

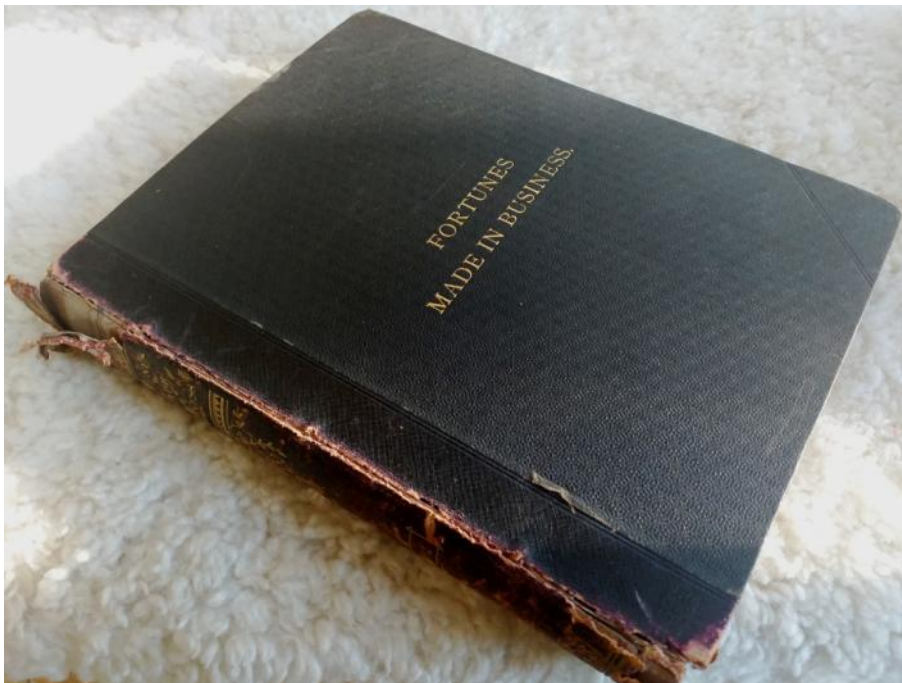
# William Smith

Born 1792.

Available online at [www.livesretold.co.uk](http://www.livesretold.co.uk)

## Contents

1. The Small Beginning in Duke Street
2. Mr William Smith as Champion Packer
3. First on the Road
4. Mr W.H.Smith Begins with £200 a Year
5. Rising at 4 O'Clock – in the Strand at 5
6. Value of Business in 1846 - £80,500
7. How They Became Bookstall Monopolists
8. Sole Agents for The Times
9. Smith's Library Started
10. Railway Novels Started
11. 59 Tons of String Used for Paper Parcels
12. No Work on Sundays



This life story is of the Victorian newspaper distribution magnate William Smith, creator of W.H.Smith. It is extracted from 'Fortunes Made in Business: Life Struggles of Successful People' published by Amalgamated Press in 1902 (above).

# “From the Counter to the Cabinet.”

THE STORY OF MESSRS. W. H. SMITH & SON.

By SIR HERBERT MAXWELL, Bart., M.P.

Messrs. W. H. Smith & Son are the largest distributors of newspapers in the United Kingdom, and have a practical monopoly of railway bookstalls. Their business began in a very modest way. Mr. W. H. Smith himself worked in his shirt-sleeves sorting the papers at 5 a.m. in the Strand. Afterwards he was Leader of the House of Commons, First Lord of the Admiralty, and Minister for War.

England had been so long at war by land and sea that few men could realise, none could foresee, that the guns of Waterloo heralded an era of profound peace.

A reaction set in from the noble spirit which had upheld the nation through twenty years of European conflict. People at last had leisure to reckon up their losses, to contemplate a National Debt swollen from £239,650,000 in 1792 to £861,100,000 in 1815, to adjust their industry to the dislocation of prices caused by the cessation of war and the consequent reduction of the Army and Navy.

Wheat, which had often ranged as high as 120/- a quarter, brought but 52/6 at the beginning of 1816; copper fell from £180 to £80 a ton; iron from £20 to £8; British imports in 1816 shewed a falling off of nearly 20 per cent.; exports one of 16 per cent. The demand for British goods in European markets threatened to dwindle away to nothing, so utter was the impoverishment of customers. Add to all this the social distress caused by the closing of mills and factories, the congestion of the ranks of labour consequent upon nearly a quarter of a million soldiers and sailors being turned adrift, the combination of a mad King and a profligate Prince Regent, and the prospect seems forbidding enough for any commercial enterprise.

Aug. 6. 81.  
HATFIELD HOUSE,  
HATFIELD,  
HERTS.

My dear Smith

The enclosed may interest you. I am afraid I am, in point of superficialities the biggest mark of the two.

LORD SALISBURY TO MR. W. H. SMITH.

Facsimile of a note sent by Lord Salisbury to Mr. W. H. Smith. It enclosed a letter from the Chief Constable of Hertfordshire, who said he had received a communication threatening to take Lord Salisbury's life and that of Mr. W. H. Smith, on Monday. This was after the Phoenix Park murders. Lord Salisbury suggests to Mr. Smith that he would make the bigger mark of the two.

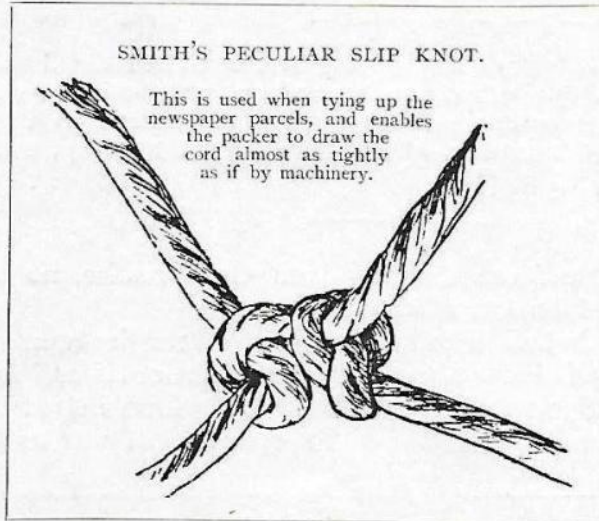
his truly  
Salisbury

## THE SMALL BEGINNING IN DUKE STREET.

Nevertheless, even in those far-off days, when penny and halfpenny dailies had not so much as taken the shape of a dream, people—those of them who could read, at least—must have their newspapers. Paper was taxed as a manufacture; every copy of every journal was taxed and stamped at Somerset House, and the publisher had to pay an impost on every advertisement. The newspaper was a costly affair by the time it reached the breakfast table of the British householder. In spite of this, no well-to-do breakfast table lacked one, and so it came to pass that, through all these lean years business continued brisk in the shop of what we should call nowadays a pair of newsagents, but who were then termed “newsmen.” It was a modest little establishment in Duke Street, Grosvenor

Square, where, besides newspapers, Henry Edward and William Henry Smith sold general stationery and knick-knacks. They were the sons of one Henry Walton Smith, who had come to London some time after 1784, having, it is said, deeply offended his father, an officer in the Royal Navy, by marrying a girl of exceedingly humble parentage.

Henry Smith, the younger, also was married before he appears as a partner in the little business in Duke Street; but he was in such poor circumstances that he and his wife had been compelled to separate and enter domestic service, he at Richmond, she in London. It is not known in what year he and his brother began business together; but at all events their enterprise prospered so well that in 1820 fresh premises had to be secured



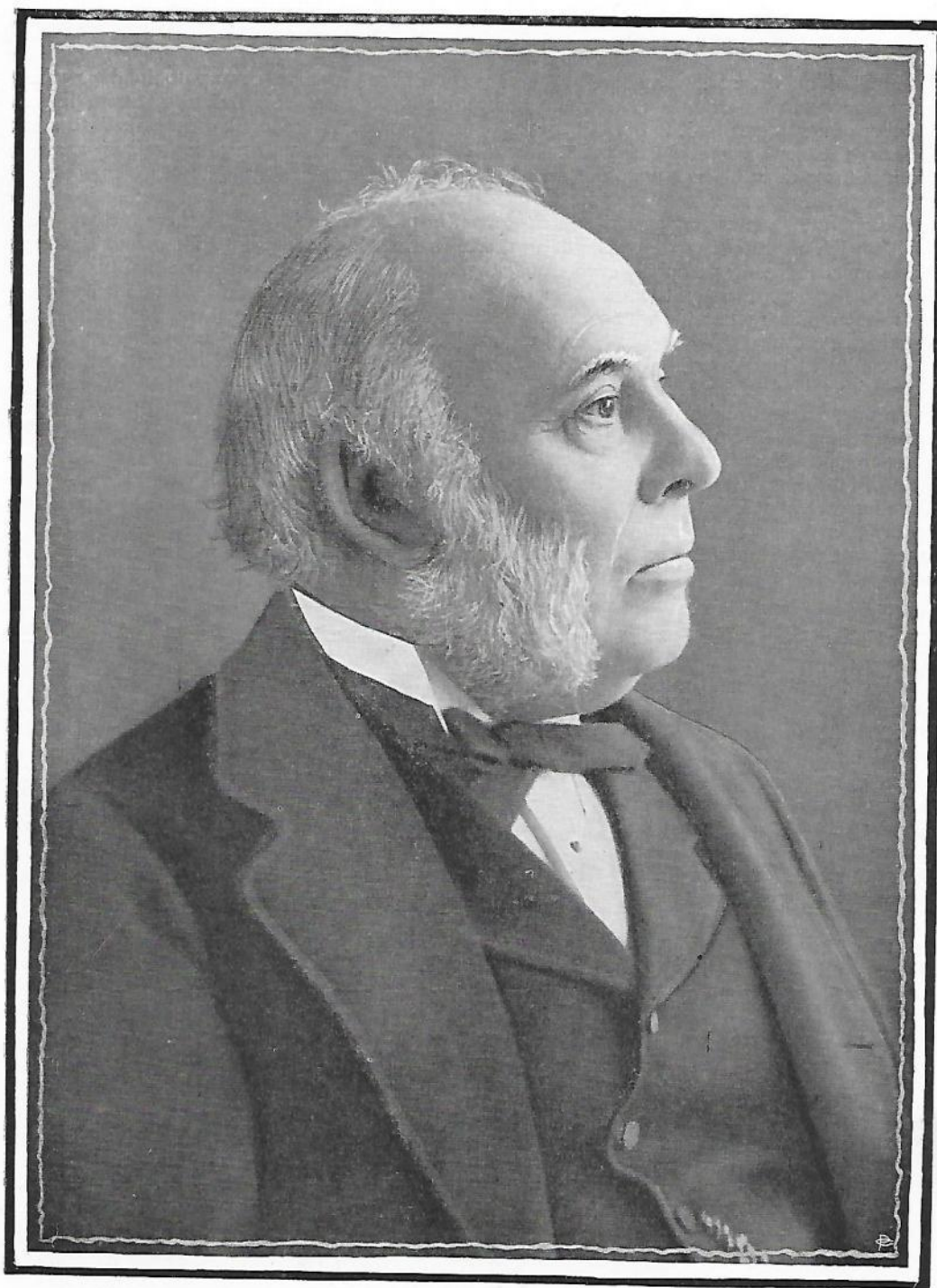
nearer the principal newspaper offices. The head office remained in Duke Street; a new branch office, was opened at 192, Strand, which the brothers were in a position to purchase.

Now, of the two brothers, William, the younger, was the leading spirit. Henry was left in Duke Street to prepare addresses for country parcels; William in the Strand attended to the packing and dispatch by the mails. Henry was indolent and dilatory; sometimes the parcels missed the mail because he had not forwarded the addresses punctually. At such times William might be seen running out into the street in his shirt-sleeves, chafing at his brother's incorrigible negligence. At last the situation became serious. To success in such a business punctuality was essential, and William perceived that punctuality was just what his brother could not achieve, so he bought him out and became sole proprietor of the concern.

## MR. WILLIAM SMITH AS CHAMPION PACKER.

He was henceforward not only the head, but, in large measure, the hands thereof; for although he employed many assistants and apprentices, it remains a tradition in the house that he was the quickest packer of them all. Any lad that could beat him of a morning in the number of newspapers packed was entitled to the gratuity of a shilling, but it is not on record that the meed was ever earned. One who remembered him in those days, and who died quite recently, told the present writer that William Smith's energy and activity were the reverse of encouraging to his staff; they were overpowering, so prompt and stern was his rebuke for the slightest negligence. He added, however, that William succeeded in bringing the business up to that point beyond which it could not be taken without partnership, so unintermittent was the labour.

William Smith, who married in 1817, continued to live over the shop in Duke Street until about the year 1825, when he moved his family to the Strand. In that year his third child was born, a son, named after his father, William Henry.



**THE LATE MR. W. H. SMITH.**  
Of the Great Newspaper Distributing Firm.

*Elliott & Fry, Photo.*

( 65 )

H

## "FIRST ON THE ROAD."

"First on the road!" was Smith's axiom, a difficult one to act up to in days when newspapers were constantly delayed in publication. To meet this difficulty, Smith had a number of light carts built for fast horses; on mornings when the mail coaches had to start without the newspapers, these carts followed in pursuit as soon as the newspapers arrived. Besides these carts, he kept a staff of mounted messengers, whose duty it was to carry printed slips of such important news as came to hand too late for insertion in the morning journals, and distribute them among agents and customers in provincial towns. By these means, when William IV. died in May, 1837, Smith was able to send his heralds into the country several hours in advance of the mails, even chartering a special packet at Liverpool to convey the news to Belfast. First on the road he was determined to be; first on the road he always was, up to the moment when the whole carrying business of the country was revolutionised by the opening of railways. Was he to keep that proud position in an altered state of things?

Smith had a powerful rival in the person of one Clayton, the head of the largest news agency of that day, and for five and twenty years to come. Newspapers and the demand for them were going up by leaps and bounds; Smith found the work getting too big for his single management, and, in the nick of time, turned for help to his only son. A natural thing for a prosperous tradesman to do; but it happened that the son had aspirations for a very different field of labour than the office in the Strand. The boyhood of this son, William Henry, had been uneventful, not to say dull. His mother's family, Cooper by name, were Wesleyans of the strictest type; his father, though he never actually joined the Wesleyan body, constantly attended their services and ruled his household according to their most serious model.

## MR. W. H. SMITH BEGINS WITH £200 A YEAR.

Neither this, nor the stern refusal of his father to send him to one of the universities, prevented young William from conceiving an ardent desire to enter Holy Orders in the Church of England. When he returned from school for the last time at the age of sixteen, he made known this desire to his father, who bluntly told him that if he persisted in it, he need not look for a shilling from him; whereas if he came into the office and attended to business, he might count upon being made a partner as soon as he was of age. Thereupon the young fellow gave proof of the common-sense which became a feature so conspicuous in his after life; he gave up his dream of the Church, attended chapel dutifully with his father and applied himself strenuously to business, receiving an allowance of £200 a year.

It was high time that a fresh hand should be set to the concern. It had prospered, but competition continued very keen, especially with Clayton's, the firm referred to as "K" in the following note from the elder Smith to his son, written in 1842.

I gave our opposition a little taste on Saturday. I got the Mng. Papers into Liverpool about 2 hours before the time of the 6 o'clk. arriving. I had lost ground a little there, but this has brought me right again. If our friend K intends to continue the opposition he has begun, he must turn out a little of his money.

There was as yet no failure of energy in the founder of the business, but age had not sweetened his temper.

Things go on pretty smoothly, (wrote young William to his sister). Father is of course a little testy, but generally manageable. He came down on Monday for half-an-hour, walked into the counting house, bowed to the people, then walked upstairs, had his leg dressed, and then got into the carriage, vowing "the place stunk—he couldn't breathe"—and he "would not come down again for some time—it was wretched—such a noise."

## RISING AT 4 O'CLOCK—IN THE STRAND AT 5.

The younger Smith's influence and character proved to be exactly what was wanted to keep things going smoothly in the Strand. The father's rule had been scrupulously just, but harsh; the son's was soon found to be not less just and

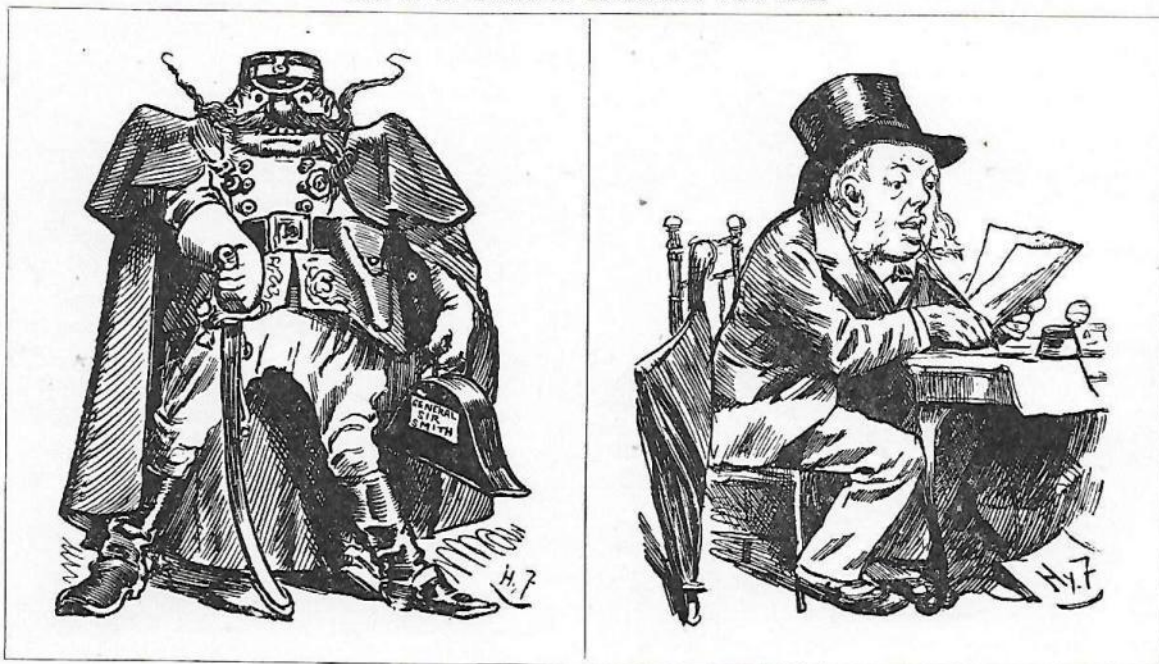
exacting, but gentle and considerate. At the time he entered the business, in 1842, the family no longer lived in the Strand, but had removed to a pretty suburban villa at Kilburn, standing in ample private grounds. Every week-day morning, summer and winter, for many years together, young Smith used to rise at 4 a.m., drink a cup of coffee and be at his post in the Strand by 5 a.m.

Ten years ago there were still people on the establishment who could remember and loved to relate with pride how he who was at that time Leader of the House of Commons was during the “forties” and “fifties” the central figure in the paper-sorting office, with coat off, shirt-sleeves rolled up, hands and arms black with ink off the wet sheets. They told also of his admirable ways with employees, and how the fuss and friction which was part of the old system completely disappeared after the younger Smith became a partner in 1846. The business was valued at this time at £80,500—a goodly growth from the seed sown some thirty years before in Duke Street, yet but an insignificant fraction of what it was destined to become. The new firm was registered under the title which it bears at this day—W. H. Smith and Son.

VALUE OF BUSINESS IN 1846—£80,500.

Old Mr. Smith continued for some years to visit the office, arriving in his brougham, when health permitted, about nine o'clock; but his temper became very trying, so that he was felt to be an ever-increasing hindrance to business, and recourse was had to many innocent expedients.

MR. W. H. SMITH AS SECRETARY FOR WAR.



FANCY GERMAN PORTRAIT OF “GENERAL SIR SMITH.”

THE REALITY—W. H. SMITH, ESQ., WAR OFFICE.

From drawings on wood, by Mr. Harry Furniss, and published by permission of the Proprietors of *Punch*, and of the Artist.

to prevent his coming into contact with customers. The junior partner had to encounter obstinate opposition from his father in launching the scheme he had devised for acquiring railway bookstalls. In early railway days, books and buns, literature and liquor, all of very dubious quality, were vended pell-mell at stalls on station platforms. Public attention having been called to the pernicious nature of much of the literature, railway directors responded by inviting tenders for the privilege of holding these stalls. Young Smith's business instinct grasped the opportunity; overcoming his father's objections, he bought up several of the stall-holders, and eventually obtained from the London and North-Western Railway Company a lease conveying for several years the exclusive right for the sale of books and newspapers on

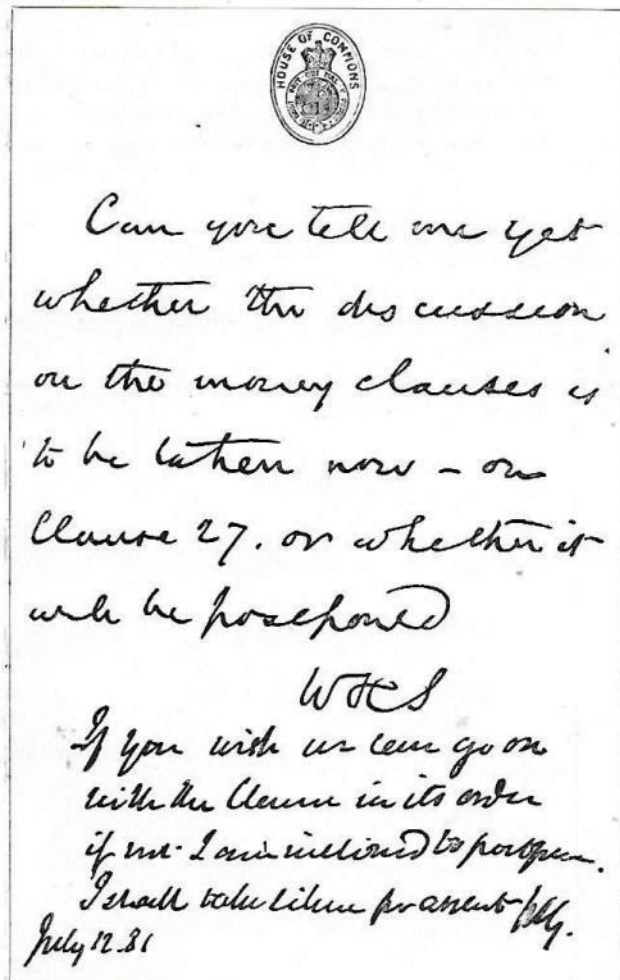
their system. The venture proved a prodigious success. In the year 1849 the bookstall business had grown to such a scale that it had to be organised as a separate department.

In 1851 the *Times* indicated Mr. W. H. Smith, junior, as the author of the great change visible in the character of the literary matter purveyed on the London and North-Western line. "A host of readers are springing up along the lines of rail, and imitators of the North-Western missionary will not long be wanting at every terminus in the kingdom."

The prophecy was fulfilled, but scarcely in the manner anticipated by the prophet of the *Times*. No imitators obtained a footing; the North-Western missionary acquired exclusive rights over one railway after another, until, by the year 1862 and as at the present day, W. H. Smith and Son had acquired the monopoly of the bookstalls on every English line of railway.

#### HOW THEY BECAME BOOKSTALL MONOPOLISTS.

It required some spirit and confidence to lay out capital as freely as was necessary to acquire vested interests. The annual rent paid before 1851 for a certain bookstall at a London terminus amounted to £600, and this had to be bought up at a high figure. But the new business required more than courage in investment; it required also much tact in administration, for it must be remembered that the railway bookstall trade had earned a very shady reputation in its early days. Respectable young men were shy of engaging in what was not looked upon at first as a legitimate branch of book-selling. "We'll raise it, Mr.—," was Smith's reply to a young fellow who raised this objection, "we'll raise it. I'm not at all sure that we may not make it as respectable as Paternoster Row." Smith's eye for a promising clerk was peculiarly quick; he never let a likely one pass him if he could help it, even if he had no post vacant for him at the moment. More delicate was the task of regulating the character of publications to be offered for sale. Among the archives of the firm are many letters such as one written in 1853 complaining that "such a vile book as Byron's *Don Juan* was allowed to pollute the stalls," and another in 1888 reproaching



NOTE FROM MR. W. H. SMITH TO MR. GLADSTONE,  
AND VICE VERSA.

Long discussion took place in Parliament at the time of the Irish Land Bill (1851). This note, during the debate, was flung across the table of the House by Mr. Smith to Mr. Gladstone, who returned it with the reply initialed.

Smith for permitting the sale of the *Sporting Times*. Still more recently one may recollect to have heard wails from certain novel writers, aye, and threats also, in consequence of the exclusion of their works. So difficult it must always prove to draw the line without unnecessary offence.

#### SOLE AGENTS FOR THE *TIMES*.

The founder of the firm was still alive and making a show of directing it, although the real management had passed into the hands of his son, when, in 1854, the flank of the rival Clayton was finally turned. On 21st June of that year W. H. Smith and Son were appointed sole distributing agents of the *Times* in the provincial towns and country. This

obliged every wholesale agent to come to Smith's for his supply, and was practically a charter of monopoly in agency for the greatest journal in the world. Its value was enormously enhanced by Bright's famous Act, passed in the same year, whereby the newspaper stamp duty was abolished; and further, by the outbreak of the Crimean War. The *Times* availed itself of the new telegraph system to send a special correspondent, Dr. W. H. Russell, to the seat of war; its circulation was increased immensely in consequence, with corresponding advantage to its sole agents.

The energy and ambition of young Smith, who was now nine-and-twenty, had added a third department to those of newspapers and bookstalls. Modern advertising had come into existence with the creation of railways, and railway directors, awakening to the value of their leagues of blank wall space, offered them for hire to enterprising traders. Fresh resistance had to be overcome on the part of the senior partner before young Smith could obtain the necessary capital for this new speculation; the old man pooh-poohed the idea; the bookstalls had been bad enough, but at least they paid a handsome profit; how could they ever expect a return on bill posting. But the young, strong will prevailed once more. In 1854 the new business had turned the corner; £7,100 was paid to railway companies that year in rent of wall-space alone, but a net profit of £130 appeared on balancing books—the first fruits of a long series of abundant harvests in years to come.

Just as the sole business of news-agency had come to outgrow the powers of the "newsman" of Duke Street, so, in turn, the expansion of the establishment in the Strand outran the capacity of one directing mind, and, in the same momentous year, 1854, young Smith began casting about for a new partner. His choice fell upon an old Tavistock schoolfellow, William Lethbridge, who, after inevitable objection raised by the elder Smith had been overcome, was admitted into the firm.\* In 1858 old Mr. Smith retired finally from business.

#### SMITHS' LIBRARY STARTED.

The extension of the railway system had stimulated many appetites and created others; among them was the desire for a more copious supply of literature on loan than the circulating libraries of provincial towns were able to distribute. Overtures were made about the year 1862 to W. H. Smith and Son to undertake lending books from their railway stalls. The partners hesitated about the heavy capital expenditure involved; but with Smith the younger it had always been a cardinal principle to meet every direct demand of the public for literature. Negotiations, therefore, were opened with Messrs. Mudie, with a view to the firm acting as their agents in provincial towns. These negotiations came to nothing. Smith felt that he must either test fortune once more or leave the thing alone. The result was the foundation of Smith and Sons' circulating library, which now contains upwards of 300,000 volumes. It has been profitable, but not in the same remarkable degree as the other branches of the business.

There remained yet another field of enterprise. Hitherto Smith had resolutely refused all temptation to become involved in the publishing trade. He desired to assist publishers, not to compete with them. But the conviction forced itself upon him and Lethbridge that the price of good novels was prohibitive to the bulk of railway travellers. Railway literature had been rendered respectable, but it was at the cost of becoming dull, and receipts from the bookstalls began to shew shrinkage. Evidently this was all wrong; a remedy must be found, and the conviction of this landed the partners in a new venture.

#### "RAILWAY NOVELS" STARTED.

First, the copyright of Lever's novels was acquired. Smith and Son undertook the purchase of paper, designs for covers, contracts for printing, etc. An arrangement was made with Messrs. Chapman and Hall whereby their name appeared as the publishers, and immediately the new yellow-backed novels were bought up as fast as they could be thrown off the press. The venture turned out a marvellous success; copyrights of many other authors were purchased, and tens of thousands of volumes, produced at a cost of 9d., were sold for 2s.

\* Mr. Wm. Lethbridge (formerly a schoolmaster) died in 1901, leaving a fortune of £374,524.—EDITOR.



Success like this soon brought rivals into the field, when Smith and Son felt that they had accomplished their mission in bringing cheap and good literature into everybody's hands. The firm, therefore, discontinued the printing and issue of novels, and in 1883 sold the copyrights they had acquired for £10,000. Such is a bare outline of the origin and development of the great house of W. H. Smith and Son, 186, Strand. Like every other successful undertaking, it has its detractors, who denounce it as a monopoly; but a careful examination of its records convinces one that, in so far as it has acquired a monopoly, that has arisen out of the force of circumstances in fair competition. The qualities of the elder and the younger Smith enabled them to overcome rivals in business; every living organisation must go forward or fall to the rear; there is no standing still. In the bookstall business, especially, it is abundantly clear that the position attained by this firm was reached, not by aggression or undue influence, but by offering liberal terms of purchase to struggling vendors who were working at a loss, or little better than a loss.

The younger Smith, in his progress from the counter to the Cabinet, retired from business in 1877, leaving in able hands the magnificent business which the diligence and enterprise of his father and himself had created.

#### 59 TONS OF STRING USED FOR PAPER PARCELS.

Few of those who have learned to rely on their newspapers being delivered as regularly as their breakfast rolls can have realised the scene of arduous industry that is transacted every week-day morning at 186, Strand. On the first four working days the labour begins at 3 a.m.; but on Fridays and Saturdays, when the weeklies have to be handled, the start is an hour earlier. In quick succession the scarlet carts arrive, drawn by serviceable horses in the very pink of condition, each bringing a load of "raw papers" from the different offices to be sorted in parcels for the country. The aggregate of material dealt with in the course of a normal year almost baffles computation. One item alone—the string used in binding parcels—may suggest some idea of the volume thereof. In 1892 the consumption of twine amounted to 9,264,410 yards, equal to 5,271 miles (100 miles a week), weighing 59 tons. Provision has to be made for sudden fluctuation in the amount of matter to be dealt with. Thus, in 1893, the average weight of newspapers despatched on a Tuesday morning was about 35 tons; but on Tuesday, 14th February in that year, the weight ran up to 44 tons, owing to Mr. Gladstone having introduced his second Home Rule Bill the night before.

The despatch of newspapers by post to private addresses is quite distinct from the parcels department. Fifty-six books of such addresses have to be revised daily, because, should a customer order the discontinuance of any journal, and were the address not immediately removed from the book, that journal would continue to be sent at the expense of the firm. One instance of such oversight occurred whereby the *Field* newspaper continued to be addressed to a customer in the country for twenty years after he had countermanded it.

#### NO WORK ON SUNDAYS.

The house retains much of the tradition imparted to it when its head was attached to Wesleyan doctrine and practice. The clock in the packing hall is still, as of yore, kept five minutes fast, a simple device to ensure punctuality, perhaps effective in days before the existence of railways and telegraphs. The rule still holds good that there shall be no work on Sundays. Only once in three-quarters of a century has this rule been suspended. In September, 1854, the list of killed and wounded at the battle of the Alma arrived in London late on Saturday night, and the staff were kept at work on Sunday distributing special supplements.

That this was not merely an instance of trading enterprise, but was done to relieve the suspense of many families, let the following incident be cited in proof. An order once came from a certain royal establishment for the supply of newspapers, among which

was the *Sunday Observer*; the order was complied with, except in respect to the *Observer*, an explanation being sent that it was against the rules of the firm to supply Sunday papers. Followed a visit from an indignant official, who pointed out that refusal to comply with a royal command in every particular must result in the whole order being cancelled. Mr. Smith expressed his regret that he could make no exception to the rule, and to this day readers of Sunday papers must employ other agents than Smith and Son.

The last characteristic of this firm whereof space will permit mention is that of work hours. It has been shewn that neither the elder nor the younger Smith spared themselves in length and weight of work; it was the part of the younger partner to lighten the labours of employees. When he joined the firm, Saturday half-holidays, which were then practically unknown in trading establishments, soon became a recognised



MESSRS. W. H. SMITH AND SON'S PREMISES IN THE STRAND.

From this building newspaper parcels are despatched every day to newsagents in every part of the Kingdom.

institution in the Strand; and, in addition, periodical excursions on the river were organised, recreation rooms were instituted, and a monthly parliament started for the discussion of questions affecting the working classes. It must be confessed that the last expedient was doomed to a brief existence. Perhaps debate in the Mother of Parliaments herself would languish were there no grievances to discuss and were "Supply" automatic.

*The two facsimile letters on pages 62 and 67 are published by permission of the Hon. W. F. D. Smith and of Messrs. Blackwood, publishers of the life of Mr. Smith.*