distributed among senior officers of the branch. The officers' shares were eventually retrieved.

¹⁵ See note on the transfer, September 1905, 'Nineteenth Century Administration', OUP/FS/2/41.

¹⁶ See Chapter 6.



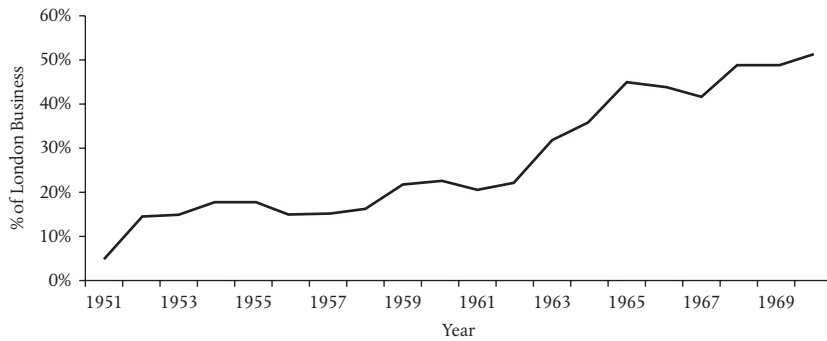
FIGURE 5.2 Clarendon accountants

The branch was reincorporated in the 1930s and again in 1950. It was at one stage known internally as the New York Business, later as OUP New York, and eventually as OUP Inc. OUP branches were opened in Canada (Toronto, 1904), Australia (Melbourne, 1908), India (Bombay, 1912), South Africa (Cape Town, 1915), New Zealand (Wellington, 1947), Pakistan (Karachi, 1952), Nigeria (Ibadan, 1954), Kenya (Nairobi, 1954), East Asia (Kuala Lumpur, 1957), and Hong Kong (1961). There were at various times travellers, agencies, and offices in a number of other places. New York operations were eventually overseen directly by the Secretary and the Delegates (and in particular by the Finance Committee); in 1970 all remaining overseas operations were still in the first instance the responsibility of the London Business.

The proportion of London Business sales generated by the branches changed over time. No long and consistent time-series data by branch survive, but it is possible to compare most of the income from the branches to London Business revenues for most of the 1950s and 1960s, and this is surely the basic pattern from the branches' inception (Graph 5.1). Sales by the branches grew steadily, overtaking the London Business's sales in 1970, when the percentage accounted for the branches was 51.5. There were large unsaturated markets abroad, and the Press worked to exploit them.

The Press's resources during this period included Wolvercote Mill, the Printing House, the staff, working capital, and intellectual property. In paper-making there were general capabilities and product-specific ones, for example, the ability to make India paper (though this was never a large part of Wolvercote's business).

THE PRESS IN OXFORD AND LONDON



GRAPH 5.1 Revenue of overseas branches (excepting New York) as a percentage of London Business revenues, 1951–1970

Production at the Mill was machine- rather than skill-centred, and major capital investments were required as a result. The Mill switched from rags to wood pulp as the base material for paper in 1900. Electricity began to replace water and coal in 1920, becoming the sole power source in 1939.

A second Fourdrinier machine, one capable of producing a somewhat wider web of paper than the earlier one, had been purchased in 1898. (These enormous machines used a continuous process to convert raw wood pulp into paper ready for printing.) There were further significant investments: large-scale refurbishments and expansions as well as new machines after the First World War, again just after the Second World War (disastrously, since other paper makers were contemporaneously doing the same thing), and once more in the late 1950s. A computer was acquired to control some of the manufacturing processes in 1965. None of this mattered decisively for the Mill's fortunes. The Mill had to compete against producers of heavier grades of paper, and none of its resources gave it a competitive advantage in that area. Despite the Press's capital investments, the Mill was hobbled by an increasingly antiquated infrastructure. In addition, its competitors always seemed to move faster than the Mill did. As the 1970s drew near, the Mill had to cope with Scandinavian competitors producing paper much more cheaply. Under the cumulative weight of these pressures, it was eventually closed.

The basic tasks and roles in the Printing House changed gradually but markedly from the 1890s to 1970, and there was ongoing investment in physical capital. Some of the resulting changes altered or even eliminated workers' skill requirements. A modest example of this was the advent of mechanical paper feeding. Advances in typesetting technology—Monotype and Linotype machines about 1900, filmsetting in the 1950s, computer-assisted typesetting in the late 1960s—resulted in a need for new specialized skills.¹⁷ Changes in the work of the Bindery began with the initial folding and binding machines of the later 1890s. Most important of all was the advent, and eventual large-scale deployment, of offset printing methods.

¹⁷ For more on printing technology, see Chapter 8.

But the changes in technology did not drive out skilled work. In these years, the Printing House mainly served the University, the Press's publishing departments, other publishers, learned societies, and examination authorities. It took on specialist work when sufficiently remunerative opportunities arose, and those jobs often required specialized capabilities. So the demand for skilled labour was more durable than an increased commitment to automation and mechanization might suggest. For example, hand-composition activities continued on site, and Monotype setting required considerable skill. Even at the end of the period there was still work hand-setting exotic types, uncommon languages, and music, and the Printer's monthly reports to the Finance Committee include frequent references to his need for more compositors. Some manufacturing processes remained resistant to automation, for example, the inseting of photographs as well as some stages of bookbinding. The pace of technological change was also sometimes strikingly slow. At the beginning of the Second World War the bindery equipment was still running on belts connected to ceiling power shafts, the standard nineteenth-century method of transmitting power in factories.

Then there was the checking of texts. Before a book was printed, the text was marked up, corrected, and proofread. These skills took discipline and mental ability—a certain type of eye, mind, and temperament as well as a good general education. Not everyone could proofread well, even when the texts were in English. The Press's publication languages were vastly broader than that, and the proofreaders were something of an elite. They represented, for an institution whose name connoted erudition, precision, and reliability, a valuable asset. And they impressed outsiders with the speed at which they worked.

This overview of resources would not be complete without a mention of the editorial staff, whose job it was to find and nurture authors and develop texts and lists. (Travellers, or sales representatives, sometimes found potential authors; they did not, at least while remaining in that capacity, develop texts.) Much of this activity was not strategically planned. Sometimes small and even vague initiatives grew organically into large enterprises. For example, a former clerk in the Education Department in London, E. C. Parnwell, was in 1926 'offered a patch to cultivate' and instructed to 'become expert in education overseas'. Parnwell's description of the origin of the Overseas Educational Department illustrates vividly a certain organizational style:

[Milford] sent me up to an empty room on the third floor of Amen House where someone had thoughtfully placed a table and two chairs, an 'in' basket and an 'out' basket, and an Oxford Wall Map of the World. That was the only positive instruction and the only general advice I had from H.S.M. [Humphrey S. Milford] about starting a new activity of the Press. Whenever I went to him over a specific problem or for authority to embark on something he would give me close attention and a wise and understanding decision from which he never backed down. He seldom worried me by inquiring how I was progressing, and he left me to find my own feet.¹⁸

¹⁸ E. C. Parnwell, 'OUP in the Tropics: Fifty Years of Educational Publishing, 1912–1962', OUP/PUB/23/1, 12.

From that modest beginning a worldwide business eventually grew. A programme of publishing scientific monographs got started in the late 1920s through a traveller's connections, without any substantive expertise at all on the part of the Press's Oxford staff. Kenneth Sisam, the Assistant Secretary, whose professional background was in Old and Middle English, handled the project initially and felt somewhat out of his depth. Indeed, the Press employed no one with scientific training until after the Second World War.¹⁹ As the century wore on, the difficulty and expense involved in starting new projects, particularly with the growth of scientific journal publishing and English Language Teaching courses, was often substantial.

Another vital resource during the period was working capital. For example, the initial edition of the *Oxford English Dictionary* project required more than forty years of financial support.²⁰ Press officials had no idea when they took on the project how long it would take to complete and, in particular, how high the editorial and production costs would be. There had been earlier examples of the Delegates finding themselves committed to projects whose costs they could neither fully anticipate nor fully control, but the scale of the OED's costs was unprecedented. No separate accounts for its expenses have survived, but correspondence from the period gives illuminating detail. These figures, when compared with the revenue and profit flows elsewhere at the Press, give a vivid picture of how greatly the project impinged on the Press's ability to do other things. The failure to foresee the exorbitant cost of this project sometimes put the Press in severe financial circumstances.

Figures for annual costs survive for eleven of the forty-nine years that the OED was in development at OUP, from all decades except the one beginning in 1920.²¹ In those years expenditure on the project never rose above 2.5 per cent of overall OUP expenditure.²² But when compared to the cost of Clarendon Press productions—a more directly relevant standard, since they were directly under the Delegates' control—there are three years (the earliest 1889, the latest 1902) when the dictionary costs were equal to nearly 20 per cent of Clarendon costs, and one year (1903) when they were in excess of 30 per cent. A different standard of comparison may shed yet more light. On average, in the years for which figures survive, OED expenditure was 193 per cent of the profits, the measure closest to free cash flow given in those accounts, on the Delegates' business (see Graph 5.2). In 1902, the percentage was 665; in 1903, 707. Even with those two unusually heavy years removed, the average is 84 per cent.

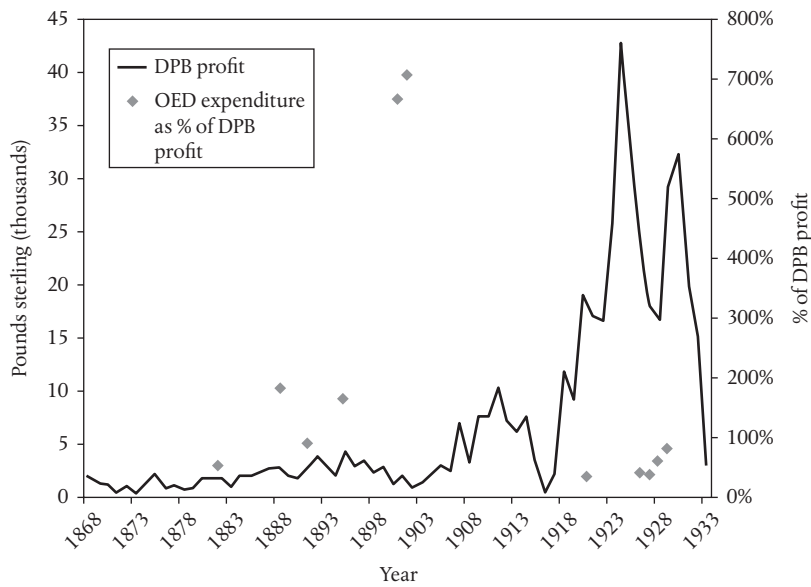
Cash crises of this sort were not confined to the years of gestation of the *Dictionary*. The years after the First World War saw an economic downturn, inflation, and labour

¹⁹ Peter Sutcliffe, *The Oxford University Press: An Informal History* (1978), 227–9.

²⁰ The narrative of the great dictionary's history is related in Chapter 10.

²¹ Henry Hucks Gibbs to James Murray, 1 July 1882, OUP/OED/B/3/1/5; Philip Lyttelton Gell to Frederick J. Furnivall, 12 January 1889, OUP Secretary's letter books; OD 1892–8, 18 November 1892; Gell to E. Waterhouse 19 October 1897, Secretary's letter books; balance sheet headed 'Confidential | New English Dictionary', OUP/OED/B/3/2/2; Humphrey Milford to Murray, 15 April 1904, OUP/OED/B/3/2/2; R. W. Chapman to Milford, 21 February 1923, OUP/OED/B/3/2/12.

²² This statistic is, more precisely, editorial and production costs for the dictionary in any given year divided by OUP trading revenues less profits.



GRAPH 5.2 Delegates' printing business profit development and OED expenditure relative to DPB profit, 1868–1933

difficulties; as a result, Oxford and the London Business borrowed from each other from month to month while waiting for dollars to arrive from New York and hoping that tax bills would be delayed. In the years immediately after the Second World War there were heavy demands for the renewal of capital equipment (capital investment persisted through the Depression years but had largely come to a halt during the war), as well as for working capital for new publications to meet the demands of a surging post-war market. Inflation soon made the cash demands worse. For a time, there was just not sufficient money. Such problems emerged again in the turbulent environment of the 1960s.

Another key resource is intellectual property; for a publisher, this primarily takes the form of copyrights. The Press's cash flow had long been founded on the Bible Privilege, the exclusive printing right it shared with Cambridge University Press and the King's or Queen's printer. Once of extraordinary significance, the value of the privilege declined over time. The copyright on some learned works gained new value in the late 1950s as the paperback market developed. Some texts had much longer lives than others, but in time many gained at least a short second life as well. Sometimes the second lives were long and profitable. For reference works, above all dictionaries, the research and writing for the initial edition, once completed, retained much of its value. Revisions and new editions required less new investment or effort concerning content, at least compared with the relatively large costs involved in starting from scratch (as direct competitors would have to do); and consumer demand was often sufficiently promising to justify the incremental investment needed. This amounted to a franchise. And the variety and commercial possibilities of derivative works were impressive: besides the *Pocket*, *Concise*, or *Shorter* version of the *Oxford English Dictionary*, many in Britain

and America of a certain age who read this text may own a microprint two-volume edition of the unabridged dictionary (four pages of the original reproduced on each page of the new) or a one-volume edition (nine original pages on each one of the new), each provided with a magnifying glass. The volumes were large (about 14.5 by 10.5 inches), but the shelf space requirements were a small fraction of what was needed for the full-size, twelve- or twenty-volume set. For years the Book-of-the-Month Club in the United States offered the two-volume version free to new subscribers (whose only real commitment was to purchase four books from the club over the next year). The orders arrived in Oxford repeatedly, in tens of thousands.

The formal organizational structure of the Press did not change much during most of this period. From the beginning New York operations were controlled from the centre; however closely the head of the London Business thereafter followed and advised on the affairs of New York, he always reported to the Delegates. They maintained ultimate supervisory authority and a close interest. New York was formally removed from London's control and began reporting directly to the Delegates in 1950. One less formal innovation concerned the overseas branches and offices other than New York, which tended to become increasingly complex businesses as time went on.

The main job of local managers overseas was to make money for the Press by selling books the Press manufactured in Britain. Because the cultural authority of Oxford and the name of the Press were valuable assets, many branches saw local publishing programmes carrying some form of Oxford imprint as attractive opportunities. The Delegates tended to oppose lending their implied approval to books they had not commissioned or, at least via London, accepted. The branches nevertheless grew by lessening their dependence on the older publishing centres in Oxford and London. From the perspective of the Delegates, this growth happened somewhat haphazardly. The initiative frequently came from the periphery, and the question asked by the branches was less often 'Why?' than 'Why not?' By the 1960s, management of the branches by London had come to seem a little passive. The Publisher was so active in London publishing affairs that he seemed to some less than fully engaged with the day-to-day responsibility of running a complex multinational operation. To the extent that overseas customers were often governmental departments rather than individual consumers, the branches also had problems and needs different from those of OUP in Britain. In the midst of the Waldock Committee's inquiry it was decided that a line had been crossed. The branches were more like one another than like the London Business, not least in that their environments were sensitive to post-colonial political aspirations and manoeuvring. It was resolved in the Finance Committee in 1968 that the groupings of the Press should be shifted: New York should remain a separate unit, a publishing unit for Britain should be created, and the other overseas operations should become a third and separate section.

The Delegates exercised indirect as well as direct control. The first explicit reference in the Finance Committee minutes to a General Fund whose trading and capital accounts were to be ‘distinguished and separately kept’ from those of the various businesses was an instruction concerning what practice should be from 1 July 1887 forwards.²³ The explicit objective of the General Fund was to hold title to the real property of the Press; it came to hold securities and more liquid balances, and sometimes to function as a sort of internal bank.²⁴ In the late 1930s, Chapman wrote in an unpublished report (under the heading ‘Financial Administration’) that the General Fund ‘supplies the businesses with such capital as they may require and resumes annually such cash balances as they do not require’.²⁵ Such funds are often set up with the ulterior motive of centralizing control over the free cash flow generated by operating divisions. It is clear that the General Fund sometimes functioned in this way in later years; it is unclear, however, when and under what circumstances that practice began.

The formal creation of the London Business in 1906 represented a large shift in direct control and entrepreneurial autonomy away from Oxford, and this was painfully clarified in 1925 in the settlement that codified the subservient position of the Oxford-based Printing Business in relation to the London-based Publisher.²⁶ There was much less change in another critical task, the accepting or declining of specific book proposals. Philip Lyttelton Gell (Secretary, 1884–98) had discreetly criticized the Delegates’ ‘liberality in the production of unprofitable books’. In 1970, the Waldock Committee’s report complained that Cambridge University Press anticipated profit and loss on individual books and brought that information into the decision-making. Why could Oxford not do the same?²⁷

This raises the question of what hard information about performance was gathered at the organizational level. Annual reporting to the Delegates through the 1920s appears to have been confined to statements of turnover, profits, stock value, and capital from the principal operating units. (New York had early on been asked to report monthly on sales and profits, but often failed to do so, with no apparent consequences.) There is no evidence of any systematic analysis, or even monitoring, of costs. The situation may have been even worse after Frowde retired. Geoffrey Faber reported being told in 1913, when he worked for a time in the London Business as a sort of trainee under Frowde’s successor, Cumberlege, that he would need to spend some time in Oxford learning how to do cost estimates. His interlocutor claimed to be the only person in Amen House who knew how to do it, and he told Faber: ‘I’m not going to be here for always; and it’s a shocking state of affairs that nobody else in the place knows the first thing about printing or binding or paper.’²⁸ An eminent accountant—first Edwin Waterhouse, a founding partner of

²³ FC minute book 1885–93, 8 June 1887.

²⁴ Starting with the meeting of 8 February 1894 there are frequent references in the FC minutes to advances made to the various businesses, and to loan payments received from them.

²⁵ R. W. Chapman, ‘Notes on the History of the Press’, OUP/OS/Q/8/4.

²⁶ See Chapter 6 for details.

²⁷ *Waldock Report*, 82–3.

²⁸ Geoffrey Faber, ‘Forty Years Back: A Fragment of Autobiography’, *The Bookseller*, 10 (17 January 1953).

the firm known for many years as Price Waterhouse, and later his son Sir Nicholas Waterhouse—oversaw the accounts and offered more general business advice when asked; but only towards the end of the 1920s did there develop the now-familiar machinery of annual signed accounts from outside auditors, formal balance sheets and income statements, and explicit statements on accounting conventions. The idea that the Finance Committee should review unaudited statements of these kinds each quarter was not even mooted until March 1967; and accounts for individual branches—except New York—were first scrutinized regularly starting only later that same year. There had been forward sales budgeting for many years by that time, but profit budgeting in the publishing businesses began only in 1968.²⁹ The return on capital employed was not reported until 1970. Even the custom of having the Printer, who was responsible for huge overheads and lengthy multistage processes, report explicitly to the Delegates on inflows of composition, machining, and bindery work began only in the post-war years.

Some sorts of information that might have been useful were not systematically collected. It was an innovation, greatly welcomed by the managerial staff, when detailed statements of overhead expenses were developed and circulated for the first time about 1980. It is clear from correspondence and notebooks that the Printer and the London Publisher watched the expenses associated with individual orders like hawks. But nothing systematic seems to have been done to follow trends over time, and nothing of the sort was offered from operating units upwards. Information concerning the volume of sales overall or of sales of individual titles seems to have made its way to the Delegates only rarely. That sort of reporting became easier with the first glimmerings of the information age. From 1959 a numbering scheme to assign a unique number to each title was put into place—the system being to some extent a predecessor of the Standard Book Number system, which in turn gave rise to the International Standard Book Numbers. That simple reform improved the Press's ability to find the correct book reliably and to ship it promptly, in both ways enhancing profitability.

Information technology proper arrived with the introduction of an IBM punch-card system between 1959 and 1960 (Fig. 5.3).³⁰ It seems that from 1961 this was used to generate pick orders (which tell a worker the titles needed for a customer's order and where in the warehouse each one is to be found). Consultants recommended in 1962 that the Press purchase what is now called an enterprise software system. For the warehouse, the program was to keep track of stock levels, sales and returns figures, customer records, discount information, and packing and shipping requirements. The system could also help with administrative activities such as accounting, production control, and payroll. An Electronic Data Processing Department was created, and bids were sought for the necessary hardware and software; a new seven-storey building was required as well. Implementation, starting

²⁹ 'Recommendations' [Comments on the *Waddock Report*], laid in after the FC minutes, 10 March 1970, OUP Strong Room.

³⁰ For a full account of the computerizing of OUP's warehouse operations, see Chapter 4.



FIGURE 5.3 Punch-card system, accounts keyboard

in the summer of 1965, did not go at all smoothly, and the initial computer was replaced by a more suitable machine, at a capital loss, very early on.³¹ (As previously mentioned, the summer of 1965 also saw the introduction of a smaller computer to help with process control at Wolvercote Mill.) The New York and Canadian branches implemented similar systems in 1969.

In the background of these changes lay the relationship between the Press and the University. One of the great struggles during this period was an intermittent but ultimately successful attempt on the part of the University to extract basic financial information from the Press and to influence what was to be done with any surplus funds. The Delegates and the Finance Committee perhaps understandably wished to keep their own counsel. They felt they had a business to run and an obligation to run it well; and they felt they were quite dutiful about running it in accord with its official mission. But the University had its own, sometimes dissimilar, interests. Periodically, it found itself greatly in need of financial resources. The regime of frequent and substantial payments from the Press, of which the nineteenth-century

³¹ FC minute book, 29 March 1966, Strong Room. For a description of the system in place in 1967 and its functionality, see 'A Computer in Publishing', *ICT Data Processing Journal*, 30 (1967).

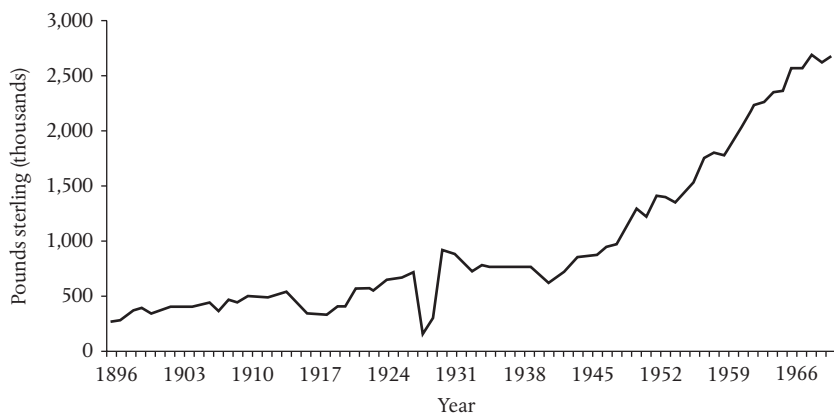
Secretaries Bartholomew Price and Lyttelton Gell had been proud, had given way to modest and irregular contributions to the University Chest and even to resistance from the Delegates when asked for a contribution to a university capital campaign. In addition, the University had intermittent fears of the worst-case-scenario type. If the obligations of the Press ever overwhelmed its ability to cover them, who would be responsible? The Press did not have limited liability: the University, as owner, would be responsible for all its debts.

Outcomes to 1970

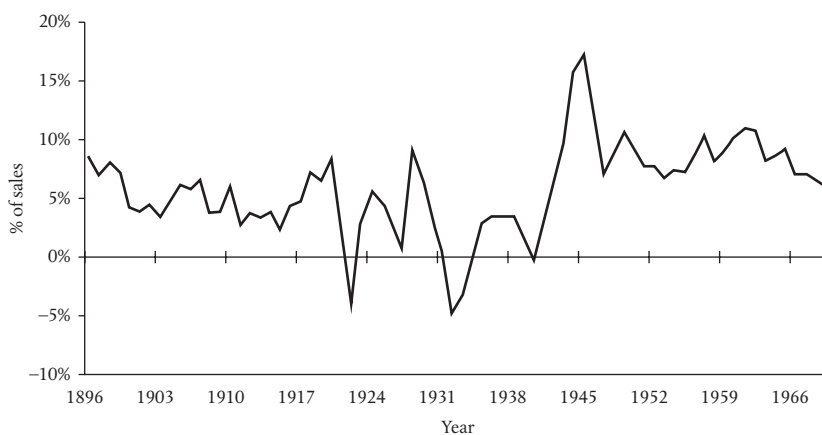
Sales growth in nominal pounds over the whole period was impressive; as noted above, the increase in real terms was nearly tenfold. But the progress was hardly continuous (see Graph 5.3). There were major dips during the First World War, in the late 1920s, and, after some brief recovery from that, for the remainder of the 1930s and the years of the Second World War. Sales rose impressively for the next twenty-five years.

The single most substantial element of overall sales to the 1960s was the London Business, but thereafter its contribution began to decline. The underlying accounts show that it declined both absolutely and relatively. At its peak, in 1935, the London Business (whose totals, again, included those of overseas branches other than New York) represented 52 per cent of sales; even as late as 1964 it was still twice the size of New York. But that state of affairs did not last long. In 1966 it was for the first time smaller. After 1968 it was never larger. The history of the New York branch's contribution to sales was more variable. New York represented for the most part between 15 and 20 per cent of the total to 1939, then stayed firmly in the 20 per cent range through the late 1950s, and remained there or slightly above to 1965. Then it started to surge. By the last three years of the 1960s, its share was 30 per cent or a little more. One could not say that it had become the great engine of the Press for sales, but it promised to become so. Certainly, its sales figures were an order of magnitude larger than those of any other branch. In those last three years, indeed, its sales were 133–150 per cent of the sales of all the other overseas branches combined. The other striking feature of the sales data is the rise in importance of the Clarendon Press as an administrative unit. Its contribution to sales never exceeded 10 per cent up to 1948, but rose to about 15 per cent by 1956 and stayed there fairly consistently through 1965. By then, it had, at last, become a business of commercial significance.

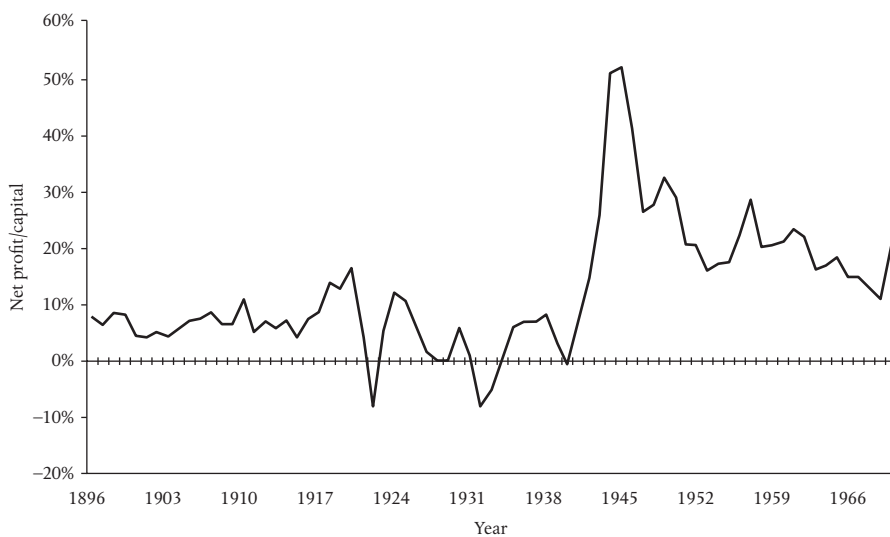
Sales are not profits, of course: sales can, for example, be bought. Total real profits for the Press overall were substantial but quite variable up to the end of the Second World War, then they took off. It is more illuminating to consider net profits as a proportion of sales (see Graph 5.4). The trend was erratic but moving downwards through the early 1940s, then shooting up after the war, and thereafter hovering between 5 and 7 per cent. It is not clear from the graph whether the trend is beginning a downward lurch at the very end of the period or whether it is continuing



GRAPH 5.3 Real overall sales, 1896–1970



GRAPH 5.4 Net profits as a percentage of sales, 1896–1970



GRAPH 5.5 OUP return on capital, 1896–1970

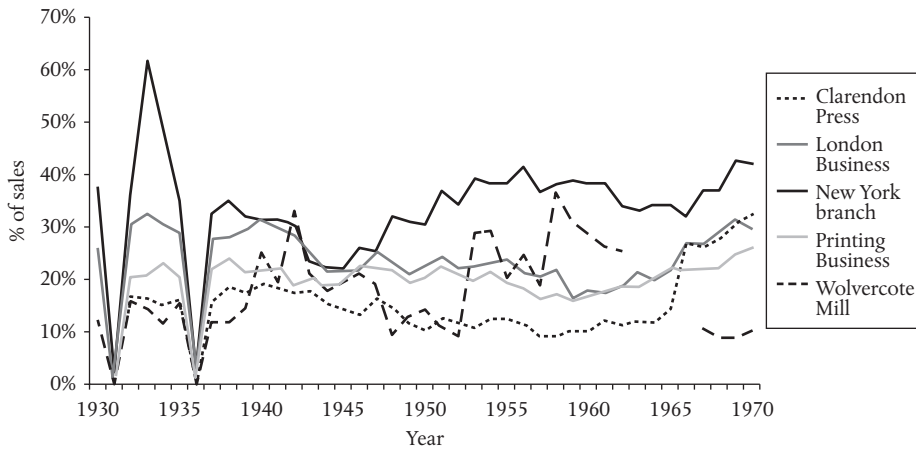
variably; but it declined over the 1960s as a whole. Yet the figures remained safely positive. The overall impression is thus one of growth with profitable, incremental sales.

Several components were summed to get these overall figures. From the beginning of the Second World War through to the end of the 1960s, the London Business seemed to produce more profit than either the Clarendon Press or the New York branch, by considerable margins in both cases. Profit gains for London at the end of this period were helped by the rapid expansion of the non-American overseas branches, whose operations were subsumed in its accounts. For the flow of money back to Oxford, New York was not the main source of profit—in fact, it ran a rather distant third. The branch seemed to know how to sell books, just not how to make much money doing so, possibly because of costs or competition. The market was large and Americans' disposable income was relatively high. There were opportunities.

The figures for return on capital during the period introduce a cautionary note into these otherwise positive statistics (Graph 5.5). The trend from 1896 runs gently downwards but is striking for its volatility. The interwar years are jagged and alarming. Return on capital soars towards the end of the war and after. There are waxings and wanings thereafter, but the trend line is again downwards, this time sharper and more sustained.

Data from the Press's annual financial reports from 1951 to 1970 shed further light on some internal aspects of operations. The first trend concerns gross margins. Gross margin is the rough-and-ready statistic used by business decision-makers, particularly in retail-related businesses, as a proxy for profits on operations. It is calculated as net sales less cost of goods sold, that is, sales net of returns less the direct costs of producing what was sold. The result is the contribution of sales to the pool of funds that can be used to defray overhead expenses, be kept in reserve against future needs, and be paid out to owners. The statistic is a measure of a firm's efficiency at turning its inputs into income; higher values are, all else being equal, better than lower ones. Cost inflation that is not passed along in the prices of final goods lowers gross margin. It is also, of course, affected directly by competitive conditions: higher price points and less discounting in trade sales mean a higher figure for net sales, all else being equal. Gross margin is a statistic generally monitored centrally but managed locally.

For the most part, gross margin percentages by operating unit, though variable, were all generally rising from 1951 to 1970. The London Business contributed substantial sums. Stated as a percentage of sales, the gross margin figures for the London Business, Clarendon Press, the Printing Business, and Wolvercote Mill were for the most part between 20 and 40 per cent and were growing, more or less vigorously, towards the top end of this band throughout most of the 1960s but had stopped growing by the end of the period. The gross margin for the New York branch was 40–50 per cent for almost all the period and grew more briskly than that of the units based in Britain.



GRAPH 5.6 Selling, general, and administrative expenses as a percentage of sales by operating unit, 1951–1970

The inventory-to-sales ratio gives a different sort of efficiency measure. There is a sense in which inventories in a make-to-stock business are a sort of capital asset, and one that is vital to an academic publisher committed to keeping many works of scholarship in print, even when demand is small and slow. On the other hand, inventories in publishing sometimes include mistakes: books no one wants to buy at any price, books for which there might be some demand if reasonably priced, and so forth. The Press's overall inventory-to-sales ratio had of course a great spike upwards at the onset of the Great Depression, when declining income and uncertain prospects inevitably led to a serious reduction in demand. The trend took a notable dip downwards during the Second World War, when both paper and reading matter were in short supply and the Press could sell just about everything it printed. The most striking feature of the trend during this period is a relatively steady decline in values, amounting to a 50 per cent drop. This surely represents a combination of increasing realism in valuation and print-run decisions, all relatively local decisions in the end. Its magnitude and persistence is nonetheless noteworthy. Continued attempts to reduce optimistically large print runs was to be a feature of the Press's management during the late twentieth century.

Expenditure on selling the books and on other overhead costs is also an important aspect of operations. This outlay comes under the heading of selling, general, and administrative expenses. One should be cautious in interpreting these figures: some of the expenses, for example, those tied up with the development of lists, particularly in newly entered markets, are in effect investments in future sales. Caution of a different sort is suggested by the observation that many selling, general, and administrative expenses, being related to compensating skilled staff or to the rental of premises, tend to be relatively inflexible in the short run. So a relatively lower ratio in a cyclical business is valuable, all else being equal. Subject to these quite considerable caveats, selling, general, and administrative expenses

measured relative to sales give a sense of how efficiently a business generates sales.

Relative selling, general, and administrative expenses over time for the whole of OUP look qualitatively similar to the gross margin series (see Graph 5.6). The most notable feature is the sharp spike in the Clarendon Press figure starting about 1965. (All units rose in this period, but the Clarendon Press rose proportionately higher and much faster.) The New York figures were much higher than the others by the mid-1960s and thereafter grew disproportionately faster. This increase was probably a cause for some nervousness among the Delegates, whatever the reason for it. That selling, general, and administrative expenses as a percentage of sales were rising in all operating units at the time would have given the nervousness an edge.

A 1970 snapshot

The 1960s were economically volatile. Yet as the decade drew towards a close, the Press remained a large and vigorous enterprise. It issued 1,400–1,500 new titles a year, about 850 in its own name and the remainder for others. Its catalogue listed 17,000 titles, all in stock in the Neasden warehouse. The warehouse held an inventory of something like three million volumes, and its stock turned nearly six times a year (Fig. 5.4). The Press was becoming a major force in the production of texts for English Language Teaching abroad. Altogether, the progress and development since 1896 had been dramatic. Its scale was considerably greater than that of Cambridge University Press, and no other university press in the world was even close.

As the Waldock Committee members sat down to write their report in 1969, the Press, as a company, had a formal divisional structure. The Clarendon Press conducted what was originally the learned publishing business. The London Business sold and distributed all Clarendon Press and OUP books, including general publishing, throughout the world except in the United States. It therefore encompassed most of the overseas branches, including the full range of their own publishing enterprises. Those branches were more significant economically than they had been, but were not yet felt to be significant enough to be divisions in their own right. The New York Business continued to be a special case. The printing business survived as a separate divisional entity, as did the paper mill.

Turnover from trading in 1970 was about £19 million. In 1970 the general price level was up nearly sevenfold from 1896, but as previously noted, sales were up more than tenfold even after correcting for that change. The clientele of this booming business had changed. It is illuminating to break the results down by geography. In 1896, the business of the Press was very largely a home-market matter. In 1970 New York and the other branches accounted for about 46 per cent of total sales. They contributed less to profits. They sold more books, but New York's ratio of net profits to sales was less than half that of the other branches; and the ratio of the other branches was only a little more than half of the Clarendon Press and the London Business. Competition in the market in which New York operated was particularly



FIGURE 5.4 Loading stock onto an OUP delivery van

intense. The Printing Business and Wolvercote each accounted for a bit more than 10 per cent of sales but had very different contribution ratios; printing was very nearly three times more profitable than paper manufacturing. By this measure at least, printing looked quite good, though the figure says nothing about the efficient deployment of capital.

Another perspective yields further insight. One could group results by product categories. This information is not in the published accounts, but Waldock obtained it (for 1967–8) directly. Academic publications were responsible for 38 per cent of sales, of which only 7 percentage points were contributed by science. Reference contributed 26 per cent; schoolbooks, 25 per cent. Cartographic works added 6 per cent; paperbacks, 1 per cent; and all other categories combined, 4 per cent. Strikingly, profits showed a rather different pattern. Most of the money (60 per cent) came from reference. Schoolbooks came next, providing 30 per cent of the total. Academic books came next at 14 per cent (with the small science sales contributing nearly twice as much profit as the rest of the category). Paperbacks produced essentially no profit, and the miscellaneous remainder about 6 per cent. Cartography showed a 10 per cent loss.³² Cross-subsidy was, as always, the order of the day.

This happened, the *Waldock Report* politely complained, because of unsystematic and obscure decision-making. Cambridge University Press, the committee pointed

³² *Waldock Report*, 82.

out, was explicit about the subsidy available for each book at the stage of signing the agreement, while in Oxford individual book losses were taken on passively and lay buried in the divisional accounts.³³ Though Waldoock compared the administrative structure of the Press to a holding company and discussed the division of authority, decision-making routines, and ultimate priorities in contemporary business terms, there were still powerful echoes of an earlier culture of management, and not just in the budgeting conventions, levels of consultation between division heads and the Delegates, and flows of information.

By the end of the period all parts of the Press were larger or much larger than at the beginning. Much else had changed as well. One minute in the records of Finance Committee describing a profound change rises to positive eloquence: 'Agreed to recommend to the Delegates that they should not resist a move on the part of the Publishers Association to recommend to the British Copyright Council the abolition of Perpetual Copyright and in consequence, of the Privilege in the Authorized Version of the Bible and Book of Common Prayer when a revision of the 1956 Copyright Act is under consideration'.³⁴ The Press for centuries had lived off the fruits of this shared monopoly. The bible trade was still substantial, but the privilege seems to have dwindled into insignificance.

There were other alarming developments. The overall rate of profit on sales had been, as we have seen, declining more or less for the previous decade. Reports from New York had been worrisome for some time.³⁵ The American market for academic books had become important enough that a significant decline in Clarendon Press sales to America meant a significant decline in total Clarendon Press sales; and in 1970 that was precisely what happened.³⁶ Problems in Britain were worse. There were cuts in educational expenditure at all levels. Production and overhead costs were rising sharply.³⁷ A dock strike that summer did not help.³⁸ Labour troubles threatened in all units: a Printing House strike cost six and a half working days in the spring, and 'difficulties at Neasden in maintaining distribution services' were reported in November.³⁹ An ad hoc subcommittee of the Finance Committee was very concerned about the Mill's prospects, and the Finance Committee was reluctant to approve any further capital investment.⁴⁰ Up-to-date technology was in place in the Printing House, but the shortage of (skilled) compositors was once again a constraint on the ability to take in potentially profitable work. The cash position of the Press overall had deteriorated sharply over the course of the preceding year and more.⁴¹

³³ *Waldoock Report*, 82–3. ³⁴ FC minute book, 7 January 1969, Strong Room.

³⁵ FC minute book, 16 July 1969, Strong Room; FC minute book 1960–5, 30 September 1960.

³⁶ FC minute book, 29 September 1970, Strong Room.

³⁷ FC minute book, 3 November 1970, Strong Room.

³⁸ FC minute book, 21 July 1970, Strong Room.

³⁹ FC minute book, 30 June and 3 November 1970, Strong Room. That the first Society of Graphical and Allied Trades strike at Neasden—apparently the first strike of any sort since the days of the General Strike in 1926 (FC minute book, 6 May 1969)—had taken place on May Day cannot have been an accident.

⁴⁰ FC minute book, 30 June 1970, Strong Room.

⁴¹ FC minute book, 2 December 1969, 2 June 1970 ('The Committee noted the consistent use of overdraft powers over the past twelve months'), 3 November 1970 (by which time 'the cash position of the Business had deteriorated in the past year to the extent of £750,000' and an extra 0.5 per cent interest would be payable on the incremental £250,000 overdraft), all in Strong Room.

What might the future hold? Technology was changing radically, but the Press's resource base had roots sunk deep in its past. Some of these lay in facilities and an installed base of equipment and in the routines required to run and exploit them. Some lay in staff. The Press retained particularly valuable capabilities in printing publications in long production runs, in the use of odd thicknesses and sizes of paper (a remnant of the Bible days), in proofreading, in the provision and use of special and exotic fonts, and so forth. These skills were continuing to serve the Press well in 1970, though their future would prove to be more limited. The Delegates had only just appointed a special assistant to the assistant printer to study the potential usefulness of computers to his operations. Printed words were still things, from a manufacturing viewpoint, and not yet purely information. Much would change when that perspective did.

The Press from an economic perspective

The economic history of the Press in the seventy-five years to 1970 is a study in the unintended consequences of institutional growth. It is clear that the Press kept faith with its distinctive role by publishing a wide range of financially unrewarding works of academic importance. The Clarendon Press in particular remained a special venture that produced and distributed a wide range of commercially unprofitable books, particularly monographs. Above all, there was the *Oxford English Dictionary*, the greatest project of its kind and a vastly larger financial burden than its initiators had anticipated. It was also important that, after the early days, the Press had no private shareholders and thus faced no pressure from such quarters to pay dividends. All profits could in principle be ploughed back into the business.

The Consolidated Accounts of the Press from 1897 to 1927 show no transfers to the University before 1908; whenever transfers took place from 1908 to 1927 (there were none from 1915 to 1921) the yearly payment was only £2,000. These amounts were notional sums that bore no relationship to the Press's success or failure and were of no great importance to the finances of the University Chest. Indeed, it is clear that at least from the 1890s, the University regarded the Press as a largely autonomous enterprise, supervised via the Delegates but otherwise distinct from the main functions and finances of the University. There were occasional moments of controversy about this view before 1970, but there was no fundamental change.

This autonomy explains why ultimate control of the Press by academics who, for the most part, had no commercial experience could be so successful. The Delegates, as they had done with the Bible Press since 1780, appointed able men to run the business and let them get on with it. They in turn were able to convert a domestic British publisher into a multinational enterprise. Like those running many other British firms, they realized that the domestic market was too small and therefore marketed their products throughout the English-speaking world. The evidence provided in this chapter demonstrates how immensely important this expansion was to the commercial success of the Press.

THE PRESS IN OXFORD AND LONDON

These factors largely explain the considerable economic success of the Press in the years to 1970. But the strength of the success should not be overstated. The competitive environment had been quite favourable overall, the selection pressures modest. By the later 1960s the Press had become in some ways rather old-fashioned. It was still vertically integrated, but this inheritance was no longer economically advantageous. By then no other publisher made its own paper, and relatively few did their own printing. The future role of publishing houses was to accept or commission manuscripts; vet, improve, and copy-edit them; and send the final version to a third-party printer, thus evading all the overheads associated with the equipment and skilled staff required for in-house printing and other manufacturing activities. Yet the Press had to adopt the latest technology for preparing manuscripts for printing. Other aspects of the organization also trailed the demands of its growing scope. Senior staff members were few in number and heavily burdened, perhaps those at the highest levels most of all. Important functions were not addressed at a senior level at all. The Waldock Committee pointed out these and other anachronistic features of the Press in its report of 1970. Events after 1970 would make the committee's observations even more compelling.