

# HALF A CENTURY OF OBSCURITY

## *THE AGE, 1908-1964*

by Sybil Nolan

### Introduction:

David Syme, a road-building contractor, bought a half-share of *The Age* newspaper in 1856. His brother, Ebenezer, was editor and co-owner of the Melbourne daily. When Ebenezer died prematurely in 1860, Syme became the major owner, and ran the newspaper until his own death in 1908. Sayers' biography of Syme (1965), which records this story, contains a striking photograph of an elderly gentleman seated at the roll-top desk from which Syme directed the business of *The Age* for many years. The desk is built from heavy timber, adorned with carved pillars, and crammed with papers and documents; its appearance suggests weightiness, gravitas. The man seated before it is posed in a serious manner, his right hand placed carefully on a sheath of papers on the blotter; incongruously, he beams with boyish delight.

The sitter is Oswald Syme, youngest son of David and grandfather of Ranald Macdonald (managing director of *The Age* from 1964 to 1983). If the desk to which his hand is extended is a reference to his famous father, then his broad, almost lunar, smile anticipates the characteristic enthusiasm of his grandson. In Australian journalism history, Oswald Syme is a transitional figure, linking the influential political broadsheet of the late nineteenth century to the elegant, modern journal *The Age* became in the 1970s.



Oswald Syme, younger son of David (b.1878) and first Chairman of Directors, David Syme and Co. Ltd., seated at his father's desk in The Age office

Oswald died in 1967, a few years after retiring as founding chairman of David Syme & Co Ltd, a position he took up in 1948. He was a self-effacing man, a successful farmer who came to the newspaper business

late in life, and who played a significant role in shepherding the *Age* business through grave financial and structural difficulties in the 1940s and 50s. Before Oswald, two other of David Syme's five sons had been involved in the day-to-day management of the paper. The eldest, Herbert, was general manager almost until his death in 1939 at the age of eighty. The fourth son, Geoffrey, was managing editor from 1908 until his death in 1942, and was knighted for his services to journalism the year before he died. The three brothers are largely forgotten public figures, although Geoffrey at least had a public profile during his lifetime. The fifty years or so between David Syme and Ranald Macdonald have become obscure: it is the purpose of this paper to shed some light on *The Age* during this middle period.

The word obscure is used here in both its senses: not well-known, but also seemingly insignificant. Journalists' accounts of *The Age* in these years generally suggest that the paper was second-rate, outdated in both its outlook and appearance. Walker (1982, p.293) described a newspaper which had fallen asleep in the embrace of the Liberal Party; 'querulous', 'doddering' and 'turgid' are some of the epithets applied by other journalists (Edwards 1972, p.26; Zwar 1980, p.68). It is inevitably criticised not only for its increasing conservatism, but for its failure to keep pace with innovations in layout and editorial technique so dramatically demonstrated in papers like the *Sun News-Pictorial* and the Melbourne *Herald*. A survey of the newspaper archives shows these criticisms are readily supportable. The journalistic view is also supported in Green's scholarly assessment of Australian newspapers from white settlement to 1950. He criticised the Australian press generally, and *The Age* and its long-time rival, *The Argus*, particularly, for their slowness to take 'unavoidable and obvious' steps to modernise their editorial formats in the first decades of the twentieth century (Green 1984a, p.912; Green 1984b, p.1469).

When much-needed modernisation finally occurred at *The Age* under Ranald Macdonald, the results were remarkably successful, even allowing for circulation growth attributable to the baby boom (Goot 1979). Journalists, so often the chroniclers of the media organisations which employ them, have written much about *The Age*'s success from the late 1960s to the mid-1980s, but have shown far less journalistic curiosity about the paper in the preceding half-century. The paper's references to its own history have shown this period in an unflattering light. A substantial centenary supplement published in 1954 paid little attention to the years between David Syme's death and the onset of World War II, but its scant coverage included an observation that circulation had suffered in the 1920s partly because of the paper's 'slow acceptance of new fashions in journalism, refusal to adopt adventitious aids to circulation, and a persistence in a belief that methods and policies long successful would still succeed...' (16 October 1954, Supplement, p.16). An editorial marking the paper's 125<sup>th</sup> birthday said that after David Syme, *The Age* had gone from a rumbustious pace-setter to one that settled for safe respectability and was reluctant to keep up with technological developments. *The Age* of 1979 was 'much closer' to the spirit of the Syme original than *The Age* of 1929, it opined (17 October 1979, p.13).

Without precise insight into events at the newspaper between 1908 and 1964, a researcher has little choice but to accept at face value *The Age*'s own mythology – the idea that there had been an early golden period and a late golden period, with a sort of bronze age of *The Age* in between. Yet if *The Age* was as poor during the middle period as some writers have claimed, how to explain the sources of its revival in the 1960s, and how to make an informed judgement about the achievements of the later period?

The author's Master's thesis began as research into the career of Graham Perkin, Macdonald's most successful editor. In order to analyse *The Age*'s revival under Perkin, it proved necessary to investigate the preceding eras. That research focussed on the commercial and editorial aspects of the paper's life in the middle period, since the financial fortunes and the editorial policies of a newspaper both influence its public identity. In business terms, it was necessary to understand why the paper was unable to flourish in those

years. In editorial terms, it was crucial to test the perception, *vide* Walker (1982), that *The Age* abandoned its habitual liveliness and independence in the process of becoming Sir Robert Menzies' favourite newspaper (*Nation* 6 June 1959, p.10; Lloyd 1995, p.114).

This paper, which focuses on the newspaper's struggle for commercial independence in the middle period, is based on Chapter Two of the thesis (2001). The author's main primary sources were the Syme Family Papers in the La Trobe Library (LaTL MS9751), various papers in the National Library's archives, and interviews with veteran journalists. There was also the evidence of the newspaper's pages.

### David Syme's legacy

Documents in the Syme Family Papers (LaTL MS9751, 1187/5) show that when David Syme died in 1908, he left a flourishing newspaper business, with working capital of more than 90,000 pounds and a circulation of 150,000. By the eve of World War II, circulation had ebbed away to just 96,000 and profitability had declined dramatically, a situation which took decades to reverse.

When Greg Taylor (2000) started as a cadet on *The Age* in 1949, he found its Victorian-era offices in Collins Street badly equipped and poorly furnished:

In the reporters' room there was just one typewriter, the lighting was poor, and of course there was no proper heating or cooling. There wasn't much furniture either, because the sub-editorial staff had used it to feed the fire during the war years when there were restrictions on kerosene for heating.

Terrible as conditions were, they were probably comparable to those of some other city dailies. Reporters on the Packer papers in the 1950s remembered conditions similarly bad (Barry 1993, p.68). But while the Packer papers were turning a healthy profit, *The Age* in the late 1940s was on the verge of financial extinction.

How had this happened? *The Age*, a relatively small, family-based business, suffered because of the Great Depression, when circulations and advertising revenue shrank. But even earlier, it was hurt by an upsurge of newspaper competition in Melbourne, which saw one of its traditional rivals emerge much strengthened. The Herald & Weekly Times, a public company which owned the evening *Herald*, was transformed by the appointment of a young editor, Keith Murdoch, in 1920. He set about renovating the *Herald*, the oldest paper in Melbourne, and soon acquired a brash stablemate for it, the *Sun News-Pictorial*, a morning tabloid launched by Hugh Denison in 1922. Murdoch not only made inroads into *The Age*'s circulation: he poached more able members of its staff, luring them over with better pay and conditions (NLA MS2823/11/6-8, p.66; LaTL MS12426, p.74).

The experience of *The Age* in this period was very similar to that of Melbourne's other morning broadsheet, *The Argus*: indeed it was symptomatic of the syndrome afflicting the Australian newspaper industry generally. During the early 1920s, the industry expanded but in the following years, many single titles and family-owned newspaper businesses went to the wall or were consolidated in larger holdings run by bigger businesses. Within a single decade, the number of metropolitan newspapers fell from 26 to 20, and the number of proprietors from 21 to 12 (Mayer 1968, p. 31).

In addition, *The Age* had its own peculiar set of problems. The paper, which was the Syme family's major asset, had been run into the ground partly because of the number of Symes it had to support, but more

significantly because David Syme's will (LaTL MS9751, 1193/2) placed a number of extremely restrictive conditions on his heirs. These conditions were apparently intended to safeguard the family's interests. Syme decreed that the *Age* business should remain in the possession of his widow Annabella and their five sons, by means of a trust to be known as the David Syme Trust. The will stipulated that the trustees could not sell the paper or divide its assets until all the couple's sons had died. In the meantime as members of the trust died, their heirs became beneficiaries. Thus by 1965, when just three members of the Fairfax family had effective control of the *Sydney Morning Herald* and its publishing empire, there were 19 beneficiaries of the David Syme Trust effectively sharing control of *The Age* (Souter 1981, p.413).

There were a number of other problematic clauses, including the stipulation that Geoffrey and Herbert would be employed to run *The Age*. This created two classes of Symes: those David had ordained should be involved in running the paper on a day-to-day basis and those who were excluded. The trust arrangements meant that in effect, the Syme family management team was dependent on the co-operation and goodwill of the family members who were not involved, some of whom knew nothing about the running of the paper and cared even less.

But worst of all was the stipulation that the profits generated by the *Age* business should be distributed to the beneficiaries of the trust. This meant that there was no formal allowance for profits to be ploughed back into the development of the newspaper. It also left the business short of cash reserves. According to legal advice provided to the trust in the 1940s (LaTL MS9751, 1187/4), Syme had envisaged that members of the trust would from time to time reinvest funds in the paper. It seems likely this occurred occasionally, for new presses were purchased three times during Geoffrey and Herbert's period of management, in 1922, 1926 and 1938 (Centenary Supplement, *The Age*, 16 October 1954, pp 16, 25). Nevertheless, Syme's will was written before the introduction of a modern income tax regime, and it could not foresee the significant increases in income tax World War II would bring. As the paper's profits recovered near the end of the war after years of extremely low returns, the prospect of paying tax on any income they reinvested in the newspaper must have seemed insupportable to some of the Syme family.

David Syme's will had two effects. On one hand, it meant that the paper could not be wholly or partly sold off during the difficult years of the 1930s, or even when Herbert and Geoffrey, the nominated second generation of Syme managers, died. While the Australian press grew more corporate and more concentrated, the empire of David Syme remained intact. By the late 1950s, as the idiosyncratic voices of *Smith's Weekly*, *Truth* and the *Bulletin* were muffled or finally extinguished by their sales to Fairfax or Packer, and as *The Argus* was sold off by its British owners and closed, *The Age* was able to boast of its continued independence.

But this independence had been achieved at a cost. In the 1920s, the management of profitable papers such as *The Sydney Morning Herald* and the *Herald & Weekly Times* titles built large new premises with fast electric presses (Souter 1981, p.131; Edwards 1972, p.25). In the 1930s, the directors of the troubled *Argus* floated their business as a public company in order to raise funds to modernise the paper, relaunching it with news on the front page (Usher 1999). The *Age* business struggled on as an undercapitalised, old-fashioned family firm until the late 1940s, when matters reached a crisis. The structural obstacles to change and development presented by David Syme's will were apparently compounded by Geoffrey's loyalty to his father's vision and his own lack of originality as a newspaperman, as well as resistance from some family members to his leadership in Trust matters.

Geoffrey's sense that his duty was to continue and preserve what his father had started is illustrated by the fact that from the time he moved into his father's office in 1908 until his own death 34 years later, he kept

this office as David Syme had furnished it. One of his daughters, Veronica Condon, related this in an unpublished memoir about her father which is in the Geoffrey Syme Papers in the National Library (NLA MS7104, 10 March 1992). The centrepiece of the office was the large roll-top desk already mentioned in this paper; there was also an engraving of the opening of Federal Parliament in Melbourne in 1901, which David Syme had attended as an official guest. When the rugs or drapes wore out they were replaced with something close to the original material; the walls were repainted in the original colours. The only concessions to modernity were a telephone and a two-bar heater.

Until the 1940s, Geoffrey Syme continued *The Age* much as his father had done, with advertisements on the front and following pages, and the leading article buried inside on page 4 or 6 or even 8, immediately followed by a longstanding column, 'News of the day'. The paper's typography and column-settings changed little, and photographs were used sparingly and poorly, often as single-column blocks. The only conspicuous concession the newspaper made to its modern opposition was the introduction of a brief index of news and editorials on the front page. Geoffrey Syme concentrated his energy and interest on political coverage, which had also been his father's abiding obsession (Sayers 1965). Green (1984a, p.907, p.912) thought that in the early years of Geoffrey's tenure, *The Age's* editorials were more substantial and better written than its rivals', but that by the mid-1920s, its leading position in the Victorian press had been overtaken by *The Argus*.

After Geoffrey's death in 1942, Oswald Syme became nominal proprietor. Oswald, then in his mid-sixties, had not worked at *The Age* since his youth, when he spent a brief period in the production and advertising departments before becoming manager of one of his father's rural properties (Sayers 1965, p.253). According to Sayers, he did not much like newspaper business. Yet like Geoffrey, he was loyal to his father and wanted the paper to stay in family hands. When the war ended, he commissioned advice about how to ensure the future of the company. By then *The Age* was desperately in need of new presses and new premises, and it was Oswald's job to enable their purchase.

The picture painted by the advisers in a report which is now part of the Syme Family Papers was shocking: in the period 1937 to 1941, the average net annual profit had been 1268 pounds, and some years the paper had made a loss. Although profits had increased dramatically after the war, the *Age* business was officially 35,000 pounds in the red, and it had no funds in reserve. The only reason it was solvent was that some profits due to the trust had been held back, and beneficiaries' earnings distributed from the trust's own healthy reserves (LaTL MS9751, 1187/5).

For the purposes of comparison, *The Age's* financial advisers estimated, the Argus & Australasian Ltd had working capital of 134,000 pounds and reserves of 14,000 pounds. Consolidated Press had working capital of 278,000 pounds and reserves of 230,000 pounds; and the Herald & Weekly Times had a staggering 835,000 pounds in working capital and 904,000 pounds in reserves (LaTL MS9751, 1187/5).

*The Age* desperately needed to raise more capital: 200,000 pounds to refurbish the building and 450,000 pounds to buy a new press. Because all the second-generation Symes except Oswald were now dead, the Trust was able to convince the Supreme Court to allow its business to be incorporated.

In June 1948, the public company David Syme & Co Ltd was established and 400,000 pounds raised through the sale of non-voting preference shares. The trust also sold two valuable buildings it owned, in order to contribute 200,000 pounds in cash to the float. In 1950, the company had another close shave with financial trouble and was forced to issue 400,000 ordinary shares in order to meet a large shortfall on the cost of the rebuilding (LaTL MS9751, 1187/5).

Incorporation had other advantages besides allowing capital-raising: it created a stable structure within which Syme family ownership could continue after the Trust was broken up on Oswald's death, and brought the firm into a taxation regime more favourable to reinvestment in the business. This financial restructure was a gamble on Oswald Syme's longevity. By 1950, the chairman was 73, and if he died before the company's future was secured in a way that would keep Syme family control intact, it was predictable that some of the third and fourth generation would seek to sell their interests in the paper. It was a gamble that paid off, since he did not retire until late 1964, when Macdonald, the son of his daughter Nancy, became managing director, and Colonel E.H.B Neill, Nancy's second husband, became chairman. As Dr James Darling reflected in the eulogy at Oswald's funeral in 1967 (*The Age* 5 October 1967, p.5):

He would not, I think have chosen to bear this burden, but because it was put upon him he accepted it...*The Age* was to him his charge and he did not die until its future was humanly speaking, secured.

Throughout the early post-war period, several interested publishers and investors hovered around the newspaper: the correspondence in the Syme Family Papers with these parties is substantial. Early in 1948, Warwick Fairfax, then chairman of John Fairfax & Sons, offered to buy *The Age* outright or to contribute the capital its ownership needed while taking control of its management (LaTL MS9751, 1180/6b). Under the latter alternative, Fairfax would have contributed 400,000 pounds required for new plant and buildings, and would have guaranteed the Syme Trust a return of 60,000 pounds a year (about 10 per cent of the trust's investment, a relatively high rate of return for newspapers). After elaborate negotiations, Oswald Syme and the other David Syme Trust members rejected Fairfax's offer (LaTL MS9751, 1180/6b).

Souter (1981, p.415) thought the refusal of a partnership probably resulted from Fairfax's insistence that it should have the right to nominate the paper's general manager, a role then occupied by Hugh Syme, one of Geoffrey and Oswald's nephews. To put it more bluntly, it appears that hardheads in the Syme family simply could not countenance ceding control of David's precious newspaper while the family still held a majority share in it. Oswald alluded to this obstacle in a letter to Warwick Fairfax written in December 1947, before the formal Fairfax offer was made. The letter also asked for firm guarantees about annual income.

On Oswald's copy of the letter, an annotation pencilled in his hand suggests the family also wanted continued control of editorial policy: 'Policy of contents... should be under control of the Editor who should be responsible to the Trust...' (LaTL MS9751 1180/6b). Yet, significantly, the Fairfax offer failed to ensure a role for *The Age*'s Editor, Harold Campbell, who was also a Syme Family trustee. Campbell had been a force for modernisation at *The Age*: he had clear ideas about how the paper needed to change, and it was under his editorship that the paper finally made the transition from advertisements to news on page one (*The Age*, 29 December 1941). The extent of his behind-the-scenes influence during the negotiations with Fairfax is suggested by the fact that when the Syme family finally settled on a public float, and appointed Oswald Syme the first chairman of David Syme & Co Ltd, Harold Campbell was made vice-chairman (LaTL MS9751, 1187/4).

The Syme family's refusal did not extinguish Warwick Fairfax's interest. As late as 1955, he wrote to Oswald, reminding him of their negotiations and asking Syme to keep Fairfax's interest in mind if any other offers were made. (LaTL MS975/1180/6(b)). He had good reason for concern, as other potential buyers included Sir Arthur Warner, who was a state government minister and a part-owner of the GTV television station in Melbourne (*Nation* 6 June 1959, pp.10-11), and W.S. Robinson, a world-famous financier who had begun his luminous career as a journalist under David Syme. By 1950, Robinson was ageing and

unwell, yet he repeatedly offered to buy *The Age* (LaTL MS9751, 1187/4, 1180/6d). 'Ossie' and W.S. had known each other since their youth and wrote to each other with affectionate courtesy. Nevertheless, in at least one of his bids, Robinson was acting for an unnamed third party. Given his close friendships among the Baillieu family, and their representation on the board of the Herald & Weekly Times, the mystery backer may have been the rival newspaper; alternatively, it may have been a Fleet Street interest, since much of Robinson's career had been spent in London (Robinson 1967).

The most interesting potential buyer, to present-day readers at any rate, was Rupert Murdoch. After the death of his father, Keith, in 1952, Murdoch had inherited control of his family's small media company, News Limited. In May or June 1959, Sir Arthur Warner sold most of the 30,000 shares he held in David Syme & Co Ltd to Murdoch (*Nation* 6 June 1959, p.10). On the last day of July, Harold Campbell died of heart attack. A week after hearing this news, Murdoch dispatched a letter to Oswald Syme indicating that a representative of News Limited would soon contact him seeking a meeting to put a proposition regarding David Syme & Co Ltd. (LaTL MS9751 1180/6e). It is unclear from the Syme Family Papers how Oswald responded, or whether the man from Murdoch got through *The Age's* front door, but history tells us that Murdoch's interest in *The Age* was unrewarded.

In many ways, the 1947 negotiations with Fairfax proved a dress rehearsal for the 1966 agreement which brought Fairfax into the ownership of *The Age*. The failed round of negotiations helped David Syme & Co Ltd to obtain better terms when its management was finally ready to make a deal. In 1947, Warwick Fairfax proposed a board composed of two representatives of Fairfax, two representatives of Syme, and a Syme chairman; a similar formula was adopted almost twenty years later. The main difference concerned ultimate control. In 1947, Fairfax insisted that in the event of a disagreement between the Syme and Fairfax directors the Fairfax view must prevail; in 1966, it was agreed the two would be equal partners in the decision-making for as long as Syme family members held ten per cent or more of the total shareholding. In this way, David Syme & Co Ltd was able to safeguard the paper's commercial independence, one of the aims explicitly stated in the 1966 deed of agreement (Souter 1981, pp.417-418), which set out to :

maintain the independence of the company, to sustain and foster the traditions of the late David Syme as developed and expanded by his heirs and in particular to maintain the influence of the Syme family in the affairs of the company as publisher of *The Age*, to maintain *The Age* as an independent newspaper of high quality and responsibility in competition with other newspapers circulating mainly in Victoria, to ensure the continued dissemination through *The Age* and other channels of news possessing a high degree of objectivity, and to enable the company to take advantage of the Associate's [Fairfax's] extensive experience in the publication of newspapers and allied activities.

The partnership would last, despite stresses and strains in the Fairfax-Syme relationship, until 1983.

## Conclusion

In the half-century between the eras of David Syme and Ranald Macdonald, *The Age* was buffeted by change. Commercially, these decades were years of adjustment in the Australian newspaper industry: during and after the 1920s, many small, undercapitalized newspapers were sold or closed. The metropolitan press became more corporate, and more concentrated. There was an emphasis on modernisation. In this climate, *The Age* struggled to survive, particularly under the structural constraints of

David Syme's will.

Nevertheless, the will had the effect of preventing *The Age* being sold to outsiders, and of forcing the Syme family to focus on restoring the paper's fortunes. In the 1940s, Oswald Syme, the youngest son of David, began a determined struggle to ensure its financial independence and the continuation of Syme control. His involvement in the paper's management occurred at the eleventh hour after other members of the Syme family had almost squandered David Syme's legacy, and it was an involvement that proceeded more slowly and more idiosyncratically than *The Age's* lawyers and accountants might have liked. With the slow deliberateness of a farmer, he sought to put *The Age* on a more secure, modern footing, at the same time gambling successfully that the Syme family's longevity would see him through until he could hand over the reins to Ranald Macdonald, his young grandson.

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