

Background to Lord Southwood's Offer to Purchase Sun Engraving

Ernie Mackenzie worked for seven years at Sun Printers in Gravure Process, Carbon Etching, and the Warehouse after working for fourteen years at Odhams, which published and printed, among other newspapers and magazines, The People, the Daily Herald, and John Bull.

I have been looking at my notes with reference to Southwood's¹ decision to build in North Watford following Edward Hunter's rejection of Odham's offer to purchase Sun Engraving. My notes say that towards the end of 1933, W.J.B. Odhams, who had resumed the chairmanship of Odhams on Grant Mordern's resignation in 1926, decided to retire. He had suffered for some years from arthritis of the hip, and it was with the greatest difficulty, using two canes, that he was able to walk from his car to his office. Southwood had had a lift especially installed in order to spare him having to use the stairs. It was with the utmost reluctance that his retirement was agreed to, and was to take effect from the end of 1933.

A dinner was given in his honour at the Dorchester Hotel on the 8th of June, 1934, which was attended chiefly by the heads of all departments at Odhams, by his own sons Denys and Geoffrey Odhams, by Sir John Reith² (his nephew by marriage), and by the editors of his various publications. And so, amid a shower of compliments from Reith and others, Mr Odhams officially surrendered the chairmanship of the firm. Southwood succeeded him, retaining at the same time his position as managing director.

Southwood's mind was never inactive, he always wanted to be one jump ahead of his publishing contemporaries rather than lagging behind them. *The People* newspaper was still forging ahead: its circulation had passed 3 million and was to reach 5 million. The *Daily Herald* newspaper, although for a while ahead of all other dailies, would eventually be overtaken by the *Daily Express*. But *The People* and the *Herald* kept Southwood's presses fully occupied and, as their circulations expanded, more press capacity was added. At this time Southwood turned his attention to his magazines: they could be made more modern in appearance if printed by photogravure and in colour.

This then should give him a unique opportunity of getting ahead of his rival publishers; he wanted to use a process that would neither add to the cost of production nor slow down output, but would enable him to expand circulation far beyond the range of his present machines. Southwood informed his board that it had become very costly to maintain the net sale of *John Bull* at one-and-a-half-million copies, yet this circulation was necessary to continue the then-current advertising charges for the magazine. *John Bull* was being printed at that time on high-speed newspaper presses. The equipment and process were the limiting factors in terms of productivity.

It was at this juncture, in 1935, that Southwood decided to approach Edward Hunter. Hunter was already printing *Picturegoer* for Odhams at Sun Engraving's works in West Watford,³ and Southwood decided he wanted to purchase Hunter's company. Southwood commenced negotiations, but

¹ Lord Southwood was Chairman and Managing Director of Odhams Press.

² Director-General of the BBC at the time.

³ And had been since 1924 – *ed.*

perhaps felt he was not making sufficient progress with Mr Hunter, or that Mr Hunter was not really interested in selling, and so walked away and decided instead to build a plant of his own.

[A discussion took place between Ernie Mackenzie and Peter Greenhill concerning Southwood's motives at this juncture; if Hunter had agreed to discuss the matter, it could only have been because either (a) he was willing to consider selling, given favourable terms, or, more likely, (b) he had no intention of selling, but hoped to be able to use the negotiating opportunity to learn what Southwood had in mind, and how it might affect his [Hunter's] own future operations.

It should also be borne in mind that at the time that Southwood decided to enter into talks with Hunter, he (Southwood) couldn't be certain of acquiring the equipment he felt he needed 'off the shelf,' as it were: it was not yet available. But, as we shall see, it soon would be.

So it seems fair to both parties to assume that the negotiations started in good faith, but that one of them broke off the talks, possibly Southwood, having at some stage become aware that an off-the-shelf technical solution might soon be available, for the first time, in the United States.]⁴

Through his works manager, W.H. Parrack, Southwood had always kept closely in touch with the development of new methods of printing in other countries, and had recently⁵ learned of the work of Alco-Gravure of New York, which had perfected a photogravure system of colour and monotone printing at newspaper speeds, using a new type of Goss press. Southwood asked Parrack to visit Alco-Gravure to inspect the plant and press in operation. Parrack returned from his trip very enthusiastic about this new opportunity and, on the strength of this, Southwood arranged for Odhams to acquire the exclusive rights to Goss in the UK for 20 years, and the UK rights to the new Dultgen gravure screen method as well.⁶ He [later] said, "If another firm had stepped in and acquired the rights, the future of our publications would have been a very different proposition."

Arrangements were made for the installation of the new plant in North Watford, a choice dictated by the fact that the kinds of labour and skills needed were already present [at Sun Engraving - *ed.*] A cautious start was made by Southwood: only one machine was ordered, a Goss press that was capable of printing a 64-page magazine in both monochrome and colour. It was what was known as a "kite-folder" press, equipped with 5 press units on either side of the kite folder; one side consisting of five ribbons of 8 pages each, and the other of three ribbons of 8 pages each, for a total of 64 pages. The first press of this type was planned to handle the production of *John Bull*, and the new press hall itself was planned to accommodate up to seven more machines of the same kind, depending upon the company's future needs.

⁴ This may be a risky conclusion: Hunter refused offers from potential purchasers of his company more than once, and it has recently been suggested that Freemasonry may have influenced his decisions in this regard.

⁵ It is important to understand that a period of between one and three years elapsed from the time that Edward Hunter refused Southwood's offer to the time that Southwood learned of the availability of the American system. It therefore seems very unlikely that, at the time that he approached Hunter, Southwood knew of the existence of a new system that would meet his needs. – *ed.*

⁶ By the time this took place it was 1937. See *The Way of the Sun*, p. 60, note 9.