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# The world paper famine and the South African press 1938-1955

by

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## 1. INTRODUCTION

From the late 1930s the appearance of most of South Africa's newspapers underwent a dramatic transformation. Where previously the front page of a newspaper was only advertising, now news stories and photographs predominated. The style, design and content of local papers, from headline sizes and article lengths to the frequency of feature articles, comic strips and crossword puzzles, were all to change in the space of a few years. Writing styles became more concise, a greater variety of stories were used while photographs became widespread and of a far superior quality.

All South African newspapers, between 1938 and the months preceding the Second World War and the late 1940s, underwent significant cuts in the number of pages they could publish: Sunday newspapers were forced to reduce their size by 75 per cent, major metropolitan dailies by 70 per cent. Most newspapers had to turn away crucial income from advertising (the *Sunday Times*, for instance, had to refuse more than £4 000 of advertising during June, 1946)<sup>1</sup> thereby endangering their very existence while others, such as the *Sunday Express*, disappeared altogether for a number of years. Few new publications were launched.

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1. Sunday Times Syndicate, Board of Directors' Minutes: Jan 1940-48, p 147

The cause of this revolution in the South African newspaper industry can be narrowed down to one economic event: the emergence of a world-wide shortage of the paper (newsprint) on which newspapers are printed. The implications, however, of the "world paper famine",<sup>2</sup> go far beyond even the radical change in the appearance of South Africa's newspapers. The 1949 report of Britain's Royal Commission into the press indicates both the importance of the paper famine as well as some of the perceived implications for that country's newspaper industry: "The most striking fact about the press at the present moment, and from the point of view of our inquiry one of the most significant, is the persistence for the last ten years of an acute shortage of newsprint. Before the war British newspapers used 1 125 000 tons of newsprint per year: in 1948 they were limited to 350 000 tons".<sup>3</sup> The shortage of newsprint, said the report, "has produced far-reaching changes on both the editorial and the managerial side of newspaper production... While newsprint is rationed, proprietors already in the industry are unable to launch new ventures or to expand old ones; newcomers are unable to enter; competition, a major cause of the inter-war changes in this highly competitive industry, has been virtually non-existent".<sup>4</sup>

A similar pattern was to emerge in South Africa making the study of the paper famine's impact on the local press of particular importance. The Newspaper Press Union (NPU) informed South Africa's commission of inquiry that, during the famine, it "worked on the cardinal principle that it would not allow the admission of new publications which required additional newsprint. The reason was that their members were already cut below their normal requirements and if new publications were admitted it would mean cutting newspapers of long-standing to establish a new publication".<sup>5</sup> Though the paper shortage was to remain the top item on South African newspaper company agendas for more than 10 years, affecting both the structure and the products of the industry, it has received virtually no attention in work or critiques attempting to deal with

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2. As it was described in *Press News*, 3(10), 1952, p 12

3. *Report of the Royal Commission on the Press, 1947-49*, HM Stationery Office, London, 1949, p 5

4. *Ibid*, p 6

5. Commission of Inquiry (South Africa) into the Press, Annexure VIII, 1964, p 52

the South African press. Neame and Mervis, both uncritical writers chronicling the official histories of their respective newspaper companies, mention the shortage in passing.<sup>6</sup>

The study of the world paper famine's effect on the South African press in this paper attempts to achieve two central objectives: one, to illustrate the extent to which economic events, relations and strategies underpin almost every aspect of newspaper production (including the content of newspapers on which so many critics rely); two, to indicate how these economic relations served to further concentrate and regulate the industry, binding it in an ever closer relationship to the state.

After considering the initial causes and development of the paper famine and how these were accentuated by South Africa's specific circumstances, this article goes on to examine the immediate effects and longer-term implications of the shortage on the political economy of the South African newspaper industry during the period.

## 2. CAUSES AND INITIAL DEVELOPMENTS OF THE WORLD PAPER FAMINE

Until the construction of a paper mill in the eastern Transvaal town of Enstra in 1961, South Africa manufactured no newsprint of its own. It was only by 1967, with the completion of a new mill and the formation of the Mondi Paper Company – financed by the major multi-national conglomerate Anglo American Corporation – that South Africa became self-sufficient. Until then, South Africa's newspapers and magazines were entirely dependent on imports from Canada, Scandinavia, and from Britain who in turn had to import the wood pulp necessary for its own newsprint manufacture.

Paper shortages were not a wholly new phenomenon to South African industry by the late 1930s. During the First World War, disrupted im-

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6. See L.E. Neame, *Today's news today: A history of the Argus Company*, Johannesburg, 1956, p 278; J. Mervis, *The Fourth Estate: A history of Times Media Limited*, Johannesburg, 1989, p 272.

ports had brought about "serious dislocations and even bankruptcies"<sup>7</sup> to the South African economy. John Martin, by the 1930s Chairman of the Argus Company, was quick to recall the situation and, in 1938, hastily despatched a cable from London (Martin was also a director of the Bank of England) to the Argus Head Office in Johannesburg "suggesting that immediate arrangements be made to save newsprint".<sup>8</sup> Events were to show that Martin's alarm was more than justified.

Afforestation on a fairly extensive scale was begun in South Africa in the early 1920s, following preliminary research conducted by the Department of Forestry.<sup>9</sup> But the planting of timber suitable for the production of paper – such as spruce, balsam, tamarack, hemlock and pine – was eschewed in favour of that needed for the rapidly expanding construction and manufacturing industries. Faced by the huge raw material demands for the potential production of newsprint,<sup>10</sup> added to the high cost of sending South African woods overseas in order to test "suitability", newspaper companies chose from the 1930s through to the 1960s to put off any involvement in mill construction and continued to import their requirements.

This decision seemed further justified at first with the onset of severe drought in 1936 – and its crippling effect on the afforestation programme.<sup>11</sup> Ironically, at the same time, the port of Lourenço Marques in Portuguese Mozambique, through which a large percentage of newsprint was imported via Europe and North America, was ravaged by floods.<sup>12</sup> A hint of the South African newspaper industry's dependence on overseas markets and its vulnerability to natural phenomena was exposed.

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7. A. Hocking, *Paper chain: The story of Sappi*, Bethulie, 1987, p 54

8. Newspaper Press Union, Executive Committee Minutes: 1939, p 118

9. Minutes of the Board of Directors, Woodbush Timber Company, Johannesburg, September 1933, p 42

10. *The Star*, February 14, 1936, p 36: "In order that a mill may produce 500 tons of paper in 24 hours, as is frequently done in large Canadian and Scandinavian mills, approximately 43,000 horsepower is required, together with 3.5 million pounds of steam per day and 15 million gallons of water per day".

11. *The Star*, January 24, 1937, p 9

12. Rand Daily Mail Limited, Board of Directors' Minutes: February 26 1937, p 143

Fickle nature was to play a continuing role in the paper shortages right through the 1940s with particularly harsh northern hemisphere winters contributing to the dwindling of newsprint supplies. At the 46th annual conference (1947) of the NPU, it was announced that "stocks of pulp wood are alarmingly low. The unseasonable weather has delayed movement by water, and Consolidated Paper (a Canadian paper company based in Montreal) is greatly concerned whether all the wood will be delivered at the mills before the next winter freeze-up".<sup>13</sup>

Crucial to the paper shortage, however, was the simple fact that world demand, seemingly little affected by the Great Depression of the early 1930s, increasingly exceeded supply. The evidence of this imbalance suggests that a paper famine would have occurred even without the added factors pertaining to a world in the throes of war. The world, from the 1930s, was consuming exponentially more paper with the United States in particular cast as the villain. Between 1955 and 1965, American newsprint consumption increased from six million tons per annum to more than eight million tons, continuing expansion from the inter-war period.<sup>14</sup>

In 1909 the United States had 2 600 daily newspapers with a total combined circulation of 24 200 000.<sup>15</sup> By 1942 the number of dailies, due to the intervention and acquisition of large publishers, had dropped to 1 789 while the total circulation had leapt to 43 374 850. By 1945 more than 48 million newspapers were being sold every day in the United States alone.<sup>16</sup> The vast American demand for newsprint was seen as inhibiting the development of a free press in other parts of the world by depriving them of the raw materials required. "The corner on newsprint which has been achieved by big newspaper publishers in the United States", complained the American Newspaper Guild's official publication, *Guild Reporter*, in 1947, "makes a mockery of much of our diplomatic campaign for world press freedom".<sup>17</sup>

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13. Newspaper Press Union, Annual Congress Report: 1947, p 28

14. *Rand Daily Mail*, April 25, 1957, p 3

15. *South African Journalist*, October 1946, p 4

16. *Ibid.*, p 4

17. *South African Journalist*, March 1947, p 8

A rapidly increasing world demand, the relative monopoly on supplies held by Canada, with its proximity and favourable trade relations with the United States, and the Scandinavian countries, pushed up prices and reduced availability further afield. In South Africa demand increased as newspaper circulations climbed over the period. One of Johannesburg's major daily newspapers, *The Star*, reported in 1937: "The demand for paper in the Union has gone up by leaps and bounds in recent years. Even during the depression it showed an upward tendency and there has been a tremendous expansion since..."<sup>18</sup>

Rapid urbanisation and the demands of expanding secondary industry for paper products such as packaging, multiplying numbers of newspapers and magazines, rising circulations and the virtual lack of a domestic paper industry all added to the disparity between demand and supply. Chas R. Pask, managing editor of the *African Press and Advertising Manual*, wrote in 1950: "With the exception of a few publications concerned with gold mining and farming. South Africa possessed hardly any trade and technical journals 20 years ago. But, as more and more secondary industries were established, openings were naturally provided... There are now nearly 14 000 industrial establishments in the Union excluding mining and quarrying. It would indeed be difficult at the present time to think of an industrial, commercial, retail or primary-producing interest which is not served by at least one South African journal of its own".<sup>19</sup>

The demand for paper (all types) in South Africa increased from 28 000 tons per annum in 1946 to more than 230 000 tons by 1961.<sup>20</sup> It was a combination of these factors, of the growing gap between demand and supply nationally and internationally, which led to the first sign – a price increase – of potential shortage by early 1938. In January of that year, the NPU prepared a number of articles for publication in its member papers "giving prominence to the fact that the price of newsprint had been increased"<sup>21</sup> and warning that this may lead to a hike in advertising rates.

18. *The Star*, March 3, 1937, p 7

19. *Press News*, 2(10), Nov 1950, p 16

20. *The Star*, November 15, 1962, p 9

21. Sunday Times Syndicate, Board of Directors' Minutes: June 26, 1943, p 104

By September 1939, and with global conflict looming, the newspapers falling under the NPU's administrative umbrella had "identified themselves with a policy of reducing consumption"<sup>22</sup> and had adopted a number of measures to this effect including the condensation of news reports, the elimination of dispensable local interest stories (golfing columns and "Women's Pages" were singled out) and the reduction of returns (newspapers which are distributed to outlets but are not sold).<sup>23</sup> A month later, and as an indication of the seriousness of the situation at this early stage, the Sunday Express Company newspaper group approved salary reductions for all its employees owing to rising newsprint costs.<sup>24</sup>

But it was the outbreak, conditions and consequences of the Second World War that exacerbated the worsening paper situation into what became commonly referred to as the world paper famine. The war quickly intervened in the affairs of South African newspapers and their attempts to import sufficient quantities of their "vital raw material".<sup>25</sup> The capitulation of Norway – one of South Africa's primary suppliers of newsprint and England's major provider of wood pulp – in the face of Hitler's May offensive in 1940 (together with Holland, Belgium and France) immediately dented local supplies. The disruption of Norway's infrastructure as a result of occupation prevented that country's full recovery until the late 1940s.<sup>26</sup> After the war, Canada and Norway imposed export taxes or levies on items such as paper and wood pulp in order to help rehabilitate ravaged economies.

South Africa's distance from the sources of supply brought with it its own problems, not least the pressure on shipping space and safety. The Battle of the Atlantic, which "went on with ups and downs throughout the war"<sup>27</sup> reached its first peak between March and July of 1941. "In April alone nearly 700,000 tons of shipping were sunk"<sup>28</sup> including a

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22. Newspaper Press Union, Executive Committee Minutes: Jan 1938, p 103

23. *Ibid*, p 103

24. Sunday Express Limited, Board of Directors' Minutes: Oct 1937, p 23

25. *Rand Daily Mail*, December 3, 1959

26. A.J.P. Taylor, *English History 1914-45*, Oxford, 1967, p 506

27. *Ibid*, p 505

28. *Loc cit*

Swedish ship en route to Cape Town with a full hold of newsprint.<sup>29</sup> In July of 1940 a Norwegian vessel was commandeered by the Admiralty and the 2 000 tons of newsprint it was carrying to South Africa, complained the NPU, "was incurring demurrage which was not covered by insurance".<sup>30</sup> The NPU, who had ordered the paper on behalf of its members, warned that "the additional cost would have to be borne by the newspapers concerned".<sup>31</sup> The convoy system utilised to protect shipping from U-Boat attack added further delays and in some instances freighters took more than four months to reach South Africa from Europe.

By the end of 1940 paper shortages had become so severe right across industry that the government appointed a Paper Controller, Colonel J.J. Kruger, previously the Government Printer. Paper supplies and distribution fell under Kruger's control, aided by the NPU with regard to newsprint. All imported materials were given a priority rating according to the "essential" nature of the commodity. Newsprint, as a non-essential was given an extremely low rating of eight and shipping space became more elusive than ever. The Sunday Times Syndicate board was told, for instance, in 1943 "that the 2,400 tons of newsprint manufactured and ready for shipment had been sold to other consumers due to lack of freight".<sup>32</sup>

Repeated visits to ministers and government departments yielded no change to the priority rating (a rating of three was requested in 1943<sup>33</sup>) and little cause for optimism in state aid or sympathy. In June of 1943, representatives of the NPU were received by Prime Minister Jan Smuts and requested "an assurance that the government attaches importance in the national interest to the continued publication of the country's newspapers".<sup>34</sup> The delegation also asked for "a consequent recognition that the circumstances warrant special measures to ensure the shipment of a

29. *NPU Bulletin*, 157, July 1940, p 13

30. *Ibid*, p 13

31. *Ibid*, p 13

32. Sunday Times Syndicate, Board of Directors' Minutes: June 25, 1943, p 104

33. Newspaper Press Union, Executive Committee Minutes: June 1943, p 178

34. *Ibid*, p 207

sufficient tonnage to keep in existence those newspapers the paper stocks of which are threatened with early exhaustion".<sup>35</sup> Despite prime ministerial lip-service to the value of the press, the ratings remained unchanged.

Government intransigence was also in evidence on the question of mechanical parts, such as those required by linotype printing machines, for the newspaper presses. To an NPU executive council member's question, "What is the position about lino parts? We have great difficulty in getting certain parts," the Controller of Paper replied: "I think you will have to strip machines for the meantime. The Linotype and Machinery Company is practically completely on war production and no lino parts are being made".<sup>36</sup>

The adoption of the Lend-Lease Act between the United States and Great Britain was further to complicate and frustrate South Africa's attempts to secure newsprint imports: "The act provided that the President (Roosevelt), when he deemed it in the interest of national defence, might authorise, to the extent to which funds were available, the production or procurement of any defence article for the government of any country whose defence the President deemed vital to the defence of the United States and might 'sell, transfer title to, exchange, lease or lend, or otherwise dispose of' any such defence article to any government".<sup>37</sup>

The immediate consequence of the Lend-Lease Act was a vastly increased pressure on shipping as the United States sent military equipment and supplies across the Atlantic. Newsprint was not considered a "defence article". Apart from the scarcity of shipping space, the Lend-Lease Act exerted a heavy toll on the British economy: "Great Britain was ruthlessly stripped of her remaining dollars... Thanks to the Lend-Lease Act (it) virtually ceased to be an "exporting country".<sup>38</sup> The scenario was further complicated by the war-time strain under which Britain's infrastructure found itself. "The railways too faced crisis in the

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35. *Loc cit*

36. *Loc cit*

37. Taylor, *op cit*, p 533

38. *Ibid*, p 513

winter of 1940-41. They had to carry more and different traffic over different routes and were not equipped to do so... The long-threatened shift of imports to the Western ports now took place and the disregarded bottlenecks soon made themselves felt".<sup>39</sup>

British exports, taking 1938 as 100, dropped to 29 by 1943 and, as early as 1940, Britain had worked up a balance of payments deficit of £2 115 million.<sup>40</sup> This building deficit was to be important after the war when a currency crisis stopped British exports of newsprint to its Commonwealth altogether. Worries of a 'labour famine' also began to be felt in Britain as more resources were switched into production for the war effort. "By the summer of 1941 Great Britain had 49 per cent of her total occupied population employed upon government work of one kind or another. The demand was still growing. Soon there would be a labour famine".<sup>41</sup>

In South Africa, resources were similarly redirected and the infrastructure equally congested. As the war developed, the state began to divert scarce materials and labour into its propaganda campaign, raising the ire of journalists and newspaper proprietors. The Border regional branch of the South African Society of Journalists passed a motion in 1942 seeking the cooperation of the NPU in protesting strongly against "the secondment of journalists and the appropriation of valuable newspaper supplies into so-called propaganda channels which take the form of magazines and papers competing with the newspaper industry for advertisements, skilled men and paper and covering the ground which private enterprise already covers, to the detriment of private enterprise, as shown by the suspension of one newspaper (the *Sunday Express*) already".<sup>42</sup>

The situation was not eased by the fact that South Africa was expected to supply several other countries and territories with paper as well. "It must be borne in mind," said the representative of the Canadian St Mau-

39. *Ibid*, p 506

40. *Ibid*, p 491

41. *Ibid*, p 512

42. *South African Journalist*, April 1942, p 3

rice Valley Paper Company at the 41st Annual Congress of the NPU in 1942, "that since the commencement of the war, sheet newsprint has been sent from the Union to adjacent territories – Mauritius, Southern and Northern Rhodesia, Portuguese East Africa, Bechuanaland, Kenya, Belgian Congo and to West African destinations".<sup>43</sup>

The world shortage of paper, estimated to be about one million tons by 1947,<sup>44</sup> led to the establishment of black markets in which, it was alleged, some South African companies were involved. W.H. Smith, South African representative of the Canadian company Consolidated Paper, remarked in 1947 that his company had heard reports of black market dealings by South African interests: "Black markets everywhere are the direct result of high pressure tactics to gain extra tonnage, regardless of price. They (Consolidated Paper) recently heard a report that American-made newsprint was being bought by New York jobbers for shipment to South Africa".<sup>45</sup> And, while the culprits were not named, the NPU was warned that "every transaction only aggravates the present situation".<sup>46</sup> There is some evidence indicating that some of the major South African newspaper companies circumvented obligatory NPU newsprint pooling and rationing practices,<sup>47</sup> but little evidence of black market activities.

A final factor in the paper shortage was the postwar currency crisis. Because world commodity prices had risen by up to four times their pre-war level while "the price of South Africa's main export – gold (which in the 1930s comprised 60 per cent of total exports) – had remained constant... South Africa entered the post-war period with a heavy initial (balance of payments) deficit".<sup>48</sup> In order to ease what had become a £160 million deficit by 1948, exacerbated by "adverse shifts in the

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43. Newspaper Press Union, Annual Congress Report 1942, p 121

44. Newspaper Press Union, Annual Congress Report, 1947, p 28

45. *Ibid*, p 29

46. *Loc cit*

47. See for example, Sunday Express Limited, Board of Directors' Minutes: September 27, 1946: A Sunday Express Company manager was reported to have approached a Canadian supplier "with a view to obtaining additional tonnage of newsprint on the 1946 allotment".

48. P.W. Bell, *The Sterling Area in the post war world*, Oxford, 1956, p 201

terms of trade and heavy import demand".<sup>49</sup> South Africa, amongst other measures, devalued the South African pound, lessening the deficit by increasing pressure on the price of imports, both in 1944 and in 1949.

The victory of the National Party in 1948, which came to power on a manifesto that included the potential nationalisation of the mines and other major sectors of industry, meant foreign capital investment slowed down considerably. South Africa became the largest borrower on the London financial markets "and the fact that it did not adhere fully to the unwritten rules of the Sterling Area (ie did not contribute all of its resources to the dollar pool) made that country fair game for restrictions."<sup>50</sup>

Britain, in attempting to procure an £80 million gold loan to ease its own currency crisis, threatened to prevent South Africa raising money through the London markets as well as to stop capital investment and the importation of "non-essential" commodities.<sup>51</sup> Among the effects of these pressures, and of particular significance to the South African newspaper industry, were the increasingly strict import and exchange controls imposed from the mid-1940s. Hopes that the end of the war might signal relief in the procurement of newsprint proved profoundly inaccurate: "The normal times we happily anticipated after the second world war are still eluding us in South Africa and it will be a long time before we are free of restrictions".<sup>52</sup> Great Britain, from whom South Africa imported more than a third of its newsprint, was particularly hard hit by the currency crisis. Shouldering the burden of huge post-war debt and with dollar reserves reduced to a fraction of the pre-war total, Great Britain applied vigorous brakes on its imports.<sup>53</sup> In 1948, the NPU was told: "When Great Britain was forced to cut supplies of newsprint from Canada on account of her dollar shortages, the NPU approached Canadian authorities... for additional supplies. It was suggested that the newsprint not taken by the UK might be diverted to South Africa on the

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49. *Loc cit*

50. *Loc cit*

51. *Ibid*, p 28

52. Newspaper Press Union, Annual Congress Report: 1949, p 677

53. Taylor, *op cit*, p 513

understanding that when the position had changed and the UK wanted these supplies again they could have them. Nothing has come of these negotiations. It would seem that the USA received it all".<sup>54</sup>

Trying to come to terms with the new conditions, and hoping to give financial weight through pooling resources to their demands, the NPU formed the Newsprint Purchase and Control Committee in 1949. "It was obvious that we would only obtain our full requirements by creating a central body to negotiate and purchase on our behalf",<sup>55</sup> reported the NPU's Executive Council. But things were only to get worse.

C.L.F. Borckenhagen, the newly-appointed Director of Import Control informed the NPU in 1949 that "while the government was sympathetic to the newspaper industry and did not want any newspaper to cease publication he was faced with the necessity of completely eliminating consumer goods (imports) and cutting secondary industry (imports) by 50 per cent".<sup>56</sup> A deputation consisting of NPU Executive Council members and representatives of the Newsprint Purchase and Control Committee, once again set off in early 1950 in search of ministerial (Economic Affairs) support:

"The deputation tabled a memorandum indicating the difficulties experienced by members in placing orders for newsprint in soft currency areas and applying for sufficient hard currency to meet the deficit which had been placed at 18,000 tons. The Hon Minister had replied stating that this amount would have to be reduced and intimated further the hard currency problems of the government would probably continue for a further three to four years... The hard currency allocation by Treasury to the Department of Commerce and Industries had already been exhausted. There would, therefore, have to be further saving in newsprint consumption."<sup>57</sup>

In 1951 the NPU, still hoping for an alleviation of the crisis, once again "received a rude awakening".<sup>58</sup> The British Board of Trade, under the

54. Newspaper Press Union, Annual Congress Report, 1948, p 580

55. Newspaper Press Union, Annual Congress Report, 1949, p 426

56. *Ibid.*, p 427

57. *Ibid.*, p 677

58. Newspaper Press Union, Annual Congress Report: 1951, p 943

direction of Harold Wilson, suspended the monthly export licenses needed to freight newsprint to South Africa. "The flow from this source, which represents a high percentage of the industry's total contractual supplies, suddenly stopped and there was no indication when it would be continued or whether, in fact, when it was resumed, the lost tonnage would be made up".<sup>59</sup>

By the mid 1950s, global economic recovery and the normalisation of trade signalled the effective end of South African newsprint difficulties. The blow of an estimated two million ton world paper shortage by 1960<sup>60</sup> was softened by a booming South African economy and by the gradual establishment of a local newsprint manufacturing industry. However, the disparity between supply and demand, the effects of the war and the currency crisis were all keenly felt by the South African newspaper industry. They were pressures that were to force important and substantial changes onto the participants and dynamics of the South African press.

In attempting to assess the impact of the paper shortage, this paper will develop in three ways. First, a chronology of the famine will show how the shortage affected the industry as a whole; second, the specific example of the *Sunday Times* will be considered; third, a discussion of the wider implications and trends as they were to effect the industry's structure will be undertaken.

### 3. THE *SUNDAY TIMES* AND THE NEWSPRINT SHORTAGE

The *Sunday Times*, edited from 1910 until the early 1940s by J. Langley Levy, has always been South Africa's most widely read and profitable newspaper. In 1947 the *Sunday Times*'s circulation stood at 247 129 per week, almost 130 000 more copies per week than its nearest rival, the weekend Cape Argus.<sup>61</sup> The *Sunday Times* joined forces with the *Rand Daily Mail* and the *Sunday Express* in 1939 to form the Sunday Express

59. *Press News*, 3, April 1951, p 3

60. *South African Journalist*, August 1945, p 9

61. Audit Bureau of Circulations, Annual Report, 1947

Company following a buyout of the holdings of press baron Isidore Schlesinger. This amalgamation, to a large extent, was responsible for the continued survival during the paper famine of the *Sunday Times* which gained considerable newsprint stocks following the decision to suspend publication of the *Sunday Express*. The *Sunday Express*, as junior partner and a direct competitor, was expendable and as such insulated the *Sunday Times* from the full scope of the crisis. Nonetheless, affected it was and steps taken to defend it give important insights into the processes, demands and implications of the shortage.

Taking note of the early warnings and the increase in the price of newsprint, the *Sunday Times* took its first steps at tackling the looming paper famine in September, 1939. A board of directors' meeting minutes indicate that "in order to conserve newsprint, the size of the paper had to be reduced in consequence of which the first and second editions were being printed in one operation".<sup>62</sup> Having participated in the £300 000 buy-out of the Schlesinger newspaper interests (in which "the respective benefits accruing to the *Rand Daily Mail* and the *Sunday Times*, in eliminating competition, were carefully considered",<sup>63</sup> the alarming increase in the cost of newsprint – a ton of newsprint rose in price from £10 in 1939 to almost £60 by 1957<sup>64</sup> – put additional pressure on the financial position of the newspaper.

In the six months between December 1939 and June 1940, the difference between the initial cost of the *Sunday Times*'s newsprint stocks and their replacement value had jumped by more than £2 000.<sup>65</sup> The *Sunday Times*'s net profit for December 1940 was £4 207 and, with the introduction of a new Excess Profits Tax and the spiralling cost of newsprint, together with the outstanding payments still required from the Schlesinger deal, the most lucrative newspaper in South Africa was beginning to look financially precarious.<sup>66</sup>

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62. Sunday Times Syndicate, Board of Directors' Minutes: September 22, 1939, p 237

63. Rand Daily Mail Limited, Board of Directors' Minutes: May 28, 1943, p 100

64. Sunday Times Syndicate, Board of Directors' Minutes: March 8, 1940, p 6

65. *Ibid*, p 39

66. *Loc cit*

The board of the *Sunday Times* responded by dropping special editions (devoted to a particular subject or issue) and by reducing the editorial proportion of the newspaper – and increasing the advertising proportion – "resulting in a slight increase in profits".<sup>67</sup> Consideration was given "to the abandonment or restriction of motor transport to the country districts and the reduction or elimination of the colour supplement".<sup>68</sup> As 27 per cent of the total printing order of the *Sunday Times* was carried by motor vans, it was decided "it would be unadvisable to eliminate this service at present"<sup>69</sup> and only the supplement was cancelled.

Still faced by mounting financial pressure, and in lieu of the halting of motor deliveries, the board went to their shareholders in April 1941 asking for "a sum not exceeding £35,000... to finance the purchase of additional newsprint and the cost of transportation of stock from coast stores to Johannesburg".<sup>70</sup> The money was raised by mortgaging both the *Sunday Express* building in Johannesburg as well as putting up all the *Sunday Times*'s movable assets as collateral for a debenture issue funded by shareholders.

In August of the same year, as the crisis developed, the newspaper made a series of changes: the number of copies printed was reduced by 15 per cent; returns were cut to one per cent from six per cent by encouraging buyers to subscribe; special editions and Saturday night sales were eliminated.<sup>71</sup> With the announcement in the *Government Gazette* of a 40 per cent cut in the size of all newspapers, the *Sunday Times* board was once again forced to return to their shareholders, cup in hand. This time a loan of £55 000 was secured in a debenture trust deed sponsored by the Syfret's Trust Company.<sup>72</sup> Collateral on this occasion was "any shares held in other companies" by the whole of the over-extended Sunday Times Syndicate.<sup>73</sup>

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67. *Ibid.*, 1941, p 50

68. *Ibid.*, p 53

69. *Loc cit*

70. *Ibid.*, p 56

71. *Ibid.*, p 57

72. *Loc cit*

73. *Loc cit*

With the realisation that "the newsprint position would become acute with the possibility that shipments might cease in the near future",<sup>74</sup> further conservation measures had to be implemented. One of these, aimed at making up for the loss of contents bills, was "the placing of news on the front page".<sup>75</sup> This technique had been widely introduced overseas, in Britain and the United States, but the *Sunday Times*'s decision was emulated by many other newspapers and was quickly to change the appearance of much of the South African press.

With the shifting of news stories onto the front page (which also meant fewer but larger headlines), many other aspects of newspaper production were also altered: "Much of the reading matter was set in smaller type. The width of the columns were reduced so that there could be nine columns instead of eight... News on the front page... had come to stay. So had the more concise reporting of ordinary events, and the effort to give the reader a greater variety of reading matter. Photographs sent by radio or land wire were increasingly used to illustrate the news stories. Higher standards in writing were demanded, and there was more careful planning ahead of articles of interest throwing light upon the principal movements of the day".<sup>76</sup>

The results of these measures, though, seemed to gain the approval of newspaper consumers: "By and large the public seemed to like the crisper presentation of news, and the shorter reporting of less important events was continued after the paper famine had vanished. Much dead wood was cut away during the newsprint shortage, and generally speaking, the post-war papers were better than the pre-war ones".<sup>77</sup>

The increasing severity of the cuts between 1942 and 1943 forced the *Sunday Times* to implement more changes. The number of pages dropped to only six per week. More importantly, the newspapers' proprietors, faced by potential revenue losses of thousands of pounds every month, had to find a way of dealing with the advertising problem. In

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74. *Ibid*, 1942, p 62

75. *Loc cit*

76. Neame, *op cit*, p 278

77. *Loc cit*

February of 1943 the *Sunday Times* lost £2 362 because there was simply not enough room in the paper to print all the advertisements requested.<sup>78</sup> By 1945 this had increased to just under £4 000 of lost monthly revenue, at which average losses were endured until the early 1950s.<sup>79</sup> Other newspapers suffered a similar dilemma.

The *Sunday Times*, in an effort to minimise these losses, decided to cut back on the small classified advertisements (by halting discounts for repeats and setting a maximum size and number) and concentrate instead on the larger, seemingly more lucrative, display advertisements.<sup>80</sup> The other members of the Sunday Express Company went along with this decision and implemented the same strategy. The *Sunday Times*'s decision was described in an interview with a Times Media Limited (formerly Sunday Express Company, now Johnnic Communications) executive as "an horrendous error from which the company is still trying to recover".<sup>81</sup> Where the Sunday Express Company opted for display advertisements at the expense of "smalls", the Argus company chose the opposite. The "smalls" came to form the backbone of the Argus company's newspapers, a source of revenue as well as readership, and its opponents were unable to close the gap for many decades.

The launching of a new Afrikaans Sunday newspaper, *Dagbreek*, upon the ending of the "no new publications" ruling in 1947, was made considerably easier through the cooperation – and severe cash problems – of the *Sunday Times*: "The *Sunday Times*, because of its wide distribution over the years had, in association with the Central News Agency, built up a large fleet of trucks which took the paper to almost every town and village in the Transvaal... In ordinary circumstances, *Dagbreek* would take years, at great cost, to build up a comparable fleet. An enterprising *Dagbreek* manager suggested to (E.B.) Dawson (new editor of the *Sunday Times*) that *Dagbreek* would pay the transport costs if it could also use the trucks. Since this, clearly, was a means of saving money, Dawson accepted the proposition".<sup>82</sup>

78. Sunday Times Syndicate, Board of Directors' Minutes: February 1943, p 78

79. *Ibid*, June 1946, p 187

80. Interview with Roy Paulson, TML executive, Johannesburg, April 1990

81. *Ibid*

82. Mervis, *op cit*, p 272

*Dagbreek*, after a "phenomenal rise",<sup>83</sup> was later incorporated into the Perskor group (the new name of the Afrikaans Pers Beperk) with another Afrikaans Sunday paper, *Beeld*, to form the Sunday paper *Rapport* in 1970. "The merger enabled *Rapport* temporarily to overtake the Sunday Times circulation, the only time any competitor has ever been able to do so".<sup>84</sup> The financial cooperation or "fraternising"<sup>85</sup> induced by the conditions of the paper shortage served to give an important boost to the Afrikaans-language sector of the industry.

Another crucial decision made during the paper famine was instituted by the *Sunday Times*'s editor, E.B. Dawson. It was Dawson, faced by smaller newspapers and a crush of local and world news to report, together with dwindling profit margins, who came up with the idea that "too much politics" – and "not enough sex and scandal" as could be found in contemporary British Sunday newspapers such as the *News of the World* and *People* – hindered circulation.<sup>86</sup> This concept was embraced in some circles, such as in some of the newly-emerging Black press publications like the *Golden City Post*, not least because of rising *Sunday Times* circulation figures, which had increased to 285 194 copies per week by 1952.<sup>87</sup> *Landstem*, for example, a new independent Afrikaans newspaper edited by Piet Beukes and sympathetic to the United Party, provided the following explanation for its improved fortunes in the early 1950s: "The latest official figures prove that *Landstem* has broken all records for circulation increases – Every issue is a smash hit! And here's the reason why! *Landstem* steers clear of touchy political issues!"<sup>88</sup> Popular, expedient, sensational, apolitical "*Sunday Times*" journalism had arrived in South Africa.

The steps taken by the *Sunday Times* to counter the impact of the paper famine were indicative of the kind of day-to-day problems the industry encountered during the period. In several cases, corporate decisions,

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83. *Loc cit*

84. *Loc cit*

85. Interview with Joel Mervis, Johannesburg, April 1990

86. Paulson interview, April 1990

87. Audit Bureau of Circulations, Annual Report, 1953

88. *Press News*, 3(12), p 23

spurred on by the very survival of the newspapers concerned, were to have immense significance on both the appearance and development of the South African newspaper industry. From advertising ratios to news on the front page, from writing styles and photographs to the selection of (apolitical) articles, all these underwent radical and important transformations during the years of the paper famine.

#### 4. IMPLICATIONS OF THE PAPER FAMINE

In February of 1942, the *Sunday Express* announced that "with this issue the *Sunday Express* suspends publication for the duration of the war. This decision... has been necessitated by the difficulty of securing newsprint from overseas and the importance of conserving paper supplies in the country".<sup>89</sup> The closure of the *Sunday Express* was perhaps the most dramatic indication of the extent of the effects of the paper famine on the South African press. But for all the newspapers, and especially the smaller ones, the fine line between profit and loss, between success and failure, became difficult, if not impossible, to avoid crossing.

The major Sunday Times Syndicate, as has been shown above, was forced, as early as 1940, to mortgage off all of its movable assets and a considerable part of its property holdings "to finance the purchase of additional newsprint".<sup>90</sup> The *Rand Daily Mail*, which had been enjoying increasing profits and circulation since its inception in 1902, fell into debit for the first time in August 1941<sup>91</sup> and never really recovered. If the situation was troubling large companies such as the Sunday Times Syndicate and the Argus Company (which had the financial backing of the Central Mining Investment Corporation, "the largest landowner in the country"<sup>92</sup> and biggest producer of gold on the Rand), it was even more acute for smaller newspapers with less access to capital.

89. *Sunday Express*, March 1, 1942, p 1

90. Sunday Times Syndicate, Board of Directors' Minutes: August 1941, p 78

91. Rand Daily Mail Limited, Board of Directors' Minutes: November 1941, p 19

92. Mervis, *op cit*, p 80

The small and relatively new Eastern Cape newspaper, the *Evening Post*, complained: "Cuts in newsprint consumption have resulted in hardship for all newspapers, but this was more than doubly so in the cases of those newspapers which were in the early stages of development and struggling to develop themselves... the steep rise which is now taking place at an accelerated rate in our newsprint costs, together with the increased costs of wages and salaries, is making the financial position of this newspaper extremely precarious... and it is anticipated that although advertising rates and selling price have both been increased for the second time, it will not be possible to avoid making a loss by taking advantage of them, owing to insufficient newsprint".<sup>93</sup>

Another such small newspaper was *The Forum*, a liberal publication started in the 1930s with the backing of the Jewish Board of Deputies. The weekly newspaper, which aimed to combat fascism and the rise of Hitlerism, was bought out by the Sunday Times Syndicate on the recommendation of *Sunday Times* editor E.B. Dawson in 1943.<sup>94</sup> *The Forum* was then turned into a monthly paper with the balance of its newsprint allocation going to the *Sunday Times*.<sup>95</sup>

For the Black press, by now almost exclusively under the corporate wing of the Bantu Press, collaboration was deemed the most effective means of securing the raw materials essential for survival. Since the Bantu Press was unable to join the NPU (owing to the latter's racially-based admittance policy), it was forced to go directly to the state for aid. Despite the state aid, however, Bantu Press drifted in and out of profit and loss over the period: 1945 (loss of £2 276); 1946 (loss of £1 744); 1947 (profit of £1 357); 1948-50 (average profit of £494); 1951 (loss of £165); 1952 (profit of £132).<sup>96</sup> The difficulty of survival is illustrated even by those papers which could obtain access to state aid. By becoming so closely aligned to the state, Bantu Press succeeded in alienating a wide proportion of its intended constituency. This, in turn, led to the spawning of a new generation of more radical black newspapers, such as *Drum* magazine, which began to emerge in the early 1950s.

93. Newspaper Press Union, Executive Committee Minutes: March 1952, p 130

94. Paulson interview, April 1990

95. *Ibid*

96. Newspaper Press Union, Executive Committee Minutes: March 1952, p 56

A direct consequence of the paper shortage which aided both the large and small newspaper companies, was the banning by the Paper Controller of all new publications from August 1941 until 1947. Competition from potential rivals was effectively ended and all existing newspapers were allowed, to some extent given the circumstances, to consolidate their positions. This was an additional component to the NPU's policy of preventing competition between its 150 members: Circulation figures, important for advertisers and advertising agencies, were forced to remain unpublicised and qualitative comparisons were prevented. It was the NPU's ruling on competition that caused Isidore Schlesinger to seek to operate outside the ambit of the NPU and the Industrial Council.

In the publication *Selling*, aimed at the advertising industry, a satirical letter bemoans the NPU's anti-competition ruling: "Dear Sir, I recently came across what appears to be a discarded fragment of the original manuscript of Alice in Wonderland. Any association which might be made with a recent ruling of the NPU is obviously absurd: 'It's better than yours,' said Alice. 'It is forbidden to say it's better,' retorted the caterpillar, blowing a puff of smoke from his hookah, 'but you are allowed to say it's the best'. 'But if I say it's the best, doesn't it mean that it's better than yours?'. 'Of course it doesn't. There is no comparison'. Alice was an argumentative child, 'The best must be better than better,' she insisted, 'because nothing is better than the best'. 'On the contrary, the best means nothing, so if you must say something, say it's the best. After all that's better than nothing'. 'Oh dear!' sighed Alice, 'this is getting worse and worse!' 'It is forbidden to say worse because that is a comparison,' said the caterpillar, 'but you may say worst'. The fragment ends there...."<sup>97</sup>

The formation of a newsprint pooling facility, suggested initially by the Controller of Paper in 1942 and implemented in 1949, also materially aided the smaller papers. All newsprint bought or imported by individual newspapers or companies was pooled and redistributed at an average cost. This was instituted in an attempt to overcome the inconvenience of infrequent, erratic supplies of newsprint. The pooling system did, however, present "the paradoxical situation that pro-government Argus pa-

97. *Selling*, July 1950 (From the NPU cuttings file, NPU Archives)

pers had to help keep alive anti-Government and anti-war journals.<sup>98</sup> But membership of the newsprint pool brought with it new restrictions.

The failure of NPU members to adopt the conservation measures and adhere to limitations imposed by the NPU – such as those on competition – could lead to inclusion on the NPU's black list and ultimately, to expulsion from both the pool and the NPU. For any of the newspapers, and in particular the smaller ones, expulsion would mean a very real, additional threat to continuing existence. The NPU's member newspapers all either adhered to NPU rulings or managed to escape their attention by successfully conducting covert under-the-table dealings (such as on the black markets).

The increasing power and reach of the NPU was one of the prime consequences of the world paper famine. Until late 1940 it was the sole responsibility of the NPU to regulate, allocate and control newsprint supplies and to enforce newspapers' adherence to its rules. This increased power, together with ever closer relations with the state apparatus, coincided with a slide toward political conservatism. In 1946, the NPU rejected the South African Society of Journalists' (SASJ) proposal that it become a trade union and so join the National Industrial Council's bargaining apparatus. The "astonishing reason", reported the SASJ's official organ *The Journalist*, was that "there were certain NPU members who felt strongly that they were not in sympathy with many of the proposals and ideas behind the formation of the Society as a trade union".<sup>99</sup> The NPU also endorsed the provisions of the Suppression of Communism Act of 1950 and attempted to have suspected communists rooted out of the industry.

The influential communist newspaper *The Guardian*, which was banned as a result of the Act but then proceeded to change its name at regular intervals to avoid closure, was refused newsprint by the NPU in 1951. The Secretary of the NPU, upon receiving the request from *The Guardi-*

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98. H.L. Smith, *Behind the press in South Africa*, Cape Town, 1945, p 132

99. *South African Journalist*, October 1946, p 1

an for membership of the newsprint pool, replied that it could not be a member of the pool, "which was for real users only".<sup>100</sup>

## 5. CONCLUSION

The increasing gap between world demand for newsprint and the supply of the raw material, South Africa's lack of a newsprint manufacturing industry and the special conditions of the war years all served to spark off and entrench a paper famine which was to have enormous implications for the South African newspaper industry. In the public eye, the immediate effects of the paper famine, as chronicled above, were obvious. The disappearance of the *Sunday Express* together with the radical new look of most of South Africa's newspapers attested to this. The layout, design, style and contents of almost all the newspapers of the industry fundamentally altered in the space of a few years. Front pages full of advertisements, multi-decked headlines, lengthy articles on few topics, inside pages full of text and with few illustrations were all to disappear. So, too, in some cases, were newspapers full of overtly "political" commentary and information. But, behind the scenes, developments and trends had been set in motion that were to have an equally important influence on the future of the newspaper industry.

The prevention of competition or the publication of new newspapers (a "cardinal" NPU objective)<sup>101</sup> served further to bolster the major companies' position of dominance. The shortages gave the South African newspaper cartel of Afrikaans (Nasionale Pers and Perskor) and English-language (Argus company and Times Media Limited) newspaper companies an even firmer grip on the volatile, but essentially profitable, industry. Some newspapers, such as *The Forum*, were acquired simply for their newsprint quotas while others, such as the *Sunday Express*, were closed down for the same reason. As a result of the paper shortage, the Bantu Press embarked on an increasingly conciliatory path with the

100. Newspaper Press Union, Executive Committee Minutes: May 23, 1952, p 142: By this stage *The Guardian* had changed names several times to avoid being closed down and was known at this time as *The Clarion*.

101. Commission of Inquiry (1965), *op cit*, p 52

South African state and succeeded, to a large extent, in alienating its constituency. This was a significant factor in the subsequent development of a whole new generation of more accountable and outspoken black newspapers.

The NPU, which had taken upon itself the regulation, allocation and control of newsprint, increased its membership as well as the scope of its influence. Unfavourable wage agreements and union non-recognition for journalists were blamed on the paper shortage and the industry's worsening financial position.

This paper has illustrated two major points: first, the large degree to which every aspect of newspaper production was governed, at base, by the economic context, decisions and strategies encountered and employed by newspaper companies; and, secondly, the heightened regulation and control of the industry instituted as a direct result of the conditions and requirements of the paper shortage. In every sense, the world paper famine, had a critical impact on the development and structure of the South African newspaper industry.

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