

# Monopoly, Power and Politics in Fleet Street: The Controversial Birth of IPC Magazines, 1958-63

Howard Cox and Simon Mowatt

Britain's newspaper and magazine publishing business did not fare particularly well during the 1950s. With leading newspaper proprietors placing their desire for political influence above that of financial performance, and with working practices in Fleet Street becoming virtually ungovernable, it was little surprise to find many leading periodical publishers on the verge of bankruptcy by the decade's end. A notable exception to this general picture of financial mismanagement was provided by the chain of enterprises controlled by Roy Thomson. Having first established a base in Scotland in 1953 through the acquisition of the Scotsman newspaper publishing group, the Canadian entrepreneur brought a new commercial attitude and business strategy to bear on Britain's periodical publishing industry. Using profits generated by a string of successful media activities, in 1959 Thomson bought a place in Fleet Street through the acquisition of Lord Kemsley's chain of newspapers, which included the prestigious *Sunday Times*.

Early in 1961 Thomson came to an agreement with Christopher Chancellor, the recently appointed chief executive of Odhams Press, to merge their two publishing groups and thereby create a major new force in the British newspaper and magazine publishing industry. The deal was never consummated however. Within days of publicly announcing the merger, Odhams found its shareholders being seduced by an improved offer from Cecil King, Chairman of Daily Mirror Newspapers, Ltd., which they duly accepted. The Mirror's acquisition of Odhams was deeply controversial, mainly because it brought under common ownership the two left-leaning British popular newspapers, the *Mirror* and the *Herald*. Our paper utilises archive sources from the Cabinet Office to explore the political dialogue that enabled the controversial takeover to proceed unopposed by the regulatory authority of the Monopolies Commission. In business terms, it analyses the implication of the successful prosecution of the King-led deal for magazine publishing in Britain: namely, the creation of a virtual monopoly through the formation of the Mirror-controlled IPC Magazines.

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## Introduction

The publication of weekly consumer magazines constituted a highly concentrated segment of Britain's inter-war economy. By 1939, outside of Scotland, three domestic firms dominated an industry in which the large-scale production of popular titles provided cost advantages that allowed low cover prices to act as an effective barrier to entry.<sup>1</sup> Two of the leading publishers, Amalgamated Press and the Newnes/Pearson Group, had gained a preeminent position before the end of the First World War. Thereafter only the firm of Odhams Press, under the dynamic leadership of Julius Elias, had been able to mount an effective challenge; most particularly by investing in the higher quality system of gravure printing to compete with traditional forms of letterpress-based publishing. In 1938, Edward Hulton had added a further element of competition with the successful launch of the high-quality weekly photographic magazine *Picture Post*, which competed with Odhams' *Illustrated Weekly* and Amalgamated Press' *Everybody's* in the general magazine segment.

During the 1940s the range of available magazine titles had become ossified as a result of the quota controls imposed to effect the rationing of imported paper and pulp, and it was not until 1950, when these constraints were fully rescinded, that the scope for renewed competition emerged. By providing a source of relief from the general austerity that pervaded post-war Britain, sales of these magazines – particularly those aimed at women – experienced a sharp resurgence through to the mid-1950s. Thereafter, however, the prevailing economic conditions became less benign. Demand for general-interest magazines was depressed by the emergence of commercial television, whilst the rising costs of labour in both the highly unionised printing and editorial segments of the industry exerted a severe squeeze on profitability across the board. Facing such intractable problems in the conditions affecting production, the incumbent firms began to look for ways of easing the burden of costs by effecting economies in the area of advertising spending and publicity. One obvious palliative measure in this respect was the strategy of merger and takeover that would bring some of the erstwhile competing titles under common ownership. Thus as the 1950s progressed, the economic logic of amalgamation gained increasing currency amongst Britain's hard-pressed periodical publishers.

In the absence of direct legislative controls on mergers in Britain at this time (as opposed to those powers granted through the Monopolies and Restrictive Practices Act of 1948, which related to high market shares conferring monopoly power) the process of amalgamation within the press constituted a matter of direct concern at the highest levels of government. The present paper traces out the economic and political context in which Britain's consumer magazine industry was allowed to transmute from an oligopoly in the late 1950s to a virtual monopoly under the management of Cecil King's Mirror Group by 1963. It shows that an overriding desire across the political spectrum to avoid newspaper closures allowed King and his allies to achieve effective monopoly over Britain's leading consumer magazine titles.<sup>2</sup>

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<sup>1</sup> Two U.S.-based publishers had successfully established operations in Britain by the 1920s and competed mainly in the market for higher-quality monthly consumer magazines: W.R. Hearst's National Magazine Company and Condé Nast Inc. For a useful comparison between British and American magazine publishers in at this time cf. David Reed, *The Popular Magazine in Britain and the United States* (London, 1997). On Condé Nast's activities in Britain between the wars cf. Howard Cox and Simon Mowatt, "Vogue in Britain," *Business History* 54, no.1 (2012): 67-87.

<sup>2</sup> The account that follows is drawn from material developed in Howard Cox and Simon Mowatt, *Revolutions from Grub Street* (Oxford, 2014).

### Magazines in Austerity Britain

The most pressing concern facing the leading magazine publishing houses after the war had ended was the shortage of paper and the physical limit it placed on the amount of display advertising that magazines could carry. This was a source of revenue that the industry had developed strongly between the wars.<sup>3</sup> To manage this, the leading publishers of magazines developed a system of rationing the available advertising space as fairly as possible, and in turn they received a good deal of collaboration from the expanding group of advertising agencies acting on behalf of their clients. Once the controls on paper finally began to be lifted – they were raised from 35 percent to 70 percent of pre-war levels in 1949 and removed completely in March 1950 – publishers began to nervously anticipate a return to more normal, competitive conditions. However, with the price of paper still high, any decision to increase the size and quality of their magazines would certainly bring about a rise in the costs of production. Thus their continued profitability was contingent upon a corresponding increase in revenue streams, both from additional sales of advertising space and from cover price revenues. Competitive pressures arising from the improved availability of paper thus threatened to undermine the secure position in which the leading magazine publishers had found themselves.

To their immense relief, the latent unsatisfied consumer demand for their products was substantial, most particularly amongst women readers. Reporting to Amalgamated Press' shareholders shortly after the controls on paper were rescinded in 1950, its chairman, Lord Camrose, was scarcely able to disguise his astonishment at the magnitude of the uplift in sales across the entire range of the company's women's magazines. Even the firm's dreary *Woman's Weekly*, featuring as it did neither large page size nor colour printing, was now selling an average of 1.6 million copies compared with 500,000 before the war. The ancient *Home Chat* had doubled its pre-war circulation, to register weekly sales in excess of 300,000, whilst *Woman's Illustrated* had moved beyond 500,000. The firm's monthly women's magazines also made substantial gains in circulation, with the cheap 9d *Woman and Home* briefly threatening to breach the one million mark, a sales target undreamed of before 1940.<sup>4</sup> Newnes was able to report similar figures amongst its women's journals. Its superior competitor to *Woman's Weekly*, the partly colour-printed *Woman's Own*, first matched and then rapidly outpaced its close rival's sales figures, en-route to a circulation of 2.5 million in the mid-1950s.<sup>5</sup> Meanwhile Odhams' *Woman* emerged from amongst the company's "Big 3" one-million-selling weeklies – *John Bull* and *Illustrated* being the other two<sup>6</sup> – to become first a two million, in 1950, and then a three-million-selling publishing phenomenon four years later. With such an expanding circulation and readership, the three leading magazine publishing firms saw their advertising revenue grow exponentially,<sup>7</sup> and by 1953 Camrose was gleefully advising his firm's

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<sup>3</sup> For magazines that depended heavily on advertising for their revenues, such as Condé Nast's *Vogue* and National Magazine Co.'s *Harper's Bazaar*, the loss of space available to advertisers was particularly significant. Correspondence from the Condé Nast office in London to New York during the war complained bitterly that *Harper's Bazaar* was able to effectively steal its advertising revenue due to the limited space that could be provided in British *Vogue*. Condé Nast Archive, Box 13.

<sup>4</sup> *Times*, 27 June 1950, 11.

<sup>5</sup> Under the post-war editorship of James Drawbell, the circulation of *Woman's Own* peaked at 2.55 million in 1957. Cynthia White, *Women's Magazines* (London, 1970), 127.

<sup>6</sup> *Illustrated Weekly* and *Passing Show* were rolled together by Odhams in March 1939 to form the colour-printed *Illustrated* as a more effective competitor to Hulton's *Picture Post*. R.J. Minney, *Viscount Southwood* (London, 1954), 274.

<sup>7</sup> The value of display advertising in magazines (except trade and technical) had grown to 170 percent of its 1938 level by 1949 and to 355 percent by 1953, due in large measure to a doubling

shareholders of the unmatched proficiency with which their magazines were able to prise open the handbags of Britain's austerity-plagued housewives.<sup>8</sup>

Camrose's address to Amalgamated Press' shareholders at the 1953 annual general meeting proved to be the last before his death in June 1954. In his resumé of the prevailing business conditions he pointed to the changing cost patterns that were emerging in the industry, with sharp declines in the price of paper after 1952 being offset by higher costs in the areas of publicity, editorial, carriage, and the wages of printing labour. During the mid-1950s his son and successor as chairman, Michael Berry (later Lord Hartwell), grappled with these forces as they began to reverse the post-war trend of rising profits across the industry. Labour troubles in the printing side of the business, stemming from demarcation disputes and changing wage differentials between different unions, were becoming an acute problem for magazine publishers and the newspaper trade.<sup>9</sup> In March 1956, following the expiration of a five-year agreement between the British Federation of Master Printers and various print unions, a breakdown in negotiations led to a severe disruption of magazine printing in London for a period of some weeks. Amalgamated Press was particularly badly hit, with 23 of its 29 weekly publications suspended at one stage, causing a severe dent in its revenues and profits.<sup>10</sup> During the dispute Amalgamated's trade publishing arm, the Associated Iliffe Press, sought alternative printing in Europe and Canada, and was able to avoid disruption to all but one of its titles, although in the long-run such a move did not prove to be economical.<sup>11</sup>

Associated Iliffe was not the only British-based publishing enterprise that looked to Canada for assistance during the 1950s. When the *Scotsman* newspaper fell into financial difficulties during 1953, the firm's directors in Edinburgh responded to an invitation made three years earlier by the acquisitive Canadian entrepreneur, Roy Thomson, to sell their long-standing but loss-making title to his expanding group of media businesses. The Canadian magnate created Thomson Scottish Associates, Ltd., to take control of the group of publications that included the *Edinburgh Evening Dispatch* and a number of weekly titles as well as the *Scotsman*.<sup>12</sup> The move provided Thomson with a base in the United Kingdom and in 1957 his majority-owned Scottish Television Ltd acquired the licence for Scottish commercial television from the Independent Television Authority.<sup>13</sup> The Scottish television venture proved to be highly lucrative, and within the space of two years had provided Thomson with the financial capacity to purchase the publishing interests of Lord Kemsley, including the *Sunday Times*.<sup>14</sup> Kemsley's nephew, Michael Berry, greeted with astonishment news that the sale of the *Sunday Times* had taken place without his knowledge. Berry's subsequent counterbid for the newspaper

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of the advertising rate per column inch per thousand over this period. Magazines as a whole accounted for almost one-third of the value of expenditure on advertising by 1954 as paper rationing controls continued to affect the size of newspapers. J. Edward Gerald, *The British Press Under Government Economic Controls* (Minneapolis, 1956), 102-5.

<sup>8</sup> *Times*, 8 June 1953, 12.

<sup>9</sup> Cf. Keith Sisson, *Industrial Relations in Fleet Street* (Oxford, 1975), 125-32.

<sup>10</sup> *Times*, 29 March 1956, 7.

<sup>11</sup> *Times*, 3 July 1956, 15. It later transpired that the decision by Associated Iliffe to print their publications abroad led to greater costs than simple suspension would have done. *Times*, 3 July 1957, 16.

<sup>12</sup> Roy Thomson, *After I was Sixty* (London, 1975), 7-21; Monopolies Commission, *Thomson Newspapers Ltd.*, (London, 1968), 7.

<sup>13</sup> Susan Goldenberg, *The Thomson Empire* (London, 1984), 34.

<sup>14</sup> Kemsley had earlier sold Hulton's old *Daily Sketch* to Associated Newspapers in 1952 and the *Financial Times* to Pearson in 1957. Colin Seymour-Ure, *The British Press and Broadcasting* (Oxford, 1996), 39.

title that his father, Lord Camrose, had purchased back in 1915 was unceremoniously rebuffed by Thomson.<sup>15</sup> The acquisition of the *Sunday Times* brought the Canadian publisher a base in Fleet Street as well as a chain of provincial newspapers in Aberdeen, Cardiff, and across the north of England, and Thomson quickly set about modernising Kemsley's newspaper businesses. He sold the *Empire News* to the *News of the World* Group, closed the *Sunday Graphic*, and gave much greater editorial freedom to the management of the *Sunday Times*.<sup>16</sup> By the end of the 1950s, therefore, Roy Thomson had emerged as a significant player in the British media scene. In 1961 his operations were consolidated under the identity of the Thomson Organisation Ltd., at which point he extended his interests for the first time into Britain's magazine field by acquiring a controlling interest in the Illustrated Newspapers group from Sir John Ellerman. He thereby obtained the nucleus of a magazine business that included the turn-of-the-century *Tatler* and *Sphere* titles as well as the long-standing *Illustrated London News*.<sup>17</sup>

The progress of Newnes and Amalgamated Press during the 1950s had been marked almost as much by the closing or consolidation of titles as by the introduction of new ones. The downside of the rapid expansion in the weekly women's magazine segment had been the ever-rising costs of publicity needed to maintain market share within the tight three-firm oligopoly which controlled the leading titles. Successful mass production of these consumer magazines required expensive investments in colour printing equipment and, for a vertically integrated firm such as Amalgamated Press, modern paper-making machinery. The system of high-volume production also provided the printing unions with considerable bargaining power based on an ability to shut off revenues by closing down the presses. At Amalgamated Press, Michael Berry described 1956-57 as an exceptionally difficult year, with over £4 million invested in plant and machinery, a print workers' stoppage that was only resolved by a pledge to raise wages by approximately 11 percent, the closure of four of its long-standing titles due to rising costs, falling advertising revenues for the first time in fifteen years, and the extreme competitive pressures in the market for women's weekly magazines keeping up the costs of promotion and publicity. As for the introduction of fresh titles, he bemoaned the fact that, "Quite apart from the considerable financial outlay needed, the paper and printing bills alone are so high that they are usually too prohibitive to be practicable when considering the starting of new publications." In the year ahead, he concluded, "hard facts and maybe hard remedies will have to be faced."<sup>18</sup>

### Takeovers and Corporate Consolidation

The remedies to the rising costs and declining profits of Britain's leading magazine publishers began to take shape in earnest during 1958. Two events provided the catalyst for the process of industry realignment which began in that year – the birth of one new magazine and the death of another. In May 1957, Edward Hulton took the decision to consign his firm's leading magazine title to oblivion. The circulation of the *Picture Post* had been in decline since the

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<sup>15</sup> Michael Berry's shock in discovering that this transaction had been completed without his knowledge was exacerbated by the fact that the presses of his *Daily Telegraph* newspaper were actually being used to print the *Sunday Times* on behalf of his uncle's firm. Duff Hart-Davis, *The House the Berrys Built* (London, 1990), 181.

<sup>16</sup> On the modernising of the *Sunday Times* cf. Harold Evans, *My Paper Chase* (London, 2009), 265-76.

<sup>17</sup> Graham Murdock and Peter Golding, "The Structure, Ownership and Control of the Press," in *Newspaper History*, ed. G. Boyce, J. Curran, and P. Wingate (London, 1978), 138-9); Susan Goldenberg, *The Thomson Empire*, 91; *Times*, 28 November 1961, 12.

<sup>18</sup> *Times*, 3 July 1957, 16.

early 1950s<sup>19</sup> after the Conservative Party-supporting proprietor had persuaded his compliant board to dispense with the services of its socialist editor Tom Hopkinson. Tension had been growing between the two men since the end of the war, as Hulton's political outlook veered sharply away from the earlier socialist ideals of the magazine and instead became increasingly centred on the emerging American hostility towards the Soviet Union. The flashpoint between the two men arose over an item for *Picture Post* that detailed mistreatment of North Korean prisoners of war, as the American anti-Communist stance hardened into military conflict.<sup>20</sup> Shorn of Hopkinson's vision, the *Picture Post* lost both editorial direction and readers. A cursory study of the cover features of the *Picture Post* from the mid-1950s, now featuring full colour photographs, displays the magazine's changing emphasis from its war-time reputation in hard journalism towards celebrity and attractive females. The change in formula alienated the magazine's existing readership and failed to recruit a new generation, an unsuccessful transition that was not helped by a (rapidly reversed) decision in the mid-50s to raise the cover price by 50 percent from 4d to 6d.<sup>21</sup> Looking back on his decision to close the title, Hulton cited changing readership patterns rather than his earlier explanation which had laid the blame squarely on the growing influence of television.<sup>22</sup> More plausibly, it was Hulton's attempt to recast the *Picture Post* in line with his perception of the British public's evolving tastes, and the frequent changes of editor and market strategy that accompanied this policy, which ultimately brought the magazine down.<sup>23</sup>

The demise of the *Picture Post* brought into sharp relief the declining demand for general consumer magazines more broadly in Britain, as the growth in television presented consumers with a medium of entertainment that monopolised their attention in a way radio programmes had not done.<sup>24</sup> This downward trend in sales of general magazines also adversely affected Odhams, whose *Illustrated* and *John Bull* titles were suffering from similarly declining levels of sales.<sup>25</sup> As a result, Odhams' dependence on advertising revenues from magazines aimed at women was further increased. With sales of their flagship *Woman* moving beyond 3 million per week, the point was reached at which the company's gravure printing capacity in Watford began to experience diseconomies of scale for a single weekly title.<sup>26</sup> Given that demand amongst advertisers for space in the woman's weekly segment was showing no sign of exhaustion, Odhams took the decision to launch a second periodical aimed at the more price competitive segment of the women's weekly market.<sup>27</sup> Under the editorship of Joyce Ward, Odhams' new *Woman's Realm* title immediately began to make inroads into the sales of its principal competitor, Amalgamated Press' *Woman's Weekly*. Following Odhams' move, and

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<sup>19</sup> The final issue of the *Picture Post* was that of June 1957. By this time the magazine's circulation had fallen below 750,000, less than half that of its wartime peak. *Times*, 16 May 1957, 9.

<sup>20</sup> Charles Wintour, "Hopkinson, Sir (Henry) Thomas (1905-1990)," in *Oxford Dictionary of National Biography*, (Oxford, 2004).

<sup>21</sup> Joan Barrell and Brian Braithwaite, *The Business of Women's Magazines* (London, 1988), 30.

<sup>22</sup> Oral evidence given to the Royal Commission by Edward Hulton. Royal Commission on the Press, *Report, 1961-2* (London: 1962), 56.

<sup>23</sup> Colin Seymour-Ure, "Hulton, Sir Edward George Warris (1906-1988)," in *Oxford Dictionary of National Biography*, (Oxford, 2004).

<sup>24</sup> *Times*, 2 July 1958, 15.

<sup>25</sup> Joan Barrell and Brian Braithwaite, *The Business of Women's Magazines*, 26.

<sup>26</sup> David Reed, *Popular Magazines in Britain and the United States*, 222.

<sup>27</sup> *Times*, 9 June 1958, 16.

Newnes' launch of *Woman's Day* into the same segment shortly before,<sup>28</sup> an exasperated Michael Berry was moved to exclaim that, "Each publishing house seems to act on the assumption that the appetite for women's magazines is still unsatisfied," despite the fact that the continued viability of all these titles required ever-greater sums in terms of publicity. The intensification of competition in the one segment of the magazine industry that was continuing to prosper came as a severe blow to Amalgamated Press, whose own leading general magazine, *Everybody's*, was also losing sales.<sup>29</sup> Seen retrospectively, Odhams' successful launch of *Woman's Realm* represented a watershed moment for the UK magazine industry; in one way or another, consolidation had now become an economic imperative.

According to one biographer, Michael Berry had reached the conclusion that the leading magazine titles of Amalgamated Press were set to lose £1 million during the financial year 1958-59.<sup>30</sup> Under these circumstances it is hardly surprising that he and his fellow family members, who as a group effectively controlled the company via their 33-percent ownership of the firm's ordinary shares, were open to offers. The first bid came in November 1958 from Cecil Harmsworth King the chairman of Daily Mirror Newspapers, Ltd., and a nephew of the founders of Amalgamated Press, Alfred and Harold Harmsworth. King had assumed control of Mirror Newspapers in 1951 from Guy Bartholomew,<sup>31</sup> with whom he had pioneered a tabloid revolution in the British popular press.<sup>32</sup> In the immediate post-war period the circulation of the *Daily Mirror* had risen from two million to over 4.5 million copies, and by 1950 it had overtaken the *Daily Express* as Britain's largest selling national newspaper. However, this growth subsequently stalled, particularly during the latter part of the 1950s, and King sought opportunities to expand Mirror Newspapers' sphere of media activities via a strategy of horizontal integration.<sup>33</sup> Recognising the potential of commercial television to provide good long-term returns, King had begun the expansion of the Mirror organisation when he purchased a minority interest in Associated Television followed subsequently by a move into magazines.

King's bid for the magazine business of Amalgamated Press was complicated by the fact that the capital value of the Berrys' magazine firm exceeded that of Mirror Newspapers, and any deal needed to be financed primarily through the issue of new equity. Under the initial arrangement, by which two Mirror Newspaper shares would be exchanged for each share in Amalgamated Press, the net effect would have been to transfer ownership of the Mirror to the shareholders of Amalgamated Press.<sup>34</sup> It had therefore been agreed that the Berry shareholding in the expanded Mirror Newspapers organisation would be immediately sold on to Sunday Pictorial Newspapers, a partner company that already owned 15.5 percent of Mirror Newspapers ordinary shares. This arrangement allowed the Berrys to effectively sell their shareholding in Amalgamated Press for cash. At the conclusion of the deal, a proportion of this cash would subsequently be recouped by Mirror Newspapers as a result of the Amalgamated Press' own interests in commercial television. In 1957 the Berrys had bought a minority stake in Southern Television and under the terms of the ownership of such broadcasting rights, the Independent Television Authority prohibited the shares in more than one commercial television company being held by any given organisation. Thus the Mirror's holding in Associated

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<sup>28</sup> Jack Low, *Publisher of the Century* (London, 1999), 46.

<sup>29</sup> *Times*, 2 July 1958, 15.

<sup>30</sup> Duff Hart-Davis, *The House the Berrys Built*, 179.

<sup>31</sup> John Beavan, "King, Cecil Harmsworth (1901-1987)," in *Oxford Dictionary of National Biography*, (Oxford, 2004).

<sup>32</sup> Hugh Cudlipp, *Publish and be Damned!* (London, 1953), 282.

<sup>33</sup> Cecil King, *Strictly Personal* (London, 1969), 124.

<sup>34</sup> *Times*, 28 November 1958, 18.

Television meant that the Amalgamated Press' Southern Television interest would need to be sold upon completion of the merger.

Before the Mirror's deal could be consummated, rumours of a counter-bid forced King to raise his offer to the shareholders of Amalgamated Press by a further £2 million in December 1958.<sup>35</sup> In the final analysis, Mirror Newspapers paid the public shareholders a total of £15 million in shares and cash, and the Berry family interests received somewhere in excess of £3 million.<sup>36</sup> Despite the very large sum required to purchase the business, King later boasted that the value of the two subsidiaries of Amalgamated Press – the Imperial Paper Mills and the Kelly-Iliffe portfolio of trade journals – was greater than the price that the Mirror had paid for the whole enterprise, and thus that the consumer magazine part of the business had effectively cost nothing. All the same, the need for a complete revamping of the management of the consumer magazine business was readily acknowledged both by King and insiders amongst the Berry employees.<sup>37</sup>

The rumoured counter-bid for Amalgamated Press during the course of the Mirror Newspapers negotiations had emanated from Odhams.<sup>38</sup> Whilst this firm had been relatively successful in terms of its magazines, trade journals, book publishing, and billboard advertising activities – and published the very successful Sunday newspaper *The People* – by the late 1950s the poor performance of its leading newspaper the *Daily Herald*, co-owned with the Trades Union Congress (TUC), was causing concern for the firm's future profitability. The *Herald's* sales had fallen below two million in 1951, soon after the quota system of paper rationing had been abolished. Thereafter it rapidly lost readers to the tabloid *Daily Mirror*, and its share of the lucrative market for consumer advertising was consequently also in decline.<sup>39</sup> Early in 1957 the management of another newspaper with a flagging circulation, the middle-class *News Chronicle*, approached Odhams to propose a merger of the two titles, but the offer (which had the qualified backing of Labour Party leader Hugh Gaitskell) was rebuffed.<sup>40</sup> All the same, in each of the three years prior to 1958, Odhams' chairman, A.C. Duncan, had reported rising costs and falling profits to his shareholders, and the management must have viewed with a degree of foreboding the likely impact on competition in the magazine market that would arise from the change in ownership of Amalgamated Press. King certainly wasted no time in starting the process of rationalising the magazine portfolio of the Mirror's new acquisition. Within three months of taking control, the company had followed Hulton's lead by killing off its own general consumer weekly publication, *Everybody's*, along with *TV Mirror*, a relatively recent venture in the TV segment which had been unable to overcome the listing monopolies of the

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<sup>35</sup> *Times*, 13 December 1958, 6.

<sup>36</sup> Duff Hart-Davis, *The House the Berrys Built*, 179.

<sup>37</sup> Cecil King, *Strictly Personal*, 124-5; Duff Hart-Davis, *The House the Berrys Built*, 217.

<sup>38</sup> Odham's interest is confirmed in a memoir by Hugh Cudlipp. Hugh Cudlipp, *At Your Peril* (London, 1962), 173-4.

<sup>39</sup> In fact a survey of newspaper readers by the Mass Observation organisation in 1949 had found that around one-half of those who read the *Daily Herald* and the *Daily Mirror* could remember nothing whatsoever of the advertising material contained in their paper. Mass Observation, *The Press and its Readers* (London, 1949), 121.

<sup>40</sup> Stephen Koss, *The Rise and Fall of the Political Press in Britain* (Vol. 2) (London, 1984), 652-3. Gaitskell's endorsement was, unsurprisingly, dependent on the merged newspaper's continued backing of the Labour Party. The *News Chronicle* had traditionally supported the Liberals. Adrian Smith, "The Fall and Fall of the third *Daily Herald*," in *Northcliffe's Legacy*, ed. P. Catterall, C. Seymour-Ure, and A. Smith, (Basingstoke, 2000), 181-5.



*Radio Times* and *TV Times*,<sup>41</sup> together with the moribund women's magazine *Home Chat*, a stalwart from Alfred Harmsworth's earliest days which he had launched in 1895.<sup>42</sup> Clearly, sentiment was now playing second fiddle to profitability in Britain's magazine industry as King promised shareholders further modernisation of the consumer magazines business.<sup>43</sup>

By the late 1950s the vagaries of time were beginning to take their toll on the management of Odhams. In 1958 chairman A.C. Duncan had reported the passing of one of the firm's joint managing directors, W.H. Parrack, who had served for 42 years. Duncan himself was shortly to retire from his role at the head of the company, and there is a strongly held impression that his leadership during his period in charge had tended to look back to the legacy of the inspirational Julius Elias rather than forward to the newly emerging popular consumer culture of the late 1950s and early 1960s.<sup>44</sup> In recognition of the need for new blood, early in 1959 the Odhams board appointed Sir Christopher Chancellor, general manager of the Reuters news agency from whom the *Daily Herald* had drawn much of its overseas copy, as vice-chairman.<sup>45</sup> At precisely the same moment, Odhams' management put forward a bid of £1.8 million for the Hulton Press business. With no concern for overlap between the two firms' general interest publications, given the recent closure of *Illustrated* magazine's main rival title, *Picture Post*, the move provided Odhams with access to a range of new outlets, including children's publications (notably the *Eagle* comic strip) and a number of sporting titles.<sup>46</sup> With 59 percent of the ordinary shares of Hulton Press being family-controlled, agreement to go ahead with the takeover was unproblematic given Edward Hulton's support for the sale of his business.

Across Britain's magazine industry, the takeover juggernaut now gathered significant momentum. Within a month of the acquisition of Hulton Press (re-titled by Odhams as Longacre Press), a bid just short of £10 million was lodged on behalf of the owners of the *News of the World* for the publishing business of Newnes.<sup>47</sup> Despite the fact that this bid was subsequently raised to over £11 million, it quickly became apparent that Odhams would be prepared to trump the *News of the World* offer to gain control of Newnes' magazine titles. Using a combination of cash and equity, Odhams' owners were able to provide a counter-bid of £12.3 million to the Newnes shareholders. The bid was immediately accepted by the Newnes board, under its chairman Charles Morris, and the company's ordinary shareholders duly voted

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<sup>41</sup> During the 1950s the BBC's *Radio Times* had outstripped all other magazine sales to reach 8.8 million in 1955. The magazine was printed by Waterlows at a purpose-built factory in Park Royal, London. In 1956 the company added a second plant in East Kilbride to print the Scottish edition. Sales of the Christmas edition peaked in 1988 at 11.2 million. Tony Currie, *The Radio Times Story* (London, 2001), 39, 91, 242. The *TV Times* was launched in 1955 and only became a national magazine in 1968, at which point its sales were 3 million. Jack Low, *Publisher of the Century*, 48-9. The listings monopoly of these two magazines only ended in the 1980s.

<sup>42</sup> *Times*, 13 March 1959, 8.

<sup>43</sup> On the changes instigated at Amalgamated Press following the *Mirror*'s takeover cf. Hugh Cudlipp, *At Your Peril*, 190-7.

<sup>44</sup> According to Hugh Cudlipp of the *Mirror*, Duncan and two of his co-directors were spiritualists and kept in touch with Elias through a medium after his death. Elias apparently advised them to 'take risks'. Cf. Charles Wintour, *The Rise and Fall of Fleet Street* (London, 1989), 62.

<sup>45</sup> *Times*, 18 March 1959, 7. On the use of Reuters by the *Daily Herald* cf. Adrian Smith, "The Fall and Fall of the third *Daily Herald*," 176.

<sup>46</sup> *Times*, 16 March 1959, 10. On the Hulton firm's development of the *Eagle* comic strip cf. Sally Morris and Jan Hallwood, *Living with Eagles* (Cambridge, 1998), 119-137.

<sup>47</sup> *Times*, 16 April 1959, 20.

in favour.<sup>48</sup> The coming together of Newnes and Hulton under the ownership of Odhams meant that by 1959 the bulk of leading titles in the British-owned segment of its consumer magazine industry – outside of Scotland – now lay within the hands of just two firms.

### From Duopoly to Monopoly

Throughout the whole of 1960, the magazine and newspaper publishing industry in Fleet Street was in a state of ferment. The emergence of Roy Thomson as the new owner of the *Sunday Times*, the sale of Amalgamated Press to the Mirror Newspaper interests, and the swallowing of Hulton and Newnes by Odhams Press were followed in October 1959 by the decision of the Cadbury family to close the *News Chronicle* and *Star*. These papers were sold overnight to Esmond Rothermere's Associated Newspapers and subsumed into their leading *Daily Mail* and *Evening News* titles respectively.<sup>49</sup> The demise of the *News Chronicle* was a particularly traumatic event in the history of British national daily newspapers as it represented the remaining mouthpiece of the Liberal Party.<sup>50</sup> However, its dwindling sales and substantial losses meant that the paper's commercial viability was compromised. Its closure inevitably raised fresh concerns over the future position of Odhams' *Daily Herald* with which the *News Chronicle* had pursued an abortive merger three years earlier. Odhams had, of course, grown spectacularly over the course of the year which preceded the closure of the *News Chronicle* and, at his final annual general meeting of the company as chairman, A.C. Duncan had informed shareholders that the asset value of their company had virtually doubled over the course of twelve months, and was now estimated to be £40 million.<sup>51</sup> He also noted that the sales of the *Daily Herald* stood at 1.4 million, but declined to mention the fall of 50,000 copies that had occurred since the previous year's AGM.<sup>52</sup>

Duncan's successor as Odhams' chairman was the recently appointed Christopher Chancellor whose first task was to revamp the *Daily Herald*. This entailed ending its longstanding relationship with Britain's trade unions, under which the TUC held ultimate editorial control.<sup>53</sup> To effect this process of disengagement, in August 1960 Chancellor appointed as editor of the *Herald* a Labour Party right-winger from the *Manchester Evening News*, John Beavan, whose brief was "to embrace the new meritocracy and move the paper upmarket, with features and reviews likely to attract a widening middle-class."<sup>54</sup> At the Mirror, meanwhile, Cecil King was concerned to improve the profitability of his newly acquired magazine portfolio by reducing the total number of women's weekly magazines competing for the same readers. According to his own account, King proposed to Chancellor late in 1960 that Odhams and Mirror Newspapers (now operating the Amalgamated Press business under the new mantle of Fleetway Publications) form a joint venture, majority owned by Odhams, which would handle the women's weekly magazines.<sup>55</sup> Alternative accounts given by Odhams' directors suggested that King had proposed to sell them a number of Fleetway's magazines and

<sup>48</sup> *Times*, 20 May 1959, 15; 21 May 1959, 10; 30 May 1959, 6.

<sup>49</sup> S.J. Taylor, *The Reluctant Press Lord* (London, 1998), 133-5.

<sup>50</sup> Stephen Koss, *The Rise and Fall of the Political Press in Britain*, 653-5.

<sup>51</sup> As well as their acquisition of Hulton Press and George Newnes, Odhams had also purchased the Contract Journal Company, Ltd., during the course of that year. *Times*, 17 June 1960, 23.

<sup>52</sup> At the 1959 AGM Duncan had stated that the sales of the Herald were 1.5 million. Koss gives the actual circulation (i.e. sales) figures as 1,412,414 copies in 1960 and 1,465,994 in 1959. Stephen Koss, *The Rise and Fall of the Political Press in Britain*, 655.

<sup>53</sup> *Times*, 25 August 1960, 9.

<sup>54</sup> Adrian Smith, "The Fall and Fall of the third *Daily Herald*," 186.

<sup>55</sup> Cecil King, *Strictly Personal*, 125.

plant for a sum of £10 million.<sup>56</sup> Whatever the case, Chancellor was reluctant to accede to King's proposal, but feared that refusal would leave the way open for a takeover bid by Mirror Newspapers. A white knight was thus sought by Odhams in the shape of Roy Thomson.

During the early months of 1961, the future shape of Britain's consumer magazine publishing industry became inextricably linked with the fate of the *Daily Herald*. Once again, Labour Party leader Hugh Gaitskell played an active role in the events that unfolded, this time by encouraging Chancellor to seek an arrangement with the Thomson interests in order to prevent the *Herald* from falling under the control of King and the Mirror organisation.<sup>57</sup> A series of discussions between Odhams and Thomson eventually resulted in a joint statement on behalf of the two companies' boards in January 1961 in which they outlined plans to merge under the aegis of a holding company. It was possible for such a merger to go through uncontested given that the Thomson family interests held voting control over that organisation. Thus the merger was to be structured as a takeover bid by Odhams for the shares of Thomson, but the conjectured holding company, Thomson Odhams, Ltd., would be effectively controlled by Roy Thomson's consequent 29-percent share ownership. Speaking at a joint press conference on 26 January, Odhams' prospective new owners gave assurances that no publication would be closed down as a result of the merger. At the same time, Chancellor stated that the TUC had not been informed of the negotiations, despite their 49-percent shareholding in the *Herald*, "because this was essentially a deal between Thomson Newspapers and Odhams Press."<sup>58</sup>

The announcement was greeted immediately by a call for a royal commission to investigate the growth of monopolistic control in the newspaper and periodical publishing business. A question to Conservative Prime Minister Harold Macmillan was tabled on the issue for discussion in Parliament on 2 February. Before it could be posed, however, Mirror Newspapers launched a counter-bid for Odhams. A statement that accompanied this bid emphasised the substantial economies that would be gained by the closer co-operation of the two groups' respective magazine interests via the elimination of overlapping expenditure on promotion and publicity. Giving assurances that the future of the *Herald* as an independent, Labour-supporting paper would be secure, the statement added that, in the event of the Thomson-Odhams merger still going ahead, it would be the Mirror's intention to sell off the whole of the Thomson interests, including the participation in Scottish Television.<sup>59</sup> Given that Roy Thomson would control less than 30 percent of the shares of the merged Thomson-Odhams entity, the Mirror bid to Odhams' shareholders was a mortal threat to the Canadian's continued participation in the British media industry on his own terms. Within days, Thomson had signalled his intention to withdraw from the arrangement with Odhams.<sup>60</sup>

As these events unfolded, the political response was rapidly taking shape. Initial discussions at the Home Office played down the likely impact that the Thomson-Odhams merger would have on the range and political complexion of newspapers available in Britain. When, a few days later, attention switched to the Mirror's bid for Odhams, the effect on

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<sup>56</sup> *Times*, 10 February 1961, 5.

<sup>57</sup> Gaitskell's support for a merger between Odhams and Thomson was not universally ascribed to within the Labour movement. Key figures such as his deputy George Brown and the leader of the huge Trade and General Workers Union, Frank Cousins, both argued strongly that King and the Mirror would provide a better home for Labour-supporting national dailies. Adrian Smith, "The Fall and Fall of the third *Daily Herald*," 186-7.

<sup>58</sup> *Times*, 26 January 1961, 10; 27 January 1961, 12.

<sup>59</sup> *Times*, 28 January 1961, 6.

<sup>60</sup> *Times*, 2 February 1961, 12. The Thomson-Odhams merger was formally cancelled late in February. *Times*, 25 February 1961, 6.

Britain's national newspapers was considered to be unaffected, with no closures similar to that of the *News Chronicle* likely to be forthcoming. Rather, the commercial motive of the Mirror-Odhams amalgamation was assumed to be based around the periodical and magazine interests of the two firms. This latter point was reiterated by Gaitskell at a meeting convened with Prime Minister Macmillan, Liberal Party leader Jo Grimond and the Home Secretary on 1 February. Gaitskell argued that the magazine war lay at the root of the latest developments and the threat to the *Daily Herald* was a consequence rather than a cause of these developments. Grimond, meanwhile, expressed his concern about the power of the print unions which he considered to represent the main problem facing the industry.<sup>61</sup> Responding to questions in the House of Commons, Macmillan drew attention to the issue of monopoly control over magazine publishing that might stem from the Mirror's takeover of Odhams. Given that the new concern would control somewhere in the region of 300 popular periodicals, Macmillan promised that any significant increases in price or reductions in choice arising pursuant to the merger taking place could trigger a reference to the Monopolies Commission.<sup>62</sup> Macmillan's statement was based on advice given to him by the Attorney General who had considered that a reference to the Monopolies Commission was technically possible and should not be actively discounted out for fear that it might encourage the merger to go ahead.<sup>63</sup> Nonetheless, Macmillan's statement in the House had effectively ruled out a Monopolies Commission enquiry into the impact on competition of the merger itself.

With Thomson no longer in the picture and no Monopolies Commission investigation to prevent the merger taking place, the Mirror bid was free to move forward. Naturally, the board of Odhams opposed it. The thrust of the argument to their independent shareholders was that, whereas the Odhams-Newnes-Hulton portfolio of magazines were largely operating on a sound economic basis, the Amalgamated Press stable of periodicals, now recast as Fleetway Publications, were in many cases very likely to be losing money and could thus only be maintained in business by means of ruinous levels of expenditure on publicity and promotions. In a letter to Odhams' shareholders they outlined their company's willingness to reach an accommodation with King in order to reduce "the problem of competition in the women's magazine field."<sup>64</sup> King's response was simply to raise the value of the Mirror's bid by another £5 million. In addition, prompted by a suggestion from his deputy, Hugh Cudlipp, King pledged to continue publishing the *Daily Herald* for a minimum of seven years if the merger went through.<sup>65</sup> On 24 February Christopher Chancellor wrote to Odhams' shareholders advising them to accept the revised terms, which amounted to around £37 million in total, and the takeover of Odhams by the Mirror was effectively completed on 1 March.<sup>66</sup>

Chancellor and Thomson had thus been vanquished, but trade union opposition to the merger now became King's central cause for concern. Fearing redundancies, the general secretaries of unions affiliated to the Printing and Kindred Trades Federation sought a meeting with King to discuss future scenarios.<sup>67</sup> Given that the logic of the Mirror's takeover of Odhams had been based on the benefits of rationalisation in the women's weekly segment there was little choice other than to make some adjustment in this field. Consequently, the Fleetway publication *Woman's Illustrated* was rolled into Odhams' *Woman*, and two Newnes publications, *Woman's Own* and *Woman's Day* were merged under the masthead of the

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<sup>61</sup> CAB 21/5960 Amalgamation of Newspapers.

<sup>62</sup> *Times*, 1 February 1961, 6.

<sup>63</sup> CAB 21/5960 Amalgamation of Newspapers.

<sup>64</sup> *Times*, 10 February 1961, 5.

<sup>65</sup> Hugh Cudlipp, *Walking on the Water* (London, 1976), 247.

<sup>66</sup> *Times*, 2 March 1961, 12.

<sup>67</sup> *Times*, 15 April 1961, 5.

former.<sup>68</sup> In sum, however, the amount of bloodletting was relatively small and King acknowledged in his memoir that both Odhams and Newnes were largely well-run businesses.<sup>69</sup> In terms of plant rationalisation, all the existing gravure printing facilities of the old Amalgamated Press in London were closed, with the more modern presses being relocated to the Odhams printing facility in Watford.

Whilst the merger negotiations still were underway, Prime Minister Macmillan convened a meeting to consider the issue of setting up a Royal Commission on the Press. The benefits of holding an enquiry were seen to be threefold: to allay the public anxiety about newspaper closures that arose following the demise of the *News Chronicle*; to assess the potential issues that might arise from increased industrial concentration in the periodical publishing industry for the range of views aired in the press; and to expose current weaknesses in the organisation and operational efficiency of the periodical publishing and printing industry. Convened under the chairmanship of Lord Shawcross, the Commission's report, published in 1962, acknowledged the extreme degree of concentration that the Mirror-Odhams merger had brought into effect within the consumer magazine branch of the periodical publishing industry. However, the conclusions found little of concern in terms of providing a choice to the public and the report itself, somewhat perversely given the degree of monopoly power that now existed, pointed to the benefits of an individual concern owning multiple magazine titles, viz: "The large magazine undertaking is better able than a concern with only one periodical to cater for changing needs and tastes among readers by stopping one publication and launching another."<sup>70</sup> This ringing endorsement of big business within the magazine segment of the press did not extend to the operation of its labour force. Within the newspaper business, the huge level of inefficiency in relation to printing was the overwhelming focus of the Royal Commission's approbation.

The final upshot of the corporate magazine mergers was the formation in December 1962 of the International Publishing Corporation, known subsequently as IPC. This created a corporate entity into which the interests of the Mirror Newspapers and its compatriot the Sunday Pictorial were subsumed. In April 1963 IPC became the holding company for all the various publishing interests of the Mirror Group. Six operating divisions were created, one of which handled the publishing of newspapers, two of which published trade journals (Kelly-Iiffe Holdings and the National Trade Press which included the Hulton successor Longacre Publishing as well as numerous trade press enterprises), and three which were primarily concerned with consumer magazine publishing (Fleetway, Odhams and Newnes).<sup>71</sup> Above it all, a Harmsworth, in the shape of Cecil King, now presided over a virtual monopoly of Britain's consumer magazines.

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<sup>68</sup> Newspaper Press Directory (London, 1962), 23-4. The tit-for-tat closure of Newnes' *Woman's Day* and Fleetway's *Woman's Illustrated* had been the proposal put by King to Chancellor at their meeting in December 1960 that had set the subsequent merger processes in train.

<sup>69</sup> Cecil King, *Strictly Personal*, 126.

<sup>70</sup> Royal Commission on the Press, (London, 1962), 76.

<sup>71</sup> IPC Annual Report and Accounts, 1963, 3.