



Report of the Committee of Inquiry into Government Printing Establishments

*Presented to Parliament by the Financial Secretary to
the Treasury by Command of His Majesty
March, 1927*

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H.M. STATIONERY OFFICE PRESS, HARROW



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Cmd. 2828.

COMMITTEE OF INQUIRY INTO GOVERNMENT
PRINTING ESTABLISHMENTS.

Treasury Minute dated the 14th June, 1923.

My Lords read again Their letter of 26th August, 1919, authorising the establishment of a State Printing Works at Harrow on an experimental basis, the question of continuance to be considered after three years' experience of working.

The period of three years working will expire on 15th June, 1923.

The Chancellor of the Exchequer recommends to the Board that a Committee be appointed to consider the question of carrying out printing for State purposes in Government establishments, due regard being had to the experience already gained in that direction, and to report to what extent, if any, it is desirable that such Government establishments should be continued in the future, and as to the general conditions under which they should be maintained and the principle on which work should be allocated to them, and that the Committee be constituted as follows :—

Col. J. GRETTON, M.P. (*Chairman*).

Sir GEORGE ROWLAND BLADES, Bart., M.P.

Mr. A. J. BONWICK, M.P.

The Rt. Hon. C. W. BOWERMAN, M.P.

The Hon. E. C. HARMSWORTH, M.P.

Mr. W. A. JENKINS, M.P.

Sir HENRY BUNBURY, K.C.B. (*of the Post Office*).

*Mr. W. R. CODLING, C.V.O., C.B.E. (*of the Stationery Office*).

Mr. A. W. HURST (*of the Treasury*).

Mr. J. R. CHAMBERS, of the Treasury, will act as Secretary to the Committee.

My Lords approve.

[* The Lords Commissioners of H.M. Treasury decided subsequently that it would be more convenient that Mr. Codling should not serve on the Committee as a member but should attend as a witness to give evidence on behalf of the Stationery Office.]

NOTE.

The estimated gross cost of the preparation of the appended Report and the Minutes of Evidence (including the expenses of witnesses and Members of the Committee) is £1,340, of which £210 represents the estimated cost of printing and publishing this Report.

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REPORT.

TO THE LORDS COMMISSIONERS OF H.M. TREASURY.

MAY IT PLEASE YOUR LORDSHIPS.

INTRODUCTORY.

1. We beg leave to report that we have carefully considered the questions referred to us in Your Lordships' Minute of the 14th June, 1923.

2. We have held 75 meetings and have examined witnesses representing the Stationery Office (including the several printing works operated by that Department), the Foreign Office, the India Office, the Admiralty, the War Office (including evidence on behalf of the Ordnance Committee Press, the School of Military Engineering, Chatham, and other military presses), the Air Ministry, the Inland Revenue, the Victoria and Albert Museum, the British Museum, the Natural History Museum, the Post Office Savings Bank, the Ordnance Survey Department, the Federation of Master Printers of Great Britain, Messrs. McCorquodale & Co., Ltd., Messrs. Hazell, Watson & Viney, Ltd., Messrs. James Truscott & Sons, Messrs. Harrison & Sons, Ltd., Messrs. Wyman & Sons, Ltd.

3. We have visited the Government printing works at Harrow and at Hare Street, Bethnal Green, the Foreign Office Press, the India Office Press, the Admiralty Chart Factory, the War Office Press, the Meteorological Office Press, the Inland Revenue Press, the British Museum Press, the Victoria and Albert Museum Press, the Natural History Museum Press, the Post Office Savings Bank Press, and the Ordnance Survey Press. A Sub-Committee was set up to enquire into the costing and accounting systems in force at the various State Works. Their findings were adopted by the main Committee and are appended to our Report.

4. The subject of our enquiry falls into three principal sections, viz. :—

- (i) General printing,
- (ii) Stamps and security work,
- (iii) Map and chart printing,

and these are dealt with separately in our Report.

5. During the course of the enquiry, our attention was drawn by the Chancellor of the Exchequer to disclosures made in the

Law Courts of arrangements entered into by certain contractors in connection with Government stamp-printing contracts, and we were requested "to elicit such further details of the case mentioned as possible, and also to look closely into the circumstances in which the present contracts for printing stamps and Treasury notes were placed, with a view to ascertaining how far the present prices can be considered really competitive . . ." The Chancellor added that "the Government will be glad of any assistance that the Committee can give them as to how we should circumvent in future any arrangements of this kind in connection with Government printing contracts." We have considered the evidence placed before the Courts in the case to which our attention was drawn, and have examined certain witnesses in connection therewith, and our views and recommendations on this separate issue are incorporated in our Report.

CHAPTER I.

(i) The Growth of State Printing Requirements.

6. The Stationery Office was established in the year 1786 as a direct result of Burke's Act for Economical Reform (1782). Prior to that date the chief Government Departments obtained their stationery and printed matter from holders of patents granted by the Crown, and complaints of inferior quality and high prices had been frequent. As a result of these complaints the Treasury gave its consideration in 1785 to a scheme for organising and conducting a Government Stationery Office. The scheme was adopted, such Offices as were not served under the existing patents being supplied under the new arrangement as from 1786, and it was provided that, as existing patents expired, the Departments served by them should automatically obtain their supplies from the newly established Stationery Office.

7. A code of Regulations for the guidance of the Stationery Office was issued by the Treasury in 1787. The stationery, etc., then supplied was to the value of some £17,000 per annum, the number of Departments coming wholly or partially under the new arrangement being eleven. It was provided in these Regulations that every article should, when possible, be purchased from the actual maker and at the usual credit given to wholesale stationers.

8. The salaries and working expenses of the Stationery Office were for some time defrayed by a levy on the various Departments in proportion to the value of the material supplied, the proportion of the levy to the value of the supplies being in 1789 as high as 37 per cent. This had been reduced to less than 15 per cent. by 1797. To defray the initial cost of purchase, imprests were obtained from the Departments supplied.

9. From the commencement the Treasury exercised close control over the Stationery Office and frequently issued Minutes directing methods of purchase, etc. In 1800, when the last of the important patents (namely, that which had been granted in 1720 for the supply of material to the Secretary at War, Treasurer of the Navy, Stamp Office and other minor Departments) expired, a set of new Regulations was issued, instituting an improved method of keeping the accounts and also directing that all stationery requirements were to be procured from the manufacturers at wholesale prices.

10. A further Treasury Minute, issued in 1807, directed that there should be public and open competition invited by advertisement for the supply of paper, parchment, pens and sealing wax, and that the lowest tender in all cases should be accepted. This was further extended by a Treasury Regulation issued in 1812, which applied the rule to cover all descriptions of stationery. It was not until 1817 that a Treasury Minute directing that printing and bookbinding work should be put up to public contract was issued, and, following on the first tenders, the printing requirements were executed at 40 per cent. and the binding at 20 per cent. less than the former prices paid.

11. In 1823 some further Regulations were issued by the Treasury. By that time the work of the Stationery Office had very considerably increased, and the methods of accounting, owing to the system of charging up to each Department the purchase price of every article supplied, had become very involved. The new Regulations provided, *inter alia*, that the funds for purchasing departmental supplies should be made the subject of an annual Vote to be submitted to Parliament. In the following year (1824) the first Vote for Stationery and Printing was taken; it amounted to £59,760; the Vote taken for 1925/26 amounted to £1,563,809. The establishment of the Stationery Office in 1824 numbered 44; it now numbers 1,718.

12. For the purpose of providing for the printing requirements of the Public Service the Departments were divided into four classes, as follows:—

(1) The Excise.

(2) Customs.

Post Office.

Ordnance.

Stamp Office.

Navy Office (Stock Forms).

Victualling Office, and

National Debt Office.

(3) The Tax Office.

(4) The Treasury.

War Office.

Navy Pay Office.

Navy Office (part).

Army Pay Office and other Offices not included in the three former classes.

It was laid down that these classes should be put up for contract, to be entered into for a period of three years certain; that no person would be allowed to tender unless he had been engaged in business on his own account as a master printer for at least twelve months prior to putting forward his tender, and that the lowest tender for each class was to be accepted. It was also stipulated that all printing was to be executed upon the cheapest possible quality of paper.

13. The next development arose from the decision of the Government to take over certain services of a national character which, at the time, were carried out by contractors. Thus, in 1838, following the recommendations of the Committee on Revenue Enquiry, who expressed their disapproval of the Money Order business (which was set up in 1792) being any longer carried on by private persons for their own profit, the Money Order business was taken over by the State. In 1840, the introduction of the Penny Post made a further addition to the printing requirements of the Government. This involved the establishment of the system of pre-payment by means of adhesive stamps in place of the costly and unsatisfactory arrangement previously in use, which entailed the collection of postal charges from the addressee. It was not entirely novel, since, as far back as 1802, the duty on patent medicines had been collected in a like manner, by the affixing of stamps, produced at Somerset House.

14. The control of the manufacture of stamps, both postage and fiscal, was vested in the Commissioners of Stamps whose powers were merged subsequently in those of the Commissioners of Inland Revenue, and their production and also that of stamped stationery, which made its first appearance in this country in 1841, has been entrusted throughout to contractors, with the exception of a comparatively small quantity of work executed by the Inland Revenue Press at Somerset House. Prior to 1879, the system of public competition had not been used in this class of printing. In 1878 the attention of the Commissioners of Inland Revenue was called to the inferiority of stamps then in use, and the Commissioners decided to invite tenders from leading firms in the trade. Since 1879 the system of competitive tendering for this class of work has continued.

15. Further substantial additions to the printing requirements of the State were caused by the founding of the Post Office Savings Bank in 1861, the Telegraph Acts of 1868 and 1869, conferring upon the Postmaster-General the power to acquire and work all electric telegraphs in the United Kingdom (powers which were extended to the operation by the Government of the Telephone system some ten years later) and the introduction of Postal Orders in 1881.

16. As time went on, it was found that the principle of open competition by advertisement for the printing requirements of the Public Service, with the compulsory acceptance of the lowest tender, led to certain inconveniences, and the system of extensive competition by invitation was substituted, only those contractors being invited to tender whose capabilities were well known. This plan was sanctioned by the Treasury in 1860. The alternative systems were discussed before the House of Commons Committee on Government Purchases in 1873-4, and it was subsequently decided that the more important contracts for printing, binding,

etc., for terms of one year and upwards should be advertised without any obligation as to acceptance of the lowest tender, and that the less important should be decided by a more limited competition under special invitation.

17. It has been the practice of the Stationery Office almost from its establishment to divide the contracts between bookwork and jobwork, bookwork being the printing of books, pamphlets, etc., and jobwork the more miscellaneous printing of forms, notices, etc. Bookwork printing has throughout been the subject of separate contracts, and the same system applied to jobwork until the year 1855, when the jobwork printing was divided between several firms, working under verbal agreements only, at a common rate of payment based on that which had been allowed under the previous general contract. This practice continued until 1875, during which year all the forms in use in the various Departments were revised by the Stationery Office, with the co-operation of the Departments concerned. After the elimination of expensive forms of type and reductions in size, the revised matter was divided into groups which were submitted to competition between printing houses, the contracts being placed with the lowest tenderers.

18. Until 1886 printing for the Houses of Parliament was not done through the Stationery Office although the bills for payment had been examined by officers of the Department from the year 1882, but in that year a resolution was passed in both Houses condemning as inexpedient the employment of a separate printer for each House working independently of, and without reference to, other Government contracts, and directing that the practice should be discontinued at the first convenient opportunity. Arrangements were made accordingly for closing all the important Government bookwork printing contracts, with the exception of that for Bills and Acts, at the close of that year. The work was then divided into groups including, without distinction, printing for Parliament and for the various Departments, and tenders were invited by public advertisement. Considerable savings were effected as a result of this amalgamation.

19. On and from the same year (1886) it was arranged that the paper required under all the various printing contracts would in future be supplied by the Stationery Office and not, as heretofore, by the printing contractors.

20. From 1886 to the period of the late War the only modifications of moment in the contract methods followed by the Stationery Office arose from steps which were taken in 1896 (in accordance with the findings of the Departmental Committee on Stationery Office Contracts) with a view to dividing the printing work amongst a greater number of contractors and to give provincial contractors opportunities of competing on equal terms with the London printing houses. To effect this, the work was

broken up into smaller groups, in order that the work under any contract might be within the capacity of any printer of standing. It was on the occasion of this revision that the Fair Wages Resolution of the House of Commons in 1891, which in previous contracts had been printed on the face of the contract with only a note drawing attention to it, was made a specific condition of the enjoyment of the contract.

21. Very substantial additions to the State's expenditure on printing were caused by the social legislation of the first two decades of the present century, such as Old Age Pensions, Health and Unemployment Insurance, which required the issue of vast quantities of literature, cards and stamps.

22. The outbreak of the War in August, 1914, occasioned a great increase in the volume of work falling on the Stationery Office. In addition to the enlarged scope of the existing Ministries the requirements of entirely new services, *e.g.*, the Ministry of Food, the Ministry of Munitions, had to be met. The increase in the volume of the work of the department during the war period may be gauged in a measure by the following comparison of demands received :—

Year 1913-14	..	..	..	157,059
Year 1918-19	..	..	..	715,296

These figures, however, do not give a complete picture, since during the war period the demands contained many more individual items, and the quantities of these individual items were greatly increased as compared with the pre-war period.

23. The issue of Treasury Currency Notes, for the manufacture of which the Inland Revenue Department was made responsible, was taken in hand during the first week of the War. These Notes have been printed from the commencement in the works of private firms; from time to time reductions in the prices paid for their production have been negotiated with the contractors. The issue of War Savings Certificates (now known as National Savings Certificates) led to additional printing.

24. With the exception of stamp and security printing, the cost of which is borne by the Post Office and the Inland Revenue respectively, the main State expenditure on printing appears annually in the Stationery Office Vote, which, with the gradual extension of the number of Departments served by the Stationery Office, and of their requirements, has increased as follows :—

1824-25	£	59,760
1850-51	..	..	..	..	260,877
1874-75	..	..	..	..	436,380
1900-01	..	..	..	..	600,060
1913-14	..	..	..	..	1,077,708
1919-20	..	..	..	..	5,280,442
1920-21	..	..	..	..	4,974,954
1921-22	..	..	..	..	4,187,444

25. The work of the Stationery Office and the Government printing works established during the War came under the review of a Committee on National Expenditure in 1922-23. The Committee stated in their Report that the increase in the Stationery Office Vote over pre-war expenditure represented far more than the rise of prices and the normal growth of Departments during the intervening period; new Departments had been created mainly in connection with social legislation whose requirements were "from the nature of their functions and organisation much heavier than those of the older Departments"; the partial substitution of State printing for contract work was effected by the establishment by the Stationery Office of its own printing works, "though, unlike a commercial firm, its business is to restrict output within the smallest possible compass"; new items of expenditure had arisen, *e.g.*, printing under the Representation of the People Act, 1918 (estimated to cost £500,000 in 1922-23); and there had also been a large increase in the volume of Parliamentary records consequent on the extension of the Committee system in Parliament.

26. The Committee on National Expenditure were of opinion that economies in the various Departments, as recommended in their Reports, would effect a reduction of £150,000 in the Vote for Printing and Stationery for 1922-23. Actually, it was found possible to reduce the estimate by £220,000. The Committee also suggested a modification of the procedure under the Representation of the People Act, 1918, which, in their opinion, would, whilst retaining the principle of a half-yearly register, lead to a saving in expenditure on printing of some £85,000. This recommendation was duly considered but was then not adopted by the Government.†

27. From 1922-23 onwards the Vote for Stationery and Printing has been as follows :—

					£
1922-23	..	..	..	..	2,677,682
1923-24	..	..	..	..	1,645,159
1924-25	..	..	..	..	1,493,681
1925-26	..	..	..	..	1,563,809

28. A detailed estimate (under the Subheads of the Stationery Office Vote) of the amount required during the year 1925-26 to defray the costs of providing stationery, printing, paper, binding and printed books for the Public Service and for sundry miscellaneous services, including Reports of Parliamentary Debates, is given in Appendix I. The total provision under Subheads E to H of the Vote for 1925-26, which cover the costs of paper,

† The Economy Act, 1926, has since substituted an annual register for the half-yearly register.

printing, binding, books and maps, for each of the principal services for which the Stationery Office is responsible, was as follows :—

Service.	1925-26.				Total.
	Subhead E. Paper.	Subhead F. Printing.	Subhead G. Binding, etc.	Subhead H. Books and Maps.	
	£	£	£	£	£
Parliamentary Publications ..	7,000	73,000	1,800	—	81,800
Non - Parliamentary Publications ..	24,000	144,600	10,000	—	178,600
Voters' Lists, Representation of the People Act ..	5,000	309,000	—	—	314,000
Public Departments	434,000	551,400	93,200	65,000	1,143,600
	470,000	1,078,000	105,000	65,000	1,718,000*

* The amounts included in these totals in respect of services executed by the Stationery Office on a repayment basis were estimated as follows :—

Parliamentary Publications	£	3,500
Non-Parliamentary Publications	£	9,000
Voters' Lists, Representation of the People Act ..	£	160,000
Public Departments	£	152,000
		£324,500

29. As will be seen from the above table, the provision for printing in the Stationery Office Vote for 1925-26 was £1,078,000. This figure includes, however, £309,000 for the Voters' Lists and excluding this amount the total estimated expenditure is £769,000. The corresponding figure for 1913-14, after allowing for expenditure on Irish services, was £470,000. The increase over the pre-war figure is 64 per cent. Having regard to the great increase in wages which has taken place in the printing trade in the period, roughly 120 per cent., and to the considerable extension of Government activities, the increase shown is unexpectedly small.

30. A review of Government printing would be incomplete without reference to the alternative methods of production by duplicating; but for the adoption of these methods by the Stationery Office during recent years the State's printing bill would be of larger proportions than is the case at present.

(ii) Summary of Present State Printing Requirements.

31. The sum of £1,078,000 allocated to Subhead F, Printing, includes the estimated cost (£31,000) of the production of charts (dealt with in Chapter VII of our Report) ; excluding this item, the net sum estimated to be expended by the Stationery Office in 1925-26 on general printing was, therefore, £1,047,000. (In addition to this sum, an expenditure of approximately £28,000 per annum is incurred on general printing by minor Departmental presses, some £13,500 is spent by the Stationery Office on an agency service basis and miscellaneous items account for a further £33,000.)

32. The cost of producing stamps, Currency Notes and other forms of security printing is borne on the Votes of the Post Office (approximately £80,000 per annum) and the Inland Revenue Department (about £167,000 per annum). An analysis of this expenditure is given below, showing the nature and approximate annual cost of the State printing at the present time, with the exception of maps and charts which are dealt with in Chapter VII of our Report. We are informed that exclusive of the cost of paper and the cost of compilation which covers editorial expenses, the cost is approximately £1,368,500 per annum ; the chief items included in this expenditure are as follows :—

(a) <i>General Printing</i> :—	£	£
(1) <i>Stationery Office.</i> (An analysis of the approximate net expenditure Department by Department of the Public Service is given in Appendix I)	1,047,000	
Work executed on an agency service basis	13,500	
	1,060,500	
(2) <i>War Office.</i>		
(i) Ordnance Committee Press, Woolwich ..	4,000	
(ii) Instructional Press (R.E.), Chatham ..	5,500	
(iii) Miscellaneous Military Presses	1,000	
	10,500	
(3) <i>Admiralty.</i> Ship and Station Presses ..		1,500
(4) <i>Post Office Savings Bank Press</i>		16,000
(5) <i>Museums and Galleries.</i> (Catalogues, Picture Postcards, etc.)		20,000
(6) <i>Board of Trade.</i>		
(i) Bankruptcy Department (Local Printing of forms)	11,000	
(ii) Companies (orders for winding-up) ..	2,000	
	13,000	

(b) Stamps and Security Printing :—

	£	£
(7) <i>Post Office.</i>		
(i) Stamps and stamped stationery	67,000	
(ii) Postal Orders	5,100	
(iii) Postal Drafts	500	
(iv) Old Age Pension Orders	6,100	
(v) National Savings Certificates	1,300	
	80,000	
(8) <i>Inland Revenue.</i>		
(i) Currency Notes	145,000	
(ii) Stamps (including printed and embossed stamps on material lodged by the public)	16,500	
(iii) Fiscal stamps, licences, etc.	5,500	
	167,000	

(iii) A Review of the Conditions under which State Printing Contracts are Placed.

33. As stated in the preceding section of this chapter, a certain expenditure is incurred on general printing by Departments not included in the Stationery Office Vote; this Vote does not show the cost of the output of the smaller Departmental presses, and the work executed by the Stationery Office on an agency service basis (*e.g.*, Annual Report of the Road Fund) and items of comparatively minor importance such as the production of picture postcards for sale in the various Museums, etc. These classes of work are dealt with separately in subsequent chapters and we confine ourselves in this section of our Report to a brief survey of the general printing contracts, the cost of which falls upon the Stationery Office Vote.

34. As a general rule, the paper required for general printing is supplied to contractors by the Stationery Office as the result of tenders accepted, after competition, from mills in the United Kingdom. (The Savings Bank Press, which is not under Stationery Office management, provides an exception to this rule; the paper requirements of this Press are obtained, in the main, direct from the paper makers, without the intervention of the Stationery Office.) The supplies come from 141 mills, 100 of which are in England, 37 in Scotland, and 4 in Ireland, and purchases to the extent of £472,000 were made in 1924–25. The quality of the paper is determined by an expert staff of chemists, examiners of paper, employed by the Stationery Office, and, in allocating the paper to a particular job, steps are taken to provide the cheapest kind of paper suitable for the purpose for which it is required. This is the universal practice of the Stationery Office and applies equally to contractors and to the Government Works. The value of the paper used for printing is not included in the Trading Accounts, but appears as a separate charge in the

Stationery Office Accounts. The paper is issued from the Stationery Office stores to the Government works, or to the contractors, in the quantity and of the quality required for the work in hand.

35. The work chargeable to the Printing Subhead of the Stationery Office Vote may be divided into the following categories :—

- (a) Letterpress Printing, Bookwork—The production of books and pamphlets ;
- (b) Letterpress Printing, Jobwork—Forms, letterheading, etc.
- (c) Lithographic Printing ;
- (d) Photoprinting—The production of plans, etc., by photographic processes ;
- (e) Process Engraving ;
- (f) Type-lithography ;
- (g) Other classes.

36. Included in this Subhead is also the expenditure on upkeep of machinery, consumable stores and wages at the Stationery Office Printing Works. We are informed that the procedure followed by the Stationery Office is as follows :—

(a) *Letterpress Printing, Bookwork.*—In England the work for the Public Service is provided for under 100 contracts, in Scotland 21, and in Wales 1. These contracts, which include the contracts executed by the Stationery Office Printing Works, are designed, as far as possible, to provide for all the known classes of work, due advantage being taken of any opportunity for economy presented by work of a recurrent character.

(b) *Letterpress Printing, Jobwork.*—This work is generally the subject of running contracts, there now being 105 contracts in England, 18 in Scotland, and 3 in Wales. Special provision is made for work of a recurrent nature, and every opportunity is usually offered for provincial competition wherever possible.

(c) *Lithographic Printing.*—This work is provided for under running contracts, of which there are 9 for England and 1 for Scotland. The English contracts are specialised as far as possible, separate provision being made for work for the Patent Office and the Meteorological Office, Air Ministry and confidential work for the Admiralty, Foreign Office and War Office.

(d) *Photoprinting.*—Photoprinting for the Public Service is executed under a series of running contracts, five in all.

(e) *Process Engraving.*—The preparation of half-tones and line blocks is provided for in two separate contracts.

(f) *Type-lithography.*—This class of work is covered by four contracts, two of which provide for bills of quantities, etc., and two for miscellaneous work.

(g) *Other Classes.*—In addition to the foregoing classes of work, there is a quantity of local printing, of a letterpress character, required throughout the country. This work is provided for by local contracts, placed after open competition amongst suitable printers. There are of this class, the Voters' Lists, five contracts for the production of Customs Bills of Entry, 29 for Prison Calendars, 21 for printing for Army Commands, and one for the Royal Air Force.

37. Supplies of printing of an exceptional character or magnitude are excluded from the running contracts, and are put up to tender independently.

38. *Parliamentary Printing.*—As already indicated, printing for the Houses of Parliament is produced normally under the same contracts as the printing for Public Departments. In addition to these general contracts, there are special contracts for work peculiar to the two Houses. From 1907 onwards, the Controller of the Stationery Office has been appointed by the Speaker printer of the Votes and Proceedings and of the Journals of the House of Commons. This is in accordance with a recommendation of the Select Committee on Official Publications (1906). This work, together with the production of the Minutes and Journals of the House of Lords, is executed by various firms under running contracts.

39. Both House of Parliament employ their own reporting staffs: the printing of the Debate Reports in both cases is done at the Hare Street Works under the direct control of the Stationery Office. The official report of each day's Debates in the House of Commons is issued and delivered by the first post on the following morning to those Members of the House of Commons who intimate to the Vote Office their wish to receive them. To enable this to be done, the reports of the Debates in the House of Lords are now issued separately from those in the House of Commons. No proofs of the Daily Reports are sent; but any correction which Peers or Members desire to have made in the report of their speeches for the Bound Volume edition may be indicated in their copies of the Daily Reports. In the case of the House of Commons, the copies containing the corrections must be received in the Debates Room not later than the fourth day after the date of the Daily Report in order to be printed; while in the case of the House of Lords, fourteen days are allowed for this purpose.

40. These arrangements, as regards the House of Commons, were based on the recommendations of a Select Committee which sat in 1907 and came into force at the commencement of the Session of 1909. The Reports of Debates in Standing Committees of the House of Commons were first ordered to be printed and circulated at the commencement of the Session of 1919.

41. Printing under the Representation of the People Act is carried out principally under local contracts placed as a result of

open competition. These contracts fall into two main divisions : (1) Lists and Registers of Electors, (2) Absent Voters' Lists. Ballot Papers, the contracts for which were formerly arranged by the Stationery Office, are now printed under local arrangements made by the Returning Officers. One-half of the total cost is repaid by Local Authorities. There are 982 contracts for this work in England and Wales and Scotland, and 42 in Northern Ireland.

42. *Contracts Offered for Tender.*—It will be convenient at this stage to outline the procedure for the execution of the non-confidential State printing. It is the practice of the Stationery Office to invite tenders from firms on the appropriate list. At the present time these lists together include about 300 firms, with regard to whom satisfactory information as to their financial and business status has been forthcoming. The Stationery Office printing contracts are also advertised in the press, and any printing firm, therefore, has an opportunity to compete. Firms proposing to tender are allowed to call at the Stationery Office and to inspect specimens of the work required. They are also furnished with information with regard to the nature and quantity of the work to be included in the contract. With a view to securing fair wages, each contract includes a clause requiring the contractor to conform to the Fair Wages Resolution of the House of Commons (*vide* paragraph XIX of the specimen bookwork contract in Appendix II.) The Stationery Office deals with any complaints made to them with regard to evasion of this clause.

43. The prices paid under the general bookwork and jobwork contracts are fixed in accordance with the following system, which dates in its present form from 1897. Affixed to the form of contracts (a specimen of which is given in Appendix II) is a schedule of "upset" prices which represent as nearly as can be estimated by the Stationery Office the unit cost of producing each integral portion of the work on the date the tenders are issued. The Schedule (*see* Appendix II) is divided into several parts, Scale I giving the prices for composition and reading, the supply of proofs not exceeding twelve copies of one set and all operations antecedent to going to press not otherwise provided for, Scale II dealing with the presswork, and Scale III covering miscellaneous operations such as cutting up, folding, gathering, stitching, trimming, etc.

44. Upon these "upset" prices given in the Schedule, which may be regarded as par value, the contractor tenders at a premium or a discount according to the price at which he is prepared to do the work, and as each operation is set out in detail, the element of speculation is eliminated as far as possible and the tenderer can form his estimate with accuracy. The "upset" prices, with the plus or minus percentage, as the case may be, form the basis of payment under the contract.

45. We have ascertained that in practice tenders are invited for the execution of printing for the State either—

- (i), in London,
- or (ii), in places outside London,
- or (iii), anywhere.

When a "London contract" is specified, this is done, usually at the request of the Government Department placing the order, on the grounds that there are special reasons of urgency, etc., which require the work to be carried out near at hand.

46. While there appears to be active competition for jobwork contracts, especially when they are open to country as well as London contractors, this does not prevail to the same extent in the case of bookwork contracts, which, moreover, are usually limited to London firms. We find that for these contracts invitations to tender are usually sent out to selected printing firms in accordance with the circulation list given below. In practice the number of firms actively competing appears to be small.

London.	Country.	Total Number of Firms Invited.	List.	Work.
31	22	53	A	Printing only.
13	12	25	B	Printing and ruling only.
26	16	42	C	All operations (<i>i.e.</i> , work requiring perforating, numbering, folding, stitching, etc.).
33	29	62	D	Composition in large quantities.
15	9	24	E	Rotary.
15	—	15	F	Copperplate.
28	24	52	G	Lithography.
14	—	14	H	Photogravure.
28	21	49	K	High-class colour work.
9	—	9	L	Collotype.
14	—	14	M	Foreign languages.
4	3	7	N	Tag labels (washed).
5	—	5	O	Ticket printing in rolls.
17	—	17	P	Slotting and tabbing.
17	—	17	R	Die stamping.
22	12	34	S	Litho posters.
23	20	43	S	Letterpress posters.
12	—	12	T	Photo printing.
12	—	12	U	Neck labels.

47. During the three years ended March, 1925, 2,893 printing contracts of all descriptions were put out to tender by the Stationery Office; in the case of two contracts no tenders were

received, and in one instance no award was made. The result of the tendering was as follows :—

	London Firms.	Provincial Firms.	Total.
Number of tenders received ..	9,295 (65%)	5,055 (35%)	14,350
Lowest tenders received	1,956 (68%)	935 (32%)	2,891
Contracts awarded	1,996 (69%)	894 (31%)	2,890

48. The distribution of the invitations to tender as between London and Provincial firms was as follows :—

	<i>No. of Contracts.</i>
(i) To London firms exclusively ..	1,314
(ii) To Provincial firms exclusively ..	91
(iii) To both London and Provincial firms	1,488
	} 2,893

49. As regards this last group, the allocation of the contracts was as follows :—

	1922-23.	1923-24.	1924-25.	Total.
To London firms ..	152 (36%)	259 (49%)	274 (51%)	685 (46%)
To Provincial firms ..	267 (64%)	274 (51%)	262 (49%)	803 (54%)

The foregoing facts are set out in more detail in Appendix III which shows the allocation of the 2,893 contracts as between the various classes of work (*e.g.*, Bookwork Contracts, Jobwork Contracts, etc.) for which tenders were invited.

50. In the case of running contracts the paper is delivered free of expense at the contractor's works if situated within a radius of five miles from Charing Cross; if the works are situated outside that area, the paper is delivered free on rail within a five miles radius. In the case of special estimates (*i.e.*, printing of a special character or magnitude, which is put up to tender independently) the paper is delivered free to the contractor's works wherever situated, and the cost of carriage is taken into consideration by the Stationery Office when adjudicating upon the tenders. We found 13 cases where the lowest tenders (a Provincial one in each case) were not accepted by reason of the additional cost of carriage of paper which would have to be paid by the Stationery Office as against the cost of delivery to the London works. The sum totals of these estimates were :—

Provincial firms	£1,128
London firms	£1,208

There was a difference in freight charges in the case of these 13 contracts of £118, which turned the scale in favour of the London tenders.

51. Contracts run for a period specified in each case and on termination are again submitted for competition. The normal period is five years, with variations in exceptional cases, subject to six calendar months notice on either side.

CHAPTER II.

The Development of State Printing Establishments.

A.—HISTORICAL.

52. We have not considered it necessary to investigate closely the early history of State printing. In all probability after printing had become a well-established craft it was fiscal necessities which led the State to undertake printing on its own account. In 1694 Commissioners were appointed to collect the new stamp duties imposed in that year by the Act 5 & 6 Will. and Mary, c. 21, on a variety of legal and administrative documents and to arrange for the documents to be "stamped and impressed." The Act further enacted that "the said Commissioners in providing the said marks or stamps, shall take care that they be so contrived, that the impression thereof may be durable and so as the same may be least liable to be forged or counterfeited." The Commissioners of Stamps, after amalgamation in 1834 with the Board of Taxes, and in 1849 with the Board of Excise, became the Commissioners of Inland Revenue and their Stamping Department has continued to the present time.

53. Need of secrecy was responsible, no doubt, for the next development of printing by the Government for its own use. Whether this was the first arrangement of the kind is not known, but in the latter part of the Eighteenth Century the firm of Messrs. Harrison & Sons were executing confidential printing for the Foreign Office on Government premises. Under this arrangement, which continued without interruption until the end of the Great War, the State provided free accommodation, power, heat and light, while the contractor supplied the necessary machinery and labour; the establishment being restricted to Government printing.

54. Many years later, at the time of the Crimean War, a similar arrangement was made with Messrs. Harrison for the establishment of a printing press in the War Office. This arrangement also, though at first temporary, continued until a few years ago.

55. The third development of State printing was the establishment of a printing press, owned and operated entirely by the State, in the Post Office Savings Bank, in 1898. In this case, while considerations of security and convenience entered into the question, the main reason was that of economy. The press has remained under Post Office control and has been used entirely for printing for the Savings Bank.

56. It was later that a printing press entirely under State control was established for general printing purposes. In 1906 the

Select Committee of the House of Commons on Publications reported as follows :—

“ 56. Your Committee have investigated the question as to how far, if at all, it would be advantageous for the Government to undertake their own printing.

“ 57. It might be expected that the Government, by contracting for their printing with a firm having a large establishment ready to its hand, would be certain to have the work done cheaper than they could do it themselves. The evidence before your Committee does not altogether confirm this. The condition of Government contracts shut out the contractor from several of his usual sources of profit. The paper is supplied to him. Stipulations are made as to the rate of wages, and stringent conditions laid down for the performance of the work. The large and variable amount of type which may be kept standing involves a considerable outlay in capital, for which he must reckon on recouping himself before the expiry of the contract. Further, where the work is confidential or special in its nature, the limited number of firms to whom it can be entrusted curtails competition.

“ 58. Apart from the question of cost, there is the difficulty of getting urgent work done quickly. The tendency of contractors is to keep their Government work isolated from the rest of their business, so that in case of pressure the work cannot be spread over a wider area.

“ 59. In cases where the work is confidential this isolation is imperative, and in the case of the printing of several of the large Government Departments, the contractor conducts his operations within the buildings of the Department itself. Your Committee inspected the printing establishment in the Foreign Office. While appreciating the care and fidelity with which Messrs. Harrison have carried out this work, they cannot but recognise the advantage of making the Government directly responsible for its own confidential printing.

“ 60. One experiment in Government printing has already been made. The Savings Bank Department, having special reasons for economy, induced the Treasury to sanction their doing their own printing. As well as obtaining the advantage which the control of their own work gives them with urgent matter, they have succeeded in undertaking their printing more economically than when it was contracted for.

“ 61. While your Committee are of opinion that the establishment of a Government Printing Department on a scale sufficiently extensive to dispense with all or any large part of the contract work would be attended with serious drawbacks, they believe that it would be both advantageous and practical for the Government to do its own confidential printing, and to have premises under its own control where any specially urgent work might be undertaken.

" 62. Your Committee recommend that a Government printing department, sufficiently extensive for confidential and urgent work, be established."

57. As a result of this Report, the Treasury appointed, in May, 1907, an inter-Departmental Committee of representatives of the Inland Revenue, the Admiralty, War Office, the Board of Trade, and the Post Office, with Mr. W. W. Benn, M.P. " to enquire and report whether it would be desirable for the Government to execute, independently of contractors, either the whole or part of the printing required for Public Departments."

58. The Committee reported in November, 1907, that " we do not consider, on the evidence which we have heard, that it is proved that efficiency and economy would be secured more satisfactorily by a central Government Printing Office than under the contract system. We think, however, that steps can be taken to improve the working of the contract system in these two respects." They gave it as their opinion " that financial success (in State printing) was most likely to be attained if the conditions be such as to bring home to Government Departments generally the knowledge of what printing costs and what may be done to keep down expenses. In our opinion it is to first-hand experience of this kind that the greater part of the success of the existing departmental presses is due, whereas a central press borne on the Stationery Office Vote, however capably administered, would, after a time at any rate, be liable to the danger of being driven by the force of circumstances to take the line of least resistance with the Departments and enlarge its borders instead of criticising the orders received." For similar reasons they were opposed to the establishment of a small State printing office for confidential and urgent work as recommended by the Select Committee, but they considered that " both the Inland Revenue Department and the Post Office would seem to offer conditions specially favourable for the successful management of a press upon a larger scale than hitherto attempted." As no extra space was available at Somerset House they were disposed to think that the Post Office was " the most suitable department in which to try the experiment."

59. Proposals based upon the Committee's report, for the establishment of a Post Office Press for departmental printing were in due course laid before the Treasury in 1909, but that Department came to the conclusion that the advantages to be derived from the scheme were on the whole insufficient to justify the experiment.

60. Two years later, however, the Treasury decided that it would be advantageous " to transfer to the Post Office the duties now performed by the Board of Inland Revenue in connection with the manufacture, supply and issue of all stamps and stamped stationery, except those connected with the impressing of stamps on documents for revenue purposes and with the supply of

stationery impressed with such stamps and in connection with the distribution of postal orders and old age pension orders"; a departmental committee accordingly was appointed to consider and report on the steps necessary to effect the transfer. The Committee reported in February, 1914, submitting a detailed scheme which involved the provision of suitable premises in which the transferred duties of manufacture, storage and distribution would be carried on by the Post Office. Pending the provision of such accommodation, the Inland Revenue Stamping Department continued to carry on the duties in question as agents of the Post Office.

61. In the course of 1914 the general question of the establishment of a Government printing press came again before the Select Committee on Publications. The Committee stated in their report to the House (House of Commons 401 of 1914) :—

" 7. There are several presses connected with Government Departments which afford some experience upon which to found conclusions. But these presses are either in very special surroundings, as at the Foreign Office or War Office; or are doing special work, such as the Stamping Department at Somerset House; or the Post Office Savings Bank, where ninety million forms, etc., are turned out in a year. Of a general printing establishment, capable of dealing with miscellaneous Government work there is no experience to guide us, for, as the Departmental Committee of 1907 report ' up to the present there has been no actual experiment on a large scale.' Thus, though other departments have printing offices, the one department which gives technical advice on the spending of over £1,000,000 and supervises probably 100,000 jobs annually, has no press section in which it may check the work of contractors, prepare specimens of economical forms, and secure by current experience that its own knowledge is up-to-date.

* * * * *

" 12. Coming to the question of economy it is evident that, however well the conditions of competition are arranged, printers must have, and allow for, their profit in their tender; and they must also allow for factors of risk not to be met by a department doing its own work, and for the possible loss of the contract at the end of the term. The printer tendering for the first time cannot be sure that he has complete knowledge of the work required. The printing for Government Departments is not becoming less but more complicated, so that the unknown factors are not decreasing. If an expenditure of capital is required that expenditure must be recouped during the term of the contract; and the contractor must allow for the onerous conditions of the contract, such as corrections and matter standing after proofs, the keeping of a general store of paper of various sizes, an irregular flow and cessation of work, and the possible termination of the contract.

" 13. On the other hand, a press under the control of the Stationery Office would always be kept full of work, its charges only need to cover ordinary depreciation, and not recouplement ;

and its own staff would reject faulty work, whilst its demands for paper would not involve extra arrangements. Seeing that all paper now passes through the Stationery Office carriage would be saved both ways, in the distribution of paper as well as in the return of the completed work. Demands for night work are not infrequently rather troublesome, and the requisite supervision would be much easier in a departmental works than on a contractor's premises, where the extra payments necessary cannot easily be checked. These are some of the mechanical conditions of a departmental press, which make it very improbable that any financial disadvantage would follow, whilst in many cases greater economy must result.

" 14. The chief advantages of such a press are, however, administrative. At the present moment—beyond the regular fixed work in the few Government printing offices—all Government work must be given out. Your Committee were informed that 'the very essence of the success of the Inland Revenue Department in its recent contracts' was that 'contractors knew that if they did not come forward with satisfactory prices the Inland Revenue would step in and do the work themselves.' With a complete printing department at its disposal the Stationery Office would be in that favourable position with all its contracts as they came round."

62. They accordingly favoured the establishment of a small central printing office not to exceed £20,000 capital cost in the first instance, which could be added to annually as experience suggested. This scheme was not, however, to "shut out the idea of arranging for the printing by a department of any specific work of its own where the absence of fluctuations and the permanent routine nature of the work make the running of a press practically as simple as typewriting."

63. This report appeared on the eve of the outbreak of War, and no further steps had been taken in the matter when in August, 1916, the Select Committee on Publications reported that "it would have learned with satisfaction of the commencement of a Stationery Office Printing Department, which would have been most useful for the large amount of emergency printing demanded by the War services." (H.C.112 of 1916, para. 16.)

64. Circumstances led to action being taken shortly after this report was made. In November, 1916, Messrs. Darling & Son, Ltd., who were carrying out a large number of Stationery Office printing contracts at their works in Hare Street, Bethnal Green, intimated that these contracts were unremunerative, and that unless allowances equal to £3,000 per annum could be made to them over and above the contract rates, the Directors would be compelled to abandon the contracts and to close down their works. Owing to the necessity for retaining the facilities provided by the firm for the execution of Government printing, the Stationery Office offered as an alternative to take over the works for the

period of the War and six months after, and this offer was accepted. As from 26th February, 1917, therefore, the Stationery Office took over the entire control of the works and responsibility for the payment of wages and standing charges, the latter including interest on capital, interest on debentures, directors' fees, depreciation of machinery and plant, rent, rates, etc.

65. Further acquisitions followed in quick succession. In November, 1917, the Stationery Office took over the works of Messrs. Oldfield & Co., Dugdale Street, Camberwell, to meet the request of the Admiralty for better and increased facilities for the production of their confidential printing. The existing plant, which had been advertised for sale, was purchased for £2,464, and the premises were taken at a yearly rental.

66. In March, 1918, the works of Messrs. Hayman, Christy and Lilly, Limited, in Farringdon Road, were taken over under compulsory powers to provide for the very large and urgent requirements of the Ministry of Food, the existing plant being purchased for £14,500 and the premises being taken at a yearly rental.

67. By far the most important acquisition, however, was that of Messrs. David Allen & Sons' premises at Harrow for the purpose of producing the food ration coupons. The full story of this transaction is told in the Report of the Select Committee on Publications for 1918 (House of Commons 131 of 1918). It may be briefly stated here that the Government decided in February, 1918, that it would be necessary to provide for the introduction of the national rationing scheme in the following July. Owing to the importance of preventing forgery, it was decided that the coupons must be printed in colours by a special process. Messrs. Waterlow, Brothers and Layton was selected, in view of their experience of the process, to assist the Stationery Office in carrying out the work. Messrs. Waterlow's own premises were not regarded, however, as suitable for this immense undertaking, nor was there sufficient time for the preparation of a contract in the usual form. It was accordingly decided that works should be acquired for the purpose and equipped as a State factory to be run under the management of Messrs. Waterlow. The Harrow works of Messrs. David Allen & Sons, Ltd., Lithographic Printers, were the only suitable premises found, and these were accordingly acquired by the Government and equipped with the necessary special machinery. Interesting figures are given in the report of the Select Committee of 1918 as to the magnitude of the printing operations that were carried out, and it is satisfactory to note that "an unexampled task was performed to time."

68. The equipment of this factory did not mark the high water level of Government printing. The experience of printing that had been gained by the Stationery Office during the War led to the adoption of a policy of placing under the control of that Department all the existing departmental presses which were

being run by contractors. Thus, in November, 1918, the 150 years' association of Messrs. Harrison with the Foreign Office was broken at the request of that Department. For 40 years previously the Stationery Office had a certain measure of control over the arrangements and the renewal of the contract had been latterly for periods of 10 years. The last contract had still two years to run when possession of the press was taken under the Defence of the Realm Act. The staff was taken into Government service; Messrs. Harrison's plant was purchased at a valuation and they received as compensation an agreed sum representing their estimated loss of profits for the unexpired period of their contract.

69. Adjoining Messrs. Harrison's press in the Foreign Office was a similar press in the basement of the India Office under the management of Messrs. Eyre & Spottiswoode, Ltd., employed for the requirements of the India Office and the High Commission for India in this country. In October, 1919, at the request of the India Office this also was transferred to the management of the Stationery Office, who purchased on behalf of the Indian Government the plant, etc., of the contractor and arranged for the transfer of his staff to the Government service. The third press transferred was that of the Meteorological Office. Prior to the War the lithographic printing of the weather reports had been carried out by a contractor on Government premises in South Kensington, but on the transfer of the Office to the Air Ministry in Kingsway, in January, 1920, the press and its staff were transferred to the control of the Stationery Office.

70. Finally, the transfer of Messrs. Harrison's press in the War Office on the termination of the firm's contract in March, 1922, was completed in a similar manner.

71. After the termination of the War, the Government's requirements for printing decreased very considerably. In March, 1921, the printing works in Dugdale Street and Farringdon Road were given up and the bulk of the equipment was transferred to the Harrow works. The future of the Harrow works had already been the subject of special consideration. While they were still being used for the production of food coupons, the Select Committee on Publications of 1918 had reported that—

“The occupancy of these printing offices (Hare Street, Dugdale Street and Farringdon Road) being for the period of the War plus six months, while the machinery belongs to the Stationery Office, it appears to your Committee that the position justifies the immediate consideration of the advisability of establishing a permanent Government printing works. The Harrow premises, which are wholly owned by the State, are suitable for such an undertaking. The current work of the Department is more than sufficient to provide continuous employment, and a large amount of recurring reports and statistics can be most economically and conveniently prepared in a printing office where the standing matter can be permanently accommodated.”

72. In accordance with this recommendation, it was decided by the Treasury on the termination of the food rationing system that the premises should be equipped for ordinary printing and run as a Government printing establishment for an experimental period of three years. The bulk of the photogravure machinery, specially designed for producing the ration books, was accordingly disposed of, only machinery deemed suitable for general printing being retained, and in June, 1920, the factory commenced operations on the new basis.

73. The Select Committee on Publications of that year after summarising the position went on to state :—

“ As far as your Committee are aware no Departmental Committee has enquired into the cost of, and the necessity of maintaining the present establishment, and your Committee are of opinion that the whole question of the policy of maintaining a large Government printing establishment, such as is now in being, should form the subject of an interdepartmental enquiry as was the case in 1907, and further, that the extent of work that is to be given to the Government printing offices, and the size of the establishment to be maintained, should be definitely decided.”

74. On the expiration of the three years' experimental period in June, 1923, we were appointed to review the whole position in regard to Government printing.

B.—SUMMARY OF THE PRESENT POSITION.

75. The extent of the development of State printing may be gathered from the following summary setting out for each of the establishments referred to above the number of employees on 1st April, 1925, and the value of the work done in 1924–25 at contract rates, where known. In addition to these establishments a number of other printing presses of minor importance have been set up from time to time in various departments and several are still operating. The information we have collected in regard to these will be given in the detailed description of the existing State printing establishments in Chapter III. They are not, however, of sufficient financial importance to affect materially the total figures given below :—

Establishment.	Number of Staff at 1st April, 1925.			Nature of work done.	Value of work done in 1924–25.
	Male.	Female.	Total.		
(1) <i>General Presses managed by H.M.S.O.</i>					
Harrow	572	212	784	General printing and confi- dential work.	£ 255,000
Hare Street ..	366	72	438	General printing largely urgent in character.	110,000

Establishment.	Number of Staff at 1st April, 1925.			Nature of work done.	Value of work done in 1924-25.
	Male.	Female.	Total.		
(2) <i>Departmental Presses managed by H.M.S.O.</i>					£
Foreign Office ..	72	18	90	Confidential work for the Foreign Office.	33,500
India Office ..	22	1	23	Urgent and general work for the India Office.	6,000
War Office	20	5	25	Confidential work for the War Office.	9,000
Meteorological Office	9	—	9	Weather reports	2,700
(3) <i>Presses managed by other Departments.</i>					
Post Office Savings Bank.	23	36	59	Forms, envelopes, etc., for Savings Bank.	16,300
Inland Revenue ..	35	51	86	Stamps and stamped docu- ments, licences, etc.	22,000
Total	1,119	395	1,514		£454,500

76. Comparing this total of £454,500 with the aggregate expenditure on all printing for Government purposes given in Chapter I (ii), it will be seen that approximately 33½ per cent. (or one-third) in value of such printing is being executed in State establishments, or about one-half (in value) of the printing carried on the Stationery Office Vote.

C.—CONDITIONS UNDER WHICH THE STATE WORKS ARE OPERATED.

77. It will be observed from the table above that out of the total of £454,500, work to the value of £416,200 is being executed in the presses under the control of the Stationery Office.

78. Where a press is being operated by another Department, it is generally restricted to the work of that department and such demands as it is unable to meet are passed on to the Stationery Office, to be executed either in their works or by contract. The main questions as to conditions of management arise therefore in connection with the Stationery Office presses, and the remainder of this Chapter is concerned with those presses.

(i) THE METHOD OF ASSIGNING WORK TO THE STATE FACTORIES.

79. With the revival of competitive conditions in the printing trade, after the war, the question of the basis on which work was

to be assigned to the State factories or to contractors required a decision. It was manifestly desirable on the one hand that the State factories should, as a rule, undertake such work only as they could execute at a lower price than was offered by outside firms. At the outset it was considered that this would be secured by allowing the State factories to tender for the contracts of the Stationery Office in competition with private firms. After some experience, however, this arrangement was found to be open to two objections. In the first place it tended to uncertain and irregular assignment of work to the State factories. Secondly, it was considered by the Stationery Office that the accounts of the State printing factories would not show a true comparison with contractors' ordinary prices because the factories would secure work only at prices lower than the next lowest competing tender and thus, excepting a certain amount of special and confidential work, would be charging less in every case than the lowest trade price including cases where the prices tendered were specially "cut prices." It was further considered that the accounts of the State printing works would not show correctly either the gain or the loss to the State.

80. It was accordingly decided in January, 1922, that, in order to secure the most advantageous use of the Government printing factories, suitable work should be allotted to them in quantity sufficient to keep the factories employed to the highest degree of efficiency, subject to the condition that it should be taken at the price of the lowest satisfactory outside tender or, where tenders were not obtained, at prices adjudged by the Accounts Department of the Stationery Office to be those ruling for comparable work done by private contractors. The accounts of the works were adjusted retrospectively on this basis.

81. The present practice in regard to placing work with the Government factories, or with outside contractors, is set out fully in the reports of our Sub-Committee on Accounts (page 151, *et seq.*). Although the Government factories do not now submit formal tenders for Stationery Office contracts, they prepare, in every case in which they propose to take a contract, an estimate based on cost price plus a 10 per cent. margin. With this estimate and the outside tenders before him, the Controller decides whether he will accept the lowest outside tender or assign the work to the Government works at the same figure. Generally speaking, a contract is not given to the Government works unless it is estimated that it will show a profit. The Controller always has in hand the 10 per cent. margin on the estimates of the works and he can therefore, if he so desires, reduce the works quotation by that amount with small risk of loss. Where the alternative may be to keep part of the plant or staff standing idle, it may be advantageous for the works to take the contract even below their estimate of cost. Our Sub-Committee report that this has been done in a few cases of small importance.

82. As regards the nature of the contracts held by the works, our Sub-Committee report that the bulk of them are running contracts, only about 4 per cent. of the total output being represented by contracts for individual jobs. They have examined all the tenders for running contracts placed in 1921, and have ascertained that, of 70 cases where the Stationery Office works put in a tender, they secured the contract in 12 cases. In nine of these cases the works tender was the lowest, and in the remaining three cases it was equal to the lowest tender. The total value for the contracts so allotted to the Government works was about £50,000. After the system of formal tendering was abandoned by the works in January, 1922, of the running contracts put up for tender, five contracts, amounting in value to £19,018, have been assigned to the Stationery Office works. No real comparison can, however, be made between these figures, as the number of contracts to be placed is not regular year by year.

83. Taking all the running contracts now in force in which tenders were called for to the number of 84, the assignment of the work has been as follows :—

Stationery Office Works :—

26 contracts of the annual value of £103,150.

Private Contractors :—

58 contracts to the annual value of £154,200.

The latter contracts (58 in number) are divided amongst 18 firms. The approximate annual cost to the State of the largest individual contract is £9,840, the smallest amounting to £103. It is usual for a firm to hold more than one contract. One firm receives from the State some £38,408 per annum in respect of 15 contracts secured, and another firm holding 16 contracts receives approximately £34,811 per annum.

84. Although the practice we have described obtains in regard to the great bulk of Government printing contracts, there are important exceptions. Where for reasons of policy it has been decided to place a particular contract with the works, as occurred in the important case of the Telephone Directories and the lesser case of the County Court Forms, the Stationery Office did not ask outside firms to tender. In such cases a difficulty arises in placing a proper value upon the work. As regards the Telephone Directories, credit was taken "equivalent to the rates previously paid" to the contractor, and in the other case a rate was fixed by the Accounts Section of the Stationery Office based on the prices that were paid for similar work under contracts with private firms.

85. A similar method of assessment has been adopted in cases where for reasons of urgency or secrecy the system of open tender was deemed impracticable or unsuitable. Occasionally, owing to the absence of any analogous contract, the assessment has been on a cost basis.

86. An analysis of the work executed at the Government Printing Works in 1922-23 showed that—

7½ per cent. was placed with the works for special reasons of urgency, secrecy or circumstances of special difficulty at rates ruling in contracts for similar work.

5¼ per cent. was confidential work priced at rates appropriate to the special nature of the work.

3¼ per cent. of the work related to secret work on a cost basis, following the practice when the work was performed by contractors.

84 per cent. was charged at rates based on the lowest satisfactory tender received from contractors in open competition or by comparison with rates previously paid to contractors for similar work.

(ii) THE CONDITIONS OF EMPLOYMENT.

87. We have enquired into the conditions of employment at the State works and as to the relations of the Stationery Office with the industrial staff and their respective trade unions. We find that the workers in the Government Printing Works are paid at the standard trades union London rates of pay; those engaged on confidential work receive an additional payment of 4s. a week. In general, the conditions of employment are in conformity with those prevailing in the trade printing establishments in London. The Harrow factory is closed on Saturdays, the standard hours being arranged for a five-day week; we are informed that this arrangement is economical and is preferred by the staff. The other factories are run on a six-day week. The variations of wages of compositors, which applied throughout the trade in union works from 1914 to the present time, are shown in Appendix XII.

88. Generally speaking, the Stationery Office agrees to conform to agreements made by the Federation of Master Printers and the printing trades unions. For the purpose of dealing with any trade disputes which may arise, however, a Departmental Whitley Council has been set up, and agreements have been made between the two sides of that Council in regard to such disputes. The last agreement (dated 17th February, 1923) is in the following terms:—

“ It is agreed that in the event of a trade dispute the Stationery Office Departmental Industrial Whitley Council shall be called together, with representatives of all Unions, for the purpose of considering whether H.M. Stationery Office Works and Warehouses shall be exempted from the instructions issued by the Unions. It is further agreed that the Stationery Office Departmental Industrial Whitley Council shall meet before the employees in the Stationery Office Works and Warehouses are withdrawn.”

We are informed that during the general strike this agreement did not operate.

(iii) THE SYSTEM OF ACCOUNTING.

89. Reference has already been made to the basis on which work is assigned to the State factories and its value determined for the purposes of the accounts. The general accounting and costing systems in operation in the factories are explained in detail in the Statement given in Appendix IV, which has been prepared for us by the Director of Works. This Statement was confirmed, subject to certain reservations, in a letter received by the Committee from the Comptroller and Auditor-General (*see also* Appendix IV).

90. It will be observed from the Director of Works' statement that interest on advances was then being charged at the rate of 5 per cent. per annum where the interest on accumulated profits and depreciation reserve would amount to less than that on the amount actually advanced. The Comptroller and Auditor-General was, however, of the opinion "that it is not right in principle to allow a credit to the printing works for interest on depreciation reserves unless those reserves are represented by a corresponding investment of cash, an operation which automatically reduces the available cash profits," and stated that he had "recently invited the Treasury to consider the question whether for the purpose of these accounts the practice of allowing accumulated profits to be set off against capital advances might not be discontinued, and the account be prepared in future on the assumption that the profits are distributed annually."

91. Following on these representations of the Comptroller and Auditor-General, the matter was further discussed between the two Departments, and we are informed that it has been decided that, as from 1st April, 1923, the system of accounts should be revised and changes made as follows :—

- (a) A total accumulated deduction for depreciation of £70,606 17s. 6d. appeared in the accounts to 31st March, 1924. In commercial practice the sums deducted year by year would have been placed to the credit of a Depreciation Fund, and from that fund disbursements would have been made to replace obsolete and worn-out plant, etc. The Stationery Office had not followed this practice, but had borrowed new capital from the Exchequer for replacements. On a broad survey it was considered reasonable to assume that about half of the £70,606 17s. 6d. would have been spent on replacements and about half would remain in the Fund. Accordingly the Exchequer loan was reduced by £35,000 and a Depreciation Reserve set up with the remaining £35,606 17s. 6d.
- (b) It was considered that in commercial practice there would have been a distribution to shareholders (over and above the payment of interest), and that the analogous operation in the Stationery Office would be a surrender

to the Exchequer. A surrender of £60,000 from the balance on Profit and Loss account was required.

- (c) The outstanding liability of £3,935 8s. 3d. for fire insurance premiums was treated as paid off.
- (d) The amount available to effect alterations (a) (b) (c) was a debt of £153,805 15s. owing by the Stationery Office for work done in the factories. That debt was accordingly treated as called in for the purpose of making the adjustments.
- (e) For the future it was decided that (i) there should be credited to the Depreciation Fund a sum equal to the depreciation charge; (ii) agreement would be reached year by year as between Stationery Office and the Treasury as to the allocation between new capital and Depreciation Fund of expenditure on plant and buildings; (iii) there should be payment of dividends, *i.e.*, surrender to the Exchequer of surplus profits, as profits made permitted this; (iv) the Depreciation Fund should be regarded as deposited with the Exchequer and earning interest, and an equivalent sum should be regarded as advanced by the Exchequer for working capital, the net effect being that no charge of interest in respect of working capital would appear in Stationery Office trading accounts so long as the Depreciation Fund had a considerable credit.

D.—STATE PRINTING ABROAD.

92. While we have not thought it necessary to make any systematic inquiries into the practice of other countries, it has been brought to our notice that several foreign Governments, in addition to Canada and many of the Colonial Governments, have established Government printing works as a part of State administration.

93. *France*.—The Imprimerie Nationale was established some three hundred years ago. It is subordinate to the Ministère des Finances, and is managed by a Director with a clerical staff of 130: 1,700 printing operatives are employed. The employés are partly union and partly non-union men; they become pensionable at the age of sixty, when they are entitled to about one-half of their normal salary. The Imprimerie Nationale is housed in a modern building with accommodation for a staff of 2,500, and undertakes the general printing for the various Ministries, telegram forms, tobacco and other Government labels, etc. There is also in Paris a separate Government Printing Works which produces stamps and stamped stationery; and a Parliamentary Printing Department, attached to the Chambre des Députés, which prints Parliamentary Bills, Précis of the Debates, etc.

94. *Germany*.—The National Printing Works at Berlin does the whole of the printing required by the various Governments

throughout Germany. The works and plant are very extensive, and in addition to the general printing executed therein, currency notes, stamps, telegram forms, etc., are also produced at the works.

95. *Japan*.—Before the disastrous earthquake the Imperial Government Printing Bureau executed the whole of the printing required by the Government, including all stamp and security work. The Bureau was established in 1871; up to 1886 the working capital was obtained from the National Treasury, but since that date it has been obtained from the reserves accumulated by the Bureau. The Press is under the direct supervision of the Prime Minister. It employed a staff of between 3,000 and 4,000. Steps are being taken to re-equip the Printing Bureau.

96. *United States of America*.—The Government Printing Offices at Washington and the Bureau of Engraving and Printing carry out all the printing, binding, lithography, map-printing and engraving (including the production of stamps, currency notes, bonds, etc.) required for the various branches of the Government.

97. *Italy*.—A proportion only of the Government printing requirements is done at present by direct labour.

CHAPTER III.

The Existing State Printing Establishments.

A.—GENERAL PRESSES MANAGED BY H.M. STATIONERY OFFICE.

(i) HARROW.

98. As already stated, the Harrow Printing Works of the Stationery Office were formerly the works of Messrs. David Allen & Sons, lithographic printers. The total area of the site, which adjoins the London, Midland and Scottish Railway, is nearly 12 acres, and the buildings, mostly of one-storey construction, have a floor area of 80,000 square feet. There is, therefore, a considerable quantity of vacant land included which could be used at any future time if required. A portion of this ground is used at present by the staff as a sports ground.

99. The Stationery Office commenced general printing operations there on the 15th June, 1920, the buildings and plant being valued at that date, the former by the Inland Revenue Valuation Department, and the latter by a professional valuer, at £50,000 and £14,192 respectively.

100. *Trading Results.*—The first account for the Harrow Printing Works, covering the period June, 1920, to March, 1921, showed a trading loss of £32,839; there was a further working loss of £21,093 during 1921–22. The accounts for 1922–23 showed a net profit of £49,434; in his report on the accounts of that year, the Comptroller and Auditor-General (Trading Accounts and Balance Sheet; 1922–23) stated that:—

“ This very satisfactory improvement appears to be due directly to reductions in staff effected, without loss of output, under the new management of the works installed at the beginning of 1922.”

101. The average number of staff employed during each of the periods mentioned above, and the average weekly wages bills, were as follows:—

	<i>Average Staff.</i>	<i>Average Weekly Wages Bill.</i>
1920–21	732	£3,166
1921–22	881	3,852
1922–23	687	2,641

Details of the reductions of staff effected during the latter period are given below:—

<i>Department.</i>	<i>September, 1921.</i>	<i>September, 1922.</i>
Composing	425	301
Machine	182	121
Warehouse	272	221
Office and General	81	68
Totals	960	711

102. The accounts for 1923-24 show a value of the output at Harrow exceeding the production costs by approximately £65,800.

103. The trading results to 31st March, 1925, have been audited by the Comptroller and Auditor-General. Copies of the last published Trading Account, Profit and Loss Account, and Balance Sheet, are to be found in Appendix V. The results at Harrow during the period June, 1920, to March, 1925 (some 4½ years) are set out in the following summary:—

Period.	Expenses.			Output.			Profit.			Loss.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
15 June, 1920 — 31 Mar., 1921 ..	172,278	11	10	139,438	19	11	—	—	—	32,839	11	11
1921-22	245,159	0	3	224,065	19	8	—	—	—	21,093	0	7
1922-23	180,296	13	1	229,730	13	2	49,434	0	1	—	—	—
1923-24	192,008	14	5	257,811	15	1	65,803	0	8	—	—	—
1924-25	192,439	8	9	255,658	2	9	63,218	14	0	—	—	—
Totals ..	982,182	8	4	1,106,705	10	7	178,455	14	9	53,932	12	6

Net profit .. £124,523 2s. 3d.

This figure of £124,523 2s. 3d. is in our opinion too high. Our reasons and recommendations are given later.

104. The amount expended on plant and machinery to 31st March, 1925, stood at £161,643 5s. 6d., made up as follows:—

Year.	Purchases.			Transfers from other Government Works, etc.			Value of Machinery retained from Food Rationing Factory.		
	£	s.	d.	£	s.	d.	£	s.	d.
1920-21	64,304	19	11	27,434	9	2	14,191	19	3
1921-22	18,022	0	8	63	10	0	—	—	—
1922-23	15,575	13	10	3,474	19	0	—	—	—
1923-24	4,618	3	6	611	10	0	—	—	—
1924-25	22,285	13	11	—	—	—	—	—	—
Totals	124,806	11	10	31,584	8	2	14,191	19	3

£170,582 19 3

Less sales and transfers of machinery 8,939 13 9

Total £161,643 5 6

105. Depreciation on machinery and plant has been written off out of gross profits to the amount of £44,825 5s. 10d. at the end of the financial year 1924-25. The total value of machinery and plant at Harrow standing at that date in the books of the Stationery Office was therefore £116,817 19s. 8d.

106. The value of the premises at Harrow as at 31st March, 1925, shown in the accounts is £73,696 18s. 8d. namely:—

		£	s.	d.
As valued by the Inland Revenue	..	50,000	0	0
Additions 1920-21	.. .. .	11,444	3	8
„ 1921-22	.. .. .	4,750	19	7
„ 1922-23	.. .. .	3,986	14	10
„ 1923-24	.. .. .	2,074	0	10
„ 1924-25	.. .. .	1,440	19	9
Total	.. .. .	£73,696	18	8

(ii) HARE STREET WORKS.

107. The works comprise the buildings known as 11-17, Hare Street, and 30-40, Bacon Street, situated in Bethnal Green, and consist of four and five floors respectively, with a total space of 37,000 square feet. (Hare Street 15,000 feet, and Bacon Street 22,000 feet.) The Hare Street building was formerly the freehold property of Messrs. Darling & Son, Limited, who also occupied the Bacon Street premises on rental from Magdalen College, Oxford, at an annual rent of £525. Messrs. Darling's lease was for a term of 21 years (determinable at the end of seven or fourteen years) expiring 25th March, 1934.

108. As already detailed in the preceding chapter, the Stationery Office undertook, during the war, the management of these works, and these arrangements continued in operation until May, 1920.

The directors had previously informed the Stationery Office that they did not propose to continue the business after March, 1920, and intimated their desire to sell the whole business as a going concern. In view of the large amount of standing type and the work in progress, the result of the previous three years' work and the necessity of certain Parliamentary and urgent work being done in London, the Treasury authorised the purchase of the Hare Street building and all the plant and machinery in May, 1920, for £35,000, being £15,000 for the premises and £20,000 for the machinery and plant.

109. Messrs. Darling & Son had made a total loss of £3,920 on their business during the three years previous to the taking

over of the works by the Stationery Office in 1917. In 1917, the first year under Stationery Office control, a profit of £3,114 was shown in the accounts of the company, after allowing for debenture and loan interest and depreciation for that year. This sum of £3,114 was part of the amount (£5,000) the Stationery Office paid to Messrs. Darling under the agreement as their share of the profits; the actual net profit at Hare Street accruing to the Stationery Office during the year in question was £13,209. The results achieved in succeeding years are given below.

110. Up to and including the year ending 31st December, 1919, the Stationery Office books at Hare Street were audited by a firm of chartered accountants, Messrs. Whinney, Smith & Whinney, but for the periods subsequent to that date the accounts have been submitted to the Comptroller and Auditor General. Copies of the last published trading account, profit and loss account and balance sheet are furnished in Appendix V. The results under State control so far as information is at present available may be summarised as follows:—

Year.	Expenses.			Output.			Profit.			Loss.			
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	
1917-18	68,376	6	11	81,586	5	8	13,209	18	9	—	—	—	
1918-19	106,230	19	10	130,791	19	3	24,560	19	5	—	—	—	
1919-20	121,846	7	6	144,278	15	9	22,432	8	3	—	—	—	
1920-21	163,163	16	2	168,529	9	3	5,365	13	1	—	—	—	
1921-22	142,011	0	9	128,529	11	4	—	—	—	13,481	9	5	
1922-23	105,781	19	0	100,437	0	5	—	—	—	5,344	18	7	
1923-24	101,731	6	5	110,903	14	9	9,172	8	4	—	—	—	
1924-25	103,638	10	6	110,777	7	9	7,138	17	3	—	—	—	
											63,053	17	1
							Less accrued interest to March, 1924				13,305	11	11
							Net profit ..				£49,748	5	2

111. We are informed that there are two reasons for the reduction in profit in 1920-21 and the loss incurred in 1921-22; in the first place, there were certain transfers of work when Harrow was started by which Harrow benefited and Hare Street suffered; the other factor was that in the two years, 1920-21 and 1921-22, there was very severe depression in the printing trade and that firms were quoting prices at below cost for doing Stationery Office work; as the credit taken in the works was the equivalent of the rates in the outside trade, the works obtained a low rate of credit for the work they did. By 1922-23 the Harrow works had been established, and by 1924-25 considerable staff economies had been effected at Hare Street and the position was considered to be stabilised. The average numbers of the staff employed

during the period of Stationery Office control has been as follows:—

1917-18	..	..	..	467
1918-19	..	..	..	537
1919-20	..	..	..	559
1920-21	..	..	..	545
1921-22	..	..	..	528
1922-23	..	..	..	407
1923-24	..	..	..	436
1924-25	..	..	..	425

112. The cost of machinery and plant incurred by the Stationery Office up to 31st March, 1925, was approximately £60,165, made up as follows:—

Financial Year.	Purchases.			Transfers from other Government Works, etc.			Sales and Transfers to other Government Works.		
	£	s.	d.	£	s.	d.	£	s.	d.
1917-18	4,024	14	7	—	—	—	—	—	—
1918-19	4,457	14	5	143	6	9	—	—	—
1919-20	20,984	16	0	5,727	15	3	11,963	17	9
1920-21	34,960	8	11	13,137	9	2	8,260	17	9
1921-22	1,776	9	5	14	6	0	2,500	1	11
1922-23	2,739	7	0	—	—	—	7,582	12	6
1923-24	2,369	8	5	95	14	5	1,140	3	8
1924-25	1,804	0	2	—	—	—	542	14	11
	73,036	18	11	19,118	11	7	31,990	8	6

Net .. £60,165 2s. 0d.

113. Depreciation on machinery and plant has been written off out of gross profits to the extent of £27,396 2s. 0d. The total value of machinery and plant standing in the books of the Stationery Office is, therefore, £32,769, which, as will be seen, is more than covered by the profits earned over the same period. The value of the buildings has been placed at £16,250, viz. :—

	£	s.	d.
Purchase of building	15,000	0	0
Additions 1920-1921	1,000	19	1
„ 1921-1922	86	14	6
„ 1922-1923	162	1	8
„ 1923-1924	Nil		
„ 1924-1925	Nil		
	£16,249	15	3

114. Although the results produced at the Hare Street works during the period of Stationery Office control are, on the whole,

satisfactory, we have ascertained that with the existing machinery there is still a substantial margin for output that could be called upon if necessary. The Controller of the Stationery Office produced at our request a statement of the percentage of production attained during two weeks in 1923 selected by the Committee, as follows :—

	Percentage of Productive Hours.	
	Week ended 23rd June, 1923.	Week ended 22nd September, 1923.
(a) Machines	66½ per cent.	57½ per cent.
(b) Compositors	70 ..	82 ..

115. The bulk of the Parliamentary work is carried out at the Hare Street works. The value of the contracts held at the present time at these works is estimated to be slightly over £100,000 per annum.

	£
Representation of the People Act ..	7,000
Parliamentary Debates	25,000
Ministry of Labour Vacancy Lists ..	3,500
Commissions and Committees	7,000
Statutory Rules and Orders	4,000
Notices to Mariners	3,500
Board of Trade Bookwork	3,000
Ministry of Labour Bookwork	1,500
House of Commons Jobwork and Bookwork	3,000
Treasury Bookwork	1,500
Post Office Circulars	4,000
Emergency Bookwork	3,500
Emergency Jobwork	2,000
Miscellaneous Special Forms	300
Registrar-General's Returns	1,000
Illustrated Official Journal	8,000
<i>London Gazette</i>	15,000
Miscellaneous Offices	500
Abridgements	200
Miscellaneous small contracts	8,000

116. It will be observed that the Parliamentary work accounts for £35,000, roughly 35 per cent., of the total value of the contracts allotted to Hare Street. The Debates are set up by a night staff and allowance for this factor has been made in the figures showing the percentage of production given earlier; this staff is reduced to a minimum during the Parliamentary Recess. The "Debates" leave the works at 5.30 each morning during the Parliamentary Session, and Members have their copies delivered at their homes, if in the London area, by breakfast time.

117. We observe that the Controller of the Stationery Office, in giving evidence in 1919 before the Select Committee on Publications and Debates Reports (H.C. 244/1919), stated as follows:—

“The present works operated by the Stationery Office at both Hare Street . . . are antiquated in design and therefore costly in operation. They were only taken over of sheer necessity and they are unsuitable for a permanent Government Press. The conditions under which the employees work are not good, and owing to the construction of the premises it is impossible to improve them to that state of perfection which should obtain in a Government Printing Office.”

We have visited these works and agree generally with this statement; we must add that we consider a considerable part of the machinery is old, worn, and of antiquated pattern.

B.—DEPARTMENTAL PRESSES MANAGED BY THE STATIONERY OFFICE.

(i) FOREIGN OFFICE PRESS:

118.—This press is situated in the basement of the Foreign Office building. Its early history and the events which led to the assumption of control by the Stationery Office in 1918 are described in the previous chapter. The terms of the transfer included payment to the late contractors (Messrs. Harrison & Sons) of a sum estimated to cover their loss of profits (based on the results of the preceding three years' trading), payment to commence as from the date the press was acquired by the Stationery Office and to continue up to the official end of the War (31st August, 1921). Figures which have been produced for us appear to show that during the three years, 1916–18, the average net profit derived by Messrs. Harrison from the Foreign Office Press was at the rate of £5,076 per annum, which on the average expenditure (£18,067) incurred by the firm on this portion of their business during the same period, represented a profit at the rate of 28 per cent. on their production costs.

119. The expenses, output and profit (calculated at contract rates paid to Messrs. Harrison, after adjustment for wages fluctuations) for each period since the press came under Stationery Office control have been as follows:—

Period.	Expenses.		Output.		Profit.	
	£	s. d.	£	s. d.	£	s. d.
8th November, 1918, to 31st December, 1919 1st January, 1920, to 31st March, 1921	31,592	2 7	33,499	17 4	1,907	14 9
1921–22	36,075	5 10	40,530	16 9	4,455	10 11
1922–23	29,749	7 1	36,846	0 1	7,096	13 0
1923–24	26,547	10 1	31,926	15 5	5,379	5 4
1924–25	28,865	15 11	34,923	9 7	6,057	13 8
1924–25	29,499	3 8	33,882	13 5	4,383	9 9
Total	182,329	5 2	211,609	12 7	29,280	7 5

120. Copies of the last published Trading Account, Profit and Loss Account and Balance Sheet are furnished in Appendix V. In addition to the profit shown above, depreciation on machinery and plant has been written off to the extent of £12,777. The total value of machinery and plant standing in the books as at March, 1925, was £13,191. No capital value is placed on the premises, since accommodation is found in the Foreign Office building; for the purpose of account, however, a book charge is made at the rate of £500 per annum.

121. The average number of staff employed during each year of Stationery Office control has been as follows:—

1919-20	..	..	..	..	..	122
1920-21	..	..	..	..	..	91
1921-22	..	..	..	..	..	98
1922-23	..	..	..	..	..	86
1923-24	..	..	..	..	..	90
1924-25	..	..	..	..	..	92

122. We are informed by the Foreign Office that the transfer of the press from the late contractor to the Stationery Office has been justified by results, and that they are quite satisfied with the manner in which the printing is performed by the press.

No fault was found with the way in which the contractor did the work during the time the contract was running, but it was considered that there were reasons of administrative convenience why the staff employed on confidential work should be under the direct control of a Government Department. Practically the whole of the printing done for the Foreign Office, for the Cabinet, and the Committee of Imperial Defence is confidential. We made close enquiry into the matter. All despatches from abroad of any importance are required by members of the Cabinet, and many of them have to be enclosed with communications to the embassies abroad; the whole number of copies required is about sixty. In some cases these documents have to be printed and circulated in an hour or an hour and a half; there is no time to make a copy to send down to the press, and the original document has to be given to the reader. Many of these documents cannot be allowed to leave the building of the Foreign Office, and any one of them may be required again at very short notice by the Officers in the Department upstairs or by a Minister. For these reasons, it was urged on behalf of the Foreign Office that it would be impossible to transfer the press to Harrow. If these difficulties could be overcome and the printing transferred to Harrow, that arrangement would necessitate a considerable staff of special confidential messengers.

¶ 123. About 45 per cent. of the printing of the Foreign Office is in foreign languages, chiefly French, which necessitates specially educated and trained staffs of readers and printers.

124. We enquired into the arrangements made for maintaining secrecy in the printing department, and ascertained that there has never been a betrayal of confidence in the experience of witnesses extending over 25 to 30 years.

125. There is a binding department in connection with the Foreign Office Press, also confidential, because practically all the documents to be dealt with are private and some of them are highly confidential. It would not be possible to allow many of these documents to leave the building.

126. A considerable amount of printing is done for the Cabinet, all of which is confidential. Memoranda by Ministers and others for circulation are printed at this press, and any other documents required which cannot be produced conveniently from typewriting by neo-style or other process, and the same remarks apply to the documents required by the Committee of Imperial Defence.

(ii) INDIA OFFICE PRESS.

127. The India Office Press is installed in the India Office building, and is attached to the Foreign Office Press for the purposes of management. The Press is employed in printing the requirements of the India Office and of the High Commissioner for India (chiefly of a confidential nature) in this country. The Government of India possesses its own presses in India for dealing with their requirements in that country. The India Office Press exists, in fact, for the convenience of the India Office.

128. The India Office pays the entire cost of the Press (after receiving an allowance for any casual work undertaken by the Press for other Government Departments) with an addition of 5 per cent. to cover the cost of management. The expenses of running this Press, and the average number of staff employed for each year since it came under Stationery Office control, as are follows :—

Period.	Cost.	Staff.
October, 1919, to March, 1920	£ 4,376	40
1920-21	10,659	42
1921-22	9,383	27
1922-23	6,941	26
1923-24	5,766	23
1924-25	5,940	24

129. We are informed that the cost of producing the work at the India Office Press has been tested with current contract rates, and that it has been found that the cost to the Indian Government under the present arrangement is less than it would have been had the work been put out to contract as previously.

130. A total sum of £4,935 has been expended by the Stationery Office up to 31st March, 1925, in respect of the machinery and plant installed at the India Office. Depreciation has been written off to the amount of £2,148, leaving the value of machinery and plant standing on the books of the Stationery Office as at March, 1925, at £2,787. This, in the main, represents old machinery taken over from the previous contractor.

(iii) WAR OFFICE PRESS.

131. This Press, which is situated in the basement of the War Office, supplies a portion of the printing requirements of the War Office, consisting chiefly of work of a confidential nature. The balance of the requirements, over and above the capacity of the Press, is dealt with under the system at present prevailing, and either is executed by outside contractors or transferred to the State Printing Works at Harrow.

132. Prior to 1922, the War Office Press was carried on by Messrs. Harrison & Sons. The Stationery Office having represented, however, to the War Office that it was contrary to policy for a contractor to work in a Government Department, it was arranged, with the sanction of the Treasury, for the management of the Press to be placed in the hands of the Stationery Office. The contract with Messrs. Harrison terminated in March, 1922, and the Stationery Office assumed control forthwith, purchasing from the contractor only a small part of the plant *in situ*; the balance of the machinery required was transferred from other Government printing works. The net value of the machinery and plant standing on the books at March, 1925, was £2,419, after allowing for depreciation.

133. The expenses, output and profit since the assumption of control by the Stationery Office have been as follows (the value of the output being calculated at the rates charged previously by Messrs. Harrison & Sons, due allowance being made for any wages variations). A copy of the last trading account will be found in Appendix V.

Period.	Expenses.	Output.	Profit.
	£ s. d.	£ s. d.	£ s. d.
1922-23.. ..	7,740 18 11	8,312 2 5	571 3 6
1923-24.. ..	8,498 16 8	8,903 17 11	405 1 3
1924-25.. ..	8,162 14 2	9,033 12 4	870 18 2

The work is constant and keeps the Press fully occupied; any excess over and above the capacity of the Press is executed at Harrow.

134. During 1923-24, printing to the value of some £3,000 was executed for the War Office at Harrow, and printing to the value of £43,000 was put out to contract. We understand that as regards time in the case of work transferred to Harrow, the greater speed of machine composition at the latter, as compared with hand setting at the War Office Press, compensates for time lost in

transit from Harrow. We are also informed that the War Office has no complaint to make as regards the efficiency with which the printing at Harrow Press is carried out.

135. We have ascertained that neither the Admiralty nor Air Force possesses a Headquarters Press of its own for executing letterpress work, but the Admiralty has certain small local presses as detailed later. The Meteorological Press, which is dealt with in a subsequent chapter, produces weather reports, etc., for the Air Ministry, but no work of a confidential nature such as is executed at the War Office Press.

136. In addition to the War Office Press, we have ascertained that there are nine other printing presses used for Army purposes. None of these is under Stationery Office control. They are referred to in Section C of this Chapter.

(iv) METEOROLOGICAL OFFICE PRESS.

137. During the winter of 1919-20, the question of carrying out the lithographic work required by the Meteorological Department for producing weather reports within the Air Ministry building was discussed with the Stationery Office and the Treasury, and it was agreed that in order to secure a rapid printing and prompt distribution of meteorological information, it was desirable that the work should be produced at Kingsway. The Press was accordingly set up in January, 1920, under Stationery Office control, the late contractor's staff being absorbed in the new organisation.

138. The expenses, output and profit for each year since the Press was set up are as follows:—

Period.	Expenses.			Output.			Profit.			Loss.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
1920-21..	3,385	14	9	4,910	8	0	1,524	13	3	—	—	—
1921-22..	3,079	15	0	3,437	15	1	358	0	1	—	—	—
1922-23..	2,936	6	1	3,237	1	8	300	15	7	—	—	—
1923-24..	2,875	7	3	3,153	1	0	277	13	9	—	—	—
1924-25..	2,862	5	3	2,761	6	11	—	—	—	100	18	4
Totals.. ..							2,461	2	8	100	18	4
Aggregate net profit ..							£2,360 4 4					

139. We are informed that the amount credited to the Press in 1920-21 (£4,910) was assessed at the late contractor's rates of charge, but that in view of the abnormally large yield of profit disclosed (some 45 per cent.) it was decided to assign the work to the Press at a lower price in subsequent years. It is obvious that the terms of the old contract were too favourable to the contractor.

A copy of the last published trading account, profit and loss account, etc., is given in Appendix V.

140. The Press is employed chiefly in the production of the Daily Weather Report, which is issued in two parts—the British

and the International. The British Report is produced in the morning (760 copies per diem), and the International Report in the afternoon (350 copies per diem). In addition, some 365 copies per diem of the Upper Air Supplement and 1,125 copies of a monthly weather report are produced. The Meteorological Office aim at delivering a large proportion of the Weather Reports to their subscribers on the day of issue, and, in order that this may be done, the following rigid time table is followed by the Meteorological Office :—

Winter Time Table.	Summer Time Table.	
7 a.m.	8 a.m.	Observations made at Meteorological stations in Europe and on ships in the North Atlantic and transmitted by land wire, wireless telegraphy and telephone to the Meteorological Office. The hour is fixed by International arrangement.
8.30 a.m.	9.30 a.m.	Collection of reports received at the Meteorological Office by telegram, telephone and wireless telegraphy sufficiently complete for the preparation of the maps and forecasts to be commenced.
10.25 a.m.	10.55 a.m.	Preparation of the transfer of the British Section (including Upper Air Supplement) completed. Transfer passed to the lithographer.
10.30 a.m.	11 a.m.	Lithographer commences transferring.
11.30 a.m.	12 noon	First batch of copies of British Section received in Meteorological Office from lithographer; process of folding reports and putting in envelopes commenced. A staff of messengers is available and if necessary the clerical grades give assistance.
12 noon	12.30 p.m.	Delivery of 350 advance copies completed.
12.15 p.m.	12.30 p.m.	Folding and putting in envelopes completed.
12.30 p.m.	1.0 p.m.	Delivery by the lithographer of the balance of British Section for despatch for 5.30 p.m. mails.
12.45 p.m.	1.0 p.m.	Messengers leave for Mount Pleasant Sorting Office, the General Post Office, and for special deliveries.
1.25 p.m.	1.25 p.m.	Latest hour for receipt of reports at Mount Pleasant that ensures inclusion in midday mails.
2.0 p.m.	2.30 p.m.	Transfer of the International Section completed and sent to the lithographer.
3.0 p.m.	3.30 p.m.	Delivery by the lithographer of the first 100 copies International Section.
2.15 p.m.	2.45 p.m.	Messengers due to return from their rounds; work of folding and enveloping the remaining reports resumed.
3.15 p.m.	3.45 p.m.	
4.30 p.m.	5.0 p.m.	Latest hour of delivery to Air Ministry Registry of reports despatched by the 5.30 p.m. post.

141. Prior to January, 1924, weather charts of the North Atlantic and Indian Oceans were also printed by the Press, but since that date their place has been taken by a publication called *The Marine Observer*, of which some 1,500 copies monthly are issued by the Meteorological Press. The net result of this change has been a reduction in the amount of work the Press is called upon to perform; as a result, there is a certain amount of non-effective time. It was suggested by the Meteorological Office that the more economical working of the Press would be secured by transferring certain of the work at present carried out for the Air Ministry by outside contractors.

Some lithographic work for other Departments is done in order to keep the Press as fully occupied as possible, but work of this character is uncertain and irregular.

C.—PRINTING FOR THE GOVERNMENT NOT UNDER THE CONTROL OF THE STATIONERY OFFICE.

142. The printing of charts and maps and security printing, together with impress stamping, are dealt with each in separate chapters of this Report. There are, however, a number of small presses working for various departments which must be briefly referred to.

(i) POST OFFICE SAVINGS BANK PRESS.

143.—The Post Office Savings Bank differs from other Government Departments in that the whole working costs are charged against the Savings Bank Fund with the exception of those relating to the Post Office register of Government stocks and bonds. In 1895 the Savings Bank authorities considered the question whether more advantageous and economical arrangements could be made for dealing with the printing matter required by the Department. At that time the printing was carried out entirely by contractors, and it was suggested that in order to secure greater economy the Department should set up its own printing press. The proposal was considered by a small Departmental Committee which recommended the separation of the Savings Bank contracts for printing from those of other Departments of the Post Office, but their recommendations did not extend to the establishment of a Departmental printing press. Following upon this separation of contracts an immediate saving was effected in the Savings Bank printing equivalent to approximately £2,500 per annum.

144. Further representations in favour of the establishment of a departmental press were made to the Treasury in 1898, on the grounds of economy, as compared with the contract prices then current; security for the proper custody and handling of the warrant forms, which lend themselves to fraudulent use; and convenience; authority was given by the Treasury for setting up the Savings Bank Press. The initial outlay on plant in 1898 was £666, and at the end of one year the Press was able to show a

saving of £870 as compared with previous contract prices. Extensions were authorised from time to time as contracts fell in and especially when removal of the Savings Bank to new and larger premises at West Kensington afforded more accommodation; at the present time the greater part of the printing required by the Savings Bank is produced on the premises. Any exceptional requirements beyond the capacity of the Press are obtained through the Stationery Office.

145. The Press has remained throughout under the control of the Post Office. The staff of the Press consists of 23 men and 36 women, whose duties are allocated as follows:—

Men :—

- 1 Foreman,
- 1 Senior machine-minder,
- 8 Machine-minders,
- 3 Compositors,
- 6 Cutters,
- 3 Warehouse porters,
- 1 Boy (messenger).

Women :—

- 1 Forewoman,
- 1 Deputy forewoman,
- 34 Skilled women.

With the exception of the foreman and forewoman, who are established officers, the staff is paid at trade union rates, subject in a few instances to a 5 per cent. deduction on account of certain privileges received.

146. The following statement compares the growth of the work of the Savings Bank with the amount expended by that Department under the head of Stationery during the period 1893–1922, and column (iv) of the statement indicates the value at current contract prices of the printing undertaken by the Savings Bank Press.

Year, (i)	Number of Transactions in Post Office Savings Bank. (ii)	Expenditure under Stationery Sub-Head. (iii)	Value of Output of Printing Branch at Contract Prices. (iv)
1893 ..	13,457,000	£ 20,267	£ —
1898 ..	18,715,000	14,943	904
1903 ..	21,506,000	16,408	7,804
1908 ..	28,302,000	10,257	11,069
1913 ..	34,695,000	13,876	13,103
1918 ..	38,128,000	26,389	28,995
1919 ..	51,540,000	52,146	29,459
1920 ..	40,890,000	34,880	28,830
1921 ..	35,843,000	46,300	31,703
1922 ..	34,092,000	36,429	25,313

147. The value of the work produced by the Savings Bank Press (column iv of the preceding statement) is based upon a schedule of values supplied annually by the Stationery Office, giving the cost of the work at current trade prices; and, as is shown from the following statement, an aggregate saving of £47,663 has been effected by the operations of the press in 30 years. Since 1898 the press has never failed to show a profit as compared with the prices prevailing in the outside market, the average saving during this period being equivalent to some 13½ per cent. per annum.

Year.	Saving on Current Contract Prices.	Year.	Saving on Current Contract Prices.
	£	Brought forward	£
July, 1898, to 31 December, 1899	1,140	1911-12 ..	1,407
1900	1,186	1912-13 ..	2,336
1901	1,518	1913-14 ..	3,471
1902	1,521	1914-15 ..	741
1903	2,194	1915-16 ..	516
1904	1,985	1916-17 ..	2,575
1905	1,932	1917-18 ..	959
1906	2,525	1918-19 ..	1,284
1907	3,227	1919-20 ..	2,548
1908	2,447	1920-21 ..	721
1909 and to 31 March, 1910..	2,819	1921-22 ..	1,378
1910-11 ..	1,567	1922-23 ..	2,794
		1923-24 ..	2,872
Carried forward	24,061	Total saving..	47,663

148. The bulk of the work performed by the Savings Bank Press is of a fairly simple character, consisting chiefly of forms, deposit books, warrants and miscellaneous stationery. Particulars of the output of the press during the financial year 1922-23, amounting to nearly 91 million items, are as follows :—

Forms.	Number printed.
Savings Bank Warrants	4,691,000
Dividend Warrants	4,464,250
Acknowledgements	300,000
Postmasters' Forms	21,482,500
Penny Bank Work	223,750
Other Special Forms	20,041,995
Job Forms	16,123,554
Coupon Books	500,000
Ordinary Deposit Books	1,028,993
Envelopes	22,077,500
Total	90,933,542

149. The extent of the supplies obtained through the Stationery Office by the Press from outside sources in recent years is set forth in the following statement :—

Year.	Savings Bank Books.	War Loan Exchequer Bond and Demobilisation Account Books.	Forms.	Envelopes.	Totals.
1914 ..	Nil	Nil	500,000	1,056,500	1,556,500
1915 ..	Nil	Nil	5,392,200	5,253,750	10,645,950
1916 ..	Nil	1,360,000	4,437,225	5,231,775	11,029,000
1917 ..	Nil	1,152,000	11,259,728	9,603,950	22,015,678
1918 ..	500,000	7,960,125	20,296,250	11,134,450	39,890,825
1919 ..	2,807,000	590,500	45,324,295	29,636,400	78,358,195
1920 ..	1,242,750	551,000	19,674,730	9,834,225	31,302,705
1921 ..	Nil	451,500	18,866,400	10,839,400	30,157,300
1922 ..	Nil	200,500	3,413,200	1,671,500	5,285,200
1923-31st October	Nil	Nil	1,262,000	3,200,000	1,962,000
Total	4,549,750	12,265,625	130,426,028	87,461,950	234,703,353

150. We observe that the paper used in the Press is supplied by the Stationery Office only in cases where standard (stock) sizes are required, and that in the case of non-stock items, contracts are entered into on behalf of the press by the Stores Department of the Post Office.

151. A copy of the revenue account and balance sheet for the financial year 1923-24 appears in Appendix VI. As will be observed, the expenditure includes the actual disbursements for wages, plant, material, etc., and also charges for the services of the clerical establishment for administration and clerical work ; for rent, light, power, etc., and for interest on the amount outstanding in respect of advances of capital.

152. It will be observed from the particulars of output furnished above that enormous quantities of certain forms, etc., are required by the Savings Bank Department. These constitute a stand-by for slack periods, and for that reason the machines are never kept standing idle. As the work leaves the machines it is sorted ready for use, thereby avoiding an appreciable expense which would otherwise be incurred for packing, labelling and transport if the work had been executed by a private contractor. This represents an appreciable saving over and above that reflected in the revenue account.

(ii) MUSEUM PRESSES.

153. (a) *British Museum Press*.—Printing at the Museum is confined to the part-time work (rather less than one hour daily) of an employee in the Department of Manuscripts, who occupies the

remainder of his time by repairing manuscripts, repairs to bindings, etc. The printed matter is confined to Museum circulars, office notices, etc. The labels for the exhibits are either written or are made by cutting extracts from spare copies of the Museum Guide and pasting them on cards. The status of the man employed on the printing work is under consideration by the Treasury.

The Reading Room and other forms and notices required by the British Museum are printed through the Stationery Office.

154. (b) *Victoria and Albert Museum Press*.—The printing press at the Victoria and Albert Museum, South Kensington, was set up at the formation of the Science and Art Department, at a meeting at Marlborough House, in 1853; Mr. (afterwards Sir Henry) Cole, appointed General Superintendent of the Department, brought a printer with him from the Record Office and shortly afterwards engaged another.

155. When the Department was transferred to the Committee of Council on Education in 1856, the printing office was removed to South Kensington and the staff increased to six, three of whom were boys. The Treasury at intervals asked for and were supplied with information regarding the Press.

Thus, with reference to the Estimate for printers in the year 1874–75, the Treasury inquired as to whether their authority had been expressly obtained for the employment of printers at South Kensington and for the purchase of machinery and plant; how stores of paper were obtained; the cost for the three previous years, and on what principle the division was made between work done at this Press and work ordered in the ordinary way from the Stationery Office. The Department replied that the staff of printers had been attached to the Department since its formation; that the presses were purchased in years 1853 to 1857; that the paper was procured from the Stationery Office, and that the Department's printers were employed chiefly upon the printing of labels, admission cards for the Museum, notices, and to some extent in printing forms, of which the quantity was small, in order to save clerical labour.

156. From 1873 to 1891 the staff of the printing office was temporarily supplemented each year by six men from the Royal Engineers' Depot at Chatham, to assist in printing the annual Examination Papers of the Department of Science and Art. In 1892 this work was transferred permanently to the Stationery Office. In 1903 the Secretary of the Board of Education (Mr. R. L. Morant) investigated the work of the Press in order to ensure that it was not being used to do work which should more properly be sent to the Stationery Office. The work of the Press was again examined in 1907 at the request of the Committee of Enquiry into Government Printing.

157. The staff at present employed in the printing office consists of six men and two boys. Under the Treasury authority of 27th August, 1870, payment is made according to proficiency and is regulated by the ordinary market value of similar labour. The rates at present paid range from 11*d.* per hour to 1*s.* 3*d.* per hour (plus cost of living bonus) for the men, equivalent to a minimum and maximum (including bonus at existing rates) of 40*s.* 9*d.* and 97*s.* 2*d.* per week, respectively, and 3½*d.* per hour (plus bonus) for the boys, for a 48-hour week.

Three machines are in use, viz. :

- 1 double crown wharfedale machine,
- 1 royal albion press,
- 1 foolscap albion press,

worked by a small electric motor.

158. The printers on the Board's staff are all-round men, capable of carrying out all kinds of printing and the work incidental thereto. It is claimed by the Museum authorities that the work is of a much higher grade than that done in all but a few firms who specialise in artistic printing of the best quality. The items comprised in the printing requisitions vary from a small label of a few lines to a long descriptive poster illustrated by diagrams.

Of 407 requisitions passed for execution,

- 295 were for the Victoria and Albert Museum, Bethnal Green Museum and the Royal College of Art ;
- 102 were for the Science Museum ;
- 10 were for the Board of Education at Whitehall.

Of the 407 requisitions,

- 212 were for museum labels, etc. (many in colours) ;
- 42 were for posters and notices, etc., displayed in the museums ;
- 22 were for printing sets of addresses on envelopes ;
- 37 were for forms, lists, etc. ;
- 94 were miscellaneous.

In addition to the above, there are a number of standing jobs, such as the Departmental Inventories of the Museum, arrears of which have not been overtaken, and repetitions of notices, forms, etc. ; a number of these latter are kept in type and amended copies are issued as necessary.

159. Since the transfer of the Technological Branch of the Board of Education to Whitehall in 1909, almost all of the work executed has been of a special nature for the museums. It is on this special work that the case for the retention of the press at the Museum primarily rests, in the opinion of the Museum

authorities. Sir Cecil Harcourt Smith informed the Committee as follows :—

“ It must be remembered that the aim of the Museum is the exhibition and encouragement of Art as applied to Industry. It follows, therefore, that printing displayed and used in the Museum should reach a much higher standard than that usually attained in ordinary contract work. The Museum is frequently called upon for advice and example in the arts of illustration and design, it is recognised as a centre for the improvement of design in printing as in the other industrial arts, and it follows that printing displayed in the Museum should be a model as regards type, design and finish. This standard cannot be maintained, however, unless the Museum can keep its own printing press with its special varieties and qualities of type, directly supervised and guided by the technical and administrative staff on the same premises.”

160. Almost all the jobs done by the Press consist necessarily of very few copies of labels, bills, etc., required by the Museum, which it would be uneconomical to send to an ordinary printing office. Further, the work is often required at very short notice. Important acquisitions must be exhibited and labelled promptly, and frequent revision of proofs is often necessary. The Stationery Office, in view of these conditions, declined some of the Museum work and suggested that it could be done more conveniently in the Museum printing office.

161. (c) *Natural History Museum Press*.—For several years before 1903, small labels were printed in the Museum by a labourer who had had some printing experience. In that year, however, sanction was given to the employment of a printer at a weekly wage, commencing at 30s., rising to 32s. 6d. at the end of three years and to 35s. at the end of six years. At that time the minimum trade union weekly wage for a compositor in the London district was 39s. but the lower rate was considered to be compensated by the permanence of the employment, holidays on full pay, and certain sick benefits. In the reorganisation of the establishment in 1921, the scale was amended to 33s. (plus cost of living bonus) and by increments of 1s. to 36s., equivalent to a minimum and maximum (with bonus at existing rates) of 59s. 4d. and 64s. 4d. per week, respectively.

There is officially only one printer employed who receives 36s. a week. But labels have been printed for the Department of Geology by a clerk, on a salary of £167 with bonus, who has done this work in addition to his normal clerical duties.

162. The nature of the work is very varied. It includes posters up to demy size, staff lists, rotas, and explanatory and other labels. The most important part of the work is the printing of numerous labels which are required for the exhibited specimens, usually

about six copies of each kind. Twelve printed copies of some of the matter are sometimes required, and occasionally as many as 150 in the case of a notice or programme. The output appears to be fairly considerable, but no information as to its value could be given because of the exceedingly varied character of the work.

163. It was considered by the Museum authorities that the work should be executed on the premises instead of by the Stationery Office in order to avoid waste of (i) time and (ii) money. Under the present arrangement it was urged that urgent work can be completed in a few hours, and much time and trouble saved by the printer being able to refer directly to the member of the staff concerned for instructions as to the size and arrangement of the label and the type to be used, and that transference of the work to the Stationery Office would result in long and inconvenient delays. It was contended that the technical character of the work if carried out elsewhere would require a skilled compositor at high wages; and overhead charges would increase its cost. Leaving aside the notices, announcements, and so forth, the printed words required were usually technical or scientific and often abstruse; it is an economy for this reason to have the printer and the experts to correct and pass proofs in the same building.

(iii) MILITARY PRESSES.

(a) *Ordnance Committee Press, Woolwich.*

164. The Ordnance Committee is an advisory body consisting of Naval and Military Officers on the Active List, who, for convenience, carry on their highly technical work in offices at the Royal Arsenal. They are directly responsible to the Admiralty, War Office, and Air Ministry, but they do not control or manage the Ordnance factories. The Press was established prior to 1860, and since that time has always printed the Minutes of the Ordnance Committee meetings, which are held twice weekly, and any memoranda and reports required by the Committee. The Press also prints for the Royal Artillery Committee.

165. In 1914, ten printers were employed in the Ordnance Committee Press. At the present time the Press employs 9 printers, 1 process worker, 1 labourer, and 2 boys, making a total of 11 men and 2 boys. Of these, the following are post-war changes: a process worker has been added for reproducing diagrams, designs, and photographs in the Minutes and in Reports; and a labourer insisted upon by the trade union; a cropper lad who has taken the place of a printer; and a printers' boy assists with proof reading.

166. In addition to coping with the increased work of the Ordnance Committee and Royal Artillery Committee as recorded in the printed Minutes of their meetings, the Ordnance Committee Press now produces the Annual Report of the Proceedings of the Ordnance Committee, and the Annual Reports of the Presidents'

Ordnance Committee and the Royal Artillery Committee. In addition, it does work for other military branches, such as the Research Department, the Inspection Department, the Superintendent of Experiments, etc. Prior to 1920, this latter work was done through the Stationery Office, but that arrangement was not found to be economical or efficient since the routine of the Ordnance Press work fluctuates; it was considered necessary, therefore, to add other jobs, not of an urgent character, on which the staff can be employed when the ordinary routine work is not sufficient to keep them fully occupied.

167. We were informed that the Ordnance Committee Press cost account for 1921-22 amounted to £3,967, based on the rates of pay then current, and that the Stationery Office estimate for the same work calculated in 1923 on 1923 contract rates worked out at £5,295. This estimate of £5,295 did not include wages of the extra staff who would be required to produce copies of the agenda, etc., required for the meetings, nor the pay and allowances of the officer to act as messenger whom the Ordnance Committee considered essential for conveying secret documents to and from the Harrow Press. Moreover, the Ordnance Committee consider that printed papers could not be corrected and delivered from any London printing works, including Harrow, without much expense and delay; as the matters dealt with are highly technical and complicated and can be checked only by experts.

168. We learn that under the present system papers are received in the office of the Ordnance Committee from the Admiralty, the War Office, etc., previous Ordnance Committee references to the same or similar subjects are marked on them, and they are then considered by the sub-committees dealing with the particular subjects. The action to be taken is written on the papers and the files passed to the printers with the important minutes marked. The first proof is then issued as an agenda and the various questions and action considered and decided in full Committee. On many occasions this agenda is subject to considerable alterations, and the matter is altered and referred back to sub-committees for further consideration. The amended Minutes as passed are then sent to the printers and corrected. A final proof is checked by the secretarial staff and the finished approved Minutes printed the same evening. On the following day the Minutes are sent out to all concerned, and two to three days later the next meeting of the Ordnance Committee is held. Meetings are held on Tuesdays and Fridays in each week.

169. We were informed that of the subjects considered by the Ordnance Committee all are regarded as confidential. The secretarial and printing staffs are small, and through long service and by selection are considered to be absolutely reliable.

170. The working expenses account of the Press for the year ended 31st March, 1923, is given in Appendix VII. During

that period 4,633 foolscap pages were printed by the Press at an average cost of 16s. 2d. per page.

(b) *Instructional Press : Printing Section (Royal Engineers), School of Military Engineering, Chatham.*

171. The military personnel and civilians employed at the above Press are engaged on the following work :—

(a) *Printing School.*

(i) Printing of orders for Area Headquarters, School of Military Engineering, Training Battalion Royal Engineers, and Depot Battalion Royal Engineers.

(ii) Trade training of boys as printers (compositors),

The military peace establishment of printers stands at 21, distributed as follows :—

School of Military Engineering	4	
Fortress Companies ..	3	15th Fortress Company, Gibraltar, 2 ; 40th Fortress Company, Hong Kong, 1.
Survey Companies ..	8	
Rhine and Ulster Printing Sections	6	
Total ..	21	

(b) *School of Lithography.*

(i) Illustrations for School of Military Engineering : instructional books and pamphlets.

(ii) Instructional plates and wall diagrams for School of Military Engineering.

(iii) Printing of barrack atlas plans for Director of Fortifications and Works as required.

(iv) Trade training of boys (at present 13 in number) as lithographers. The establishment of the Royal Engineers includes 65 lithographers in peace and 92 on a war footing. The military personnel (other than boys) employed are as follows :—

Printing School	6
School of Lithography	3

172. The civilians paid by the War Office are : one pensioner messenger on the establishment of the Printing School, five civilians, and one pensioner messenger employed at the School of Lithography. In addition, seven civilians paid by the Stationery Office are employed at the Printing School. The printing work done by the latter class is as follows :—

(i) Printing all School of Military Engineering instructional books and pamphlets.

(ii) All general printing work of the School of Military Engineering Establishment.

173. Instruction is given to the military personnel in the following trades: Printer (compositor), Lithographer (prover), Lithographer (draughtsman), Lithographer (machine minder). Each individual is trained in one only of these trades.

Whilst the primary purpose of the printing section of the School of Military Engineering is to train printers and not to print letterpress, we are informed that the War Office endeavours to ensure that the matter produced by the Press is useful to meet working requirements and that it is as far as possible produced economically.

174. The official matter printed consists of (a) local orders of various kinds, (b) technical Royal Engineers handbooks, etc. When the state of the official work permits, non-official work is also done for various army authorities in their private capacity and is paid for by them at cost price.

Specimens of all work, with particulars of quantities and cost, are sent by the War Office (who review work from the point of view of military necessity) to the Stationery Office; the latter compares the cost of the work, both public and private, with current contract prices, giving credit for payments for private work, if any, and accounting for cost of paper supplied.

175. The cost of the work executed in 1922-23 was calculated by the local Army Cost Accountant at £1,896. This represents labour (including the cost to the State of military labour employed) plus materials, together with an addition of 15 per cent. for overhead charges. The corresponding current contract figure was approximately £3,000. The portion of the £1,896 representing private work was about £140.

176. The cost of the school in 1922-23 is shown in the following statement:—

	£	£
Pay of military personnel	2,051	
Pay of civilian personnel	3,040	
Rents, rates, fuel, light, cleaning, etc.	308	
Depreciation of plant and machinery	227	
Stores and miscellaneous	333	
		5,959
<i>Less:—</i>		
Cost of <i>litho</i> work produced and charged off to units and individuals	850	
Cost of <i>letterpress</i> work produced and similarly charged off	1,896	
		2,746
Balance not chargeable to units, etc., outside the school, and therefore representing cost of training		3,213

(c) *Miscellaneous Military Presses.*

177. (1) *Sandhurst Press.*—This Press was purchased by the Military College by its private funds in 1905, and is consequently the private property of the College. The work it does for the War Department consists of daily orders, forms and general instructions, and educational pamphlets. The whole of this work is examined by the War Office from the point of view of its necessity for the work of the College. The Press, though privately owned, does not work for the War Department as a contractor; the actual cost of the public work which it does is borne by the public, the civilian printers being paid through War Department funds and the paper and ink is supplied by the Stationery Office. The Treasury concurred in the retention of the Press in January, 1923.

178. The working of the Press is checked by quarterly accounts of the total working expenses, which are sent to the Stationery Office, where they are compared with the value of the work estimated at current contract prices. The comparison for the four quarters which had elapsed when evidence was taken by this Committee is as follows:—

Period.	Working Expenses.			Value of Work at Stationery Office Local Rates.		
	£	s.	d.	£	s.	d.
April–June, 1922	101	10	0	104	0	2
January–March, 1923	100	7	6	80	0	0
April–June, 1923	94	4	0	88	0	0
July–September, 1923	91	13	6	101	0	0
Total for four quarters ..	387	15	0	373	0	2

Including the cost of paper and ink, the total cost of the Press to the public is about £500 a year.

179. (2) *Singapore Press.*—This Press was established by private funds in 1891–92. It is the property of the Command Institution, which is a soldiers' club, or recreation institution. Paper is supplied by the Stationery Office and renewals of type, ink, etc., are obtained free of charge from the Government printers at Singapore employed by the local Colonial Government. The War Office witness was not able to say whether that Government obtains repayment on this account, but we understand that no charge is made against Army funds. It was proposed in August, 1922, to close this Press down, in pursuance of the general policy of abolishing small Army presses, and the General Officer Commanding the station was instructed to arrange for the issue of local orders and similar matter by a duplicating process, and to arrange for other printing to be done in this country. However, it was urged that the use of a duplicator

would double the consumption of paper and would be unsatisfactory in the climate of Singapore. The matter, after reference to the Stationery Office, was accordingly reconsidered, and with Treasury concurrence the Press was allowed to continue. The only cost of the Press is the value of the paper, about £10 a year, which would be borne by the Stationery Office in any case, and the difference (£40) between ordinary tradesmen's rates of pay for the two soldier printers who are engaged on the Press. We are informed that the successors of these two men will receive ordinary Army rates of pay only.

180. (3) *Hong Kong Press*.—This Press is public property; the plant was supplied from England in 1908. The Stationery Office supply renewals of type and also the paper and ink. The quantities of paper are small and would be supplied by the Stationery Office if the work were done by contract. The continuance of the Press was discussed in 1922, and in view of its cheapness its retention was authorised by the Treasury until such times as the present machine is worn out, when the matter will be reviewed. The total cost of the Press to public funds is £50 annually, including extra pay of tradesman (a soldier who carried out his military training in addition to his printing duties), cost of material and depreciation of machinery. Specimens of the work done were recently obtained and submitted to a technical representative of the Stationery Office, who advised that the work, if put out to contract, would cost more than it does at present. The matter printed consists of various local forms, Army orders, etc.

181. (4) *Malta Press*.—This Press, consisting of two machines, was public property until recently: they were supplied in 1909 and in 1913 to replace other machines which were worn out. In June, 1922, the General Officer Commanding at Malta was instructed to close down the Press in pursuance of the general policy and to obtain local tenders for the necessary printing. He obtained the tenders and appealed against closing down the Press on the grounds that the cost of military printing was lower than the lowest tender, and that, from the point of view of military security, it was desirable to keep the printing under military control. He offered to purchase the plant at a fair valuation from funds raised by local military subscription. This offer was accepted by the Stationery Office, who were paid £155 for the plant, and the Press is now the property of the Command Institution. The Press, however, does not work as a contractor to the War Department, but the War Office pays the actual cost of military printing up to a limit of £150 a year, excluding the cost of paper and ink supplied free by the Stationery Office; including that cost, the limit would be £200 a year. The £150 appears to be more economical than contract work would be, as we were informed that the lowest tender for printing of the daily Garrison Orders, which is only a part of the work done by the

Malta Press, was little less than £150. The arrangement was started in July, 1923, and the General Officer Commanding has since reported that the running expenses of the printing press are being charged to the Stationery Office, monthly, up to the limit named. He sends to the Stationery Office with his claim specimens of all work done and particulars of quantities. Military labour is not employed and the estimated cost to the Command Institution running the press was estimated by the General Officer Commanding in March, 1924, as follows:—

Printer at £2 a week	.. .. .	£104 a year.
Assistant printer at £1 a week	.. .. .	£52 a year.
Cleaning	.. .. .	£3
Electric power	.. .. .	£1 12s. 6d.

The arrangements have been approved by the Treasury.

182. (5) *Signal Service Training Centre Press (Maresfield)*.—This Press was issued to Maresfield in 1920. In September, 1921, it was decided to withdraw the Press, but Maresfield appealed and purchased the Press from the Stationery Office for £150, raised from private funds. The running expenses of the Press are not chargeable to the public, but it executes any public work required at London contract prices which are considered by the War Office representative to be more favourable to his Department than those obtainable at Lewes, the nearest town where printing by ordinary contract could be carried out. The work done consists of local orders, instructional papers, etc., specimens of which are sent to the War Office and examined to determine whether they are necessary. The total cost to the public funds is about £250 a year.

183. (6) *Northern Ireland Press*.—This is an old and small press valued at £5, and it is the private property of the Garrison Institution. It has hitherto been worked by a sapper. The main reason for its continuance was that during the period of disturbances in Ireland a great deal of the military printing could not be entrusted to local contractors. We learn that it has now been decided to close this Press and arrange for a local contract.

(iv) NAVAL PRESSES.

184. A list of the printing presses in use in the Royal Naval Service, together with a general description of the work done, is given below:—

- | | |
|---|--|
| (i) Royal Naval College, Dartmouth (2 presses). | Printing examination papers, time-tables of studies, circulars, notices and numerous forms, etc., peculiar to the requirements of the College, many of which are required at short notice. |
|---|--|

- (ii) H.M.S. "Vernon" Producing certificates for officers undergoing instruction at Gunnery and Torpedo Schools, range tables for experimental work, programmes of Officers' Courses, corrections to instructional books, syllabus for Senior Officers' Course, routine lists, pamphlets for use in the Instructional Department, Fire Stations, and orders for these Establishments and the Mining School, and "Vernon's" confidential quarterly letter to Torpedo Officers in the Fleet. (This letter contains about 100 pages, and 176 copies are printed.) In addition, a large number of returns, lists, reports and forms special to these Establishments are produced.
- (iii) Shotley Training Establishment. This is an old hand press used for printing a large variety of forms, orders and frequent alterations and amendments to the Training Service Regulations, and is of the greatest use in the Training Service.
- (iv) Stations :—
- | | |
|-------------------------------|--|
| Vice-Admiral, Gibraltar .. | } Printing a large number of local orders, notices, special returns, etc., consequent on local conditions, many of which are required at short notice. |
| Commander-in-Chief— | |
| The Nore (2 presses) .. | |
| Portsmouth | |
| Devonport | |
| Mediterranean (2 presses) .. | |
| Atlantic Fleet (2 presses) .. | |
| Vice-Admiral Commanding 1st | |
| Battle Squadron | |
| Rear-Admiral Commanding 1st | |
| Battle Squadron | |
| Vice-Admiral Commanding | |
| Reserve Fleet | |
| Rear-Admiral Commanding | |
| Battle Cruiser Squadron .. | |
| Rear-Admiral (D), Atlantic | |
| Fleet | |
| Commander-in-Chief— | |
| China | |
| North America and West | |
| Indies | |
| East Indies | |

D.—SUMMARY OF RESULTS.

185. Trading accounts are not prepared for all the Government Printing Presses, but, in so far as such are available, we give below a summarised statement showing the financial results during the year ended 31st March, 1925. We have analysed the figures for the previous years but we have not had an opportunity of examining closely these later figures.

Press.	Expenses.			Value of output (on the basis defined in Chapter II).			Profit.			Loss.		
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
(i) Harrow ..	192,439	8	9	255,658	2	9	63,218	14	0	—	—	—
(ii) Hare Street ..	103,638	10	6	110,777	7	9	7,138	17	3	—	—	—
(iii) Foreign Office	29,499	3	8	33,882	13	5	4,383	9	9	—	—	—
(iv) War Office ..	8,162	14	2	9,033	12	4	870	18	2	—	—	—
(v) Meteorological Office.	2,862	5	3	2,761	6	11	—	—	—	100	18	4
(vi) Savings Bank	20,210	0	0	24,089	0	0	3,879	0	0	—	—	—
Totals ..	356,812	2	4	436,202	3	2	79,490	19	2	100	18	4

* Net Profit .. £79,390 0s. 10d.

186. The use of the term profit in this report needs to be explained. In fact, the Government cannot make a profit from itself, but it may make a saving by producing for its requirements more cheaply than it can buy outside. Therefore the term "profit" used in the accounts of Government factories supplying the Government represents the saving to the taxpayer as compared with outside prices. Loss, on the other hand, is a correct description of the cost of producing in Government factories in excess of outside prices, and the loss has to be made good by the taxpayer.

* Owing to a recent Treasury decision that the Office of Works charges are to be made on a basis of expenditure incurred instead of, as heretofore, expenditure actually defrayed, the amounts shown above under "expenses" include practically five quarters' expenditure, the Trading Accounts for 1924-25 including a carry-over from the preceding financial year. If allowance is made for this carry-over, the "profit" shown above would be increased to £81,083 0s. 10d.

CHAPTER IV.

The Case for and against State Printing.

187. It has been shown that Government printing had its origin in the necessity for security printing which began in the reign of William and Mary. The second stage was the printing of confidential documents on the premises of the Foreign Office and the War Office in the middle of last century. A third stage of development was contemplated on the recommendation of various Committees that the Government should itself execute some portion of the general printing which was required for Government purposes. No steps were taken before the commencement of the Great War: that event caused the Government successively to take over various printing works in order to meet the War requirements. At the end of the War these works were left upon the hands of the Government; and the Treasury authorised the Stationery Office to carry on the Hare Street works and the Harrow works as printing factories for the general requirements of the Government. It was subsequently announced in reply to questions in the House of Commons that the works would be carried on for a period of three years and that the undertaking would be investigated and its future decided upon the result of the three experimental years.

188. The case for printing highly confidential documents under direct Government control is easily established. At all times, there must be a considerable number of confidential, and some secret, documents which require to be printed: in periods of crisis and emergency, the number is very largely increased. Such papers were printed before the War on the premises of the Foreign Office, the Admiralty, and the War Office, the actual work being carried out by a staff provided by printing contractors. In addition, a considerable amount of confidential work was carried out from time to time by outside printers, and the presses which do confidential commercial printing are still available for any surplus work which cannot be carried out punctually on emergency by the Government presses employed on confidential work. No case has occurred of any confidential document having been divulged or any case of secrecy betrayed by the contractors' staff or anyone connected with the printing establishments under this arrangement. The system was manifestly an anomalous one, and

apart from any question of economies resulting from printing such papers with its own employees, it requires no argument to demonstrate the sound principle that the Government must be responsible for its own confidential papers, and that it should have these papers under its direct control at all times from the inception of the manuscript. The precautions taken to prevent any confidential documents being divulged while they are in the hands of the printers and the staff employed by the Stationery Office have been carefully investigated by us ; and we consider that the system adopted is careful and adequate to preserve secrecy. No case of any breach of confidence has occurred hitherto.

Security printing is a matter for separate consideration and is dealt with elsewhere in this report.

189. In our investigation of the facts relating to Government printing we have received the fullest assistance from the Government Departments concerned ; but on questions of public policy, they have not been in a position to give *ex parte* evidence. The trade view of the subject of our enquiry has been laid before us in the evidence given by the representatives of the Federation of Master Printers. We would like to express our indebtedness to the Federation and their representatives for the time and trouble devoted to the preparation of their case, and its explanation in oral evidence before us.

190. The question of continuing to maintain general printing works under the direct control and management of Government involves considerations of :—

- Public Policy.
- Administrative Control.
- Financial Results.

PUBLIC POLICY.

191. It has been urged that it is no part of the business of the Government to engage in State trading and, moreover, that it is inimical to the well-being of the State that the Government should directly employ a large staff of mechanics and workmen, as it involves the Government directly as one of the participants in a whole range of industrial questions upon which it is necessarily the duty of the Administration to act impartially, and sometimes as arbiter. The latter objection is one of great weight : it is the fact that the Government's own employees in several Departments have joined in strikes and disputes in which the Government itself has been in no wise involved or interested. On the occasion of the recent general strike, the Government printing works were affected but not entirely paralysed (some 20 per cent. of the staff remaining at their posts). In many directions the Government has to employ labour, both skilled and

unskilled, and in the printing business, as has been shown, the staff and employees handling the confidential work should be under direct Government control. We think, from this point of view, that a part also of the general printing work should be done by a limited staff under conditions which will insure that the Government can rely under all circumstances, especially during periods of crisis or emergency, on their faithful services; such a staff can be kept regularly employed; but it would be unwise to extend Government presses so as to be able to cope with the whole of the fluctuating requirements of the Administration.

192. At the end of the War, the Government released from control the shipping, the railways, engineering works, and other industries which they controlled, or partially controlled, during the period of the War. But the Government printing establishments do not stand on the same footing: they are employed solely for the purpose of supplying the Administration with the printed matter which is required for the use of Parliament, for the Government offices, in all their branches and their dealings with the public. It appears to us that the case for State trading under present arrangements can arise only in the case of maps and charts which are the subject of separate consideration in this Report. The Government printing establishments are more nearly on the footing of the Office of Works which carries out building, alterations and maintenance of the Government buildings; or the Dockyards and Ordnance factories which do work directly for the Government and sell nothing to the public generally. Those departments carry out a very large amount of work which might be done for them by private business contractors, and thus they withdraw certain work from private enterprise; but it is not suggested in drawing this parallel in principle that the special considerations which apply to the printing business would apply to other departments. The decision, therefore, to be taken is not, in our opinion, affected by the case for or against State trading; it depends mainly upon the administrative and financial advantages or disadvantages to the State; upon such considerations must be decided whether the State should extend its works and do the whole of its general printing in State printing works, or none of it; and if a part of the general printing is done by State printing presses and part by contract, what is the convenient and advantageous apportionment.

ADMINISTRATIVE CONTROL.

193. One of the principal reasons advanced for the continuance of the State printing presses is that by the possession of its own works the State is able to secure that its printing requirements are carried out with greater expedition. This is not based on any claim that the Government works are better equipped or more efficiently managed than those of private contractors, but on the fact that the private contractor has many clients to satisfy of which the Government is said to be by no means the most profitable ; whereas the Government factory has but one, and that the Stationery Office on any particular occasion of urgency may stop the whole, or any portion, of the work in hand and turn the whole resources of their presses upon whatever may be most urgently required, without any breach of contract or entailing loss or damage upon private clients.

194. The situation of the Harrow factory on the outskirts of London militates to some extent against its use for really urgent work. The disadvantage arising from this fact may be estimated at about half an hour longer delivery to Whitehall as compared with more centrally placed factories. Its relative importance obviously depends on the nature and magnitude of the particular job to be carried out. In the case of smaller documents in not too large quantities, the presses at the Foreign Office and the War Office are available in cases of extreme urgency, and for the larger urgent work the Hare Street works. Moreover, large printing contractors in the centre of London, and many of the smaller firms, have always been ready to undertake printing work which is temporarily urgent for reasons of State.

195. Among other advantages in administration which have been claimed in evidence for State printing works, the following should be mentioned :—

- (1) The direct control of printing operations enables a higher standard of production to be obtained generally than in the case of work entrusted to private contractors.
- (2) It secures that the technical officers of the Stationery Office are provided with first hand knowledge of production and costs of printing.
- (3) During National emergencies involving serious danger to the State, the existence of a State printing factory might prove, as in other countries, of inestimable value to the Executive, provided that the staff and operatives employed can be relied upon to remain faithful to their engagements.
- (4) It enables Government printing to be carried out under labour conditions equal to those in the works of the best employers.
- (5) Any jobs which it may be difficult at any time to place in the printing trade may be allotted to the Government presses.

FINANCIAL RESULTS.

196. We do not consider that we have been called upon to report upon the conditions or the terms upon which the Government factories were acquired or equipped, or the expenditure which was involved in their acquisition. Some facts relating to these matters will be found in the evidence which was offered to this Committee. Admittedly, at the end of the War, prices for many things were abnormal; a valuation of the Harrow printing works was made by Government and trade valuers in June, 1920, and large sums of money which had been expended were written off as War expenditure. It is starting from this point that our detailed investigations have been made.

197. Competition for contracts must be an important factor in the cost of getting Government printing supplies from the trade, and we proceed, therefore, to examine the question as to how far the public can rely on sufficient competition in the trade to ensure the maintenance of reasonable prices for the various classes of Government requirements. Moreover, the contract prices of the trade are the basis on which the cost of the work done in the Government factories must be judged. We propose to deal with the subject generally and to reserve to a later chapter of this Report the consideration of certain specific cases in which it is held by the Stationery Office that combinations, or attempts at combination, were made to obtain high prices.

(i) COMPETITION IN GOVERNMENT PRINTING CONTRACTS.

198. The Master Printers' Federation state that there is keen competition for Government printing contracts, and, speaking generally, there are further facts in support of those upon which their statement is based. In Appendix III will be found a return furnished by the Stationery Office of the number of tenders submitted in the past three years for the main printing contracts showing an average number of tenders for contracts in groups as follows:—

	<i>No. of Contracts.</i>	<i>No. of Tenders.</i>	<i>Average No. of Tenders per Contract.</i>
Running Contracts—			
Bookwork	41	272	6·6
Jobwork	39	673	17·3
Miscellaneous	28	103	3·7
Special Estimates—			
Bookwork	9	66	7·3
Jobwork	1,688	9,588	5·7
Miscellaneous	1,088	3,648	4·3

These figures would appear to indicate satisfactory competition for Government work in the last three years, especially in regard to jobwork. On the other hand, the Committee on Government Printing of 1906 commented on the comparative absence of competition for Government printing work at that time. An explanation may be found in the trade depression of the last four years which has reduced the amount of printing work available and increased the competition for work which is offered.

199. A further point to be noted in this connection is that the above figures are averages and that the circumstances vary greatly in regard to individual contracts. Certain contracts have attracted very little competition in the past and such contracts have remained in the hands of the same firms for many years. Instances of this are given below :—

<i>Contract.</i>	<i>No. of years held by one Contractor.</i>	<i>No. of Tenders on the last occasion.</i>
Army List and Navy List	27	3
War Office Bookwork	17	3
<i>The London Gazette</i>	13	2
Committees and Commissions	14	3
House of Lords Debates	14	4
House of Commons Debates	11	1
" Post Office Guide "	11	4
Houses of Parliament: Minutes, Journals, Bills, Acts, Vote and Proceedings.	This contract has been held for very many years; it goes back into history.	
Telephone Directories	32	First printed by Contractors in 1888; on expiry of Na- tional Telephone Co.'s licence (1912), contract made with Post Office based on N.T.C. schedule.

200. If the Government is to continue to maintain establishments of its own for general printing, it is considered desirable that they should allot work to their presses for which experience proves that competition is less keen, and this has been the policy of the Stationery Office. Of the work now being executed in the State presses approximately 90 per cent. relates to bookwork running contracts in which, as the figures given above indicate, the average number of tenders per contract has been less than half the corresponding number for jobwork running contracts ;

and within the category of bookwork contracts preference has been given to those in which past experience has shown there has been little outside competition. For example, of the contracts mentioned in the list above, the Telephone Directories, Parliamentary Debates, the "Post Office Guide" and the *London Gazette* are now being printed in the State works.

201. The important consideration in competition for Government printing contracts is not so much the actual number of the tenders as the general level of the contract prices resulting, and the Federation of Master Printers rightly emphasized this aspect of the matter. While unable to give us any figures as to the percentage of profit made on Government work by private firms, they stated that it is very small, and that in many cases there is no profit at all. In explanation of low prices it was pointed out that Government contracts do not involve selling expenses or any risk of bad debts and that in running contracts the work is spread over a considerable period. Further, that printers with staff and plant temporarily short of work can afford to quote specially low prices for "fill up jobs."

202. The Master Printers in the trade stated in evidence that in an efficient and well managed printing works the actual cost of printing is less than it can be in any State establishment, and that they can make a profit on work where the State would make none, or even a loss. However this may be, any saving to the State which arises from doing its own printing in its own works cannot be measured by the profit which a contractor would have made upon that work; that clearly depends upon the efficiency of the contractor's establishment, and the price which he accepts for doing the work; the price may, in some cases, entail a loss upon the contractor and, in other cases, show him no profit.

203. If the outside contractors are, in fact, prepared to take the Government printing work as cheaply, or more cheaply, than it can be executed in Government factories, there is no financial reason for the continuance of Government printing. The financial test must be therefore the difference between the expenditure actually incurred by the State in executing its own printing work, including all proper costs and charges incidental, and what it costs the State to get the same work done outside.

(ii) THE FINANCIAL RESULTS OF STATE PRINTING.

204. It has been contended that the financial results hitherto are not satisfactory, and any appearances to the contrary are to be attributed to a faulty system of accounting. It may be convenient to explain here the basis of the accounts of the Government printing establishments, which we quote from time to time in this Report. The Stationery Office is a Department under the

Treasury, and the National accounts are kept on a receipts and payments basis; the money required by the printing factories comes out of the Exchequer, and the Stationery Office accounts for the expenditure; it is in this form that the expenditure upon Government factories appears in the annual Estimates submitted to Parliament and in the Votes for Supply; but for the purposes of control and to show better the working of the Government printing factories a separate trading account is kept, and for a time was audited by a leading firm of Chartered Accountants. The trading accounts embody the cash transactions which appear in the Appropriation Accounts, but in order to arrive at a profit and loss account and balance sheet they include charges and credits obtained from other sources. Some of these are estimated, and we may mention two in particular—the apportionment of the charges for the Headquarters Staff at the Stationery Office to be allotted to the management and control of the printing works; and in all cases when work has been allotted to Government presses without calling for tenders from outside printers, the value credited to the printing works: to this extent the saving or profit, or the loss on the working of the Government printing works, is an estimated saving or an estimated loss. These matters are dealt with later in this part of our Report.

205. In the detailed account of the various State printing establishments given in Chapter III, we have given information as to the financial results hitherto obtained. On the accounts for 1924–5, as presented, there is shown a saving to the State from the execution of its own general printing of £81,000, or 23 per cent. on a total value of £436,000. Had this work been executed by private contractors, any profit they would have made would have been liable to income tax, and in arriving at the ultimate gain to the State an allowance should, of course, be made for this factor. It would appear from the evidence we have received that the actual profit would have been less than £81,000.

206. Criticism as to the accuracy of these figures is directed to three main points—

- (a) the value placed on work assigned to the State factories;
- (b) the preferential treatment of the factories as compared with private contractors;
- (c) the inadequacy of the charges for overhead expenses.

207. (a) *The Value placed on Work assigned to the State Factories.*—The system under which work is now assigned to the State factories and valued to them has been explained in Chapter II. Where a contract has been put up to open tender, the lowest satisfactory tender clearly represents what it would cost the Government to have the work executed by outside contractor, subject of course to the usual risks, and if all work had been

placed on this basis in 1924-5, the credit appearing on the factory accounts would have been unimpeachable.

208. As already stated, however, this has not been the invariable practice, and in such cases it has been necessary for the Stationery Office to place a value on the contract. These cases comprise :—

- (i) Contracts for urgent or confidential work, etc., for which resort to tenders was considered impracticable or inadvisable ;
- (ii) Contracts assigned to the works on the basis of rates paid to the previous contractor. In such cases open tender was not resorted to because a decision had already been reached to place the contract with the State works.

209. The former group of cases is comparatively unimportant, and after investigation of the system in operation we see no reason to question the value placed upon such work. But the latter class includes two important contracts with which it is necessary for us to deal specially in view of certain objections raised in evidence to the adoption of the previous contract rates as the basis of the credit given to the State factories. These are the contracts for the printing of the Telephone Directories and the *London Gazette*.

210. *Telephone Directories*.—This contract, which runs for 10 years, was placed with the Harrow works as from 1st July, 1920, at the rate (+ 33½ per cent. on schedule) equivalent to that paid to the previous contractors.

The Controller of the Stationery Office, in his evidence before the Select Committee on Publications in 1923, stated that the question of printing the Telephone Directories in the State works was considered by the Advisory Committee on Government Printing Offices at the close of 1919, and the Committee eventually recommended that the Directories should be produced at Harrow. The factors which weighed with the Advisory Committee were that—

- (a) Owing to changes in the style and format of the Directories, complete resetting of the type would in any case be necessary and the contractor would count on recovering during the tenure of his contract his outlay on new machinery, etc.
- (b) The State works must have a backbone of Government printing, and the expiration of the contract for printing the Telephone Directories afforded an opportunity for securing a job suitable for production at Harrow such as would form a good nucleus of Government printing.

211. The amount credited to the Harrow factory in 1924-5 in respect of this contract was £91,771, roughly 36 per cent. of the

total credit taken by Harrow. In considering this contract, we have taken the following points into account :—

- (i) The period of 10 years was fixed by the Stationery Office "owing to heavy initial cost of composition on the Telephone Directory . . . It would have been 10 years whether it had been put out to private work or done in the works."
- (ii) The previous holders of the contract, Messrs. McCorquodale, held the contract for 32 years and carried on the work for consecutive periods of two, three or five years at a time ; the firm made a reduction to the Post Office on the contract rate at each renewal on their contract. Messrs. McCorquodale carried on the work on flat-bed machines, whereas the Harrow works employ rotary machines. Special binding machinery has also been installed at Harrow, with further saving in cost. The Committee were informed by Messrs. McCorquodale that, given a long term contract, such as the 10 years' period at which the contract was taken by the Harrow works, they also would have installed more up-to-date machinery, and that their tender would have been at a correspondingly lower figure than + 33½ per cent. on the Stationery Office schedule.
- (iii) Messrs. McCorquodale had an uneven load of work owing to the fact that their contract with the Post Office specified delivery at certain fixed times, whereas by a rearranged time table the Stationery Office have been enabled to spread the work over the whole year. As the London Telephone Directory has greatly increased in size and quantity, this "spread-over" has now become a necessity.
- (iv) On the other hand, at the time when this contract would have been put up to tender, trade was good and, according to evidence given by the Master Printers' Federation, printing firms were fully occupied and prices ran high. It is probable therefore that for an undertaking of this magnitude tenders would have been few.

212. We are of opinion that, taking these considerations into account, there should be some reduction in the price (+ 33½ per cent.) credited to the Harrow works in respect of the Directory. It is a fair assumption that, given the more favourable conditions under which the work can now be executed, some reduction in that price could have been secured apart from reductions due to the fall in wages, if the work had been put out to competitive tender. The representative of Messrs. McCorquodale in his evidence expressed the opinion that a reduction of 10 per cent. would have been secured and the Stationery Office concur in

this estimate. We accordingly recommend that the credit to the Works should be reduced by 10 per cent. This would be equivalent to a reduction by £9,177 of the credit appearing in the accounts for 1924-5, thus reducing the total profit on Government printing factories for the year to £71,900. If retrospective effect was given to this reduction, the accumulated profits on the Harrow works alone (to 31st March, 1925), would be reduced from £124,523 to £89,333.

213. *London Gazette*.—This seven years' contract was allotted, after negotiations following their tender, in July, 1920, to Messrs. Wyman at + 30 per cent. on schedule, subject to an option to terminate at the end of three years. After that period it was transferred to the Hare Street works for the remainder of the term. We think that had the work been put up to tender again at that date a somewhat lower offer than + 30 per cent. would in all probability have been received. A reduction even to + 20 per cent. on schedule would represent less than £1,200 a year on the value of the contract, so we have not thought it necessary to go carefully into the question of what would have been the correct price. The contract comes to an end in any event in July, 1927, and we propose to deal later on with the general question of policy arising in this case.

214. *County Court Forms*.—The value of this contract is £4,000 to £4,500 per annum, and the following particulars appear in the List of Contracts held by the Harrow works :—

Group.	Period of Contract.	Contract Rate.	Lowest Tender received.
156	7th April, 1923 to date.	Net	Contract rates assessed by H.M. Stationery Office.

We were informed that the standardization of these forms had been under consideration by the Stationery Office for several years, awaiting a favourable opportunity to put it into practice. With standardization, it became necessary to print from one central establishment, and it was part of the scheme that the distribution should be done from the same place. The standard forms were drawn up by a Committee of His Majesty's Judges ; they are printed and stored in the works in large quantities when other work is not pressing. The special printing of names, places, etc., required by each County Court is filled in as required, and the forms are issued from Harrow on requisition to all parts of the country. It is contended that it would have been difficult for the printing trade generally to tender for the work, including the distribution, with sufficient knowledge of what would be required. If the contract had omitted distribution, much of the present

economy would have been lost. At Harrow the essential combination of printing and distribution is ensured, a first-hand knowledge of all requirements has been gained, and by concentration it is possible to secure the minimum cost.

215. The trading accounts for the first two years' working of the scheme show the following results :—

	<i>First year.</i> 1923-24.	<i>Second year.</i> 1924-25.
Cost of printing, distribution, storage, etc. (including all overhead expenses)	£10,692.	£8,382
Number of forms printed	14,711,000	13,527,830
Number of demands received	3,939	4,460
Number of items contained therein ..	32,255	40,985
Number of consignments despatched ..	6,700	6,039
Weighing	54 tons	56 tons

216. Taking as a basis of comparison the year 1921-22, when approximately 6,000,000 forms were issued at a cost of about £16,000, and making the necessary adjustments in respect of (1) the increase in issues, and (2) variations in the cost of production, the cost of the service for 1923-24 and 1924-25 under the former system would have amounted in each case approximately to £17,000. The real savings effected by the change of system may, therefore, be taken as £6,308 for 1923-24 and £8,618 for 1924-25, or over 37 per cent. and 50 per cent. respectively.

217. The savings effected are, of course, mainly the result of the standardization of forms, but the concentration on printing and distribution from one central establishment has contributed to efficient service, and has reduced the combined costs. The requirements of the various courts are of an exacting and urgent nature and it is essential that the closest co-operation should be observed between the receipt of demands, printing, and distribution. By concentrating all this work an efficient service is ensured at actual cost.

The credit taken in the Stationery account for the printing is stated to be based upon the rate which the Stationery Office fixed from their "knowledge of what similar work is being paid for outside."

218. The Committee were informed in evidence that of the dozen or more firms up and down the country who had previously carried out the work, one firm only had worked out a centralised system; this is a London firm which for the last 50 years had performed about four-fifths of the work (about 400 out of 500 courts). Whilst we did not examine in detail the credit taken in the Harrow accounts for this work, in the absence of an outside tender, we learn that the schedule of prices prepared by the Stationery Office to serve as the credit to be taken by Harrow for printing the forms has proved to be less remunerative than

the average of the general work done at Harrow, and that, except as a contribution to the general load, it has been of less value to the Harrow works than other printing done there.

219. Complaints were made as to the manner in which contracts were terminated in order that the work might be transferred to the Government printing works. While the Stationery Office were technically within their rights in these cases, there have been occasions when contractors of long standing have not been treated with all the consideration due to firms of approved good service whom it is desirable from every point of view to keep upon the list of Government contractors for other work.

220. (b) *Preferential treatment of the State factories as compared with private contractors.*—The evidence in this point was directed to showing that “long runs” and other “profitable items are taken at Harrow while troublesome work is left in private contracts.”

221. This refers to Clause 9 in the conditions of Jobwork Contracts:—

“The Controller reserves power to withdraw from this Contract any form which may be required in numbers involving the use of any single order for such form of one hundred reams of single paper or upwards. Subject to this reservation it is to be understood that all the ordinary Jobwork printing provided for in the annexed Schedule A shall be ordered from the Contractor, unless in an exceptional case where in the opinion of the Controller it is desirable to withdraw a particular work from the Contract.”

Enquiry has been made of the Contracts Section of the Stationery Office and we are informed that the jobs transferred from group contracts to the Stationery Office printing works are actually very few in number, and that those few were taken over on account of special urgency. Apart from such special urgency jobs, it appears that any item taken out of a group contract is put up anew to competitive tender by the trade as a separate contract and this policy of excluding the large jobs from the group contracts does not always result in obtaining a lower price than that of the original group contract.

Our enquiries tend to confirm the foregoing. A summary of results prepared at our request showed that during the year 1924–25 a net loss of £16 resulted from the exercise of the power mentioned in Clause 9, the total value at the original contract rates being £204, and the total value at which the special contracts were awarded £220.

222. Undue preference to Government works was also alleged on the ground that the Stationery Office can pick out the work most profitable and most suitable to their own works and leave the less profitable and desirable work to be done outside. This is, in a

manner, true, as we have shown elsewhere, and is also inevitable in the management of Government printing works to the best advantage: no doubt, some of the firms in the printing trade suffer accordingly, especially in losing big standing jobs for which there was little competition. But this is not invariably the case, for the Harrow works take from time to time some of the smaller troublesome jobs for which there has been difficulty in obtaining tenders. A more general complaint is that the printing trade has lost the work now done at Harrow and Hare Street, and the general volume of work available is reduced: this cannot be denied.

223. (c) *Overhead Charges.*—In view of the criticism by the Master Printers' Federation of the inadequacy of the charges for supervision appearing in the accounts, we have made careful enquiry into the basis of the charge. The Federation informed us that a Government contractor, when asked at what figure he would estimate the cost of supervision, stated that he would reckon it at about 10 per cent. on the "turnover" for Government work, excluding material, this figure of 10 per cent. to include clerks, costing and general supervision, but not to include any salary or fee for directors or proprietors of the business. Paper is not included in the turnover in these calculations, as the Government supplies paper in all cases. Calculated on that basis, with a production in 1922–23 equivalent to £229,730, the corresponding supervision charges at Harrow would have amounted to £22,973, as compared with the charge of £3,188 appearing in the Harrow Factory Account for the year in question. Details of this charge are as follows:—

	£	s.	d.
(i) Salaries of Stationery Office Officials engaged entirely at the factory	1,336	11	9
(ii) Salaries of Headquarters Staff engaged entirely on the printing works (apportioned to Harrow)	914	10	10
Total	2,251	2	7
(iii) Add 14 per cent. for superannuation benefits to which the above officials were entitled	315	3	2
(iv) Rent for two rooms at Headquarters (proportion of rent (£270) applicable to Harrow)	164	14	0
(v) Indirect supervision of Stationery Office Staff. 7½ per cent. on £10,000 (including superannuation). Proportion applicable to Harrow	457	12	0
Total	£3,188	11	9

224. Item (ii) represents the proportion estimated to be attributable to the Harrow factory of the salaries of those of the Headquarters Staff of the Stationery Office whose time is occupied entirely by the various Government printing works. The proportion is based upon the output of the several Government printing works upon which time is spent. This sum includes, of course, a proportion of the salary of the Director of the printing works. This officer is responsible to the Controller of the Stationery Office for the equipment, organisation and efficiency of the various printing works under the control of the Stationery Office. His duties include advising the Controller as to contracts to be taken by the printing works, the allocation of work generally, according to suitability of equipment, staff and the existing amount of work in the works. He also advises as to the necessity for purchasing modern machinery and labour saving devices in order that the works may be conducted on economic and scientific lines. He renders accounts for all work produced in the factories, prepares the trading accounts and balance sheets for each factory as a separate commercial undertaking, and submits to the Controller periodical records of production costs, etc. In addition, at each factory there are a works manager and overseers, all of whom possess previous experience in the trade.

225. The sum of £10,000 shown against Indirect Supervision of Stationery Office Staff (item v) of the above statement is made up of the following items:—

	£
Salaries of Controller, Deputy Controller, Director of Accounts and Establishment Officer	5,532
Clerical services (mainly Stationery Office Audit and the ordering and payment of materials ordered for the works)	3,218
	£8,750
Addition for superannuation benefits (14 per cent. of £8,750)	1,225
	£9,975
	(say £10,000)

226. Seven and a half per cent. of £10,000, *i.e.*, £750, is debited to and distributed over the various printing works as the proportion of official time devoted to dealing with them, and £457 of this sum is estimated to be chargeable against the Harrow factory. Details of supervision charges in respect of the whole of the printing presses under the control of the Stationery Office, together with statements showing (i) the salaries received by the officials engaged at the works, whether (a) in supervision of the works as a whole or (b) at individual works, and (ii) the number of staff with the cost of salaries and wages and (where possible)

the amount, expressed in money values, of the business transacted by each division of the Stationery Office, are given in Appendix VIII. It is stated that the overhead charges have been estimated as closely as possible and that both the former auditors, Messrs. Whinney, Smith & Whinney, and the present, the Comptroller and Auditor-General, made no criticism with regard to the adequacy of these charges.

227. Our general conclusion on this part of our enquiry is that, subject to the modifications recommended in regard to the contract for the Telephone Directories the accounts of the State printing works provide, on the whole, a reliable statement of the financial results of the period subject to our enquiry.

(iii) FUTURE PROSPECTS IN REGARD TO STATE PRINTING.

228. The Master Printers' Federation claim that the results hitherto furnish no criterion of the working of the system on a permanent basis. Any estimate of the future prospects of State printing must, however, take cognisance of certain fundamental considerations of fact in regard to the situation, suitability, equipment, management, etc., of the works and we will deal briefly with these.

229. (a) *Situation*.—In the first place the Harrow works, which are the most important of the Government printing establishments, are situated 12 miles from Westminster. For work of great urgency on which an hour extra time is a serious consideration, this is undoubtedly a handicap, but the bulk of Government printing is not of extreme urgency, and, if facilities for dealing with really pressing work are available in the central district, there is no serious disadvantage in the situation of Harrow in the suburbs.

230. The Master Printers' Federation pointed out that while Harrow was not sufficiently central to secure the maximum expedition in delivery at the centre of Government, it was subject to the handicap of being within the London district for purposes of wages. We append a statement (Appendix XII) showing the wages of compositors in the printing trade which may be taken as the standard of labour costs in the various districts, both now and at any date in the past 12 years; from which it will be observed that the present rates vary from £4 9s. a week in London to £3 2s. 6d. a week in a Grade VI district. In Chapter I we have given a statement of the results of the competition between London and provincial firms for Government printing contracts; the figures given would appear to indicate that, notwithstanding the higher level of wages in the London area, London contractors are able to hold their own with provincial firms. Apparently, the explanation must be sought partly in the high level of efficiency of the London firms and partly in the saving of transport charges.

231. As compared with London establishments, the Harrow works are at a disadvantage in the matter of time and transport, but we do not think that this consideration is of so great importance as to affect the question of the continuance of the use of the Harrow works for Government printing.

232. (b) *Suitability of Premises.*—In suitability of premises, the Harrow Works leave little to be desired. Situated on an extensive and open site close to a main line railway, this modern, well-lighted and airy factory provides model premises for a Government printing factory. On the other hand, the Hare Street premises are cramped, inconvenient, badly lighted, and in poor condition; we are advised that the latter premises are no worse than many printing factories in London. The remaining printing presses on departmental premises present considerable variety of conditions, good in all cases, and in the Post Office Savings Bank Press, excellent.

233. (c) *Equipment.*—The modern buildings at Harrow and in the Savings Bank Press readily lend themselves to the installation of the most efficient machinery. Hare Street buildings, on the other hand, are not such as would justify stripping of their present equipment, and equipping them with a more modern plant. In these old buildings much of the equipment is antiquated, there is little room for storing the formes of type when set, and the floor space is cramped and the head room is low. The War Office premises, on the other hand, are adequate for the plant which is installed and there is a certain amount of room for further development, if required. The Foreign Office Press, to which the India Office Press is linked, has plant and machinery adequate for the printing which is executed there. The Harrow works have been set up as general printing works since the War, and are equipped throughout with modern plant.

234. (d) *Management.*—When calculating the time spent on a particular job, it is usual in the printing trade to distinguish between productive and non-productive hours. Records of (a) machine production and (b) composition at the Harrow works were produced for the information of the Committee covering a period of two weeks selected at random by the Committee, and the following results were given :—

	Productive Hours.	
	First Week.	Second Week.
(a) Machines :		
Cylinder (flat-bed)	91 per cent.	89 per cent.
Rotary	72 "	75 "
(b) Composition	83 "	83½ "

235. The Federation of Master Printers of Great Britain has furnished the Committee with instances where a high percentage

of production has been reached by firms in their Federation. One firm possessing 21 cylinder machines attained a production of 89·4 per cent. ; a second firm with 33 machines showed a percentage of productive hours of 81·5 per cent. ; in a third firm 17 machines showed 78 per cent. ; and in a fourth firm 7 cylinder machines showed 93 per cent. and 4 platen machines 89 per cent.

The high level of efficiency in the Harrow works in recent years is clearly due to the policy under which the works have been kept employed as far as possible to the limit of their capacity, and we regard this as one of the main factors in the financial results disclosed during our enquiries.

236. (c) *Standing Type*.—A large part of the printing work done in the Government factories at Harrow and Hare Street is of the class which involves standing type ; cases in point are the Telephone Directories, the Army and Navy Lists, and the Estimate and Appropriation Accounts. In the printing trade, contracts for such work are usually long term contracts because the cost of setting the type does not recur ; the cost of alterations and corrections from time to time is generally comparatively small. A printing firm endeavouring to secure such a contract from the firm in possession has perforce to quote a very low price for setting the type anew. Cases of this being done occur, but it is not unusual for the old firm to keep such contracts for long periods and it is sometimes possible to quote prices on renewal which do not represent the full saving of the set type. Rare cases have occurred of Government contractors throwing up a contract shortly after resetting on the ground of the inadequacy of the price tendered, and in such cases, the Stationery Office has either to pay a higher price to the contractor or to pay for resetting by a new contractor. If Government printing factories are to be maintained, printing work of this character is therefore very suitable for them, as all the advantages and the saving of the set type are secured for the public.

(iv) GENERAL CONSIDERATIONS.

237. It has been urged that if the State factories were established on a permanent footing, their efficiency would deteriorate, partly owing to political pressure applied to labour questions, and partly owing to a general relaxation of effort once the trial period was over. This question opens wide considerations. There has been a tendency in the past for the Government administration even of productive or utility services to become stereotyped on lines which have passed criticism owing to the fact that any change is liable to public challenge from some quarter or other and may prove a source of embarrassment to the administration. In other countries where labour has been employed by the State on a wide scale, political influences have interfered with the efficiency of the services. These objections may be avoided, or at any rate limited, in the case of Government printing, if efficiency is gauged, and stimulated, by a constant recourse to outside competition for

all the work which is not of a highly specialised or confidential character ; our recommendations include paragraphs dealing with this side of the subject.

The final consideration which we desire to touch upon in this review is the effect of the existence of the State factories on the general level of prices at which Government printing can be placed in the outside printing works. Is this likely to increase prices or to reduce them ? We have found no reason which would suggest that the initiation of Government printing has tended to increase the general level of printing prices ; if so, there is no reason that tenders for any Government contract should be on a higher level because the State is now carrying out printing work for itself. On the contrary, we think that the existence of State printing establishments able to take the work, if necessary, tends to reduce the prices of contracts, especially those for which there has hitherto been little competition.

238. From the point of view that close competition secures low prices, it is to the advantage of the Stationery Office in selecting work for its own printing presses to choose that for which competition is less keen and therefore presumably the prices in the tenders are higher ; this secures a high margin of saving on work executed by the Stationery Office printing presses judged on the basis of the actual cost of work done compared with the cost of having the same work printed elsewhere. This saving, either actual or estimated, is shown in the trading accounts as " profit " ; but as those jobs which are exceptionally profitable have been selected for the State printing works, it is manifest that a similar saving could not be secured by an extension of the State printing factories in order to execute classes of work which are now done cheaply by contract outside.

239. To sum up our conclusions on this matter, we are satisfied that the general printing now being carried out in State factories is being executed, on the whole, efficiently, and that a substantial saving has been secured for the relief of the general taxpayer through the existence of the Government printing works. It may be argued that the works have been abnormally fortunate since 1920, and that had certain running contracts been placed at a later period, when, owing to trade depression, competition was very keen, the saving would have been less. This is undoubtedly correct, and we would not assume that savings on the same scale will always be realised whatever the circumstances : it does not, however, invalidate our conclusion as to the experience of the last five years.

CHAPTER V.

Printing Contracts and Trade Combinations.

240. We have taken evidence with regard to the existence or otherwise of printers' "rings" or of trade alliances or associations which may in any way militate against genuine competitive tenders for Government printing. Our enquiries with regard to the tendering for printing and production of stamps and of Currency (Treasury) Notes are dealt with in a separate chapter.

241. The circumstances of the printing of the Voters' Lists in 1918 and 1919 have caused considerable controversy. References to the contracts for the Voters' List have been made in several Reports of the Select Committee on Publications and Debates, but as was pointed out in that Committee's Report, No. 217/1921, no evidence had been placed before them by contractors engaged upon the work. For this reason we felt it necessary to call for evidence from the Federation of Master Printers and from the Stationery Office. We also heard a private contractor who was asked by the Stationery Office to give evidence.

242. After the outbreak of the war, the Government gave directions that the preparation and printing of Voters' Lists should cease throughout the country. Some printers had already commenced the routine work of preparing the registers in 1915 when this order was issued to suspend the registration courts and the Voters' Lists; these firms were compensated for the actual work done. The contracts previous to that time were given out locally by the Assistant Overseers, and the cost was included in their expenses, which were certified by the Returning Officers. The work was done at various rates by a large number of printers throughout the country.

243. When the suspension of the Voters' Lists was decided upon, an early conclusion of the war was anticipated, and it was thought that there would be a resumption of the arrangements for printing the Lists in a very short time. This expectation was not fulfilled, and the printing trades, like other industries, sent their full quota of men to serve in the war.

244. The "Representation of the People Act" of 1918 caused an enormous increase in the numbers of voters, and at the same time the whole system of registration was altered. The Local Government Board, in consultation with the Stationery Office, prepared specimen forms, and drafted a form of contract to meet the altered conditions. Another important change was made in bringing the whole of the printing of the Voters' List under the control of the Stationery Office, the chief reason for this change

being that half the cost of the registration expenses, in accordance with the Act, has to be defrayed by the Government instead of being wholly chargeable against the locality as formerly.

245. Before printing tenders were asked for, the Federation of Master Printers was consulted, as it was anticipated that owing to the great shortage of operative printers there would be some difficulty in getting the work executed in the time provided by the Act, especially in certain areas. The Federation was asked whether the work could be done with the few men available, and they were pressed to take all steps possible to secure the production of the Lists in the short time allowed. They were not consulted as to the form of the Lists or Registers.

246. The Federation undertook to do everything possible to induce its members to tender for the work, and also that where it was not possible for one printer in the district to do the whole of the work, that the local printers would be asked to pool their resources through the local Master Printers' Associations, so that the whole of the work could be executed in the particular area.

247. After dealing with that aspect of the case, the proposed form of tender and a schedule covering the various printing operations were discussed between representatives of the Federation and the Stationery Office officials, certain minor alterations being agreed to. The form of tender, accompanied by an unpriced schedule, was issued by the Stationery Office broadcast to printers throughout the country. At the same time a circular was issued from the headquarters of the Federation, dated 29th March, 1918, and headed "Notes for Guidance in Tendering for the Production of Voters' Lists." (Copies of this and subsequent circular letters are given in Appendix IX.)

248. The Federation has stated in evidence that the schedule was sent to printers who had no previous experience of tendering on a schedule of this kind, that the form of tender was new to a large number of them and differed entirely from the method of obtaining contract prices which assistant overseers had adopted in the past; and that, therefore, in issuing instructions for the guidance of its members it was only fulfilling the ordinary duty of any trade organisation. It will be observed that the "Notes for Guidance" (see Appendix IX) contain the following phrases:—

"In putting forward prices below which they consider printers would be ill advised to tender . . ." (followed by reasons for alteration for several items in the costs.)

"The following were unanimously agreed upon as fair *minimum rates*, and, considering the special difficulties which must be faced by all who tender under existing conditions, in some centres higher rates should be, and will be, quoted. All present agreed not to quote below these rates."

The paragraphs quoted have been the subject of considerable controversy.

We were informed by the Federation that these "suggested minimum prices" were worked out by representative contractors with actual experience in the production of the previous Voters' Lists, and that the margin of uncertainty as to the cost of the new lists was very great.

249. When the tenders were received by the Stationery Office it was considered that they were higher than was justifiable. The attention of the Stationery Office had been drawn to the circular letter of the 29th March, 1918, and it was observed that a large number of printers had filled in their tenders with the actual figures suggested by the Federation in the schedule accompanying their "Notes for Guidance." The tenderers were informed by the Stationery Office on 10th April, 1918, that their tenders could not be accepted and they were asked to furnish independent figures based on their own costs. Several quotations were subsequently received which were 10 per cent. less than the previous tenders. The printing was urgent, so that a second conference was held with a representative body of printers selected by the Federation; as the result some amendments were made in the form of tender and a priced schedule was agreed and issued by the Stationery Office and the Federation as a basis for tendering; plus or minus percentages to be inserted by the contractors against the individual items (*see* Appendix IX, letter dated 24th April, 1918, and schedule appended thereto). In this schedule two sets of prices were put forward, the one for firms who could undertake the work by mechanical composition, the other for firms equipped for hand composition. The Stationery Office was responsible for getting the work done in the short time available, and it was realised that in many outlying parts of the country it might be necessary for hand composition to be employed, although more expensive. The Federation informed the Committee that it was pointed out to the Stationery Office that not only were the conditions difficult, but that there was a shortage of printers and the most efficient men were in the trenches. It was also argued that the overtime necessary to produce the work in time was an unknown quantity; that no information was available as to the form in which copy would be supplied, whether typewritten, manuscript or cards; and that no one knew whether the corrections would be heavy or otherwise.

250. One item which greatly affected the contract was the number of alterations and corrections likely to be made in the registers. It will be seen that if page after page of a register had to be handled and only one or two corrections made on a page, a much higher rate for each correction would be required than if the alterations per page were numerous. The actual words of Sir Frederick Atterbury, the then Controller of the Stationery Office, to the printing trade representatives were—

"This is a leap in the dark, and you will be wise to protect yourselves."

As a matter of fact, there were an unexpectedly large number of corrections and many contractors admittedly found the contract much more remunerative than they had anticipated.

251. The Stationery Office regarded the revised tenders put in as excessively high, and they eventually obtained a tender from a large firm in the Midlands to print a million names (one-tenth to one-eleventh of the whole contract) at what they regarded as fair rates. We took the evidence of that contractor, and were assured by him that the contract, which he shared with other local printers, acting as sub-contractors, gave him "a very fair trading profit." As regards the placing of the large block of work the witness informed the Committee that, following upon the circular letter issued by the Federation of Master Printers, dated 29th March, 1918, the trade as a whole agreed to tender at uniform rates based on the minimum prices which the Federation suggested should be charged. The witness further affirmed that he was instructed by telegram to "stand firm" on the prices quoted by the Federation. The Controller of the Stationery Office stated in evidence that a telegram to that effect was seen at his Department. The Federation of Master Printers deny that any such telegram was sent by them, and we have not been able to find that any copy of the telegram exists. The witness stated that he was not satisfied with the action taken by the Federation, and resigned from that body, though he has since rejoined. He then submitted to the Stationery Office a schedule of prices which he thought would be found to be fair and reasonable; these were adopted by the Stationery Office and accepted by the Federation, who communicated the figures to their members in their circular letter of the 24th April, 1918, as the basis of tendering.

252. The first contract for the Register of Electors was continued for three issues. The difference between the total value of the prices originally tendered by the members of the Master Printers' Federation and the rates subsequently tendered by the same contractors after the Stationery Office refused to accept their first prices was approximately £200,000 on the three issues of the Voters' Lists and Registers.

253. The first Representation of the People Act contracts were terminated after the printing of the Autumn Register for 1919. The decision to terminate was due to the belief of the Stationery Office that the prices paid under the existing contracts were unreasonable and to the complaints received from registration officers and local authorities to the same effect. The Controller of the Stationery Office stated in his evidence before the Select Committee on Publications, in 1921, that "it was the experience we gained in printing some portion of the first three registers in our own works that very largely opened our eyes to the very excessive prices we were paying, and gave us definite knowledge as to the prices that we should put in the schedule for the new contract."

254. The Government Printing Works at Hare Street undertook a part of the work at prices similar to those tendered by private firms, and in that case it was found by the costings department of the Stationery Office that the prices gave a net profit of 65½ per cent. over production costs.

255. In October, 1919, it was decided to revise the form of the Voters' List and to make important changes in its production, chiefly in the direction of simplifying the register and substituting supplementary lists of additions and deletions for use with the previous register in place of a new full list. When the tender forms were issued at the time that the first contracts were terminated, negotiations were proceeding for increases in wages, and the cost of producing the new form of list was under consideration. It will be seen from a letter addressed by the Federation, dated 25th October, 1919 (*see* Appendix IX), that its members were urged to await the receipt of a further communication before tendering for the 1919 lists. A new schedule of rates had by this date been compiled and issued by the Stationery Office without consultation with the Federation; the members of the Federation were then informed (in the circular letter of the 28th October, 1919—*see* Appendix IX) that "The Federation strongly urges all contractors to go carefully into this matter themselves, and are of opinion that it will not be possible to execute this contract at remunerative rates unless the following percentages above the schedule are added:—

London and Grade I towns	..	35 per cent.
All Grade II and Grade III towns		27½ "
All Grade IV, V and VI towns	..	20 "

256. Two further circular letters were issued by the Federation under dates 31st October, 1919, and 6th November, 1919 (*see* Appendix IX). The first of these states that "it is gratifying to learn that contractors have so far confirmed the opinions of the Committee and the recommendations are being followed," and the second letter informs the members as follows:—

"Tenders have been submitted from many districts on the lines of the figures recommended . . ."

"If the figures recommended are adhered to there is every likelihood that work will not be transferred to other areas."

257. In the opinion of the Stationery Office, the rates quoted in the Federation circular of the 28th October, 1919, would have given an unreasonably high profit, and every effort was made by that Department, by means of information and explanation to individual tenderers, to secure reasonable offers based upon the estimated cost of the work to the tenderer rather than upon the minimum prices suggested by the Federation. The Stationery Office claim that the steps taken enabled them to "destroy the policy of concerted prices." The following cases were put before

the Committee by the Stationery Office as examples of concerted tendering :—

Liverpool (Grade I town).—Two tenders only, both at the Federation premium of 35 per cent.

Sheffield (Grade II town).—Six tenders, all at a premium of 27½ per cent.

Cardiff (Grade II town).—Five tenders, all at net, subsequently amended, by telegraph in each case, to 25 per cent. premium.

County of Lancaster.—Twenty-three tenders at premium of 27½ per cent.

258. A further case was cited, that of Manchester, where the tenders and amended tenders were as follows :—

	Division " X "		Division " Y "	
	First Tender.	Second Tender.	First Tender.	Second Tender.
	Per cent.	Per cent.	Per cent.	Per cent.
Firm " A " ..	+85	+66½	} +60	—
Firm " B " ..	+85	+85		+60
Firm " C " ..	—	—		+25
Firm " D " ..	—	—		} +50
Firm " E " ..	—	—		
Firm " F " ..	—	—		
Firm " G " ..	—	—		
Firm " H " ..	—	—		
Firm " J " ..	—	—		

The offer of plus 25 per cent. made by firm " C " was accepted by the Stationery Office, who were also able to secure a tender for a portion of the remaining work from a Liverpool printer at plus 17½ per cent., the balance being placed with the Hare Street works at plus 20 per cent., the then average premium on the London lists. The Stationery Office has stated in evidence that the price of plus 20 per cent. showed " a very good margin of profit over costs " in the Hare Street works.

259. In the case of Cardiff, cited above, we were informed that this work was eventually executed by a Birmingham printer who quoted net. Of the 23 tenders put in from the County of Lancaster individual reconsideration produced the following results :—

- 9 reduced their tender to the net figures of the schedule.
- 2 quoted at a premium of 15 per cent.
- 1 quoted at a premium of 5 per cent.
- 1 quoted at a discount of 10 per cent.

260. The Stationery Office were able to secure in these and other areas what they regarded as reasonable prices. We were informed that these contracts were not terminated by the contractors as being unremunerative. It is estimated that the prices

under the 1919 contracts resulted in a saving of £500,000 per annum on the previous contract rates, apart from the economies effected by changes in style.

261. We were informed that as a general rule the contracts for the Voters' Lists are now placed with the Government printing works only in cases "where the local price is an impossible one." The few contracts now executed by Harrow are of value in assisting to determine the exact costs of the several operations involved. In this connection the Federation of Master Printers stated in evidence: "the price now paid for the Voters' Lists gives a very small margin of profit, and if the trade were in a satisfactory condition many of the contractors would throw up their contracts and the State would have to pay again for the re-setting of these lists." We are informed by the Stationery Office that for a portion of the work exactly similar in character now being done at the Hare Street works, the current contract prices are found to be extremely remunerative.

262. The only other case in which evidence was produced was a case at Edinburgh. We are assured, however, that there has been no evidence of "rings" in the general printing trade during recent years either before or after the establishment of Government printing works, with the exception of the Voters' Lists referred to above and the isolated case at Edinburgh where the existence of the State printing offices in London did not in any way check an attempt in that city to form a ring to secure high prices for one particular line of Government printing. In the latter case, Scottish contracts for bookwork, November, 1920, satisfactory tenders, cheaper by 38 per cent., were secured by inviting tenders from Scottish printers outside Edinburgh, with a consequent saving to the State of £7,420 per annum.

263. In the case of the first Voters' Lists under the Representation of the People Act, 1918, we consider that the evidence shows clearly that abnormal difficulties existed in the printing trade owing to the War; that neither the Stationery Office nor the printing trade had experience at that time to guide them as to the probable cost of printing the new lists; moreover, the Lists were prepared, and handed to the printers, under conditions which involved an excessive number of corrections. In this case the Federation of Master Printers had been invited by the Stationery Office to co-operate with the Government. In the circumstances then prevailing this was the proper course to adopt and it was inevitable that the prices quoted for the work should be high. We consider that the Federation were fully justified in issuing a specimen schedule of prices for the guidance of its members, many of whom had no experience of that class of work. But they went further; the schedule was recommended as a schedule of minimum prices below which it was not advisable to quote and it was also stated that in many cases the actual prices

would be higher. In taking that course we think that the Federation went too far, although some excuse may be admitted owing to the uncertainty and special circumstances of the time.

264. In the second case of the new contracts for the Voters' Lists in 1919, the Federation was active in urging its members to adhere to a scale of prices which, in the event, proved to be much higher than those paid by the Stationery Office, who applied much energy in seeking printers willing to act independently, and negotiating with others who at first quoted rates conforming to those recommended by the Federation. In this second case, whilst it is recognised that in 1919 the questions of hours and wages in the printing trade were very unsettled we do not think that the action of the Federation in urging its members to adhere to their scale of prices can be justified ; had that action succeeded, the Federation would have formed amongst its members a combination to charge very high prices for that particular Government work. It was frustrated by the commendable zeal and diligence of the officials of the Stationery Office. We do not question the right of the Federation to safeguard the interests of its members, but its action on this occasion appears to us to have been ill-advised and unnecessary in view of the experience gained in printing the previous Lists of new voters.

265. The third case of certain printers in and around Edinburgh proposing to charge excessively high prices for special printing was local and is not characteristic of the general printing trade.

266. We consider from the evidence before us that the above cases occurred under very abnormal conditions, and that the tenders for general Government printing over a long period of years have been genuinely competitive tenders and, so far as we can judge, are likely to remain so. There are in the printing trade so large a number of high class printing houses anxious to do work for the Government that there is no difficulty in placing contracts for Government printing at fair and reasonable rates. The Stationery Office officials have proved quite competent to deal with any exceptional cases.

CHAPTER VI.

Security Printing and Impress Stamping.

267. This printing is highly specialised work, carried on under conditions differing from those applying to general letterpress printing and, in some cases, presenting no points of similarity. The bulk of this work is either under the control of the Post Office or the Board of Inland Revenue.

268. In the case of the paper and cards required for stamps, stamped stationery and security printing, tenders are sought and orders placed direct by the Postal and Inland Revenue authorities. The total expenditure on paper and cards for these classes of work is approximately £150,000 per annum, and the cost is borne by the respective departments.

269. (i) *Stamps*.—Adhesive stamp printing is a specialised business for which very few firms in the country are qualified to compete. Separate contracts are entered into for each of the following classes of work :—

(a) *High Value Stamps*.—The present contract was made in 1918, when tenders were invited from six firms. The contract was for a minimum period of three years, terminable by six months' notice on either side.

(b) *Low Value (Unified) Stamps, Insurance Stamps and Entertainment Duty Stamps*.—The contract for the supply of these stamps was last made in 1923 for a period of five or ten years. Of 16 firms invited, four only actually tendered for this work. (It is necessary to add that the sixpenny stamp, certain denominations of Insurance stamps and those required for fiscal purposes are produced by the Inland Revenue authorities at Somerset House, but this output is equivalent to only some 1½ per cent. of the stamp requirements of the Government).

(c) *Stamped Stationery*.—Thirteen firms were invited in 1923 to tender for this work, but only three submitted quotations.

270. (ii) *Security Printing*.—This class of work comprises Currency (Treasury) Notes, Postal Orders, Money Orders, Postal Drafts, Old Age Pension Orders and National Savings Certificates. The whole of the Security printing is executed by private contractors.

(a) *Currency (Treasury) Notes*.—From the date of their introduction (August, 1914) until the present time the production of the £1 and 10s. Currency Notes has been entrusted to a private

firm of printers. We deal with this matter at more length in this section of our Report.

(b) *Postal Orders, Postal Drafts and Old Age Pension Forms.*—Prior to July, 1923, these items were supplied by the Bank of England. Early in that year competitive tenders were invited and six quotations were received. All showed a keen desire to obtain the contract, which was ultimately allotted to the lowest tender for a period of 10 years.

(c) *War Savings Certificates, later designated National Savings Certificates.*—These were introduced in February, 1916, and the first supplies were provided by the Bank of England. Early in 1917, opportunity was taken to invite competitive tenders from the trade and tenders were received from four firms. Since that date it has been necessary from time to time to order further supplies. In all cases contracts have been placed with the lowest tenderer after competition, but on two occasions it was necessary to order also from the next lowest tenderer, at a fractionally higher cost, so as to secure the delivery required. On each occasion the prices have been keenly competitive.

(d) *Widows, Orphans and Old Age Contributory Pensions Forms.*—Tenders were invited recently for the printing of the initial supplies of the forms required in connection with the Act which came into force on the 4th January, 1926. Three firms quoted and the contract was allotted in September, 1925 to the lowest quotation.

(i) CONTROL OF MANUFACTURE.

271. We give below a brief description of the control exercised over the manufacture of stamps, stamped stationery, Currency Notes, etc. :

(a) *Watermarked Paper.*—The “ dandy rolls ” which produce the water-mark, are at all times in the custody or under the supervision of Control Officers stationed at the Paper Mill. The manufacture of the paper is watched by these officers in whose presence it is reeled, each reel being sealed by means of a label which is signed by a Control Officer. The sealed reels are wrapped and then lead-sealed by a Control Officer. They are despatched by him to the Department’s Control Officer at the printing works.

(b) *Gumming.*—The reels of paper are taken in charge by the Control Officer at the printing contractor’s works under whose custody they are gummed, slit, sheeted, sorted, and put up into reams of exactly 500 sheets; each ream being sealed and initialled. A Control Officer certifies that all paper in the reels has been accounted for either as good or waste. The reams of paper are then transferred to a store of which a Control Officer holds the key.

- (c) *Printing*.—Stamps and stamped postal stationery may only be produced under a warrant, signed by two responsible officers, which authorizes the contractor to proceed with the printing and, in the case of stamps, to draw equivalent supplies of watermarked paper. A copy of each warrant is sent to a Control Officer who has charge of the printing plates and dies and who is responsible for seeing that they are employed only to produce stamps of the quantities and values shown on the warrants.

272. In the case of stamps, a Control Officer supplies the authorized quantity of paper which is then plate-glazed. The plate-glazed paper is checked into the printing room by a Control Officer. After printing, the sheets are again counted by the Contractor and a Control Officer, the Contractor signing for them and being thereafter responsible under penalty for the delivery of the whole of the sheets of completed stamps good or spoiled to the Post Office.

273. In the case of stamped stationery the Contractor supplies the paper, etc., and a Control Officer supervises the printing and other operations, the completed quantities being counted by the Contractor and checked by the Control Staff. The Contractor takes over and signs for the completed quantities and is responsible under penalty for delivering them all, good or spoiled, to the Post Office.

274. In the case of Currency Notes, an account is kept of every sheet of watermarked paper delivered to the printing contractor, and the firm has to produce the equivalent number of notes. If any deficiency is disclosed, the contractor is called upon to pay the full face value of the notes which could have been printed upon the paper.

(ii) INLAND REVENUE PRESS.

275.—We have enquired into the work done at Somerset House in printing and impressing stamps, etc. The printing branch is a section of the Inland Revenue Department; its principal duty is to impress stamps on documents liable to Revenue Stamp Duty, namely, conveyances, mortgages, leases, bonds, cheques, etc.

276. The work of the printing branch may be summarised as follows:—

- (a) Production of adhesive stamps;
- (b) Stamping with postal duties of material lodged by the public;
- (c) Printing of various fiscal stamps other than adhesive;
- (d) Printing and binding of licences and permits and certificates for the removal of spirits;
- (e) Interleaving and binding stamped telegram forms for sale in post offices; and

- (f) A small quantity of ordinary letterpress printing, which is required by the Inland Revenue Department, urgent or confidential.

277. The work is carried on in a locked department from which the public are excluded, and during the working hours no member of the staff is allowed to leave the premises without special permission. The control is very strict; independent countings are made and checked; particularly of the documents and other material to be stamped on receipt into the Department, and again all stamps are carefully checked at the final stage before issue from the Department. All material not authorized by a formal warrant is rigidly excluded from the Department.

278. (a) *The Production of Adhesive Stamps.*—A number of adhesive stamps are produced: the 6d. Postage and Revenue stamps, stamps required for the purposes of the Revenue such as must be attached to Contract Notes, Foreign Bills, etc., and all adhesive Fee Stamps for "Land Registry," "Companies Registration" and "Consular Fee"; also the high value National Health and Unemployment Insurance stamps, and the Post Office Savings Bank 1s. coupons. The Press also does any overprinting of stamps required such as in the case of surcharging postage stamps for the Morocco Agencies, the Levant, etc.

279. Experimental prints and colour essays of any new stamps are also prepared by the Press, and in times of emergency, when the contractors are unable to meet the Post Office stamp requirements in full, their work is supplemented by the Press. The stamps are all produced on watermarked paper which is gummed and plate-glazed and, for some stamps, "coated" before its receipt in the Stamping Department, so that the work of the Press is confined to printing and perforating. The 6d. unified postage and revenue stamp, and all the revenue and fee stamps, are printed in special inks which need experience and skill in their use.

280. A Departmental Committee on Stamps was appointed in 1911 "to consider and report on the steps necessary to transfer to the Post Office the duties performed by the Board of Inland Revenue in connection with the manufacture, supply and issue of all stamps and stamped stationery, except those connected with the impressing of stamps on documents for revenue purposes, and with the supply of stationery impressed with such stamps." In 1913 the Committee reported and recommended that the Post Office should take over from the Inland Revenue Department the whole of the work connected with printing, storage and distribution of all adhesive stamps, postage, insurance, fiscal, etc. The bulk of the adhesive stamps required by the Post Office was printed by contractors, and all stamps below the value of 6d. continue to be produced under

the same system ; but the classes of stamps detailed in the preceding paragraphs continued to be printed in the Stamping Department of the Inland Revenue.

281. (b) *The Stamping with Postal Duties of Material lodged by the Public.*—Under the Post Office Act, 1908, the public are allowed to send their own paper or card to be stamped for use as envelopes, wrappers or post cards. Large quantities of wrappers are printed with stamps at $\frac{1}{2}d.$, $1d.$, $1\frac{1}{2}d.$, and $2d.$, and those for use as postcards at $1d.$ The envelopes are dealt with in the impressed stamping branch. The number of postal wrapper stamps impressed in the financial year 1922–23 was a little over 21 millions and the number of cards over 6 millions. The great bulk of this work reaches the printing branch from manufacturing stationers.

We understand that similar facilities for stamping postal stationery are available to the public at the Inland Revenue stamping offices at Manchester and Edinburgh.

282. (c) *The Printing of various Fiscal Stamps.*—Under this heading are included patent medicine stamps, playing card wrappers and coffee labels. The duty on patent medicines is collected by the Board of Customs and Excise, but the wrappers denoting the duty are technically stamps. These stamps are printed in two colours on watermarked paper from plates prepared by the Mint. The output of these patent medicine stamps during the financial year 1922–23 was about 76 millions.

283. Playing card wrappers indicate the Customs and Excise duty paid on packs of playing cards. They are of two kinds, one used for the playing card maker to show that the Excise Duty of threepence per pack has been paid, and the other for imported playing cards showing that the Customs Duty has been paid. A total of about $4\frac{1}{2}$ million wrappers are printed each year.

284. Coffee mixture labels are used to denote Excise Duty of $1d.$ per $\frac{1}{4}$ lb. had been paid on such articles. Only a small number of these labels are printed.

285. (d) *The Printing and Binding of Licences and Permits ; and Certificates for the Removal of Spirits, etc.*—All dog, gun, and game licences and licences to use armorial bearings and to keep male servants are printed by the Press on watermarked paper supplied by the Stationery Office. The duties on these licences was collected until recently by the Board of Inland Revenue ; when the administration of these licences was transferred to the County Councils in England and Wales and the moneys payable were consigned to them, it was provided by Order in Council of 19th October, 1908, that the Commissioners should “ print and provide these forms of licence which are issued by officers of the Post Office.” Accordingly this is done by the Stamping Department

and the forms are issued at the cost of the Treasury and free of charge to the County Councils.

In all, 68 different forms of licences are required. Each licence has a duplicate, and in some cases a triplicate, for carbon copying. The average number of licences and duplicates printed in a year is about $5\frac{1}{2}$ millions. We are informed, however, that the cost to the Exchequer for printing these licences is more than covered by receipts from advertisements printed on them.

286. The forms of permits and certificates printed for the Board of Customs and Excise are as follows :—

Certificates for the removal of duty-paid spirits (two forms); permits for the removal of spirits from warehouse, store and dock (four forms); permits and requisitions for methylated spirits (four forms), and cider certificates. The number of these forms printed each year is approximately $6\frac{1}{2}$ millions.

287. (e) *Interleaving and Binding Stamped Telegram Forms.*—This work consists of interleaving telegram forms which have been impressed with the 1s. stamp by the Stamping Department, and stitching them in books or pads for sale at post offices. About two million forms are dealt with in a year.

288. (f) *Letterpress Printing of an Urgent or Confidential Nature.*—The work comprises chiefly the Board of Inland Revenue General Orders and Circulars of instructions to their officers throughout the kingdom, a weekly circular containing a list of appointments and transfers of officers, and general instructions, departmental examination papers for assistant inspectors and tax clerks, and experimental drafts of forms required in special cases. About 400 jobs running to approximately 1,500,000 copies are dealt with in the course of a year. We have ascertained that all stock forms when adopted are obtained through the Stationery Office.

(iii) STAMPS AND STAMPED STATIONERY.

289. In paragraph 5 of the Introduction to our Report we referred to the disclosures made in the Law Courts of arrangements entered into by certain contractors in connection with Government stamp printing contracts, and also to the request of the Chancellor of the Exchequer that we should “ elicit such further details of the case mentioned as possible and also look closely into the circumstances in which the present contracts for printing stamps (and Treasury notes) were placed, with a view to ascertaining how far the present prices can be considered really competitive.” The Chancellor added, “ I need hardly say that the Government will be glad of any assistance the Committee can give them as to how we should circumvent in future any arrangements of this kind in connection with the Government printing contracts.”

290. The disclosures referred to were made in an action in the King's Bench Division in June, 1924, in which Messrs. Warrillows, Limited, were Plaintiffs, and Sir E. A. De La Rue and others, Defendants. In the course of the hearing it was admitted that during the period 1888-89 to 1908 Messrs. De La Rue, Limited, had paid sums "which worked out to about £20,000 a year" to the Managing Director of their principal competitors, Messrs. Waterlow and Sons, in order "to avoid competition for Government contracts." It was stated in evidence that the arrangement "took the form really of a trade ring" and that the Managing Director of Waterlow's "in turn passed over to the other firm suitable sums."

291. It is necessary to explain that Messrs. De La Rue secured the British stamp contract in 1880 for a period of ten years, and the arrangement entered into with Messrs. Waterlow's on the eve of the normal termination of their contract removed any serious competition that might otherwise have been forthcoming.

292. After the passing of the Prevention of Corruption Act, the payments to the Managing Director of Waterlow's were reduced in 1909 to £500, which, to quote the evidence, "did not leave much for the other firms" in the ring, with the result, as was admitted by the Defence, that the stamp contract was lost by Messrs. De La Rue when the contract was again put up for tender in 1910.

293. The payments made by Messrs. De La Rue were characterised by the Judge taking the case as "grossly improper," and he stated that the whole arrangement "was a very unfortunate piece of business for the British public." In the course of summing up he added, "there was no open announcement to the world that Waterlow's and De La Rue's were working together with regard to this matter, but the Government had a right to suppose that this contract of theirs which they were offering was open to free competition, and that if Waterlow's did not tender for it it was because they could not do so on such advantageous terms as De La Rue."

294. In view of these disclosures and of the large issues involved, it is necessary to discover whether there is genuine competition for Government stamp contracts at the present time, and we have inquired closely, therefore, into the whole of the stamp printing arrangements from 1880 to the present date.

295. For a period of about 30 years before the year 1910 all supplies of stamps and stamped stationery were obtained from Messrs. De La Rue, Limited. The contract was entered into in 1880 and was renewed in 1889 for ten years; it was extended in 1894 for a further three years beyond its original date of expiry 1899, and again renewed in 1899 for a term of ten years from that date; although substantial reductions in the prices of certain items

of stamped stationery were obtained on the occasions of renewal, as regards the adhesive stamps, the contractors appeared to occupy so commanding a position that it was not thought advisable to throw the contract open to competition ; indeed a considerable increase in the prices of the $\frac{1}{2}d.$ and $1d.$ adhesive stamps was conceded to the contractors in 1899.

296. During the tenure of their contract (1880 to 1910), Messrs. De La Rue enjoyed a virtual monopoly which it was difficult to overcome. This monopoly arose from various causes, including the following :—

- (a) Stamp printing and production was then, as it is now, a specialised business for which very few firms in the country were qualified to compete ;
- (b) The contract related not only to the production of adhesive stamps, but also to the very large supplies of stamped postal stationery ; for example envelopes, postcards, letter cards, newspaper wrappers, etc. ;
- (c) Some of the stamps needed to be printed with a special kind of ink, known as "doubly fugitive," of which De La Rue had the secret ;
- (d) The contractors, in addition to producing the stamps, were required to engrave all the dies and make the printing plates, work which particularly as regards the engraving, needs a staff of highly-skilled men drawn from the very limited field of competent engravers.

297. We were informed by the Inland Revenue Authorities that for some time prior to 1910 it had been felt that the prices which were being paid by Messrs. De La Rue were far too high, and that an effort should be made to break their monopoly. It was also suspected, although obviously there was no definite evidence upon which official action could be taken, that De La Rue's had secret arrangements with some of a very limited number of firms who might be regarded as possible competitors. The disclosures in the Action referred to above confirm the suspicions which were then entertained.

298. In consequence of the views held by the Inland Revenue officials, an Interdepartmental Committee was set up in 1910 to enquire into the future terms and conditions of the contracts held by Messrs. De La Rue and other firms. This Committee took a large amount of evidence and made exhaustive enquiries in two main directions : (1) whether the prices were reasonable, and if not what prices would be reasonable ; (2) how such prices could best be obtained. Under the first head the Committee found that Messrs. De La Rue's prices were "extravagantly high" and as a result of their recommendations under the second head, it was arranged (i) to issue separate tenders for the adhesive stamps and for the postal stationery ; (ii) to eliminate

from the adhesive stamp tender the stamps which required "doubly fugitive" inks; (iii) to eliminate from the tenders the engraving of dies and the manufacture of stamp plates, and for such work to be carried out by the Royal Mint; and (iv) to arrange for the "doubly fugitive" ink stamps to be produced by the Inland Revenue Press, the Government Laboratory being called upon to provide the special inks; and in the event of a hostile combination in the Printing Trade rendering it impossible to obtain tenders for any items at prices which could be regarded as reasonable, to arrange for such items to be produced directly by the State, either at Somerset House or elsewhere. The Interdepartmental Committee approved the principle of State manufacture of stamps as follows:—

"The arguments which may reasonably be urged against the State manufacture of ordinary trade commodities have, in our opinion, but little application to the case of these postal supplies, consisting, as they do, either of stamps or stamped material, and thus essentially requiring at least some measure of Government supervision of the process of manufacture. After careful consideration of all the practical questions involved, we have come to the conclusion not only that there are no insuperable difficulties in the way of State manufacture, but that should circumstances call for its adoption, such a course would, even as regards all the items comprised in the present contracts, prove both efficient and economical. . . ."

299. The arrangements made following upon the Committee's recommendations were successful, and Messrs. Harrison & Sons contracted for the supply of the adhesive stamps from 1st January, 1911, with the exception of the "doubly fugitive" stamps. Messrs. McCorquodale contracted for the postal stationery, and the Inland Revenue Press at Somerset House undertook the supply of all the "doubly-fugitive" ink stamps. It should be mentioned that Messrs. Harrison & Sons were entirely new to this class of work, and that in the initial stages they had considerable difficulty in producing the necessary supply of stamps, so much so that the stock of stamps was at the point of exhaustion. In the circumstances the Inland Revenue Press produced large supplies of postage stamps to supplement Messrs. Harrison's efforts until they had overcome their difficulties. Very large savings were effected under the new series of contracts.

300. It cannot be doubted that prior to 1910 there were arrangements amongst certain stamp printing contractors to prevent free competition. We were informed that Messrs. Harrison & Sons were outside this ring, and also the firm of Messrs. Waterlow, Brothers & Layton, who, in May, 1912, secured by competition the contract for the supply of insurance stamps. There

was also an informal arrangement by the Inland Revenue with the latter firm for the supply of high-value postage stamps, viz., the 2s. 6d., 5s. 0d., 10s. 0d. and 20s. values.

301. Under the "Inland Revenue and Post Office (Powers and Duties) Order, 1914," the duty of providing postage stamps was transferred from the Commissioners of Inland Revenue to the Postmaster-General, and from 1st April, 1914, the Post Office became responsible for the administration of all the stamp contracts which had up to that time been dealt with by the Inland Revenue Department. Since 1914, the following contract changes have taken place:—

302. (a) *High-value Postage Stamps*.—The informal arrangement with Messrs. Waterlow, Brothers and Layton was terminated in 1915, tenders being invited from four firms. Four tenders were received and a contract was placed with Messrs. De La Rue, whose quotation was the lowest. Messrs. De La Rue found difficulty, however, in supplying stamps to the Department's satisfaction (they had specialised in surface printing, whereas the new high-value stamps were recess printed), and they gave notice of termination of the contract in 1917. Tenders were invited in 1918 and six were received, the lowest being from Messrs. Bradbury, Wilkinson & Co., Ltd., who secured the contract, which is for a minimum period of three years, after that terminable by six months' notice on either side: it is still running.

303. (b) *Unified Stamps, Insurance Stamps, and Stamped Postal Stationery*.—Owing to the large increase in the cost of production arising from war conditions, all the contractors applied for, and the Treasury sanctioned, additional payments in connection with these contracts. Originally, only a part of the increased costs due to war conditions was allowed, but subsequently the whole of the increased costs were paid by the Government. We are informed that in every case payment was made only after the contractors' books had been examined and checked by the Post Office Investigation Officers, and the Department was able to satisfy itself that it was obtaining its supplies on favourable terms. In view of the unsettled conditions of industry the contractors, were allowed to continue these terms until 1923, with the concurrence of the Treasury.

Fresh tenders were invited in March, 1923, for the supply of stamped stationery, and in June, 1923, for the supply of unified insurance and entertainment duty stamps, in each case for a period of 5 or 10 years.

304. (1) *Stamped Stationery*.—For the stamped stationery 13 firms were invited to tender but only three quoted. Messrs. McCorquodale's tender was the lowest, and the contract was allotted to them for a period of 10 years.

305. (2) *Unified Insurance and Entertainment Duty Stamps*.—Sixteen firms were invited to tender for the supply of these stamps over a period of 5 or 10 years. Only four firms tendered; one firm did not quote for the whole of the necessary operations and the other three firms' quotations were very close together, there being a difference of only some 7 per cent. between the highest and the lowest tender, and the allocation of the contract to Messrs. Waterlow & Sons was decided largely by allowances in respect of savings in gum and paper resulting from a subsequent decision to reduce the size of the margins of the stamp paper.

In the opinion of the Post Office Stores Department there is no reasonable doubt that the prices tendered in 1923 were really competitive, and we concur in that view.

(iv) CURRENCY (TREASURY) NOTES.

306.—We have already quoted the request of the Chancellor of the Exchequer that we should "look closely into the circumstances in which the present contracts for printing Treasury notes were placed with a view to ascertaining how far the present prices can be considered really competitive," and we give below the results of our enquiries into this matter.

307. Currency notes were first printed in August, 1914, shortly after the outbreak of war. This was an emergency issue, and it was printed by Messrs. Waterlow, Brothers and Layton, who worked day and night to produce the quantities required to be in the Bank of England by the Friday following the declaration of war. The notes were printed on the paper used for the 1d. stamps, and their only security was the watermarking. The first, a temporary issue, was superseded by a new form of currency note manufactured by the typographical process; these were issued as rapidly as possible and the emergency notes were withdrawn from circulation.

308. In 1915 the Inland Revenue Authorities invited all the firms considered capable of producing currency notes to submit designs and prices. Five designs were submitted, four of which did not reach the standard which was desired, either because they were found wanting in necessary security against reproduction or because they were inartistic. One firm, Messrs. Waterlow, Brothers and Layton, Limited, submitted a design which, after exhaustive tests, was found to be satisfactory; and towards the end of 1916 this firm was entrusted with the manufacture of £1 currency notes (and later of 10s. currency notes) which were produced by a combination of several processes. At the time these notes were issued other types of note, particularly the expensive plate printed variety, were under consideration and it was believed in certain printing circles that before long the issue decided upon in 1916 would have to be replaced by a new issue produced either by typographical process or line engraving, or a combination of the two methods.

309. Apparently Messrs. De La Rue and Messrs. Waterlow & Sons were of this opinion, and also apparently they believed that if a new issue became necessary the contract would be obtained by one of the two firms, because they specialised in that class of printing. An arrangement was made between the two firms that in the event of the former securing the contract it should pay to the latter 1s. for every thousand notes produced. If Messrs. Waterlow & Sons obtained the contract they were to pay Messrs. De La Rue & Sons 1s. 6d. a thousand.

In the event the notes produced by Waterlow, Brothers and Layton, Limited, did not prove a failure, and they continue in use at the present time.

310. Towards the end of 1921, however, Messrs. De La Rue found occasion in the amalgamation of Messrs. Waterlow, Brothers and Layton and Messrs. Waterlow & Sons, which had previously taken place, to make a claim for the payment of 1s. 6d. per thousand on all currency notes which had been produced since the date of the amalgamation. This claim was resisted by Messrs. Waterlow & Sons and the issue was tried in the High Court in 1922, with the result that the contention of Messrs. De La Rue was upheld. In order to compromise the matter and to cancel the agreement, Messrs. Waterlow & Sons had to pay Messrs. De La Rue a sum of £120,000.

311. It must be pointed out that in 1916 Messrs. Waterlow, Brothers and Layton, Limited, and Messrs. Waterlow & Sons, Ltd., were entirely separate firms ; it was not until October, 1919, that the amalgamation took place. Accordingly the existence of the agreement between Messrs. De La Rue and Messrs. Waterlow & Sons did not in any way influence the price paid to Messrs. Waterlow, Brothers and Layton. We are satisfied that both before and for some time after the amalgamation the management of Messrs. Waterlow, Brothers and Layton were entirely ignorant of the existence of the above agreement under review. It is obvious therefore that the agreement can have had no effect either on the price of the notes originally negotiated in 1916 nor upon any variations of price which were subsequently negotiated prior to the date of the amalgamation of the two firms. These variations, which were negotiated by reference to the cost of labour and materials, were sanctioned by the Treasury, and it is believed by the Inland Revenue Authorities that the prices paid throughout have been fair and reasonable. With this opinion we are disposed to concur.

312. It should be borne in mind that in the case of either bank notes or currency notes it is not entirely a question of which firm can supply notes at the lowest price but rather which type of note affords at a reasonable price security against forgery. It is of

primary importance to have, as we have at present, a currency which secures the public confidence. Any disturbance of that confidence would speedily have disastrous effects on the credit, the trade, and the industry of the country. Therefore it is far more important to the national interests to obtain satisfactory notes as far as possible proof against forgery than to circulate cheaper but less safe productions. Security is the first consideration.

313. In all the circumstances, the Treasury have decided not to follow the ordinary course of inviting a number of firms to tender for the supply of currency notes, and we consider that, under present conditions, their decision is justified. If the Currency Notes are to be continued for any considerable period, no doubt the policy of obtaining competitive prices will be reconsidered.

CHAPTER VII.

Production of Charts and Maps.

314. The enquiry into the conditions of printing charts and maps led us somewhat outside the limits of a strict interpretation of the terms of reference to our Committee. This part of Government printing is itself outside the general letterpress printing upon which it was desired we should report in the first instance ; it was found, however, that a complete statement on Government printing could not be made without taking into account the printing of charts and maps, and for reasons which appear in the evidence, the broader questions of the purposes for which charts and maps are produced and some of them sold to the public could not be ignored in a general survey.

315. Charts for use in navigation and maps printed as the result of the Ordnance Survey are highly specialised productions differing in almost every respect from the ordinary letterpress printing, which is the usual business of the Stationery Office, and the considerations which apply are not the same. The drawings are necessarily prepared by skilled specialists, and their details as set out to scale must be reproduced on paper with accuracy and in a form suitable for use for the purposes required. The question to be decided is whether the Hydrographic Department of the Admiralty in the case of charts, and the Ordnance Survey Department in the case of maps, should control the printing of its own productions, or whether the Stationery Office should be put in control of the printing.

The considerations as they present themselves to us are set out separately in each case.

316. Our enquiry covers the production of both hydrographic or sea maps (charts) and topographical or land maps. By the beginning of the 19th century most of the more important European countries had been mapped (our own Ordnance Survey was established in 1784), and we find at the present time both land surveying and map construction almost universally undertaken by the State. On the other hand, the charting of the seas has, in modern times, been left largely to the British Admiralty, although partial surveys have been made by some Foreign Governments.

317. As regards the United Kingdom, both charts and maps are produced by the State. Admiralty charts are made by the Admiralty and printed by the Stationery Office at the Cricklewood Works, and the topographical maps are produced and printed by the Ordnance Survey Department (Southampton) and by the Geographical Section of the War Office.

(i) ADMIRALTY CHART FACTORY AT CRICKLEWOOD.

318. For some sixty years previous to 1913, the Admiralty charts for the use of the Fleet were engraved upon copper plates and printed under contract by a private firm. This policy was reviewed and considered in all its aspects for twelve or thirteen years until in September, 1913, upon the report of a Departmental Committee, which included an official of the Stationery Office, it was decided that it was desirable to terminate the existing contract and to set up a Government establishment to do the work. The reasons for this decision were chiefly—

- (a) There was only one private firm of contractors existing possessed of plant, staff and expert engravers with the experience required to produce the charts, and there was no possibility of obtaining any competitive tender for the contract. Facilities for meeting increased requirements in an emergency were entirely inadequate.
- (b) There was great difficulty in obtaining the number of copperplate engravers required, and it was considered that the numbers might be maintained more easily and increased, as required, if assured of constant work in a Government establishment.
- (c) The established contractor was naturally reluctant to experiment in improved methods of producing charts for which his premises provided little accommodation, and the success of which would entail partial abandonment of old processes and a heavy outlay for new plant.
- (d) The risks of loss or damage to the copper plates from fire upon the premises of the contractor were considered to be considerable, and there was the danger of a labour dispute arising which could not be controlled or settled by Government action.

In regard to the last paragraph, it should be said that no trade dispute has arisen either during the period of the contract or later.

319. Before effect could be given to this recommendation of the Committee, war broke out and the question remained in abeyance until 1919. The experience of the war emphasized the serious position of the Admiralty in their dependence upon one contractor whose premises and plant were not capable of any considerable extension: the lack of copperplate engravers was also a source of difficulty during those years, although a careful search for experienced craftsmen was made in similar trades throughout the country.

320. Emergency measures were adopted during the war to meet the enormously increased requirements for charts and special plans. Photographic reproduction by the lithographic process was adopted to some extent, and by one device and another

all requirements were met. In a few instances the Ordnance Survey printing works at Southampton gave aid. It became clear that some modern works would have to be provided capable of expansion to meet emergencies.

321. In 1919, it was decided to proceed actively with the arrangements necessary for setting up a Government establishment for engraving, lithographic printing, and storing Admiralty charts. The question of purchasing the business and premises of the then contractor was considered but the cost was found to be prohibitive; the premises were not suitable for economical working, and there was not sufficient space for the additional plant required for modern methods of production. A search was made accordingly in London and the vicinity for a suitable building. Ultimately, the Sunbeam Motor Works, in Edgware Road, Cricklewood, were secured by the Office of Works at the cost of £78,950, including the lease of 89 years. These premises possess sufficient space for expansion in case a national emergency should arise. In addition to the payment for the buildings and the lease, a sum of £25,000 was paid to the contractor who had previously printed and produced the Admiralty charts. About £6,000 of this sum represented the machinery taken over by the Stationery Office, and the remainder was payment for the lithographic stones and zinc plates, and full payment of all claims. The terms of the old contract provided, of course, for its termination by either side.

322. Considerable discussion took place during 1921-22 between the Admiralty, the Treasury, and the Stationery Office regarding the administration of the new establishment. The Admiralty throughout attached great importance to Admiralty control. Ultimately, it was decided that the Stationery Office should control the operative side, consisting of the printing and engraving staff, the litho-draughtsmen, electrotypers, and lithographic staff: also the plant and machinery required in the various processes. The Admiralty is responsible for the drawings and for every detail of the charts and the plans to be printed, for the storage of the engraved plates, and for the storage of the charts and their distribution. All work in the establishment is ordered on the requisition of the Admiralty officials, who issue instructions to print the numbers of the particular charts required, and also for correcting the engraved copper plates. The printing of the charts is carried out by the Stationery Office staff of copperplate printers and litho machine printers, 126 in number in March, 1924. The orders for the work are placed by the Admiralty staff at Cricklewood, who give directions. The Stationery Office staff is under the supervision of the Director of Printing Works, and a manager who is responsible to him. The staff consists principally of the skilled engravers and copperplate printers formerly employed by the contractor. Many of the machines are old-fashioned, but thoroughly efficient for the copperplate process, and some modern machinery is installed. For printing small numbers of charts

direct printing from the copper plate is more economical ; for numbers of 60 and upwards it is considered that the lithographic process is cheaper, but the results are not so fine as those produced by direct contact with the copper plate. Charts, or special portions of the charts and plans for manœuvres, etc., can be reproduced by photography and printed in zincotype at these works, and these methods are in process of development. The copper plates are stored upon the Admiralty side of the building and issued daily as required. It is the rule that the plates shall be returned to store each night on the cessation of work. The Admiralty have hitherto attached the greatest importance to the custody and preservation of the copper plates. Corrections are engraved upon the copper plates upon the premises, but few new charts are engraved upon copper plates at Cricklewood. The new charts are still engraved under contracts with the two or three private firms which still undertake this class of work, and in the majority of cases the plates are engraved for the contractors by craftsman at their homes : it is the custom of the trade that the older and more highly skilled men are home workers. In addition, the minor corrections or day-to-day corrections of charts are made by hand in the Cricklewood factory, and this constantly entails the entry of the Admiralty staff into the engraving room. All coloured marks, such as lights, buoys, etc., are put in by hand upon the Stationery Office side.

323. A section of the Hydrographic Department of the Admiralty is established in a separate part of the building, and the Admiralty officials issue all orders for printing charts required or producing plans, or correcting the copper plates, and the charts and the colouring. The locked store for the engraved copper plates is on the Admiralty side, and the charts, when finished, are stored on the Admiralty side. We are informed that the stock of charts is kept as low as possible in order that all charts issued may give the latest information available on the day when they are sent out. A constant stream of information from all parts of the world comes in daily to the Admiralty, furnished by His Majesty's ships, the Mercantile Marine, Consuls, Surveys, Foreign Governments, and miscellaneous sources. The Admiralty holds that the ships of the Royal Navy should be provided with the latest possible charts to ensure their safety in navigation ; and the general Admiralty charts not specially prepared for naval purposes only are sold to the British Mercantile Marine and the public generally. The particulars of the issues during 1923-24 are as follows :—

Issued to His Majesty's ships and the public service	210,136
Sales to the agent for the mercantile marine and to foreign Governments	254,306

The net receipts from these sales amounted to £40,504, representing an average net receipt per chart of 3s. 2d. These receipts are held by the Admiralty and credited to the Navy Vote.

324. The sale of charts is still managed by the Admiralty. They employ one agent, who has a number of sub-agents in the United Kingdom and throughout the different parts of the world, and he also sells direct to the public generally. The pre-war price of each chart is printed upon it, but as the costs of production have increased very considerably, the price charged is now 50 per cent. higher than the price printed upon the face of the chart. The agent receives a discount of $33\frac{1}{2}$ per cent. on the selling price of the chart. The charts, according to their size and the amount of work upon them, vary in price from 4s. to about 12s. Although each chart appears to be inexpensive by itself, having regard to the paper on which it is printed, the character of the work, and the information which it gives, a very large number of charts is required for a long voyage, and a full outfit, therefore, becomes a considerable item of expenditure.

325. The sales of Admiralty charts have tended to decrease very considerably, owing to the contraction in the British Mercantile Marine and foreign competition. German charts were produced in large numbers and very cheaply immediately before the War, and the Government of the United States sends out from Washington a cheap series of charts, a very large number of which are reproduced by photographic process from the Admiralty charts, and sold at a price with which British Admiralty charts are unable to compete. Complete charts of limited portions of the world are produced by the French Government and, to a lesser extent, by the Italian Government; and the United States Government some years ago commenced independent surveys of certain parts of the globe, but the British Admiralty charts remain the one complete and accurate survey of the navigation of the whole world.

326. The dual control at the Cricklewood works has led in the past to some friction between the Admiralty and the Stationery Office. Upon this matter we offer comments and make recommendations in a later part of this report.

327. Ordinary letterpress printing is not undertaken at Cricklewood, but is ordered from the Stationery Office in the usual way.

328. The Stationery Office commenced operations at Cricklewood in June, 1923. We have been furnished with a trading account for the period ended March, 1924, showing that over the first ten months' working a profit of £1,648 was approximately shown. A copy of the trading account for the year 1924-25 which we have since received will be found in Appendix V.

329. It has not been suggested from any quarter that the marine surveys and the original charts from which prints are made

can be undertaken or produced otherwise than by the Hydrographic Department of the Admiralty. The charting of the seas is a highly skilled and specialised business ; British Admiralty charts are admitted to be the finest productions of their kind and the only complete survey of the oceans and seas of the world. The utmost possible accuracy should be preserved in the printed reproductions. The number of the charts upon which the safety of navigation of His Majesty's ships and the ships of the British Mercantile Marine depend must necessarily be very great, and even so the majority show large tracts of seas and coasts on a comparatively small scale ; in such charts a small error or distortion may lead to an error of miles in fixing a ship's position. Not only the lives of numbers of people depend upon the accurate measurements of a ship's position, but also very large sums of money, both in the Navy and the Mercantile Marine ; many merchant vessels normally are worth a million pounds or more on an ordinary voyage.

330. A further consideration of great importance is that the latest information should be embodied on the charts as they are issued by the Admiralty. This is at present secured by engraving the more important corrections upon the copperplates from which the charts are printed, and in a number of instances, by hand alterations made in Cricklewood Factory upon the charts which are already printed. Changes are constantly in process in different parts of the world, in the position of buoys and beacons, and also in the world's lights for the guidance of navigation. Moreover, not only do sandbanks change, but there are changes constantly taking place in the bed of the seas and oceans, and the surveys by the vessels employed by the Hydrographic Department are therefore constant and never ending.

331. In reproducing the charts for the use of navigators, it is essential that the printing should be clear and every line sharp and definite. It is admitted that no process has yet been devised which equals the old fashioned print from a skilfully engraved copperplate. For large scale plans and special charts which may be needed from time to time in large quantities, photographic process and reproduction by zincotype printing and other methods have been employed with some saving in cost, increased rapidity in printing, and with sufficient accuracy in the charts and plans of a scale so large that a small error in measurement is of no great consequence ; but for the small scale charts which are necessarily the most numerous and which must serve navigators in those waters where elaborate surveys on a large scale have not been made hitherto, the utmost degree of accuracy in reproduction in printing is essential ; and, clearly, the Hydrographic Department must be the final judge of the applicability of any new process to any particular charts which have to be produced. A small economy in printing might easily prove disastrous ; the loss of one or two ships would be out of all proportion to a small saving in the cost of printing.

332. Hitherto, the copperplates upon which the charts have been engraved have been the permanent record of the survey of the world ; for this reason the Admiralty attach, and in our opinion rightly attach, the utmost importance to the preservation of the copperplates. The majority of the plates have been engraved under the direction of the Hydrographic Department by skilled engravers. As has already been shown, it has been the custom of the trade for the engraving to be done in the homes of the engravers, but a few of the copperplates have been engraved in the Cricklewood factory, and corrections are generally inserted upon the existing plates under the direction of the Hydrographic Department by the engravers in the Cricklewood factory.

333. From the evidence which was given during our enquiries, it was clear to the majority of the Committee that the present dual control at the Cricklewood factory ought not to continue ; constant friction has arisen from this arrangement. Having regard to the considerations set out above, we recommend that the management and control of the Cricklewood chart factory for the production and printing of charts should be vested in the Hydrographic Department of the Admiralty. The Board of Admiralty is already responsible for technical work in connection with the Navy involving questions as intricate and important as those involved in the management of a printing works, and there appears to be no adequate reason why they should be divested of full responsibility for the printing of charts in a businesslike manner with due economy. A system of management and accounting has been set up which will serve as the basis of future control. We cannot accept responsibility for any recommendation which would deprive the Hydrographic Department under the Board of Admiralty of the sole responsibility for the technical efficiency of the charts which they issue to the navigators of His Majesty's ships and the seamen of the world.

334. We recommend that the reproduction of the charts prepared by the Hydrographic Department, and of any special charts or plans which may be needed, should continue to be treated as orders issued to a business printing factory, and that the accounts of the Cricklewood printing works should be kept as ordinary business accounts with a proper costing system, and that they should be audited annually as trading accounts.

335. We found that the sale of the Admiralty charts to the British Mercantile Marine, and to the public generally throughout the world, could not be disentangled from our enquiry. It has been suggested that the Stationery Office should take over this business from the Admiralty, but it does not appear to us that that Department has any experience or special qualification for that undertaking. We recommend therefore that the Admiralty should continue to be responsible for the sale of Admiralty charts to the public generally, and that the prices should be fixed so as to show a fair profit on the business as a whole. We further

recommend that the Vote for the Hydrographic Department of the Admiralty should include the charges for the Cricklewood printing factory, and that any profits made by the sale of charts or plans should be shown as Appropriations in Aid of the Vote which bears the cost of the printing factory. We further recommend that the Hydrographic Department should consult the Stationery Office on any questions upon which the Stationery Office may be able to advise, and particularly for any contracts for paper required in the printing works.

(ii) ORDNANCE SURVEY DEPARTMENT, SOUTHAMPTON.

336. The Ordnance Survey, which was established in 1784, had its origin in military needs; for a complete series of accurate maps, therefore, the surveys of Great Britain and Ireland were originally conducted by the Master-General and Board of Ordnance. In 1855 their powers passed into the hands of the Secretary of State for War. The service was transferred to the Commissioners of Works in 1870, and in 1889 the control was vested in the Ministry of Agriculture, which continues to be responsible for the Ordnance Survey Department.

337. *Scales of the Survey.*—A topographical map of England and Wales, on the scale of 1 inch to the mile, was commenced in 1791, and the first sheet of the series was published in 1801. In 1840 the survey on the 6-inch scale of the northern counties of England and the whole of Scotland was decided upon. In 1855 the following scales were adopted, viz., plans on the scale of 10·56 feet to the mile ($\frac{1}{25000}$) for towns of 4,000 inhabitants and over, of 25·344 inches ($\frac{1}{10000}$) and six inches to the mile for cultivated districts, of six inches to the mile ($\frac{1}{10000}$) for the Highlands of Scotland and thinly cultivated districts, and of one inch to the mile ($\frac{1}{63360}$) for the whole country. Since 1855, surveys on these scales have been published for the whole of Great Britain, and maps on smaller scales have been prepared by reduction and published.

338. In 1894 the Treasury cancelled that portion of the order of 1855 by which towns of 4,000 inhabitants and over were surveyed on the $\frac{1}{25000}$ scale at the cost of the Exchequer. Towns are, therefore, now surveyed only on the $\frac{1}{10000}$ scale, unless the local authority undertakes to pay the difference of cost between the $\frac{1}{25000}$ and the $\frac{1}{10000}$ scales. Enlargements to the $\frac{1}{10000}$ scale of town areas revised on the $\frac{1}{25000}$ scale can now be made photographically at small cost, and local authorities have been notified of this fact.

339. *Revision and Re-survey.*—The original survey having been completed, arrangements were made for systematic revision of the existing maps. The 1-inch map is revised independently of the large scale maps, and the revision is so arranged that the 1-inch maps of the whole of the country are brought up to date within periods of 15 years.

340. Prior to 1919, the 25-inch and 6-inch maps were revised on the principle that no maps on those scales should remain unrevised for a longer period than 20 years. Treasury sanction was given, however, in 1919, to a proposal made by the Director-General of the Ordnance Survey to the Select Committee on National Expenditure, and concurred in by that Committee, whereby a distinction was made between areas in which little change occurs, and those other areas which are subject to continuous change. Under this regulation 39 counties with a density of population of less than 100 per square mile will be revised on the 25-inch scale every 40 years, instead of 20 years as formerly. The 40-year period of revision also applies to all uncultivated areas surveyed on the 6-inch scale.

341. Following a recommendation of the Committee on National Expenditure (1922), the twenty-year revision of the large scale maps has been further restricted and is now confined to boroughs and urban districts, and districts in which much change has taken place since the last revision.

342. The existing authorised scales of Ordnance Survey maps are 25 inches (approximately) to the mile, 6 inches to the mile and certain town plans on larger scales, 1 inch, $\frac{1}{2}$ inch and $\frac{1}{4}$ inch to the mile, 10 miles to the inch, and 6 miles (approximately) to the inch.

343. *Services for the Admiralty, War Office and Air Ministry.*—Under arrangements approved by the Treasury the cost of preparation and printing of special maps and charts for the Admiralty, War Office and Air Ministry, and the value of the published Ordnance Survey maps supplied to these Departments, are repaid to the Ordnance Survey. The receipts are credited to the Survey Vote as Appropriations in Aid.

The estimated cost of these services during 1924–25 is—

		£
Admiralty	.. .. .	500
War Office	.. .. .	12,000
Air Ministry	.. .. .	2,400
Stationery Office (services for the Admiralty, etc.)		400

344. *Services for other Departments.*—Various services are performed for other Departments which make application for the preparation of maps of a special character. Such work includes printing plans for the Land Registry Department, the verification of Administrative and Parliamentary Boundaries, the preparation of maps for Land Valuation, the Census, and other purposes; and the issue of Ordnance Maps to all Civil Government Departments. Surveys for Tithe Redemption purposes and for the Ministry of Agriculture are also undertaken. In addition, work of a special

kind is undertaken on behalf of local authorities, private trading firms and private individuals, the cost of which is repaid to the Survey Department. The provision of tracings and plans for colliery management and the preparation of special maps to illustrate historical works are typical services.

345. *Geological Survey*.—Provision is made in the Survey Vote for drawing, printing, colouring, publishing and selling the maps of the Geological Survey of Great Britain. These maps are printed in black and six colours; by the combination of single rulings, cross rulings, and solid printings of each of the six colours, it is possible to produce over seven hundred different tints. This method has been initiated and developed by the Ordnance Survey. The cost of this work is repaid to the Survey Vote from the Vote for Scientific and Industrial Research, and the proceeds of sales of the maps are paid over to the latter Vote. The cost of these services during 1924–25 was estimated at £8,000 and the receipts from sales at £800.

346. *Staff*.—The total staff approved for the Ordnance Survey is 1,000, as recommended by the Committee on National Expenditure. The number employed on 1st April, 1924, was 1,085, namely, 961 male staff and 124 women on the staff (including office cleaners). The following statement gives the corresponding figures for 1914 and post-war years :—

Date.	Male.	Female (including Office Cleaners).	Total.
1st August, 1914	1,887	200	2,087
1st April, 1919	1,583	190	1,773
1st April, 1920	1,403	180	1,583
1st April, 1921	1,337	170	1,507
1st April, 1922*	1,034	114	1,148
1st April, 1923	976	100	1,076
1st April, 1924	961	124	1,085

* 214 assistants were transferred to the Government of the Irish Free State on 1st April, 1922, and 39 assistants to the Government of Northern Ireland on 1st January, 1922.

347. There are seven military officers employed at the Ordnance Survey Headquarters at Southampton, and one military officer is in charge of each of the Field Divisions of the Survey. The approved establishment of the rank and file of the Royal Engineers employed by the Department stands at 342; these are included in the staff of 1,000 mentioned above. The pay and allowances of the military staff employed are borne on the Survey Vote. The following table gives an analysis of the work of the

Department, and shows the distribution of the authorised establishment :—

Division.	Strength.
(a) Headquarters, Southampton	51
(b) 1st or Levelling Division, Southampton	70
(c) 2nd Field Revision Division, Bristol	63
(d) 3rd Field Revision Division, York	64
(e) 4th Field Revision Division, Norwich	63
(f) 5th Field Revision Division, Edinburgh	64
(g) Trigonometrical Division, Southampton	*19
(h) Small Scale and Engraving Division, Southampton	51
(j) Control Division, Southampton	†134
(k) Map Printing and Publication Division, Southampton	‡339
(l) Map Scales and Issues Division, Southampton	41
(m) Stores and Workshops Division, Southampton	41
Total	1,000

* Including 12 lads under instruction .. }
 † Including 6 lads under instruction .. } Normal numbers.
 ‡ Including 6 lads under instruction .. }

348. Division (b) carries out all the "levelling" in Great Britain, together with a revision of the detail levelling, and deals with some 200,000 acres per month. Division (c) to (f) deal with the revision of the surveys of counties with a population of not less than 100 to the square mile. The production of the map itself commences in the Trigonometrical Division (g), and the remaining Divisions, (h) to (l), deal with the several successive operations, viz., engraving, control, printing and publication, sale and issue. Division (m) embraces both the stores staff and the workshop staff.

349. *Engraving.*—The majority of the printing plates are now prepared by photographic methods: vandyke and heliozincographic processes. Only a small proportion are prepared by transfers pulled from copper plates, and the number so prepared is steadily decreasing. The printing department, therefore, depends chiefly on the photographic department. The work must be equal to the best printing done by private firms in that very accurate registration of several colour printings is required.

Accuracy is obtained by—

- (i) The use of photographic methods in the preparation of plates; this gives a degree of accuracy in registration which cannot be obtained from plates prepared from transfers.
- (ii) The use of thoroughly seasoned paper which does not expand or contract during printing. No paper is used for colour printing which has been seasoned for less than six months in store.

- (iii) Since the war, the War Office has asked that a "grid" should be overprinted on Ordnance Survey maps issued for military purposes. This involves a very high standard of registration, as any slight distortion in the detail of the map, or any slight error of registration in printing the grid, renders the grid useless.

350. *Printing.*—The printing carried out by the Ordnance Survey consists almost entirely of the reproduction of maps by lithography. A few maps are occasionally still printed from engraved copper plates, but as engraving on copper is being abandoned, the number of maps so printed is very small and will become less. In addition to lithographic printing, a small amount of letterpress printing is also carried out in connection with the reproduction of maps. This printing is chiefly used on map covers. The letterpress machines are occasionally used also for printing departmental circulars and professional papers.

The machinery in use consists of—

Lithographic Machines.

- 6 Rotary offset machines.
- 2 Flat-bed offset machines.
- 11 Flat-bed machines.
- 34 Proving presses.

Letterpress Machines.

- 1 Cylinder.
- 6 Platens.
- 1 Proving press.

The 25-inch scale maps are printed on the flat-bed machines, the 6-inch on the flat-bed offset, and the 1-inch and smaller scales on the rotary offset machines.

351. The establishment of printers is—

Litho machine minders	..	..	..	14
„ „ feeders (female)	..	..	..	16
Litho provers	..	..	..	36
„ assistants	..	..	..	6
Letterpress printers	..	..	..	5
„ compositors	..	..	..	4
Copper-plate printer	..	..	..	1

352. *Output, etc.*—The average size of editions printed are—

25-inch scale	..	..	..	50
6-inch scale	..	..	..	120
1-inch and smaller scales	..	..	..	5,000

The total number of printings for the year 1923–24 amounted to 5,658,900. Excluding maps produced for the War Office, Admiralty, Geological Survey and record purposes, there were 4,197,011 maps on charge at the Stores Division on the

30th November, 1924. Particulars of these latter maps and a comparison with the numbers on charge at earlier dates have been furnished to us. These are as follows :—

Scale.	Stocks in hand on—		
	15 Feb., 1924.	30 Nov., 1923.	30 Nov., 1924.
1/1,000,000	9,820	—	12,747
10-mile	11,044	—	10,159
1-inch	1,075,530	—	1,071,103
$\frac{1}{2}$ -inch	435,247	—	422,225
$\frac{1}{4}$ -inch	158,236	—	176,629
6-inch	—	1,055,246	1,043,115
25-inch	—	915,269	946,335
50-inch	—	123,550	126,233
10-feet	—	181,057	177,384
5-feet	—	50,865	48,519
Miscellaneous	—	204,166	162,562
Totals	1,689,877	2,530,153	4,197,011
	4,220,030		

The output from the presses is brought on charge in a main stock room, whence it is transferred to a series of receipt and issue stores. Our Sub-Committee on accounts inspected the card records, and is strongly of opinion that the system needs revision and improvement.

353. *Stores.*—Stores and materials are generally suitable for immediate use when purchased. There is an exception in the case of zinc plates, which have to be grained before printing. In general, fittings and instruments are purchased from the trade. In accordance with the recommendation of a Departmental Committee which sat in 1893, paper and inks are purchased direct from manufacturers by the Ordnance Survey and not through the agency of the Stationery Office.

354. *Sales of Maps.*—We have found it impossible to exclude from this Report the question of the sale of maps to the general public. The policy of selling maps in competition with the trade does not come strictly within our terms of reference, but we have found that what is being done affects the organisation, equipment, and management of the Ordnance Survey Printing Works at Southampton so materially that it is necessary to explain the position and to arrive at some conclusion in order to complete this Report. Until recent years, very little was done to encourage the sale of Ordnance Survey maps. The 1-inch map was produced in the same form as that in which it had originally appeared some 90 years earlier, and the smaller scales were only just appearing.

355. Although provision existed for the protection of Crown copyright in Ordnance Survey maps, it was almost entirely neglected ; and the policy was to leave all enterprise and catering for public needs to the trade.

Various systems of agency for the sale of Ordnance maps were tried, but these proved unsatisfactory, with the result that in 1914 a Departmental Committee was appointed, under the chairmanship of Sir Sidney Olivier, to enquire into the whole question. This Committee made recommendations which form the basis of the arrangements which exist to-day. In particular it recommended—

- (1) The sale of maps direct from the Ordnance Survey.
- (2) The adoption of more attractive covers.
- (3) The publication of tourist district maps.
- (4) Attractive advertisement.

Since that date a much more vigorous policy in the sales of Ordnance Survey small scale maps has been adopted. The maps have been made more attractive, they have been better advertised, travellers have been employed, and sales have been canvassed. The result has been that sales have increased very considerably.

356. The sale of the Ordnance Survey maps is conducted through agents appointed by the Ministry of Agriculture and Fisheries : they hold stocks of maps of their respective districts and are allowed quarterly accounts with a commission of 25 per cent. on sales of the 6-inch and larger scales, and 33½ per cent. on the 1-inch and smaller scales. The total receipts for the year 1923–24 amounted to £53,185.

There are at present 186 agents in England and Wales and 17 in Scotland. Sales are made also from the Ordnance Survey Office, Southampton, and through booksellers, etc., other than agents ; traders under these arrangements also receive commission at the above-mentioned rates. Arrangements for the railway bookstall trade also exist.

The sale of Geological Survey publications is also undertaken by the Ordnance Survey.

357. We are informed that the pricing of maps is in accordance with the recommendations made in paragraph 28 of the Report of Sir Sidney Olivier's Committee, which may be quoted here.

In fixing the prices of the maps it has been an "accepted principle that the sale price shall be the nearest round figure which will leave a small profit to the State after the necessary deductions have been made for the cost of production, commission, etc. The Ordnance Survey maps are national maps, paid for by the public, and it is only right that they should be available to the public at the lowest possible prices compatible with the

principle referred to above." It is not clear whether this principle was intended to apply to the whole of the maps printed by the Ordnance Survey, including tourist maps and any other popular maps printed in future, or whether it was a reassertion of the principle previously prevailing in the sale of the technical and business maps which the Ordnance has offered to the public hitherto. Our observations with regard to this point appear later under the heading "Costing System." It was found necessary in 1918 to raise the price of the $\frac{1}{25000}$ scale maps from 3s. to 5s., and of the 6-inch scale quarter sheets from 1s. to 1s. 6d. on account of the enhanced cost of production. In accordance with the recommendation of the Committee on National Expenditure (1922) the price of $\frac{1}{25000}$ scale sheet was further raised to 6s. 8d. and that of a 6-inch scale full sheet from 4s. to 5s. from 1st April, 1922.

In January, 1920, the prices of the small scale maps were increased, a mounted and folded map of the 1-inch popular edition being raised from 1s. 6d. to 2s. 6d., and that of the 1-inch scale large sheet series from 2s. to 3s. The prices of other small scale maps were increased in proportion.

Copies of the large scale maps are also used in connection with the promotion of Private Bills in Parliament, and by municipalities and public utility companies.

358. *Copyright.*—As far back as the records go it has been held by the Department that the reproduction of an Ordnance plan or portion of a plan would be an infringement of copyright, and in 1886 a Notice was published in the *London Gazette*, giving due warning to printers and publishers. In 1887, the Treasury stated that "it seems desirable that the copyright in them, *i.e.*, charts and Ordnance maps, should be enforced in the interests of the taxpayers, and of literature and science. For . . . unless copyright is enforced, cheap copies of the works, or of the popular portion of them, can be produced by private publishers, who reap the profit at the expense of the taxpayer."

359. From 1888 onwards, the imprint "All rights of reproduction reserved" was placed on Ordnance Survey maps. In 1889, the copyright was vested unconditionally in the Controller of the Stationery Office and in the same year the Law Officers of the Crown advised that the copyright in Ordnance Survey sheets extended to the title "Ordnance." But no serious attempt to enforce the copyright appears to have been made until 1901, when a warning to printers and publishers against making use of Ordnance Survey maps appeared in the *London Gazette*, and a similar notice again appeared in the *London, Edinburgh and Dublin Gazettes* in 1907. The existing Copyright Act, which came into force on 1st July, 1912, definitely secures to the Crown (in Section 18) copyright in all works published by

a Government Department. Following this Act, regulations governing its application were framed and received the approval of the Treasury, and these regulations remained in force until 1918, when the Select Committee on National Expenditure reported "that an increase is also desirable in the amount of royalties charged to the public for permission to use Ordnance Survey maps." New rules were framed which made it clear that no private map could be reproduced from or based upon the Ordnance Survey maps without permission and payment of a royalty; and copies of these rules were distributed to firms selling, using, or printing maps. Under this Act a firm which had reproduced the 4-mile Ordnance Survey map by a photo-mechanical process was proceeded against in 1913 and convicted. Another firm which had published a 1-inch map of the Isle of Wight, based on the Ordnance Survey, without permission, was proceeded against in March, 1921, and convicted.

360. *Royalties.*—The Committee on National Expenditure, 1921, made enquiries as to royalties and reported as follows:—

"We have made enquiries with regard to the position of Royalties payable by private firms of map makers, and gather that the position is not entirely satisfactory. Having regard to the great benefits these firms enjoy by the use of the accurate information contained in the Government publications, we think that substantial Royalties should be obtained in every case, and we recommend that steps be taken, legislative, if necessary, with a view to ensuring this revenue."

The present rates of charge arose out of this recommendation.

The position in regard to royalties is now as follows. Printed copies of the large scale maps or portions of them are used largely in connection with leases and sales of land. In 1918, the principal London printers of these plans and the editors of *The Estates Gazette* and other similar journals were interviewed, and a scale of royalty charges and a system of paying for these was agreed upon; we are informed that Ordnance Survey Department considers that the scheme is working well.

361. *Competition with the Trade.*—Representations have been made by the Federation of Master Printers and certain publishing firms in regard to the trading activities of the Ordnance Survey Department. Before 1912, when the Olivier Committee reported, the sales of Ordnance Survey maps consisted chiefly of the 1-inch, the 6-inch, and the 25-inch scale maps, printed in black and white without a colour, which showed the contours in dotted lines only. These maps were generally known as Ordnance Survey maps: they were largely used for business and technical purposes in connection with land and estates and by public authorities.

The Ordnance Survey also published a 1-inch map showing certain parts of the country for military purposes, such as the districts round the chief military centres, and the districts where military manœuvres have been held. These maps were generally mounted on canvas and folded, and they showed the woods, roads, streams, and certain other details in colours upon a general ground of black and white. Also in the cases of the districts surrounding certain towns, small scale Ordnance maps were issued, coloured in a manner similar to the military maps, and they were on public sale.

362. It was in 1912 that the Ordnance Survey began to publish and sell special coloured maps of certain tourist districts in a new style not dissimilar to that which had been used by the map printers and publishers for some years previously. Meanwhile, the map printing trade, previous to 1912, printed a variety of local maps for tourist centres and tourist districts, published folding plans of large towns and also holiday centres in the districts around them. About 1890, when bicycles became very largely used, touring maps were needed on an extended scale, and special maps were prepared by the map printers in a variety of styles and sold in large numbers to the public. Later, from 1900 onwards, a demand sprang up for motor maps, and several series of maps were prepared and issued by the map printers especially for this purpose, and of these there was a large sale. Undoubtedly, all these maps were based originally upon the Ordnance Survey; but in the majority of cases a considerable amount of original work was done to produce the maps showing the particular features required, and in many cases omitting superfluous details. Meanwhile, little was done by the Ordnance Survey Department to assert a claim to royalties upon this class of map, and a large business was established by the map printing firms before the Ordnance Survey Department entered into that branch of the business.

363. We give a summary below of the representations of the map publishers, and also a summary of the replies furnished to us by the Director of the Ordnance Survey.

1. Large staffs, both administrative and operative, were taken on during the war for war purposes, but these staffs still being retained in excess of the pre-war standard, and, to justify their continuance, active competition with private firms is now taking place, by means of new publications, printing, new types of maps, and in other ways.

1. The reply to this statement is given by the following statement of the strength of the Ordnance Survey at various dates:—

At 31st March, 1914	..	2,076
" " 1915	..	2,073
" " 1916	..	1,614
" " 1917	..	1,663
" " 1918	..	1,796
" " 1919	..	1,687
" " 1920	..	1,627
" " 1921	..	1,469
" " 1922	..	1,339
At 1st January, 1923	..	1,066

2. The map publishers are specially affected by the Ordnance Survey Office (which was created for the accurate survey of the country in the public interest) having (a) recently begun to print "Tourist" maps, and "Motoring" maps to compete with those already in the market issued by private firms, and (b) selling these maps at a low price which cannot bear any reference to the cost, (c) Calendars, booklets, and gratuitous literature are also being sent round lavishly at the nation's expense. (d) As an example, a fine atlas has just appeared, prepared without regard to expense, and the subsidy granted by Parliament ostensibly for Ordnance Survey work seems to have been used for this purpose, and this would appear to be the forerunner of other publications of an adventurous or competitive nature.

2. (a) The Ordnance Survey has published their small scale 1-inch maps for many years, for the use of the public. Special maps for favourite districts were published in 1913 and 1914, before the war—for example: the Killarney, Ilkley, and Glasgow districts. The present series of Tourist maps, which commenced in 1920, is a development of these, and a perfectly legitimate enterprise on the part of the Ordnance Survey. No maps have ever been designed by the Ordnance Survey solely for motoring, or for any other special purpose. The policy of the Ordnance Survey has always been to produce the best topographical maps, complete in every respect, and to leave maps designed for special purposes to the trade.

(b) The prices for the Ordnance Survey $\frac{1}{4}$ -inch, $\frac{1}{2}$ -inch, and 1-inch scale Tourist maps are 2s. 0d., 3s. 0d., and 4s. 0d., according as they are on paper, cloth, or mounted in sections. The prices for Bartholomew's $\frac{1}{4}$ -inch scale maps are the same. The Ordnance Survey Popular 1-inch series, which has fewer printings than the Tourist maps, is sold a little cheaper, namely, 1s. 6d. paper, 2s. 6d. cloth, 3s. 6d. dissected. Bacon's $\frac{1}{4}$ -inch scale map is sold at 1s. 0d. paper, and 2s. 0d. cloth. Geographia publish a $\frac{1}{4}$ -inch scale map at 1s. 6d. paper, 3s. 6d. cloth, and 5s. 0d. in sections, while their "Times" maps, very large sheets, are 4s. 6d. on cloth, and 6s. 0d. dissected. It is held that the prices of Ordnance Survey maps are very much the same as in the trade, and that there is no justification for the assertion that they are sold at prices with which the trade cannot compete.

(c) The Ordnance Survey employ recognised and legitimate methods of advertisement, which include the distribution of leaflets, etc. Certain explanatory booklets are published; of these, 90 per cent. are sold, and only 10 per cent. distributed free. The Ordnance Survey considers that it probably spends much less in advertisement than most private firms, and such advertisements as the Department uses are for the purpose solely of increasing the sale of maps.

(d) This atlas is the ordinary $\frac{1}{4}$ -inch to the mile scale Ordnance Survey map bound in convenient form as an atlas. It is considered to be quite within the province of the Ordnance Survey to publish this or any other map in this form if it is attractive to the public, and the Department cannot accept dictation from the trade in a matter of this sort. The price of the atlas was based in the usual way on the cost of production and anticipated sales. The reference to the "subsidy" is not understood by the Department. This atlas is Ordnance Survey work as much as any other.

3. The educational and map publishers are affected by the claim recently made by the Ordnance Survey that "No Ordnance Survey map may now be used in the preparation of a private map on any scale, without permission," and that at any moment they may be called on in respect of the maps issued in their educational works, or their wall maps.

Every map published of Great Britain must be originally based on the Ordnance Survey and is consequently *liable* for royalty payment. Maps on scales suitable for atlases, *i.e.*, quite small scale, such as $\frac{1}{4}$ millimetres or $\frac{1}{2}$ millimetres, do not compete with Ordnance Survey maps and it has never been suggested that they should pay royalty. But all other maps are liable.

It has been shown already that the system of obtaining royalties for the use of Ordnance Survey maps has the sanction of Parliamentary Committees and of the Treasury.

364. *Costing System.*—It will be observed that whilst map production forms an important part of the work carried out by the Department, there are other duties—such, for example, as the training of personnel for war surveys and the execution of work in the field for the Admiralty, War Office and other Departments, etc. A proportion only, therefore, of the sums voted for "Surveys of Great Britain" is chargeable against the production of maps. In this connection *see* Appendix X, "Surveys of Great Britain: Estimates 1924–25."

365. We have endeavoured to ascertain (a) whether the figures of the costs of map production, etc., which were submitted to the Committee by the Ordnance Survey Department were calculated on a correct basis, and (b) whether the prices charged to the public are in accordance with the principles set down in paragraph 28 of the Report of Sir Sidney Olivier's Committee in 1914, referred to earlier.

366. We are informed that the cost of preparation of all printing plates is included in the costs of production. If the plates are prepared from transfer from copper, the cost of production is regarded as commencing from the pulling of the transfer for the base map. If prepared by heliozincography from the drawing,

which in future will take the place of the copper plate, the cost is taken from the stage of production of the negative from the drawing. The base plate is prepared from the negative. The preparation of all colour plates is charged. The cost of the actual survey work is not, however, charged as part of the production costs nor that of the drawing.

367. We find that no Profit and Loss Account or Cost Accounts of map production are maintained by the Department, and that the figures of cost produced to the Committee were based on special investigations made for the purpose of the present enquiry. We have examined the basis of the Department's calculations and consider that it is far too rough-and-ready to give reliable results. Certain items of cost are not included, and the addition of 50 per cent. to the pay of the staff, which is charged as representing overhead costs, is not based on ascertained figures and is unreliable. On the other hand, the initial costs of any particular map could be spread legitimately over a larger production instead of, as at present, being charged out entirely against the first issue.

368. We have reached the conclusions—

- (a) that it is impossible, with the material available, to say whether or no maps are being sold to the public at more or at less than their cost ;
- (b) That a system of accounting should be introduced which would enable the cost of each map printed to be ascertained with reasonable accuracy, and ensure taking into account all the costs actually incurred and chargeable to the map-production side of the Department ;
- (c) that the prices charged to the public should be reviewed in the light of the cost of production as and when ascertained.

369. The organisation of the Ordnance Survey and the preparation of the maps from which the prints are made are beyond the terms of reference of this Committee which direct enquiry to be made to the methods of Government printing, but it is right to state that the technical excellence and efficiency of the maps produced by the Ordnance Survey Department were not questioned in any quarter during the course of our enquiry : it was directed solely into the methods of printing and financial management of the Ordnance Survey press at Southampton. We found that the business organisation and the printing establishment are capable of improvement : many of the machines in the factory are old fashioned, but we were informed that new processes are being introduced and new machinery is being installed. It was found that there was no proper system of costing the work, and we were therefore not able to ascertain the cost of reproducing any of the maps issued by the Ordnance Survey. The organisation of the map printing works at Southampton, in our opinion, should be put on strictly business lines, and a system of

costing should be introduced, as recommended by our Sub-Committee, which would enable the cost of any work done to be charged to the proper item of the printing so that the cost of any of the maps produced may be readily ascertained. While all the maps and plans required from the Ordnance Survey should continue to be printed in the printing factory at Southampton, we recommend that any letterpress printing required should be ordered from the Stationery Office and produced either under contract or in one of the Government factories.

370. The cost of the survey, and the preparation of the maps and plans arising from the survey should continue to be charged to the Ordnance Vote ; all the costs of reproduction and printing from the original maps should be charged to the printing factory and shown under a separate heading in the Vote. The cost of any special maps or plans, other than the Ordnance Survey maps, prepared for any Department of the Government should be charged to the Department concerned, and the printing should be charged at cost to the Department in the accounts of the printing works.

371. In the course of our enquiry, evidence was given by the Master Printers' Federation and others in regard to the printing and sale of popular maps which have been issued by the Ordnance Survey Department since 1918. A considerable amount of evidence was offered to us on the subject of royalties, and complaints were made of the competition of the popular maps issued by the Ordnance Survey Department with the map printers in the trade. For a long period before 1912, no action was taken to claim payment on account of royalties in the case of maps copied or adapted by the map printers from the Ordnance Survey and a large business had been built up in popular tourist maps, special town plans, cycling maps, and latterly, in motoring maps. In our opinion, it would not be just to attempt to charge any substantial royalties on maps issued prior to notification of the claim to royalties which was issued to the map printers in 1912, and it would be sufficient to obtain the payment of a nominal acknowledgment for the repetition of the printing of such maps in the future. On the other hand, a small charge for royalties may be properly enforced in the case of new maps issued after notification.

372. Sir Sydney Olivier's Committee of 1912 recommended that the maps issued by the Ordnance Survey Department should be sold to the public at a price which will pay for the cost of printing the maps, and presumably, the cost also of distribution, the nearest round sum being taken which will clear this cost with a fraction of profit. Since that recommendation was made, and as a result of improvements in form and of the more vigorous selling policy adopted, a large business has been done by the

Ordnance Survey Department in popular maps, in direct competition with the cycling and motor maps which have been developed by the map printers. These maps are public maps used very largely for pleasure, tourist maps of select districts such as the Lake District, and for touring purposes generally. They are excellently produced but they are, undoubtedly, in direct competition with the map printers' business. Whether in fact this competition is carried on at a loss to the taxpayer or not we are, for the reasons already stated, unable to say, but in any case we consider that the Government would not be justified in selling these maps to the public at prices below the cost of production and distribution, including advertisement, etc. There is the further question whether they should be sold at cost or whether, in order to eliminate the element of unfair competition with the private map printers, the selling price should include the equivalent of any royalty charged to private printers of similar maps and a reasonable trade profit. We do not think that it would be in the interest of the general public to destroy private enterprise in these productions and we are therefore of opinion that the latter policy should be followed, the more so as it should produce revenue for the Exchequer.

It is suggested that the sale of the Ordnance Survey Maps, including the popular maps, should be transferred from the Ordnance Survey Department to the Stationery Office. We are of opinion that there would be advantage in this arrangement and we recommend that it be carried out.

(iii) GEOGRAPHICAL SECTION (WAR OFFICE) PRESS.

373. The Geographical or Topographical Section of the War Office has been in existence for over a hundred years. The duties of this Department are summarised in a War Office publication as follows:—

- "Preparation of maps required for military purposes ; organisation of geographical work for the Army ; liaison with the colonial and foreign sections of the General Staff for the collection, collation and dissemination of geographical details of British colonies and foreign countries ; all technical questions regarding the equipment and work of boundary commissions ; storage and issue of maps for war ; organisation of survey duties with an army in the field ; selection of officers for field survey units and for survey and geographical work ; air photography for survey purposes ; liaison with the Director of Artillery for co-operation between Artillery and Engineer survey units ; liaison with the Ordnance Survey ; preparation of maps for the Air Ministry ; Colonial Survey Committee ; Map Room."

Many of the maps produced are strictly confidential, others are for military operations or for departmental use only.

374. The Press employs a staff of draughtsmen, photographers and lithographers, and a large number of maps are drawn, printed and published by the Geographical Section, in addition to those prepared for departmental use. Officers, warrant officers, non-commissioned officers and men of the Regular and Territorial Forces can obtain supplies of the published maps through Army channels, but all other sales are effected through agents.

375. The copyright of all maps published by the Geographical Section is vested in the Controller of the Stationery Office.

376. We were informed in evidence that this press is of a very special character and that there are good reasons for its continuance.

CHAPTER VIII.

Review of existing State Printing Establishments and Recommendations as to their future.

377. *General Conclusions and Recommendations.*—Our enquiries have led the Committee over the whole field of printing for the Government: they have been directed chiefly to the financial aspects of the various presses which operate under Government control. We have given careful consideration to the questions of administrative convenience and efficiency which are involved. In our final Report and recommendations we have endeavoured to adjust the balance of these considerations to the advantage of the State.

378. The large sums of money spent in printing for the Government are the cause of anxiety in which we share. The expenditure on the Vote for Stationery and Printing increased from £600,060 in 1900–01 to £1,077,708 in 1913–14, and £1,563,809 in 1925–26. These sums include the ordinary printing, but not stamps and security printing for the Post Office, which is principally a trading department with an expanding business earning a profit for the State. Parliament has been responsible for much of the increased printing; it is one of the results of social legislation on a large scale which began in 1906: the Old Age Pensions Act of 1908, the National Health Insurance Act, War Pensions, and Unemployment Benefit are notable instances. New Government Departments have been created, and the duties of the older Government offices have been expanded all entailing more work in printing. To these causes of increased printing expenditure should be added the greater cost of printing individual items arising from the higher prices of paper and materials and higher wages. The efforts of the Treasury, the Stationery Office, and the Publications Committee in the House of Commons, have resulted in a great reduction in the quantity of printing and in the cost since the War expenditure ceased. Having regard to the increase of printing rendered necessary by the causes already indicated not under the control of Government Departments, the Government printing bill is now less than might have been expected. We cannot anticipate that further large economies can be effected unless requirements are diminished by curtailing the work of Government Departments: there is, on the contrary, a constant tendency for the charge to increase, and every new duty required to be performed by the Departments of State adds automatically to the printing bill. Owing to the fact that the estimates and accounts for printing are presented to Parliament

in the Stationery Office Vote and are only added as a footnote and are not included in the Votes of the various Departments, the charges for printing hardly receive the attention which they deserve.

379. We urge that constant vigilance should continue to be exercised in order to stop all tendency to extravagance in printing and to insure every possible economy in the style of production, the size and quality of the paper, and the methods of printing, as well as in the vast quantities of printed matters of all kinds which are now ordered for the Government service. We consider that departmental printed forms, etc., should continue to be vigorously overhauled by the Stationery Committees of the various Departments, working in close collaboration with the Stationery Office, with a view to securing economies by standardizing and combining forms and reducing the number of prints and the matter printed thereon. The alternative methods of production by duplicating, etc., should be considered. We further consider that a considerable field of economy lies in a careful review by the Stationery Committees of the publications emanating from their Departments, coupled with a close supervision over the size of the volumes and the form in which the matter is set up. Economies are most likely to be effected if Departments are continually informed as to the cost of printing, and instructed how to reduce expenses to a minimum.

380. The Committee has considered next how the needs of the State may be met with due economy and regard to the best interests of the public service. It has been urged that the State can do the whole of the printing for itself and that this is the best course. We do not agree. Whatever may be the scale upon which the annual requirements of the Government may be based, these requirements must fluctuate: they are not steady or constant and must vary considerably as the Government of the day passes through periods of stress or of calm routine. If the State printing factories are to be sufficient to meet all requirements whether normal or abnormal, they will be excessive for the average requirements, and during considerable periods a large proportion of the premises, plant, and equipment, will be idle. If, on the other hand, the Government factories are to be on a scale to meet all normal requirements, it must be anticipated that the withdrawal of a very considerable proportion of work from those branches of the printing trade which are affected will result in the curtailment of the facilities now available to the Government, and in a corresponding shrinkage of the resources available for expansion on emergency. It appears to us that a large proportion of the Government printing should always be offered for competitive tenders by the printing trade, and that this policy should not be abandoned whilst contracts can be placed on strictly competitive terms. State printing factories can be run on thoroughly efficient lines, but competition in the trade

will always keep the best private firms ahead in enterprise and efficiency and enable them to compete with the prices at which similar work can be executed on the premises of the Government.

381. At present, about one-third of the Government requirements in printing are produced on the Government printing presses: this includes all the confidential and specialised work which they do. We consider that this proportion should not be increased, and that possibly it may be reduced without disadvantage.

382. Suggestions have been made that the whole of the confidential printing might be done at the Harrow works and that the separate establishments connected with the Foreign Office, the War Office, and the Ordnance Factory, might be abolished and the whole work done in one confidential department. We have given this suggestion careful consideration and we are not convinced that it would result in any considerable saving in cost. On the other hand, if any breach of confidence should occur at any time, the consequences would be far more disastrous if the whole range of confidential documents were accumulated in one printing works; and the task of any person or organisation seeking to bring about a breach of confidence or to obtain secret documents would be facilitated. We therefore consider that the division of confidential printing among several presses is of paramount importance as a precaution to preserve secrecy; and we cannot accept the suggestion that all the confidential printing of the Government should be done in the Harrow works.

383. In the first place, we consider that the normal requirements of the Government confidential printing should be carried out on the Government presses; when the Government requirements for such work are abnormal owing to emergency, work in the Government factories of a non-confidential character can be put on one side or ordered to be done by private firms. In addition, there are a number of high-class printing houses accustomed to do commercial printing of a confidential character which, when required, may be trusted to print confidential documents for the Government with absolute fidelity.

384. The establishment at Harrow is the largest of the State printing works, housed in excellent premises with ample room for expansion, under efficient management and employing modern methods both as regards processes and machinery. We have carefully considered the evidence which has been placed before us with regard to the Harrow establishment, and it is our unanimous opinion that neither on administrative nor financial grounds should the works be closed or disposed of at the present time. The savings effected by the works in succeeding years have followed an upward curve. We do not consider that the Harrow works should be extended or further capital expenditure

incurred on account of buildings. The present size of the undertaking is amply sufficient to accommodate all the confidential and special work required to be done there in normal times, and as we recommend that all the ordinary printing work done there should be offered for tender periodically, it must be expected that from time to time one or other of the jobs will be placed with the printing trade, thus making room for other work which may offer in various directions.

385. A case has been made for the continuance of the establishment at Harrow, but in view of the comparatively short period which we have had under review, we hesitate to recommend that the works be placed immediately on a permanent basis. We therefore recommend the continuance of the Harrow establishment until the 31st March, 1930, when we consider that the position should be further reviewed in the light of the longer experience and the fuller knowledge then available.

386. The next in order of size are the works at Hare Street, Bethnal Green. In neither structural suitability nor in equipment do these works compare favourably with Harrow. They also lack the healthy conditions of the latter. Despite these drawbacks,* however, a substantial net saving was made by the works under the favourable conditions during the last two years under review.

387. We have given our careful consideration to the situation at Hare Street. We are convinced that the works afford no facilities for adequate improvement and, in these circumstances, we have reached the conclusion that the work carried out at Hare Street should be carried out elsewhere in the interests of economy and efficiency. The one substantial reason for the continuance of the Hare Street works is that they are conveniently situated for printing the Parliamentary Debates; while the Harrow works are too far distant for the constant and rapid transmission of the long hand scrip from the Houses of Parliament to the printers, which is necessary in order to print the Debates for delivery in London at breakfast time on the following morning. This process is, however, extravagant, as it entails the employment of a night staff at high rates of pay, and we venture to invite the Parliamentary Publications Committee to consider whether the extra expenditure is really necessary for reasons of State or for the convenience of Members of Parliament. If it is decided to continue the present system, several firms of printers have indicated their desire to tender for the work and, if a satisfactory price is arranged, the one reason for retaining the Hare Street works will disappear. It is our recommendation therefore, that, steps be taken at an early date to vacate the Hare Street premises and that the work at present executed there should be transferred to the Harrow works, or executed by contract in cases where it is not found feasible for it to be produced at Harrow.

388. It is necessary to state that we have arrived at this opinion after considerable hesitation; setting up other State

printing works in closer proximity to the Houses of Parliament and the Government Departments was suggested as an alternative, in which premises the work carried on by certain of the existing State presses, including Hare Street, would be centralized. For this reason, the retention of the Hare Street works was advocated until such premises were provided. This scheme of a new centralized Press near the Government Offices and the Houses of Parliament has been considered in principle by our Committee. It would obviously offer some advantages, but it is not necessary while the present system of putting out the larger part of the printing to tender and contract continues. We submit that the expenditure upon the site, buildings, and equipment of a large central printing office would be so great that, in any case, it ought not to be considered at the present time. Moreover, we are far from being convinced of the advantages of over-centralization as a principle or as applied to the printing business. It tends inevitably to cramp personal initiative and to render the control and management mechanical, which, in its turn, reflects itself upon all ranks of the staff. This process is progressive and is inherent in too large Government Departments or establishments; though slower in competitive factories and trading businesses, the results produced by over-centralization are ultimately the same, and outweigh savings estimated at the commencement. For these reasons, if there were no others, we cannot recommend suppressing some of the minor presses which afford scope for responsibility and initiative.

389. We have closely examined the present situation as regards the smaller Departmental presses, our primary consideration being the justification or otherwise for their continuance as separate entities. We will deal first with the group of presses managed by the Stationery Office.

390. The first of the minor presses is the Foreign Office Press. We found the authorities of the Foreign Office very strongly opposed either to the transfer of the work of the press to Harrow, or to possible inclusion of the press in an amalgamation of certain of the existing presses. Their objections are threefold: firstly, on account of the confidential nature of the work, which includes the printing of Cabinet papers; and, secondly, on the grounds of urgency, so far as a large proportion of their requirements is concerned; thirdly, the special character of the work, several foreign languages being employed, requiring operatives with some general skill in them, the proofs of which can be passed only by the experts in the Foreign Office. We consider these objections together conclusive and, in view of the peculiar position occupied by the Foreign Office Press, there are very strong grounds for its retention as a separate press; but we recommend that the Stationery Office should continue to manage the press for the Foreign Office.

391. In these circumstances, we think that the arrangement under which the India Office Press is carried on in conjunction with the Foreign Office Press, and shares the same management, should continue as at present.

392. As regards the War Office Press, the arguments for its suppression are the estimated financial saving of £1,200 per annum through concentration in a large factory. It is not alleged that the War Office Press is otherwise than efficient. The premises are well adapted for the purpose and there is room for some small expansion if required. The chief work which is done by the press is confidential, but a full load of output is secured by adding from time to time other printing work required by the War Office. It is highly desirable that the Administration should have at hand near the centre of the Government efficient machinery to execute rapidly confidential work required on emergency; for that purpose the Foreign Office Press and the War Office Press are the only printing plants available to execute any quantity. For these reasons, we consider that the administrative advantages outweigh the comparatively small saving estimated to be effected by centralization. We recommend that the War Office Press should be continued as a matter of policy.

393. We have considered the question of the retention of the Meteorological Office Press (Kingsway) and have come to the conclusion that, even if it were transferred to Harrow or elsewhere, the nature of the main work of the press (lithography) would not permit of its being merged with the other Government printing works. No economy would result; there would be some inevitable delay in the production of the weather reports, and in their despatch to the Forces and to subscribers; moreover, administrative convenience would suffer. In these circumstances, we propose that the Meteorological Office Press should remain at the Air Ministry.

394. Our enquiries into this press disclosed the fact that there is at present a certain amount of non-effective time. This appears in the latest Trading Accounts: alone of the presses under Stationery Office control it shows a loss.* It has been suggested that the more economical working of the press could be secured by allotting to it certain work at present carried out for the Air Ministry by outside contractors. We think the suggestion is sound, and propose that it should be adopted, subject to the ordinary procedure being followed, viz., that the credit taken for the additional work should be at the price of the lowest outside tender.

395. Next comes the group of Departmental presses which are not under Stationery Office management. First of these is the Post Office Savings Bank Press. This press during its long career

* The Trading Account for the year 1925/26 shows a small margin of profit.

has shown an average annual saving, as compared with outside market prices, equivalent to 13½ per cent. ; the average saving in the Harrow establishment being about 23 per cent. per annum. These figures have been cited, but they are not comparable owing to the very different character of the work done, one being largely of the kind commonly done as jobwork, and the other, largely bookwork, giving a larger profit than the ordinary run of printing. The Postal Authorities base their case for the retention of the press principally on the indirect economies which it produces. They claim that the existence of the press provides a safeguard against fraudulent use of documents and allows for their expeditious production, and also for convenient storage of stocks pending distribution, and for considerable savings in packing and handling charges. In this respect the same arguments apply as are used in regard to printing the County Court forms at Harrow.

396. It has been suggested that some saving could be effected if the work were transferred to the Stationery Office at Harrow. We are not favourable to this suggestion. The excellent premises at West Kensington would be vacated and new capital expenditure incurred in providing the additional accommodation required at Harrow ; at the same time, more expense in administration and distribution would be incurred by the Post Office while any substantial saving in the cost of printing is problematical. There is no reason to think that the Stationery Office is more capable of executing economically the special work required than is the Post Office ; they might even prove more expensive for a time until experienced in its production. We therefore recommend that the Post Office Press be continued under present management, but that portions of the work now done, or proposed to be done in the future, be offered to the lowest tender by the printing trade ; and so executed if the tenders are less than the costs of the Post Office as ascertained on a trading basis.

397. We have considered the work of the Inland Revenue Press under the four distinct categories under which it falls, viz. :—

- (i) The production of adhesive stamps (postal, fiscal, insurance, etc.) ;
- (ii) Work of a purely fiscal nature (non-adhesive stamps, labels, licences, permits, etc.) ;
- (iii) Ordinary letterpress printing ;
- (iv) The impression of postal duties on envelopes, cards, telegram forms, etc.

398. As regards the first category, we do not think it expedient that this small block of work should be placed out to contract as, in view of the very limited number of contractors who are capable of producing adhesive stamps, it is advisable that some machinery, such as this small press provides, coupled with a

suitable costing system, should be maintained in order to serve as a check on the prices charged for this class of work, and for experimental and testing purposes. At times also this press is useful to supplement the output of adhesive stamps from the contractors when, for any reason, the contractor may not be able to meet heavy demands.

399. The purely fiscal work (Group ii) should, in our opinion, continue to be carried out at Somerset House, and we consider that the control of the press should remain vested in the Inland Revenue.

400. With regard to the third category, *i.e.*, purely letter-press printing, we find that mainly confidential work of an urgent character is executed on the press, and we are satisfied that this arrangement should continue.

401. The impression of postal duties on envelopes, postcards, etc., lodged by the public, as also the impression of an embossed stamp on telegram forms, appears to be of the same class as the impression of stamps on documents liable to Revenue Stamp Duty, etc., and we do not propose that any change in the present arrangements be made.

402. We made careful examination into the presses at the Victoria and Albert Museum and the Natural History Museum.

With regard to the former, the work appears to consist of the following classes :—

- (1) Labels for exhibits.
- (2) The printing of examination forms, etc., for the Board of Education.
- (3) Specimens of illustration and design for exhibition in the Museum.

(1) We are not at all convinced as to the necessity for the printing of the labels used at the Museum. As indicated elsewhere, in our Report, the labels at the British Museum are either made out in manuscript or consist of catalogue extracts pasted on cards, and we commend these alternatives to the consideration of the authorities of the Victoria and Albert Museum.

(2) As regards the various forms, examination papers, etc. printed for the press for the Board of Education, this work can be carried out, we think, by the Stationery Office, who are provided with all the necessary machinery and safeguards for dealing with confidential work of this kind. The Museum Authorities may find strong reason for keeping upon their own premises the printing of comparatively small numbers of these documents as many of the papers are necessarily highly technical, and there may be difficulty in correcting the proofs and, in some cases, re-correcting them, for printing works at a distance, and we think that comparatively small matter may be left to be adjusted according to administrative convenience.

(3) There remains the position of the Museum as an "Exhibition of Art as applied to Industry." A high standard has been reached by the specimens of illustration and design which are exhibited by the Museum. This is highly specialised work, and not only serves to exhibit what has been accomplished already, but the facilities in the hands of the Museum authorities afford them opportunities for advancement and development in the quality of work, design and methods of production. Such work is unsuitable for production in a large factory organised to produce quantities of ordinary letterpress on the most economical lines. We cannot recommend that this work be handed over to the control of the Stationery Office or be entrusted to the Harrow factory.

403. For the foregoing reasons, we consider that the press at the Victoria and Albert Museum should not be closed down, but that it should be confined to the specialised work required by the Museum, and that ordinary letterpress printing, if required in any quantity, should be done elsewhere. In any case, this press is a very small matter and the expense incurred in maintaining it is trifling.

404. With regard to the Natural History Museum, we feel, as in the case of the Victoria and Albert Museum, that printed labels might be dispensed with. In our view, there are no sufficiently strong grounds to justify the retention of this small press. Any printing that can be regarded as absolutely necessary for the requirements of the Museum should be executed under arrangements made by the Stationery Office.

405. As regards the various presses maintained by the Military Authorities, we have no observation to offer as regards the Instructional Press, Chatham (Royal Engineers), and the minor presses shown in Chapter III, page 59, under the head "(c) Miscellaneous Military Presses."

406. In the case of the Ordnance Committee Press at Woolwich, there appears to have grown up in the course of years an expensive system of printing nearly all the documents required for the use of the Ordnance Committee. A considerable proportion of them, in our opinion, might have been produced more economically and expeditiously by duplicating methods; this applies especially to those documents which are required temporarily and are not needed for a permanent record. But we are satisfied that a large quantity of printing of documents of a highly technical character is necessary for the work of the Ordnance Committee, that to have these documents printed at a distance from Woolwich would entail great delay and administrative inconvenience, and also necessitate charges for messengers and conveyance of proofs and papers which are not at present incurred. Under these circumstances, we cannot recommend that the press of the Ordnance Committee should be closed down, but we recommend that the whole matter be

brought to the attention of the Army Council in order that only the necessary documents shall be printed and that the work of the press shall be confined to what is absolutely necessary.

407. As regards the printing presses in use in the Naval Service (these are given in detail in Chapter III), these presses are in constant use for printing a large number of local orders, notices, etc., which are required to be printed at very short notice, and we feel that the discontinuance of the use of these presses would cause great inconvenience and have the effect of incurring local charges for printing in many cases where time does not permit of the work being sent to the Stationery Office. For these reasons, we recommend the retention of these presses.

408. It has been shown that about one-third of the printing requirements of the State are at present executed in the Government printing establishments, including both confidential and non-confidential work.

We have already expressed our opinion that all work of a secret or highly confidential nature should, in any case, be carried out at the State works. As regards the general printing of a non-confidential character, we recommend that no more than at present be executed in Government printing works under normal arrangements.

For one thing, it would clearly be the reverse of economical for the State works to be equipped on the basis of the maximum requirements of the Government Departments, and secondly, it seems to us essential that the State should be in a position to maintain a comparison between the cost of work carried out by the Government presses and that executed by private contractors under competitive conditions.

409. With regard to the system under which work should be allotted to the State presses, it is necessary to deal separately with the confidential and non-confidential printing. We consider that all confidential work of importance should be executed normally in the State works without being offered to tender; it should be assessed for trading account purposes by officials of the Stationery Office unconnected with the works, at rates which it is estimated would have to be paid had the work been performed under tender or contract in the works of selected contractors.

410. As regards the ordinary non-confidential class of general printing, we recommend that all this work should be put up to open competition, and that where the State works are able to show from their own figures an estimated saving by comparison with the lowest satisfactory tender received, the work should be allotted to the State works at the rate of such tender. We think that the Government works tender should be handed in, either sealed or not, before the tenders of printing contractors are opened; this is necessary to assure the printing trade that the competition is a genuine one and that the State works are

really competing on their merits. In cases where work is specially desired for the State printing presses, the Works Management will be in the same position as any trade printing house to quote a special price. In all cases where the outside tender is lowest, the work should be given outside, and when the Government works tender is lowest, those works should be allotted the work to the extent of their capacity without further additions or expansion. In the latter cases, we think that for the purpose of the Government Factory Trading Accounts the lowest competing tender should be taken as the price in order that the saving may be shown as profit in these accounts as at present.

411. So long as there is genuine competition, it would be inequitable to the printing trade for the State printing works to examine tenders from contractors and at their discretion to put in afterwards a somewhat lower tender and so secure the work for the Department. It is very desirable that the Stationery Office should have the full confidence of the printing trade, upon which it must depend in any circumstances for a large part of the supply of printed matter and upon which on emergency the Government may need to make demands to the limit of the trade's resources.

412. We have no criticism to make with regard to the form of contract employed by the Stationery Office in connection with the State printing contracts. We have a comment, however, to make as regards the distribution of the invitations to tender as between London and the provinces. We have referred in Chapter I to the limitation of the tendering to London in certain instances. The stipulation for a "London contract" is made, we understand, at the request of the Government Department concerned, generally on the score of urgency or convenience, but we are not convinced that the stipulation for a "London contract" was necessary in all the cases brought to our notice, and we think that Government Departments should stipulate for "London contracts" only in exceptional circumstances.

413. The duration of printing contracts is a matter of great importance. The practice has been to fix a period of five years except in special cases where a quantity of standing type can be used for a longer period as in the case of directories, etc., and where the first cost of setting up is high. In such cases we think that a period of seven, or even ten years, is economical. In the more usual cases we think on the whole that five years is long enough. But the numbers of the staff required to deal with contracts and the increasing amount of printing are considerations which lead us to think that the period may usefully be extended to seven years in cases of contracts where the requirements of the Services and the general conditions have been well ascertained by experience. That course will tend to render any increase of staff unnecessary and may lead also to closer competition by contractors for work assured for the longer period.

414. As regards the State presses, we have already stated our view that the Stationery Office has acquired experience and has at its disposal the practical staff necessary to carry out efficiently the administration and management of the Government printing works for general printing, and that the staff is kept constantly in touch with modern methods of production by the association of the Stationery Office with contracts and the printing trade. The greater part of the equipment has been purchased as specially suitable for the work to be produced, and, moreover, improvements of the machinery (representing very appreciable savings of time and money) have been effected from time to time by certain members of the staff to whom, we understand, honoraria have been paid with the approval of the Treasury.

415. The above paragraph refers to general printing. On the other hand, there are special branches of printing in which we consider that it is not desirable for the State printing presses to embark; we refer here to art printing, illustrated books, the printing and publication of bound volumes other than official Blue Books. We make exception only in the cases of the specialized work of chart and map printing, the charts of the Meteorological Department, and a little special printing for Museums. In any case there is no material saving to be expected as so little of such work is required, and there might even be loss, as well as a lower standard of work, if experiments are made in those fields.

416. In these circumstances, we suggest that no alterations in the management of the State presses is called for. We recommend that the overseers and general working staff should continue to be recruited from the trade, and that the wages paid to them be at the rates generally recognised in the printing and allied trades.

417. We are satisfied that the methods of accountancy and costing laid down for the presses under the Stationery Office management, subject to the amendments recently brought into force at the request of the Comptroller and Auditor General and of the Treasury afford an efficient method of control and enable a standard by which the several undertakings may be judged. We recommend that the same methods be adopted to cover all the State presses.

418. The question of the purchase and supply of paper has also been considered by us. Under the present arrangement, considerable purchases of paper are made by the Post Office, Inland Revenue, and other Departments, without consulting the Stationery Office.

We have not attempted to enquire into prices paid for paper by the State: we hold that such enquiry does not come within our terms of reference. But we do venture to express the opinion that all Departments requiring paper should consult the Stationery

Office before asking for tenders or making purchases, and that care should be taken to prevent two or more Departments competing at the same time in the market for paper. There may be good reason why special papers should be bought by the Departments using them, such as paper for currency notes, and it may be stamp paper and other classes of specialities. In these matters we do not express any opinion, but it does seem to us a sound principle that the Stationery Office as the largest buyer should be consulted by other Departments in all ordinary transactions.

419. We have recommended that, with certain exceptions, the whole of the Government presses in the country should be under the control of the Stationery Office. But for reasons given elsewhere, we cannot recommend that the control be universal. To these reasons we should add that some instances of individual control will tend to keep the Stationery Office itself alert and vigilant in its own management: one universal all pervading control ensures not only that the good points are broadcast, but also that errors are carried into and repeated in all departments; the management tends to become mechanical. We do not suggest that these criticisms apply at the time of our enquiry, but we desire that the way should not be opened too widely at a later date for developments in these directions.

CHAPTER IX.

Summary of Recommendations.

420.—Our recommendations generally may be restated as follows :—

(1) After careful consideration of the printing requirements of the Public Service, and of the arrangements for meeting these requirements, and after close enquiry into the conduct of the State printing presses, we are of opinion that the Government should continue to produce a part of its printing requirements.

(2) We consider that all work of a secret or confidential nature should be entrusted to the State Printing Works. We also consider it desirable that the works should be large enough to permit of a large expansion of confidential and other important work in the event of war or other national emergency, when the situation would be met by putting out to the printing trade the general work of a non-confidential character which would be displaced.

(3) We consider it desirable that a portion, not more than one-third, including the confidential and the non-confidential Government printing requirements, should be executed on the Government printing presses and the remainder under contract by the printing trade. It would be uneconomical to have State printing works equipped on the basis of the maximum requirements of the Government and, further, it is desirable that a comparison should be maintained of the cost of work carried out at the Government presses and that executed by private contractors under competitive conditions.

(4) We recommend that general Government printing be placed under the control of the Stationery Office as the expert Department specifically responsible for this service, and as the only Department possessing the necessary technical staff and experience for this purpose.

(5) We recommend the continuance of the general conditions under which the Stationery Office conducts the Government presses; that the general managing staff be drawn from the technical officers for the Stationery Office; that the overseers and general working staff be recruited through the usual trade channels, and that the wages paid are in conformity with the rates recognised in the printing and allied trades.

(6) With regard to the system under which work should be allotted to the Government presses, we are of opinion that all confidential printing and other special work of first-rate importance should be executed by the State works without being offered to competitive tender, and that the credit to be taken for its production should be assessed by officials of the Stationery Office unconnected with the works at rates that it is estimated

would have been paid had the work been performed under similar conditions by private contractors.

(7) As regards the ordinary non-confidential class of printing, we recommend that all this work be put up to open competition and that, where the Government works are able to show an estimated saving by comparison with the lowest satisfactory tender received, the work should be allotted to the presses at the rate of such tender to the extent of their capacity.

(8) We recommend that the system of accounting as set out in Appendix IV be maintained and extended to all State printing presses, this system being, in our opinion, an efficient method of ensuring financial control and of arriving at the results of the several undertakings.

(9) We recommend that the management and control of the Cricklewood Chart Factory should be vested in the Hydrographic Department of the Admiralty.

(10) We recommend that the Stationery Office should be placed in charge of the sale of maps prepared and required by the Ordnance Survey Department.

(11) We recommend that all expenditure incurred by the Stationery Office for printing shall continue to be borne on the Vote for Stationery and Printing, and that all receipts from the sale of such printed matter shall be brought to account as appropriations in aid of that Vote.

We further recommend that these appropriations in aid shall be shown distinctly and separately as an addendum to the Vote for Stationery and Printing in each year in respect of each department of the Government, as in the case of the cost of printing for the department.

(12) We recommend the continuance of the State Printing Works at Harrow until 31st March, 1930, when we consider that the position should be further reviewed in the light of the longer experience and the fuller knowledge then available.

(13) We recommend the closing down of the Hare Street Works and the transfer of such work as may be desirable to Harrow, and that any surplus be executed by contract. If the Parliamentary work at present carried on at Hare Street is not feasible at Harrow, that this work shall be placed out to tender.

(14) We recommend that the—

Foreign Office,
India Office,
War Office,
Meteorological Office,
Ordnance Committee,
Post Office, and
Inland Revenue

Presses should be retained.

CHAPTER IX.

Summary of Recommendations.

420.—Our recommendations generally may be restated as follows :—

(1) After careful consideration of the printing requirements of the Public Service, and of the arrangements for meeting these requirements, and after close enquiry into the conduct of the State printing presses, we are of opinion that the Government should continue to produce a part of its printing requirements.

(2) We consider that all work of a secret or confidential nature should be entrusted to the State Printing Works. We also consider it desirable that the works should be large enough to permit of a large expansion of confidential and other important work in the event of war or other national emergency, when the situation would be met by putting out to the printing trade the general work of a non-confidential character which would be displaced.

(3) We consider it desirable that a portion, not more than one-third, including the confidential and the non-confidential Government printing requirements, should be executed on the Government printing presses and the remainder under contract by the printing trade. It would be uneconomical to have State printing works equipped on the basis of the maximum requirements of the Government and, further, it is desirable that a comparison should be maintained of the cost of work carried out at the Government presses and that executed by private contractors under competitive conditions.

(4) We recommend that general Government printing be placed under the control of the Stationery Office as the expert Department specifically responsible for this service, and as the only Department possessing the necessary technical staff and experience for this purpose.

(5) We recommend the continuance of the general conditions under which the Stationery Office conducts the Government presses ; that the general managing staff be drawn from the technical officers for the Stationery Office ; that the overseers and general working staff be recruited through the usual trade channels, and that the wages paid are in conformity with the rates recognised in the printing and allied trades.

(6) With regard to the system under which work should be allotted to the Government presses, we are of opinion that all confidential printing and other special work of first-rate importance should be executed by the State works without being offered to competitive tender, and that the credit to be taken for its production should be assessed by officials of the Stationery Office unconnected with the works at rates that it is estimated

would have been paid had the work been performed under similar conditions by private contractors.

(7) As regards the ordinary non-confidential class of printing, we recommend that all this work be put up to open competition and that, where the Government works are able to show an estimated saving by comparison with the lowest satisfactory tender received, the work should be allotted to the presses at the rate of such tender to the extent of their capacity.

(8) We recommend that the system of accounting as set out in Appendix IV be maintained and extended to all State printing presses, this system being, in our opinion, an efficient method of ensuring financial control and of arriving at the results of the several undertakings.

(9) We recommend that the management and control of the Cricklewood Chart Factory should be vested in the Hydrographic Department of the Admiralty.

(10) We recommend that the Stationery Office should be placed in charge of the sale of maps prepared and required by the Ordnance Survey Department.

(11) We recommend that all expenditure incurred by the Stationery Office for printing shall continue to be borne on the Vote for Stationery and Printing, and that all receipts from the sale of such printed matter shall be brought to account as appropriations in aid of that Vote.

We further recommend that these appropriations in aid shall be shown distinctly and separately as an addendum to the Vote for Stationery and Printing in each year in respect of each department of the Government, as in the case of the cost of printing for the department.

(12) We recommend the continuance of the State Printing Works at Harrow until 31st March, 1930, when we consider that the position should be further reviewed in the light of the longer experience and the fuller knowledge then available.

(13) We recommend the closing down of the Hare Street Works and the transfer of such work as may be desirable to Harrow, and that any surplus be executed by contract. If the Parliamentary work at present carried on at Hare Street is not feasible at Harrow, that this work shall be placed out to tender.

(14) We recommend that the—

Foreign Office,
India Office,
War Office,
Meteorological Office,
Ordnance Committee,
Post Office, and
Inland Revenue

Presses should be retained.

(15) We recommend the closing down of the following departmental presses and the transfer of such of the work as it is deemed necessary to produce either in print or by duplicating methods to the Stationery Office :—

Victoria and Albert Museum,
Natural History Museum,

as regards the general printing, but not for the special printing.

(16) We recommend that the credit taken by the Harrow Works for the production of Telephone Directories prior to their recent resetting be reduced by 10 per cent., this being the estimated value of the more favourable conditions under which the work was then done, as compared with conditions under which the previous contractor executed his work. We have not enquired what would be the proper reduction to be made since the Directories were reset ; we consider that the question of the proper credit to be taken for this work in its present form should be reconsidered after the next edition has been issued.

(17) We consider that it would be advantageous and would make for economy if the paper requirements of all departments, for ordinary paper other than specialized paper, were obtained through the Stationery Office, and we recommend accordingly that arrangements be made to that end.

421. Our Secretary, Mr. J. R. Chambers, has rendered excellent service during all the stages of our enquiry. His knowledge of the Departments of the public service and diligent interest in all the matters which came before us deserve our warm acknowledgments.

We are also much indebted to the officers of the various Departments to which our enquiries were directed for their courteous assistance to this Committee.

JOHN GRETTON.
G. ROWLAND BLADES.
ALFRED J. BONWICK.
* C. W. BOWERMAN.
* H. N. BUNBURY.
* ESMOND HARMSWORTH.
* A. W. HURST.
W. A. JENKINS.

J. R. CHAMBERS,
Secretary.

2nd March, 1927.

**Reservation by the Right Hon. C. W. Bowerman, M.P.,
and Mr. A. W. Hurst, C.B.**

While in agreement with our colleagues in regard to most of the Report, we feel bound to submit separate recommendations on certain important matters dealt with in Chapters VII and VIII.

**I. PRINTING PRESSES UNDER STATIONERY OFFICE
CONTROL.**

The question with which the Committee was primarily concerned was that of the continuance of the Government printing factory at Harrow after its three years' experimental working. Owing to the time taken by our enquiry we have had the advantage not of three years but of over six years' experience and that experience has been increasingly satisfactory. We see no reason why the establishment should not now be placed on a permanent footing. The proposal in the Report to regard the works as temporary for another three years would make it impossible in the meantime to organise a permanent establishment of employees, and it would lead to hesitation in organisation and in the installation of new machinery as required from time to time, which would be prejudicial to efficiency.

To place the factory on a permanent footing does not mean that its indefinite continuance would be assured irrespective of financial results. Its operations, like those of other Government establishments, would come annually under review by the Treasury and the Public Accounts Committee of the House of Commons, and the fact that a proportion of the staff was on a permanent footing would not be a serious obstacle to closing down the factory should the Government hereafter decide that such a course was desirable.

The financial results of the Hare Street factory have admittedly not been so excellent as those at Harrow during the last few years but after the difficult years in the printing trade of 1921-2 and 1922-3 the last three years have shown profits of £9,172, £7,139 and £9,149.

The existence of this large Government establishment in the Central London area has been shown by our evidence to be of great value in securing the prompt execution of Government printing of an urgent character, especially the large amount of such printing required for Parliament. It is not denied that the premises are neither so convenient nor so well equipped as the model factory at Harrow, but we are assured that in both respects Hare Street is well up to the general average of printing works in London.

The only ground therefore that could in our view be advanced for closing the Hare Street Factory—except of course as part of a scheme for consolidating the Government printing establishments in the Central London area—would be that the financial results were likely to be so unsatisfactory in future as to override considerations of administrative convenience. We have received no evidence that would lead us to expect so complete a change in the financial position of this factory. It is pointed out in the main Report that the “ profits ” of a Government printing factory are the difference between the cost of carrying out work therein and what it would cost to get the same work done by outside contractors. A considerable proportion of the work now carried out at Hare Street consists of Parliamentary work—the Debates alone representing roughly one-quarter of the output of the factory—and for this, as well as for other classes of work, competition from the printing trade has in the past been so small as to be almost non-existent. On page 69 it is stated that on the last occasion that the contract for printing the House of Commons Debates was put up for tender only one offer was received ; for the London Gazette, two offers ; for Commissions and Committees, three offers and so on. It does not appear to us that the requirements in regard to these contracts which have in the past made them so unattractive to printing firms have been, or are likely to be, so relaxed as to give reasonable ground for expecting that trade competition for this work is likely to be keener in future. If it is, the lower prices quoted by the trade will show themselves in the lower “ profits ” by the factory and may even turn these profits into a loss. In that event the position of the factory can of course be reconsidered with full regard to administrative and Parliamentary, as well as financial, aspects of the matter ; but to close the factory now, seems to us—on the financial aspect of the matter alone—to be throwing away a present saving of about £9,000 a year, on the chance that it may be made good by keener trade competition in future. We recommend therefore that the Hare Street factory should continue as at present. Under existing conditions, when it is important to keep down capital expenditure, consideration of the proposal to replace the Hare Street factory as well as the presses in the Foreign Office, the India Office and the War Office by a single well-equipped modern printing factory in the vicinity of Westminster may well be postponed.

II. DEPARTMENTAL PRINTING PRESSES NOT UNDER STATIONERY OFFICE CONTROL.

In dealing with the remaining presses maintained by Government departments for general printing, as well as with the question of the future management of the Cricklewood Chart Factory and the Ordnance Survey Map Factory at Southampton, we find ourselves at variance with our colleagues on a fundamental principle of administration. Following what we believe to be the general practice in large business organisations outside, there has

been a marked tendency in public administration in recent years for the concentration of similar functions in the hands of one expert department, and there can be no doubt that as a rule such concentration makes for efficiency and economy. This is certainly true in regard to printing operations. With a number of Government printing establishments under one control it is possible in the first place to bring to bear on each a higher standard of technical direction and business management than would normally be available for a number of separately controlled establishments, and, secondly, for this expert management to frame and put into operation schemes for making the most economical use of the premises and plant available. A small printing press independently managed may be showing excellent financial results when the printing assigned to it is of such a character that an even load of work can be maintained—indeed under such conditions a press can hardly fail to show a profit—and yet, if the whole of that work could be used to fill up slack times in the working of a larger establishment, it would clearly be advantageous financially to close the smaller press and transfer the work to the larger one. In our opinion, therefore, any review of the Government printing establishments which are not being managed by the Stationery Office should start with a strong presumption in favour of centralisation of control in the hands of that department.

Proceeding on these lines, we recommend that the Post Office Savings Bank Press and the Ordnance Committee Press at Woolwich be transferred to Stationery Office control. While we believe that large economies can be made by closing the Savings Bank Press and transferring the work to Harrow—the bulk of it being of a character peculiarly suitable for filling up slack times in a large printing establishment—we are content to leave this question to be decided in the light of experience under unified control. Other Military and Naval presses are of small size and, owing to their distance from London and to other considerations, little economy and some inconvenience would probably result from bringing them under Stationery Office control. In so far as there is a case for continuing these presses at all—and this question might be examined by the departments concerned—we agree that they should continue on the present footing.

There remain the Inland Revenue Press and the small presses in the Museums. The former combines work of a fiscal character, such as the stamping of legal documents which must continue to be carried out at Somerset House or in the near vicinity, with the printing of postal stamps, stamping of cheques and stationery and ordinary letterpress printing. We recommend that all except the stamping of legal documents be transferred to the Stationery Office factory at Harrow, likewise the printing work now carried on in the Museums. We cannot agree with our colleagues that the Stationery Office presses should be definitely barred on principle from undertaking certain classes of printing, even where this course would result in increased efficiency and economy.

We would conclude this part of our observations by stating that on the general questions of the assignment of work to the Government factories and of their possible extension, we think that the main consideration should be the financial results obtained. We attach little importance to laying down meticulous conditions as to how the State printing factories should be allowed to tender for State work or exactly what proportion of the total State printing should be assigned to them. The essential point to secure is that the work assigned to the factories is valued as far as possible at what it would cost to get it done outside. If the Controller of the Stationery Office allocates work to his factories at a lower price than it costs him to execute it, or if he oversteps the optimum proportion for that allocation; in both cases the profits of the factories will be reduced. The results achieved hitherto leave us in no doubt that the efficiency and initiative of the State factories are in no way inferior to that of the best managed private concerns.

III. THE PRODUCTION OF MAPS AND CHARTS.

(a) THE ORDNANCE SURVEY FACTORY AT SOUTHAMPTON.

As a result of the evidence we have received and the investigations of our Sub-Committee and ourselves at Southampton, we have reached the definite conclusion that the existing system under which the reproduction of maps as well as the field survey is under military management is not calculated to secure the maximum efficiency. Whatever may be the case for the maintenance of the field organisation on a military basis, the production of maps from the drawings produced by the surveyors is a technical printing operation and it is important that it should be carried on under the most skilled technical control available to the Government. In the Report of our Sub-Committee (page 159), which has been adopted unanimously by our colleagues (page 5), the view is expressed "that the production side of the work of the Ordnance Survey would benefit materially by being placed in some way or other under the supervision of the Printing Department of the Stationery Office, at any rate on the commercial and financial side." That Department is already engaged in the closely allied business of the production of charts, and many of the questions of management arising in regard to the printing either of maps or of charts arise also in connection with the State Printing Factories.

We recommend, therefore, that the responsibility for all stages in the actual printing of Ordnance maps, *i.e.*, subsequent to the completion of the drawings by the Ordnance Survey, should be transferred to the Stationery Office. With the responsibility for engraving and printing, etc., would naturally go the responsibility for the storage and sale of the finished maps.

In making these recommendations we are not unmindful of the advantages of close collaboration between the survey staff and the printing staff, and we fully recognise the necessity for its

continuance, but we do not consider that this need be in any way impeded by the change.

Under the arrangement we suggest the cost of printing Ordnance Survey Maps (including the cost of paper) would be transferred to the Vote for Stationery and Printing, and receipts from sales and royalties would be credited to the same Vote.

As to what maps should be issued by the Government, the prices at which they should be sold and the general question of competition with outside map printers, we make no recommendations, the Committee having been authoritatively informed that these matters are not within their terms of reference.

(b) THE CRICKLEWOOD CHART FACTORY.

While the production of charts is a very similar process to the production of maps, the vital importance of accuracy in a chart introduces certain special considerations. In the interests of safety at sea the strongest precautions possible must obviously be taken to secure that the results of marine surveys and data as to lights and buoys are accurately reproduced, and that maps issued to the Navy or sold to the public are up to date. We are satisfied that in every important respect the present system under which charts are printed by the Stationery Office in a Government factory at Cricklewood is an advantage over that previously in operation under which the work was entrusted to a contractor, but we are nevertheless of opinion that the arrangements, though now working smoothly, might be improved in certain respects.

At the time our evidence on this point was taken there was a division of responsibility for the technical processes of map production. The majority of the plates were prepared under Admiralty direction by engravers working at home and the plates so produced were then passed to the factory at Cricklewood for storage and printing. On the other hand, photographic processes and the preparation of lithographic and zinc originals were entirely carried out at Cricklewood. For these various processes to be used each to the best advantage, we regard it as essential that the control of every stage of production subsequent to the completion of the drawings by the Hydrographic Department should be in one Department. That Department should clearly be the one responsible for the technical processes of printing of all kinds. We also consider that the arrangement whereby the engraving of charts, including confidential charts, is carried on by engravers in their own homes instead of at the chart factory should be brought to an end at an early date.

We understand that during the course of our enquiry steps have been taken both to place the responsibility for all engraving in the hands of the Stationery Office and also to reduce the amount of home work.

It would naturally follow from the vesting of full responsibility for the printing of charts in the Stationery Office that that Department should also assume entire responsibility for the safety of the copper plates from which the charts are in the main

produced, either directly or by means of a zinc or litho copy. The case for continuing these plates under Admiralty custody rests, we consider, on very poor foundation. We are of course fully aware that the information on some of these plates is highly confidential, but the Stationery Office are responsible for the safe custody of documents even more confidential in character in carrying out their work of letterpress printing, and they are necessarily entrusted with the plates for printing purposes in the daytime. Generally speaking, the danger to be guarded against is the loss of a printed copy rather than that of a plate which would immediately be apparent.

We recommend further that the responsibility for storage, correction and sale of the printed charts should also be transferred to the Stationery Office. At the present time the Stationery Office, when printing from a chart have no knowledge of the numbers in stock and are unable to exercise their own judgment as to the number to be printed at one time. Small runs are admittedly more expensive to print, especially when the smaller number may make the difference between printing by machinery from a zinc transfer and printing by hand from the copper plate. For economical working it is essential to have printing and sale under one control. Only in this way can a due balance be preserved between the saving effected by longer runs and the extra cost of correcting by hand copies of such an issue remaining in stock after corrections have been notified by the Admiralty.

With a view to guaranteeing that all issues of charts satisfactorily embody the information furnished by the Hydrographic Department, we recommend that a copy of every new issue should be supplied for Admiralty approval before the issue is placed on sale to the public.

Receipts from the sale of charts as of other Government publications would under these proposals be credited to the Stationery Office Vote.

C. W. BOWERMAN
A. W. HURST.

J. R. CHAMBERS,
Secretary.
7th March, 1927.

Reservation by Sir H. N. Bunbury, K.C.B.

In regard to the future of the Admiralty Chart Factory at Cricklewood and the Map Production Department of the Ordnance Survey at Southampton, I find myself in agreement with Mr. Bowerman and Mr. Hurst, on the general ground that productive and distributive efficiency is more likely to be secured by the Stationery Office, which exists, and is organised for, the production and distribution of printing and other reproduced matter, than in the hands of the Admiralty and the Ordnance Survey

Branch of the Royal Engineers, respectively, to which Departments these activities can only be in the nature of side shows. The Chart Production Factory at Cricklewood has already been under Stationery Office management for some four or five years ; and although the line of demarcation between that Department and the Admiralty could be more conveniently drawn, there is nothing to show that it would have been better, or even as well, managed had it been made an Admiralty establishment. At the Ordnance Survey Establishment at Southampton the Sub-Committee were impressed with the need for expert direction such as would be afforded by Stationery Office management. In laying stress on this point I do not wish to imply any reflection upon the officers locally responsible for production and distribution, who have clearly worked hard to carry out the policy laid down by the Olivier Committee.

With regard to the Hare Street Printing Works (recommendation 13, page 141), my concurrence in the conclusion of the majority of the Committee is subject to the condition that no additional burden will be placed upon the taxpayer by closing the factory. It is clear that in the last few years the output at Hare Street has cost the taxpayer less than it would have cost him had the contracts been given out to private contractors at the time when they were assigned to Hare Street. Whether that state of affairs will continue is uncertain ; and it may prove cheaper to transfer part of the work to Harrow, where production costs are lower than at Hare Street, and the rest, including the Debates, to the trade. It seems, however, essential that the market should be tested before a decision to close the works is definitely taken, and that that decision should be made in the light not only of the offers received but of the probability of equally favourable offers being obtainable from the trade over a long period. The work assigned to Hare Street is largely of a kind which does not attract the printing trade generally. Moreover, owing to the peculiar conditions which govern the work, the convenience of Parliamentary Debates are printed in and distributed from a Government establishment, than if the work is re-transferred to a private firm.

It seems important, therefore, that if the Hare Street factory is to be closed some substantial countervailing advantage such as economy should be secured.

J. R. CHAMBERS,
Secretary.
7th March, 1927.

H. N. BUNBURY.

Reservation by the Hon. E. C. Harmsworth.

I have signed the Report on the ground that it contains much that I approve. I desire, however, to register certain reservations because the Report does in effect condone a partial continuance of the system of State Printing.

From the experience of the last war, Governments are quite capable of taking care of themselves and equipping factories in the event of a war or national emergency. This does not constitute a reason for retaining Printing Works on a permanent basis and I disagree with paragraph 2 of the Summary of Recommendations on this point. In the General Strike a Government newspaper was produced at very short notice and closed down when no longer wanted at even shorter notice. This, in my view, is the ideal way of dealing with emergencies.

Much can be said in praise of the efforts of the last few years to cut the loss made in Government Printing. But whatever success has been attained by these efforts does not convince me of the suitability of continuing the enterprises permanently under State control.

I believe the policy embraced in the decision of 1920 to continue the Government Printing Works acquired or established during the war was definitely wrong. The only excuse which can be urged in palliation of it was its consistency with the utter disregard of economical considerations prevalent at the time.

Yet even at this time the Government was forced in many other instances, such as the railways, to hand the services back to private enterprise, their continuance under State control having proved too expensive a luxury for the taxpayer.

The argument advanced during the early sessions of the Committee to the effect that State Works would not be subject to interference through a trade dispute fell completely to the ground in the General Strike, when even the House of Commons was deprived of the printing necessary to its business.

State competition with trading firms is unsound and unfair, for in the last resort State Trading can fall back upon the taxpayers' money, while private enterprise has no equivalent security.

A certain element of hazard is inseparable from trading, and taxpayers' money should not be exposed to the risks of hazard.

The argument that the existence of State Printing Works acts as a bargain point to stop collusion among private printers might be advanced in favour of any Government enterprise.

If such an argument were carried to its logical conclusion, there would be an equally strong case for a State Paper Mill to supply the needs of the Stationery Office, and so on *ad infinitum*.

Therefore, I strongly support the recommendation to close the Hare Street Works. With regard to Harrow, the immediate closing of this establishment might involve considerable loss on outlay and commitments. In my opinion a decision should be definitely taken to terminate its activities, and this policy should be put in operation over a period of time as stock, buildings and machinery can be sold advantageously and obligations discharged.

The only printing presses that should be retained on a permanent footing are those at the Foreign Office and other Departments devoted to work of a confidential nature.

E. C. HARMSWORTH.

J. R. CHAMBERS,

Secretary.

7th March, 1927.

REPORTS OF SUB-COMMITTEE ON ACCOUNTS.

FIRST REPORT.

CHAIRMAN :

(1) We beg to report that we have enquired generally into the accounting and costings systems employed at His Majesty's Stationery Office in connection with the execution of printing contracts, whether carried out by direct labour or by contractors. We have also made enquiry into certain individual points which, in our opinion, called for attention, including those brought to the notice of the Committee by the Federation of Master Printers of Great Britain (Questions 6171A to 6173, *see below*).

(2) *Accounting and Costing System.*—The system in use at His Majesty's Stationery Office is explained in some detail in a statement (*see Appendix IV*) which has been prepared for us by the Stationery Office. This statement is confirmed, subject to certain reservations contained therein, in the accompanying letter from the Comptroller and Auditor-General (*see also Appendix IV*). In our opinion, the accounting arrangements in force are adequate and satisfactory.

(3) *Tender Procedure generally.*—We have examined the tender books for the years 1920–21 and 1923–24. In early years the Harrow and Hare Street tenders were entered and considered side by side with those of outside tenderers. In 1923–24 and subsequently quotations by the Stationery Office works do not appear. We find that the change in practice is due to a change of policy. The original intention was that the Stationery Office works should send in tenders in competition with private firms, and that work should be allotted to Harrow or Hare Street only in so far as they made the best tenders.

In 1923 it was decided, with Treasury approval, that in order to secure the most advantageous use of the Government factories work should be allotted to them as required, subject to the condition that it should be taken at the price of the lowest satisfactory outside tender, or, where tenders were not obtained, at prices adjudged by the Accounts Division of the Stationery Office to be those ruling for comparable work done by private contractors.

The accounts of the Harrow works were adjusted in pursuance of this decision from the year 1920–21 inclusive, and we are assured that with a few unimportant exceptions, *e.g.*, Hare Street works, credit has been given to the works throughout the period on the basis of the lowest satisfactory tender or of the cost of work considered to be comparable, as already explained. We understand that the effect of this adjustment was to reduce the loss at Harrow by some £5,000 to £6,000.

We are also informed that, although formal tenders are not now submitted by the works, they do, in fact, give estimates

which are considered by the Director of Accounts at the Stationery Office concurrently with the tenders from outside contractors. It appears that in actual working the result of this arrangement is to assign to the Harrow works those jobs which they expect to do more cheaply than outside contractors, or which, in order to secure a uniform load, they consider themselves able to undertake without risk of serious loss. We express no opinion on the change of practice to which we refer above, as it appears to us to raise a fundamental issue of policy which can more profitably be considered by the Committee itself.

(4) *London and Country Tenders.*—We have enquired into the contention of the Federation of Master Printers of Great Britain that much of the work done at the Harrow and Hare Street works could have been performed more economically at works outside the London area.

We find that in practice tenders require the execution of the work either—

- (i) in London ; or
- (ii) in places outside London ; or
- (iii) anywhere.

The criticism of the Federation is therefore directed against (i). We find that when a "*London Contract*" is concerned (which contract specifies that the particular work must be carried out in London), this stipulation is made by the Government Department placing the order, usually on the grounds that there are special reasons which require the work to be carried out near to hand. We are not altogether convinced that the stipulation for "*London Contracts*" was necessary in all the cases brought to our notice, and we feel that Government Departments should only be permitted to limit the work to "*London Contracts*" in very exceptional circumstances.

(5) *Telephone Directories.*—This contract is described in the List of Contracts held by Harrow works as follows :—

Group.	Period of Contract.	Contract Rate.	Lowest Tender received.
11	1st July, 1920, to 3rd June, 1930	+33½%	Equivalent to rates previously paid to Messrs. McCorquodale & Co.

In considering this contract, we have taken the following points into account :—

- (a) The period of ten years was fixed by the Stationery Office, "owing to heavy initial cost of composition on the Telephone Directory. . . . It would have been ten years, whether it had been put out to private work or done in the works" (Ques. 144-146).

- (b) The previous holders of the contract, Messrs. McCorquodale, carried on the work for consecutive periods of two, three or five years at a time, and the firm made a reduction to the Post Office on the contract rate at each renewal on their contract. Messrs. McCorquodale carried on the work on flat-bed machines, whereas Harrow employ rotary machines. Binding machinery has also been installed at Harrow, with further financial saving. The Committee were assured in evidence by Messrs. McCorquodale that, given a long-term contract, such as the ten-years' period at which the contract was taken by the Harrow works, they also would have installed more up-to-date machinery, and that their tender would have been at a correspondingly lower figure than +33½ per cent. (Ques. 5296-5297, 5463-5464).
- (c) Messrs. McCorquodale had an uneven load of work, owing to the fact that their contract with the Post Office specified delivery at certain fixed times, whereas the Stationery Office have been allowed to spread the work over the whole year (Ques. 5226-5231, 5470).

We are of opinion that, taking these considerations into account, there should be some reduction in the price (+ 33½ per cent.) credited to the Harrow works in respect of the Directory. It is a fair assumption that, given the more favourable conditions under which the work is now able to be executed, some reduction in that price could have been secured (apart from reductions due to the fall in wages) if the work had been put out to competitive tender.

(6) *County Court Forms*.—The value of this contract is some £4,000 to £4,500 per annum, and the following particulars appear in the List of Contracts held by the Harrow works :—

<i>Group.</i>	<i>Period of Contract.</i>	<i>Contract Rate.</i>	<i>Lowest Tender received.</i>
156	7th April, 1923, to	Net	Contract rates assessed by H.M.S.O.

The credit taken in the Stationery Office account is stated to be based upon the rate which the Stationery Office fixed from their "knowledge of what similar work is being paid for outside" (Question 158).

The Committee were also informed in evidence that of the dozen or so firms up and down the country who had previously carried out the work, the only one firm which had any idea of the centralised system was a London firm which previously did about four-fifths of the work (Question 164). We did not examine in detail the credit taken in the Harrow accounts for this work, and we feel that any criticism on the point is impossible in the absence of an outside tender. We consider, therefore, that an early opportunity should be taken to solicit tenders for this work.

If it should be decided subsequently that for reasons of convenience the work should be given to the Harrow or Hare Street works, the credit to be taken in the accounts should be based on the lowest tender received.

(7) *Items taken out of Group Contracts.*—The contention was made by the Federation of Master Printers that jobs of over 50 reams are liable to be excluded from group job work contracts and that the Harrow works obtained these jobs at their own price. Enquiry has been made of the Contracts Section of His Majesty's Stationery Office, and we are informed that the jobs transferred from group contracts to the Stationery Office printing works are very few in number, and that these few were taken over on account of special urgency. We are assured that, apart from such special urgency jobs, any item which, under the clause referred to, is taken out of a group contract is put up afresh to competitive tender as a separate contract.

We express no opinion as to the wisdom of the policy of excluding the large jobs from group contracts, but we learn that it does not always result in a price lower than that of the original group contract being obtained.

(8) "*London Gazette.*"—This is included in the List of Contracts held by the Hare Street works as follows :—

<i>Group.</i>	<i>Period of Contract.</i>	<i>Contract Rate.</i>	<i>Lowest Tender received.</i>
68	1st July, 1920, to 30th June, 1927	+30	Messrs. Wyman +35.

We have ascertained that after Wyman's tender at + 35 was received the firm were persuaded to take on the work at + 30 (at which figure the Stationery Office estimated that they themselves could do the work), subject to a break after three years. The List of Contracts furnished to the Committee should, we think, have mentioned this. The contract with Messrs. Wyman was in fact terminated under the break clause after the three years, and was actually taken by the Hare Street works for the remaining four years to 1927. We are of opinion that the Stationery Office should have solicited tenders before May, 1923, when Messrs. Wyman's contract terminated, and we are not convinced that a lower tender than + 30 would not then have been received. It is perhaps advisable to state, however, that the figure of + 22 put in by Mr. Edkins (Messrs. Wyman & Sons) in evidence as the price at which his firm would have been prepared to tender for this work in May, 1923, is necessarily not quite the same thing as a firm quotation given at the time.

(9) We should explain in connection with the several questions relating to prices to which we refer above that it is, we are informed, the standard practice as between the Stationery Office and its printing contractors to adjust prices under running contracts in accordance with wage variations, and that in this respect the Government printing works are treated in the same way as outside

contractors. Consequently, the actual payments to contractors or credits to the works may, and do, vary, from the prices based on the schedule at which they are taken in the first instance. It is important that this should be borne in mind in any comparison between prices taken at different dates.

ALFRED J. BONWICK.
G. ROWLAND BLADES.
H. N. BUNBURY.

J. R. CHAMBERS,
Secretary,
11th June, 1924.

Q. 6171A. MR. MACLEHOSE: We venture to ask that this Committee will be good enough to consider, and let us know later on, or now, whether we might have something more definite to go upon. We should like, if we were allowed to, to see what, for example, the Telephone Directory has cost the country for the three or four years since the Government took it up, and we should like to see that in such detail that we would be in a position to understand exactly what happened. Exactly the same point would arise with reference to the County Court printing.

Q. 6172. THE CHAIRMAN: I am afraid we cannot give you an answer now. We will consider it in Committee.

COLONEL FLETCHER: And also I suggest some of these bigger items that are taken out of group contracts and given to the Stationery Office.

Q. 6173. THE CHAIRMAN: We will consider the whole thing.

SECOND REPORT.

CHAIRMAN:

1. The matters dealt with in Questions 8305 to 8312, proceedings of the 18th June, 1924, have been considered by us.

In describing the method of placing contracts, it is convenient to distinguish between the Running Contracts (Bookwork and Jobwork) and special or individual jobs.

2. *Running Contracts (Bookwork and Jobwork).*—We are informed that in the case of these contracts copies of all invitations to tender are received by the Director of the Presses, who, after consultation with the management at the works, determines and reports to the Controller the minimum rate at which the Press could do the work. This rate enables the Controller to decide whether the contract should be awarded to the lowest satisfactory trade tenderer, or whether the work should be executed directly by the Press. Thus, the Press is in the position of an adviser and not that of a tenderer.

In this connection we have deemed it expedient to consider Question 8296, and answer thereto, which ran as follows :—

“ MR. BONWICK : Could you, then, explain why it was that, in the early days when Harrow sent in a tender like an ordinary firm, they very rarely got any work, and now, when they do not send in a tender like an ordinary firm, they more frequently get work ? ”

“ MR. CODLING : I would not say that in the early days, when they sent in ordinary formal tenders, they rarely got work. They did get work.”

We have examined all the tenders for running contracts placed in 1921, and have ascertained that, of 70 cases where the Stationery Office works put in a tender, they secured the contract in 12 cases. In nine of these cases the works' tender was the lowest, and in the remaining three cases it was equal to the lowest tender. We have been informed that the total value for the contracts so secured by the Government works was about £50,000.

The system of formal tendering was abandoned in January, 1922, and subsequent to that date, of the running contracts put up for tender, five contracts, amounting in value to £19,018, have been assigned to the Stationery Office works.

It is necessary to add that no real comparison can be made between the figures given above, as there is no regular flow of this work year by year.

Taking all the running contracts now in force in which tenders were called for and which number 84, the assignment of the work has been as follows :—

Stationery Office Works : 26 contracts of the annual value of £103,150.

Private Contractors : 58 contracts to the annual value of £154,200.

We have thought it advisable to consider in this connection the reply made by Dr. MacLehose to Question 4869, to this effect :—

“ The two points we wanted to bring out were, that there was keen competition, as was shown by the contracts constantly changing hands, and that of these contracts put out for tender an extraordinary small portion was actually afterwards done at the Government works.”

While there appears to be considerable competition for jobwork contracts, especially when they are open to country as well as London contractors, this is not in the main the position in regard to bookwork contracts, which, moreover, are usually limited to London firms. We find that for these contracts invitations to tender are usually sent out to selected printing firms in accordance with the office circulation list. In practice, the number of competing firms appears to be small.

3. *Contracts for Individual Jobs (as distinct from Running Contracts).*—In the case of tenders for individual jobs, estimates of costs are prepared. The Controller is then in a position to determine whether it would be economical to place the work with the Government Press or with a contractor. These estimates of cost are, in the first instance, framed by the Estimating Section of the Press at the full hourly cost rates (which includes a margin of some 10 per cent. for profit), and, after scrutiny and, if necessary, correction by the Works Manager, forwarded to the Director of Works.

Tenders are opened each day at the Stationery Office at noon. A comparison is made between the lowest tender received and the works' estimated cost. At this stage the Director of Works has before him the price quoted by the lowest tendering firm, and considers whether he is prepared to take the work at that price. In practice, if the work is desired as a fill-up job, as is from time to time the case, he has the margin of 10 per cent. mentioned above, and can safely reduce his price within that limit. If the work is desired and its acceptance at the lowest outside contractors' price would not involve going beyond this limit, the job is assigned to the works.

We are informed that the total of the work taken by the Press under tenders for individual jobs is less than 4 per cent., say, £15,000, of the total output of the Stationery Office printing works. The remainder, that is, somewhat more than 96 per cent., is carried out under running contracts.

We observed five cases of a total value of £210 which were taken below the estimated cost, after allowing for the 10 per cent. margin, in order to meet temporary slackness at the Hare Street works. With these exceptions, the allocation of orders appears to have followed the general lines just described.

4. In ten instances special contracts were assigned to the works, after competitive tendering in most cases, not at the price of the lowest satisfactory tender, but at the works' own estimate of cost. We are informed that in each of these cases there were special reasons for this course, connected either with urgency, cost of carriage of paper, or other similar reason. The total value of these contracts was £2,308.

With these exceptions the price at which special contracts were given to the works has been that of the lowest satisfactory outside tender.

A. J. BONWICK.
G. R. BLADES.
H. N. BUNBURY.

J. R. CHAMBERS,
Secretary,
7th July, 1924.

THIRD REPORT.

ORDNANCE SURVEY DEPARTMENT (SOUTHAMPTON).

CHAIRMAN :

We visited the Department on the 16th inst., and have to report as follows :—

1. The Ordnance Survey Department has a variety of functions to perform. These are shown in detail in the statement (A) appended hereto, from which it will be observed that whilst map production forms an important part of the work carried out by the Department, it occupies itself with other duties, such, for example, as the training of survey personnel for war and the execution of work in the field for the Admiralty, War Office, and other Departments, etc. A proportion only, therefore, of the sum voted for " Surveys of Great Britain " is chargeable against the production of maps.

2. We have endeavoured to ascertain (a) whether the figures of map production costs, etc., submitted to the Committee by the Ordnance Survey Department (in this connection *see* Statement B) were calculated on a correct basis, and (b) whether the prices charged to the public are in accordance with the principles enunciated in paragraph 28 of the Report of Sir Sidney Olivier's Committee in 1914, viz. :—

" . . . In fixing the prices of the maps it has been an accepted principle that the sale price shall be the nearest round figure which will leave a small profit to the State after the necessary deductions have been made for the cost of production, commission, etc. The Ordnance Survey maps are national maps, paid for by the public, and it is only right that they should be available to the public at the lowest possible prices compatible with the principle referred to above."

3. We find that no Profit and Loss Account or Cost Accounts of map production are maintained by the Department, and that the figures of cost produced to the Committee were based on special investigations carried out for the purpose. We have examined the basis of the Department's calculations, and consider that it is far too rough-and-ready to yield reliable results. Certain items of cost are not included, and the addition of 50 per cent. on the pay of the staff, which is charged as representing overhead costs, seems to us of very doubtful value. On the other hand, the initial costs of any particular map could legitimately be spread over a larger production instead of, as at present, being charged out right away.

4. We have reached the conclusions—

- (a) That a system of accounting should be introduced which would enable the cost of each print to be ascertained with reasonable accuracy, and which would ensure the taking into account of all costs actually incurred and chargeable to the map-production side of the Department ;

- (b) That the prices charged to the public should be reviewed in the light of the cost of production as and when ascertained ;
- (c) That it is impossible, with the material available, to say whether or no maps are being sold to the public at more or at less than their cost.

We also consider that the map-production side of the work of the Ordnance Survey would benefit materially by being placed in some way or other under the supervision of the Printing Department of the Stationery Office, at any rate, on the commercial and financial side.

ALFRED J. BONWICK.
H. N. BUNBURY.

J. R. CHAMBERS,
Secretary.

18th December, 1924.

(Sir G. R. Blades, the remaining member of the Sub-Committee, was prevented from taking part in the investigations.)

STATEMENT A.

FUNCTIONS OF THE ORDNANCE SURVEY.

1. The training of survey personnel for war.
2. The second revision of 1/2500 plans (approximately 25 inches to the mile). The preparation, printing and publication of these plans.
3. The preparation, printing and publication of revised maps on the 6-inch scale, derived from the 1/2500 revised plans.
4. The third revision of the 1-inch map, the publication, etc., of these maps and of the derived maps on smaller scales.
5. The sales to the public of all scales of Ordnance Survey maps.
6. The issue of Ordnance Maps, the preparation of special maps, and the execution of work in the field for the Admiralty, War Office, Air Ministry, Geological Survey and Stationery Office, as repayment services.
7. The execution of work for the Ministry of Agriculture and Fisheries and other Government Departments. Such work includes services for the Land Registry Department, the verification of Administrative and Parliamentary Boundaries, the preparation of maps for Land Valuation, Census and other purposes ; and the issue of Ordnance Maps to all Civil Government Departments. Not repaid.
8. Surveys for Tithe Redemption purposes, for the Ministry of Agriculture, on repayment.
9. The execution of minor, private, repayment services.

STATEMENT B.

ORDNANCE SURVEY OF GREAT BRITAIN.

One-inch scale Tourist District Sheets.

	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.	Total.
	£	£	£	£	£	£
Pay of staff actually employed on the work	1,136	925	1,308	238	421	4,028
Materials	407	177	417	69	292	1,362
Distribution and publicity (approximate)	126	126	191	265	195	777
*Overhead charges (50 per cent. on pay)	568	462	654	119	211	2,014
Approximate cost of production and marketing	2,111	1,690	2,570	691	1,119	8,181
Number of flat copies printed	4,010	32,423	39,093	32,459	19,637	127,622

* Includes administration and clerical expenses, depreciation of machinery, and other incidental charges.

	<i>s. d.</i>	<i>s. d.</i>	
Approximate average cost of flat copy printed on rag litho paper (£8,181 + 127,622) ..	1 3½	2 0	} Discount of 33½ per cent. allowed to agents and traders.
Approximate average cost of flat copy printed on linen backed paper	1 7¼	3 0	
Approximate average cost of folded and cased copy printed on linen backed paper ..	1 11	3 0	
Approximate average cost of rag litho paper copy mounted on linen, folded and cased	2 0	3 0	

APPENDICES.

APPENDIX I.

VOTE FOR STATIONERY AND PRINTING (1925-26).

(1) Subheads of Stationery Office Vote.		£
A.—SALARIES, WAGES AND ALLOWANCES		358,709
B.—CARRIAGE AND TRANSIT		33,000
C.—INCIDENTAL EXPENSES		4,250
D.—TELEGRAMS AND TELEPHONES		3,750
E.—PAPER		470,000
F.—PRINTING		1,078,000
G.—BINDING, ETC... .. .		105,000
H.—BOOKS AND MAPS		65,000
I.—MISCELLANEOUS OFFICE SUPPLIES		115,000
STATIONERY OFFICE PRINTING WORKS :—		
J.—CAPITAL EXPENDITURE ON PURCHASE OF MACHINERY ..		16,000
K.—UPKEEP OF MACHINERY, CONSUMABLE STORES AND WAGES (NET)*		100
GROSS TOTAL		£2,248,809

* The token sum provided in Subhead K represents the estimated expenditure on upkeep of machinery, consumable stores and wages at the Stationery Office Printing Works, less the amount allocated to Subhead F (Printing).

L.—APPROPRIATIONS IN AID :—

(a) Sales of Government Publications (Parliamentary and others)	£	145,000
(b) Sales of Parliamentary Debates		3,500
(c) Sales of Patent Office Publications		24,000
(d) Sales of London and Edinburgh Gazettes (exclusive of receipts in stamps)		40,000
(e) Customs Bills of Entry		6,500
(f) Sales of Parchments, Paper, etc., on account of the Stationery Office by the Inland Revenue		4,000
(g) Sales of waste		18,000
(h) Sales printing machinery		1,000
(i) Advertisements		110,000
(j) Recoverable from Local Authorities for a half share of cost of Voters' List, etc., under the Representation of the People Act		160,000
(k) Supplies to Government of Northern Ireland		47,000
(l) Supplies on repayment terms		110,000
(m) Commission on supplies on repayment terms		16,000
		£685,000
Total for Appropriations in Aid		685,000
Total Net Estimate		£1,563,809

(2) *Estimated Total Expenditure.*

	£
Gross estimate above	2,248,809
Estimated amounts (net) included in other Departmental Estimates in connection with this Service:—	
Office accommodation in London, Edinburgh, Manchester and Cardiff (buildings, furniture, fuel and light, etc.) ..	58,000
Rates	12,500
Superannuation, etc.	14,908
Customs and Excise Departments	8,000
Inland Revenue Department	75
Post Office	48,795
Total Expenditure	£2,391,087

Estimate of Expenditure for Parliamentary and Non-Parliamentary Publications, Printing, Paper, etc., in respect of Public Departments for the year 1925-26. The expenditure figures are net (i.e., after allowing for receipts appropriated in aid of the Vote) except in the case of Publications.

Class.	Vote.	Offices and Departments supplied from Stationery Office Vote, arranged according to "Civil Service Estimates."	Estimate, 1925-26.	
			Publications.	Printing, Paper, etc.
		<i>England and Wales.</i>	£	£
I.	2	Osborne	—	65
"	3	Royal Parks, etc. (Edinburgh Botanic Gardens)	50	330
"	11	Surveys of Great Britain	165	445
"	13	Rates on Government Property	—	45
II.	4	Treasury and Subordinate Departments	4,400	12,000
"	5	Home Office	5,500	7,100
"	6	Foreign Office	2,500	47,000
"	7	Colonial Office	825	6,775
"	9	Privy Council Office	350	2,350
"	10	Board of Trade	15,400	47,600
"	11	Department of Overseas Trade	1,320	3,630
"	12	Mercantile Marine Services	2,600	7,300
"	13	Bankruptcy Department of the Board of Trade	75	405
"	14	Mines Department of the Board of Trade	6,600	1,070
"	15	Ministry of Agriculture and Fisheries	3,300	12,270
"	17	Ministry of Transport	8,300	1,700
"	18	Charity Commission	25	1,365
"	19	Government Chemist	20	345
"	20	Civil Service Commission	440	3,130
"	21	Exchequer and Audit Department	1,280	190
"	22	Friendly Societies Registry	800	700
"	23	Government Actuary	—	200
"	24	Board of Control	165	640
"	25	Mint, including coinage	200	370
"	26	National Debt Office	20	720
"	27	Public Record Office	4,200	3,000
"	28	Public Works Loan Commission	40	500
"	29	Registrar-General's Office	5,500	16,500
"	30	State Management Districts	—	—

Class.	Vote.	Offices and Departments supplied from Stationery Office Vote, arranged according to "Civil Service Estimates."	Estimate, 1925-26.	
			Publications.	Printing, Paper, etc.
II.	31	Stationery and Printing.. ..	£ 2,200	£ 11,300
"	32	Woods, Forests, etc., Office of ..	55	595
"	33	Works and Public Buildings, Office of	330	8,470
III.	1	Law charges	—	2,100
"	2	Miscellaneous legal expenses ..	70	1,085
"	3	Supreme Court of Judicature ..	2,750	10,000
"	4	Land Registry	45	2,755
"	5	Public Trustee	20	2,480
"	6	County Courts	—	16,000
"	7	Police, England and Wales ..	—	350
"	8	Prisons, England and Wales ..	10	8,340
"	10	Broadmoor Criminal Lunatic Asylum	—	165
IV.	1	Board of Education	5,000	11,500
"	2	British Museum	—	1,300
"	3	National Gallery	—	230
"	4	National Portrait Gallery	—	114
"	5	Wallace Collection	—	190
"	6	London Museum	—	55
"	7	Imperial War Museum	—	160
"	8	Scientific Investigation, etc. (Edinburgh Observatory) ..	5	1,175
"	9	Scientific and Industrial Research	3,300	4,100
V.	1	Diplomatic and Consular Services	—	5,750
VI.	2	Old Age Pensions	—	2,250
"	3	Ministry of Pensions	50	56,500
"	5	Miscellaneous Expenses	—	1,170
"	6	Royal Commissions, etc.	5,500	1,080
"	7	National Savings Committee ..	10	4,440
"	8	Imperial War Graves Commission	20	3,850
—	—	Government Hospitality Fund ..	—	330
VII.	1	Ministry of Health	5,000	33,200
"	3	Ministry of Labour	3,500	44,250
"	4	National Insurance Audit Department	15	180
Misc.	—	Royal Household	—	4,450
"	—	Customs and Excise (England, Scotland and North Ireland) ..	1,320	20,680
"	—	Inland Revenue (England, Scotland and North Ireland) ..	750	112,000
"	—	Post Office, Telegraphs and Telephones (England, Scotland and North Ireland)	6,000	242,000
"	—	Air Ministry (England, Scotland and Ireland)	11,000	62,000
"	—	Admiralty (England, Scotland and Ireland)	30,000	143,000
"	—	War (England, Scotland and Ireland)	44,000	77,000
"	—	House of Commons	76,000	2,780
"	—	House of Lords	8,470	1,000
"	—	Gazettes	16,830	—
Total, England and Wales			£ 281,325	£ 1,078,119

Class.	Vote.	Offices and Departments supplied from Stationery Office Vote, arranged according to "Civil Service Estimates."	Estimate, 1925-26.	
			Publications.	Printing, Paper, etc.
		<i>Scotland.</i>	£	£
II.	36	Secretary for Scotland's Office ..	220	530
"	37	Board of Agriculture	330	2,350
"	38	Fishery Board	850	545
"	39	General Board of Control ..	110	90
"	40	Registrar-General's Office ..	2,200	2,550
III.	11	Law Charges and Courts of Law	250	2,800
"	12	Land Court	200	255
"	13	Register House	800	10,150
"	15	Prisons	75	1,125
IV.	11	Public Education	465	1,460
"	12	National Galleries	—	20
VII.	2	Board of Health	715	2,835
		Total, Scotland .. £	5,715	24,660
	—	<i>Northern Ireland</i> Supreme Court of Judicature	—	1,250
		England (brought forward)	281,325	1,078,119
		Scotland (brought forward)	5,715	24,660
		TOTAL .. £	287,040	1,104,029

APPENDIX II.

London Tender.

GROUP 57 (1924).

Customs and Excise,
Inland Revenue,
Stationery Office.

CONDITIONS OF A CONTRACT

Proposed to be entered into by the

Controller of His Majesty's Stationery Office

for the

BOOKWORK PRINTING

Specified in the Annexed Schedule " A " for

His Majesty's Government in England.

ration.

I. This Contract shall commence on the 1st October, 1924, and, subject to the Conditions of the Contract hereafter set out, shall continue until the 31st December, 1926. But the *Controller or the Contractor shall be entitled to terminate this Contract on the 30th September, 1925, or any subsequent date, on giving six calendar months' written notice previous to the date on which such termination is to take effect; provided always that the Contractor shall be bound, if called upon by the Controller to do so, to complete any work the order for which may have been given to him during the currency of the Contract on the terms provided by the Contract. In the event, however, of the Contractor failing to comply with any of the Conditions hereinbelow specified, the Controller shall have power to terminate the Contract without previous notice.

ualifications;
Contractor.

II. No person who has been a bankrupt or who has made a declaration of inability to pay his debts or entered into a composition or arrangement with his creditors within three years prior to the date of tendering, and no company registered under the Companies Act which has been in liquidation, whether voluntary or otherwise, within the same period, shall be qualified to undertake the Contract or to hold any share or interest therein unless by the approval of the Controller.

bankruptcy.

III. If the Contractor shall be adjudged bankrupt, or if, under any present or future Bankruptcy Act, any receiving order or order for the administration of his estate shall be made against him, or if he shall enter into, make or execute any deed of arrangement, as defined by the Deeds of Arrangement Act, 1887 or 1914, or other composition or arrangement with or assignment for the benefit of his creditors, or purport to do so, or if, in Scotland, he become insolvent or notour bankrupt, or if application be made under any present or future Bankruptcy Act for sequestration of his estate, or if application be made by him or any of his creditors for *cessio bonorum* against him or if a trust deed be granted by him for behoof of creditors, or if the Contractor, being a company, shall pass a resolution, or the Court shall make an order, for the liquidation of its affairs, or a Receiver for Debenture Holders shall have been appointed or circumstances shall have arisen which entitle the Debenture Holders or the Court to appoint such Receiver, the Controller shall have power to terminate the Contract without previous notice.

* Note.—The expression "The Controller" wherever used in this Contract shall be taken to mean the Controller for the time being of His Majesty's Stationery Office. The expression "The Contractor" wherever used in this Contract shall, unless the context otherwise requires, be taken to include as well the individual or firm or company party to this Contract, or the heirs, executors or administrators of such individual or of the members comprising such firm and the permitted assigns of such individual or firm or company.

Premises, etc

Work to be ordered and prices to be paid.

Secrecy.

Inspection of premises.

Quality of work.

Paper, blocks, etc., to be supplied by Stationery Office.

Delivery of paper.

Insurance.

Accounting for paper.

IV. THE Contractor shall produce within suitable premises in London, in clear and legible type, and with other fit and proper materials, in a good and workmanlike manner, of all which the Controller shall be the sole judge, subject to the Contractor's right of appeal to the Treasury as set forth in Condition XXIII, and within such limits of time as the Controller may deem reasonable, such bookwork printing referred to in the annexed Schedule A as may from time to time be required of him by the Controller for the use of the public service, at the prices stated in Schedule B. But the prices in this Schedule shall be universally increased or diminished by the addition to or subtraction from them of the rate per cent. of increase or diminution specified in the tender of the Contractor. The Contractor shall exclude all strangers from the premises where the above-mentioned printing for the Government is carried on, and shall adopt every possible precaution, whether instructed to do so or not, to hinder any copy, proofs, or copies, or any part of the same supplied by or printed for the Government, falling into other hands than those entitled to receive them. The Contractor shall, however, permit the inspection of his premises by the Controller or any officer authorised by him at all reasonable times, and shall also permit the attendance upon his premises, at any time that may be considered desirable, of an officer appointed by the Controller to arrange for the production of any work, or for the examination of stocks of paper, etc., furnished by the Stationery Office under this Contract.

V. THE work to be produced shall be equal in every respect to the samples, and conformable to such instructions as may be given by the Controller.

VI. (a) ALL paper, etc., necessary for printing under this Contract shall be furnished by the Stationery Office, and will be issued to the Contractor in advance on his requisition in such quantities as may appear necessary. All lithographic, colotype, and multi-colour illustrations and all blocks required for insertion in any work ordered will also be furnished by the Stationery Office, but the Contractor shall provide at his own expense blocks of Royal Arms of designs approved by the Controller. Such paper, illustrations, blocks, etc., will be delivered free of expense at the Contractor's premises if situated within the radius of five miles of Charing Cross, but the delivery shall not include conveying the goods within the Contractor's premises. Should the Contractor's premises be situated outside the aforesaid area, the goods will be placed free on rail within the aforesaid area by the Stationery Office, but the cost of packing and all other carriage and delivery charges shall be borne by the Contractor. In the event of paper being available at a paper mill, the Stationery Office will arrange for such paper to be forwarded from the mill to the printing Contractor carriage paid. In that case the printing Contractor, if his premises are situated outside the aforesaid area, will be charged by the Stationery Office the cost of transit of an equal weight of paper placed free on rail in the aforesaid area.

(b) The Contractor shall take due precautions for the safe custody of any goods entrusted to him by the Controller, and he shall insure the same, and also the labour included in any work, against loss by fire, and shall indemnify the Controller against any loss of, or damage to, the goods entrusted to the Contractor under this Contract.

(c) All paper, etc., issued to the Contractor shall be accounted for by him in the manner required by the Controller, subject to the allowances for waste, etc., specified in Schedule B. Any deficiency in paper, etc., shall be paid for by the Contractor at the average price paid by the Controller for paper of the same specification during the year or portion thereof for which the account is rendered or, if no purchase shall have been made during such period, the last price paid by the Controller for such paper plus ten per cent. of the price payable in either case, being liquidated damages in respect of the administrative and other expenses incurred by the Controller in replacing the deficiency. But the Controller will be prepared to make allowances for paper, etc., not accounted for when due to unavoidable

damage in storing as may appear to him to be reasonable. The Contractor shall, on the termination of his Contract, return to the Stationery Office at his own expense any balance of paper, etc., shown by his account to remain in his hands.

Blocks to be stored and returned.

(d) All blocks which have been paid for or furnished by the Stationery Office shall remain the property of the Stationery Office, but shall be stored by the Contractor until the expiration of his Contract or such other times as he may be called upon by the Controller to return the same. He shall then deliver them to the Stationery Office at his own expense.

Attendance of representatives.

VII. THE Contractor shall, whenever required to do so, attend or send a responsible representative to attend at H.M. Stationery Office, or at such other place within the radius of five miles from Charing Cross as may be specified, to receive instructions to enable him to produce, without delay, such work as he may be required to furnish, for which attendance no charge shall be made; and he shall promptly obey such directions as may be given to him from time to time by the Controller.

Packing and delivery.

VIII. THE Contractor shall deliver at his own cost and in good condition the work produced by him under this Contract at such places within the radius of five miles from Charing Cross as may be directed by the Controller. The work shall be securely packed in parcels in strong paper, with label stating description, service, and Stationery Office warrant and sub-numbers. All work delivered must be accompanied by a delivery note upon which must be entered the name of the Contractor, Department, order number, warrant number, demand number, date of demand, number of copies, and description of the work. The copy or press-proof (if proofs have been supplied) must accompany the first delivery. With the first delivery of each Parliamentary Paper the Contractor shall furnish to the Vote Office of the House of Commons six copies of a label, plainly printed, showing the title of the paper. In any case in which work is ordered to be delivered elsewhere than at the Stationery Office a notification form must be forwarded to the Chief Receiver and Examiner simultaneously with the delivery to the Department. Contractors must secure the return of delivery notes sent to the Departments and forward the same to the Chief Receiver and Examiner immediately after the delivery of the work, as a voucher for payment for the work.

Labels for Parliamentary papers.

Type standing.

IX. (a) THE Contractor shall keep standing free of charge the type of all works printed under this Contract for six months after the delivery of the final copies of any supply upon which composition is chargeable. With a view to releasing type as soon as may be possible, the Controller will use his best endeavours to arrange with the Department to return proofs for press as soon as may be practicable having regard to the requirements of the service.

Type rent.

(b) The Contractor shall further, if required to do so, keep standing the type of the whole or any portion of a work printed under this Contract beyond the above-mentioned period of six months, and in such case shall receive payment for each further period of three months or less during which the type may be required to be kept standing at the rate provided in Schedule B. Orders to keep standing will, unless under exceptional circumstances, be given only in cases in which it is judged probable by the Controller that the type, with or without alteration, will be required within two years from the date of its last appearance in any completed work. Such standing type shall not be distributed by the Contractor until he shall have received the written authority of the Controller to do so; should the Contractor fail to comply with this provision he shall, in the event of the type being required for further use before such authority for distribution is given, reset the same at his own expense.

Contractor notify Controller.

(c) In the case of all works the Contractor shall, at the end of five months from the date of delivery of the final copies of any supply upon which composition has been chargeable, notify the Controller in writing

on forms to be supplied by the Controller, the fact that such period has elapsed. Should the Contractor fail to comply with this provision and a further supply be required at any time within two years from the above-mentioned date of delivery, the Controller shall have power to require such further supply from the Contractor at the rates for reprints provided in Schedule B.

Lifted matter.

(d) The Contractor shall make use of the whole or of any portion (such portion being not less than two continuous pages if for incorporation with other matter) of any type standing under either of the preceding paragraphs in any manner that may be required of him, any necessary re-arrangement or alteration being charged at the respective rates provided under reprint charges in Schedule B, or, for such portion as may be required and has been ordered to be reset, at the rate provided for composition in that Schedule. "Extracts" shall not be subject to the foregoing minimum of two pages.

Recurring works.

(e) In any case in which it may appear that periodical editions of a work will be required, the Controller shall have power, in lieu of requiring the same to be kept standing under the provisions of the preceding paragraphs, to withdraw the work from Schedule B and to pay for the periodical editions of such works or any portions thereof at such rate, being not less than twenty-five per cent. of the plain matter rates for composition as provided in Schedule B as may appear reasonable to him, and in all other respects such work shall be subject to such special arrangements as may be necessary.

Contractor's right to work.

X. It is to be understood that all the work provided for in the annexed Schedule A shall be ordered from the Contractor, unless in an exceptional case where, in the opinion of the Controller, it is desirable to withhold a particular work from the Contract.

Information re work in hand.

XI. THE Contractor shall, whenever called upon to do so, give full information regarding any work in hand. He shall answer and return promptly all enquiries as to delivery of urgent copies or proofs. He shall also furnish in writing, when required to do so, detailed explanations of the causes of non-delivery of any work in arrear. When requested, the Contractor shall furnish advance calculations and set of sheets of any Non-Parliamentary Publication at the earliest possible moment to enable the Controller to fix the selling price.

Method of rendering accounts.

XII. THE Contractor shall render his accounts monthly to the Stationery Office, in the form required by the Controller, giving a full and accurate account of all work under this Contract the clearance of which has been notified to the Contractor by the Chief Receiver and Examiner. The Contractor shall substantiate his account by the delivery or production of such receipts, proofs, copy, and other vouchers as may be thought necessary by the Controller.

Advances on accounts.

XIII. PARTIAL payments to the extent of five-sixths of the net value shown in the Contractor's account of—

- (a) composition only of work standing in proof for not less than one month, and of
- (b) all work completed and delivered within the month other than work for which a partial payment for composition may already have been made,

shall, if demanded, be made to the Contractor, by order on the Paymaster-General, within two weeks of the presentation at the Stationery Office by the Contractor of his accounts, provided such accounts, duly vouched to the satisfaction of the Controller, be delivered within the month following that to which they relate. In respect of work standing in proof for more than three months after the date of delivery of the final instalment of the first proof, the Contractor shall also be entitled to charge type rent at the rate provided in Schedule B for each further period of three months or less that may elapse prior to the date on which the proof is returned for

Type rent for work in proof.

press ; provided that after the delivery of the final copies ordered of such work the general provisions of Condition IX as to keeping type standing shall be applicable. No further payment shall be made in respect of work upon which a partial payment for composition only has already been made until the final accounts for the completed work are rendered and examined. The balances of the accounts shall be paid as soon as the necessary examination has been completed. In the event of the amount of any account as rendered by the Contractor proving on examination largely in excess of the amount to which he may be entitled under the Contract for the work charged in such account, the Controller shall have power to reduce or withhold future partial payments during the currency of the Contract. The Controller shall also have power to withhold payment of the Contractor's accounts until the statements of paper, etc., issued under Condition VI and used by the Contractor for the printing charged for in such accounts, have been received at the Stationery Office.

ly work
perly ordered
be paid for.

XIV. THE Contractor shall not undertake work for any Government Office except by the direction of the Controller or in accordance with regulations communicated to him in writing by the Controller, who will not be bound to pay for the production of any work but such as has been ordered in the manner prescribed. In the event of copy for any work being sent to the Contractor in print, he shall ascertain from the Stationery Office before putting it in type whether he is to proceed with the work, and, should he fail to do this, he shall forfeit all claim to payment for composition if it can be shown that standing type was at the disposal of the Stationery Office.

curacy of
itter printed.

XV. THE Contractor shall be held responsible for the correct reproduction of unaltered printed or typewritten matter sent to him as copy, and shall make arrangements for the proper reading of all matter set in type. In the event of any proof being sent out by him in such a condition as to indicate careless reading and lack of due correction of printers' errors, the Controller shall have power to make a deduction from the Contractor's charges for the composition of such complete proof at a rate not exceeding fifteen per cent. on account of such bad work.

iting price to
fixed by
ntractor.

XVI. THE Contractor will be required to fix the selling price in accordance with a scale of prices to be provided by the Controller to be printed on the title page of any Parliamentary Paper printed by him under this Contract.

ature to
serve
ditions or to
ecute work.

XVII. (a) IN the event of the Contractor failing—

- (1) to observe or perform any of the Conditions of this Contract, or
- (2) to execute any work in a good and workmanlike manner to the satisfaction of and by the time fixed by the Controller,

it shall be lawful for the Controller in his discretion in the former event to remove or withhold any part of the work until such time as he may be satisfied that the Contractor is able to and will duly observe the said Conditions, and in the latter event to reject or remove as the case may require any work executed otherwise than in a good and workmanlike manner to the satisfaction of and by the time fixed by the Controller, and in both or either of the events aforesaid to employ other printers to produce the work so removed or withheld or work in lieu of that so rejected or removed as aforesaid.

payment of
cess cost.

(b) Provided further, that if in either event any excess cost be incurred by reason of any difference between the price paid and the Contract price, the Controller may charge the amount of such excess cost to the Contractor, and the same may at any time be deducted from any sum or sums then due or which at any time thereafter may become due to him under this or any other Contract, or may be demanded of him to be paid within fourteen days to the Paymaster-General to the credit of the Controller.

Defective work.

(c) In the event of the discovery of any error due to the fault of the Contractor at any time after the delivery of the copies ordered, the Contractor shall be bound, if called upon to do so, to rectify such error at his own cost to the satisfaction of the Controller. In the event of the delivery of any defective work which owing to urgency or for any other reason cannot be wholly rejected, the Controller shall have power to deduct from any payment due to the Contractor such sum as he may deem expedient, not exceeding twenty-five per cent. of the whole value of the particular sheet or sheets adjudged to be defective.

Saving clause.

(d) The powers of the Controller under this Condition shall in no way affect or prejudice the power in certain events to terminate the Contract vested in him under Conditions I, III, and XIX.

Bond.

XVIII. THE Contractor shall be bound, if called upon by the Controller to do so, to enter into a bond for the due performance of the Conditions of this Contract, such bond to be prepared by the Treasury Solicitor at the expense of the Contractor.

Fair wages and conditions.

XIX. (a) THE Contractor shall in the execution of this Contract observe and fulfil the obligations upon Contractors specified in the resolution passed by the House of Commons on the 10th March, 1909, namely :—
 " The Contractor shall . . . pay rates of wages and observe hours of labour not less favourable than those commonly recognised by employers and trade societies (or, in the absence of such recognised wages and hours, those which in practice prevail amongst good employers) in the trade in the district where the work is carried out. Where there are no such wages and hours recognised or prevailing in the district, those recognised or prevailing in the nearest district in which the general industrial circumstances are similar shall be adopted. Further, the conditions of employment generally accepted in the district in the trade concerned shall be taken into account in considering how far the terms of the Fair Wages Clauses are being observed. The Contractor shall be prohibited from transferring or assigning, directly or indirectly, to any person or persons whatever, any portion of his Contract without the written permission of the Department. Sub-letting, other than that which may be customary in the trade concerned, shall be prohibited. The Contractor shall be responsible for the observance of the Fair Wages Clauses by the " Sub-Contractor." In the event of any infringement of this Condition the Controller shall have power, at any stage of the work contracted for, to close the Contract without payment to the Contractor, who shall in such case either return or pay to the Controller the value of any materials supplied under the Conditions of the Contract.

Condition and agreements to be exhibited.

(b) The Contractor shall cause the preceding Condition (a) to be prominently exhibited for the information of the workpeople on the premises where work is being executed under this Contract. In trades where it is the practice, the Contractor shall also cause to be exhibited, or have available for inspection, a copy of any signed agreement determining the rates of wages and hours of labour commonly recognised by employers and trade societies in the district.

Wages books and time sheets.

(c) The Contractor shall keep proper wages books and time sheets showing the wages paid and the time worked by the workpeople in his employ in and about the execution of the Contract, and such wages books and time sheets shall be produced whenever required for the inspection of any officer authorised by the Controller.

Stoppages at works.

XX. IN case of strikes, combinations of workmen, fire, accidents, or other circumstances beyond the control of the Contractor causing a stoppage at his works, and provided that the Contractor shall give notice in writing to the Controller immediately on the happening of such a stoppage, stating the cause and the date of commencement, and on its cessation,

stating the date of resumption of work, the delivery or completion of work may be suspended by the Controller without penalty, and the Controller shall have power during such stoppage to get the work done elsewhere without any charge to the Contractor. The Contractor shall afford every facility for the removal and use elsewhere of such standing type, formes, and materials as may be necessary for the completion of such work.

Members of
Parliament.

XXI. No member of the House of Commons shall be admitted to any share or part of this Contract or to any benefit to arise therefrom [see House of Commons (Disqualification) Acts, 1782 and 1801].

Bribery.

XXII. ANY bribe, commission, gift, loan or advantage given, promised or offered by, or on behalf of, the Contractor or his partner, agent or servant in relation to the obtaining or to the execution of this or any other Contract for His Majesty's Service, or given, promised or offered by or on behalf of the Contractor or his partner, agent or servant to any officer or person in the service or employ of the Crown, who shall be in any way connected with the obtaining or the execution of this or any other Contract, subjects the Contractor to cancellation of this Contract, and also to payment of any loss resulting from any such cancellation. Any question or dispute as to a breach of this clause, or the sums to be paid, shall be settled by the Controller, subject to the right of appeal by the Contractor to the Lords Commissioners of His Majesty's Treasury, whose decision shall be final.

Appeal limited.

XXIII. SHOULD any question or questions arise as to the interpretation of this Contract or of the statements in the annexed Schedules, or as to the execution of any order or work arising out of the same, such question or questions shall be settled by the award of the Controller, subject to the right of appeal by the Contractor to the Lords Commissioners of His Majesty's Treasury, whose decision in such case shall be final.

Acceptance.

XXIV. THE Controller does not bind himself to accept the lowest or any tender.

Iterations.

XXV. ALL tenders will be rejected in which any change of any kind whatever is made in any of the foregoing Conditions or in the annexed Schedules.

Samples of the work, showing generally the different sorts of type and styles of printing, etc., may be seen between the hours of 10 a.m. and 5 p.m. on application at H.M. Stationery Office, Princes Street, Westminster, S.W.1, where such further information as can be furnished will be given.

Envelopes containing Tenders, marked in the corner "TENDER FOR PRINTING—GROUP 57," should be addressed to "The Controller of H.M. Stationery Office, Princes Street, Westminster, S.W.1," and must be delivered on or before Friday 12th September, 1924, at 12 o'clock in the day, after which day and hour no tender will be received.

The estimated annual value at Schedule rates of the work to be executed under this Contract is £3,900.

NATIONAL SCHEME FOR THE EMPLOYMENT OF DISABLED MEN.

Is the name of your firm on the KING'S ROLL. Answer.....

TENDER.

We hereby tender to execute such bookwork printing before referred to, as may be ordered in the manner prescribed, subject to each and all of the foregoing Conditions and those embodied in the Schedules,

at.....per cent.....
the prices specified in Schedule B.

The work tendered for in this Contract will be executed on our premises

Insert percentage at
in words
(not figures).

Insert
or "at

Name

Address

State
address

Date 1924.

Telegraphic Address..... Telephone No.....

It will be assumed that in making his tender the Contractor has based his calculations on the standard rates of wages payable to all classes of workers on the pay-day in the week ending 13th September, 1924.

TO THE CONTROLLER OF H.M. STATIONERY OFFICE.

OFFICIAL SECRETS ACTS, 1911 and 1920.

The attention of the Contractor is called to the provisions of Section 2 of the Official Secrets Act, 1911, as amended by the Act of 1920. He should take steps to bring to the knowledge of his employees the provisions contained in this Section of the Act, viz. :-

(1) If any person having in his possession or control any sketch, plan, model, article, note, document or information which relates to or is used in a prohibited place, or anything in such a place, or which has been made or obtained in contravention of this Act, or which has been entrusted in confidence to him by any person holding office under His Majesty, or which he has obtained or to which he has had access owing to his position as a person who holds or has held office under His Majesty, or as a person who holds or has held a contract made on behalf of His Majesty, or as a person who is or has been employed under a person who holds or has held such an office or contract,

(a) communicates the sketch, plan, model, article, note, document or information to any person, other than a person to whom he is authorised to communicate it, or a person to whom it is in the interest of the State his duty to communicate it, or

(aa) uses the information in his possession for the benefit of any foreign Power, or in any other manner prejudicial to the safety or interests of the State, or

(b) retains the sketch, plan, model, article, note, or document in his possession or control when he has no right to retain it, or when it is contrary to his duty to retain it, or fails to comply with all directions issued by lawful authority with regard to the return or disposal thereof, or

(c) fails to take reasonable care of, or so conducts himself as to endanger the safety of the sketch, plan, model, article, note, document or information :
that person shall be guilty of a misdemeanour.

(1A) If any person having in his possession or control any sketch, plan, model, article, note, document or information which relates to munitions of war, communicates it, directly or indirectly, to any foreign Power, or in any other manner prejudicial to the safety or interests of the State, that person shall be guilty of a misdemeanour.

(2) If any person receives any sketch, plan, model, article, note, document or information knowing, or having reasonable ground to believe, at the time when he receives it, that the sketch, plan, model, article, note, document or information is communicated to him in contravention of this Act, he shall be guilty of a misdemeanour, unless he proves that the communication to him of the sketch, plan, model, article, note, document or information was contrary to his desire.

SCHEDULE A.

The work comprised in this Contract consists of the ordinary bookwork printing for the undermentioned Departments :

CUSTOMS AND EXCISE, INLAND REVENUE, and
STATIONERY OFFICE,

with the exception of

The works provided for in other Contracts as stated in the annexed Schedule C ;

Returns, etc., ordered to be printed by either House of Parliament ;

Work of a specially confidential character ; and

Any other work of an exceptional nature—*see* Condition X.

N.B.—In the event of any work other than that included in this Contract being put in type by the Contractor without written direction from the Controller to do so, no payment will be made by the Controller for such work.

SCHEDULE B.

SCALES OF PRICES, ETC., FOR BOOKWORK COMPOSITION,
PRESSWORK AND MISCELLANEOUS WORK.

Scale I.—COMPOSITION, etc.

The prices per sheet covered both sides for composition, etc., shall include reading, the supply of proofs not exceeding twelve copies of any set, and all operations antecedent to going to press not otherwise provided for.

Machine or hand composition may be adopted at the discretion of the Contractor.

The pages shall be in any type required, and of the dimensions specified in paragraph 33 (b) on page 7 [p. 179], other than in exceptional cases where pages of larger or smaller dimensions may be ordered. In such exceptional cases the composition charge as shown below shall be increased or decreased (as the case may be) by 10 per cent. for every complete 10 per cent. of increase or decrease in the area of the printed page. No deduction shall be made for final short pages.

Until a work is finally passed for press it shall be considered as in the proof stage. Composition shall be charged as made up into final form, and not on the proofs as sent out. In the event of any foolscap folio work being specially ordered by the Controller in draft measure (24 ems pica wide), composition shall be charged on the pages as re-made-up for the final copies, over-running and re-making-up being also charged as provided in paragraph 26 on page 7 [p. 178]. No extra charge shall be made for making the matter up into pages when proofs have been sent out in slip form or single column pages.

For each extra set of proofs, presswork shall be charged under Scale II, column 2. Should more than 12 copies be required of any set, presswork shall be charged under Scale II, as for copies, with a reduction of 50 per cent. on the making-ready charge.

TABLE A.

SIZE OF TYPE.	Foolscap.	Post, Copy, Crown, Writing Demy.	Writing Medium, Printing Demy.	Printing Medium, Royal, Super Royal.	Large Super Royal, Imperial.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
PLAIN MATTER—					
English and 14 point, or larger	1 16 0	2 10 0	3 0 0	3 16 0	4 16 0
Pica and 12 point	2 8 0	3 4 0	3 18 0	4 10 0	6 0 0
Small pica and 11 point	3 0 0	3 12 0	4 6 0	5 10 0	7 4 0
Long primer and 10 point	3 10 0	4 6 0	5 4 0	6 10 0	8 12 0
Bourgeois and 9 point	4 2 0	5 8 0	6 4 0	7 16 0	10 8 0
Brevier and 8 point	5 4 0	6 10 0	7 12 0	9 12 0	12 18 0
Minion and 7 point	6 8 0	8 4 0	9 12 0	12 4 0	16 8 0
Nonpareil and 6 point	8 8 0	10 16 0	12 12 0	16 4 0	22 0 0
Ruby and 5½ point	9 12 0	12 12 0	14 16 0	19 4 0	26 0 0
Pearl and 5 point, or smaller	11 12 0	15 4 0	17 16 0	23 0 0	31 4 0

CLASSIFICATION OF COMPOSITION.

Definition of a Unit.—(a) One descriptive matter column (to include one column of roman numerals or serial letters).
(b) Each complete three figure columns.

Class I.—One unit or less to be charged at the prices in Table A, except that where each column is necessarily set to a measure of 15 ems, or less, of its own body, 20 per cent. extra to the prices in Table A shall be charged.

Class II.—Two units—to be charged 20 per cent. extra to the prices in Table A.

Class III.—Three units—to be charged 40 per cent. extra to the prices in Table A.

Class IV.—Four, or more, units—to be charged 66½ per cent. extra to the prices in Table A.

Matter doubled up shall be charged in the same Class as if it were not doubled up.

In Classes II to IV two or more columns must be dependent upon each other.

Blank columns in tables shall be reckoned as figure columns.

Column Rules.—Except in the case of rules inserted between continuous units of doubled up matter, column rules shall be charged 10 per cent. extra to the foregoing prices for each class of composition respectively.

Examples of the foregoing are shown in the Memorandum issued with this Contract, and all charges shall be made in accordance therewith.

AUTHORS' CORRECTIONS.—The Contractor shall be entitled to make a charge of 20 per cent. additional to the composition prices set out above, and those provided in paragraphs 13, 18, and 19 on page 6 [pp. 176-7], to cover authors' corrections whether proofs are sent out or not; this charge shall include all re-making-up, re-imposition, etc., necessitated by such correction. Where, in the opinion of the Controller, the amount of authors' corrections exceeds 40 per cent. of the composition, the Contractor shall be allowed such further payment as the Controller may consider reasonable. Authors' corrections shall be chargeable on cancelled matter.

METHOD OF CHARGING COMPOSITION.

1. (a) *The foregoing Scale I prices shall be charged pro rata per printed page, in accordance with the classification on page 5 [p. 174], whether printed or manuscript copy is furnished, and whether the sheet is in broadside, folio, quarto, octavo, or any other form.*

(b) **Broadsides on intermediate sizes of paper** to those specified in Table A shall be charged as the sheet or fraction of sheet to which they most nearly approach in area. **Sheet-and-half paper** shall be charged at one and a half and **double paper** at double rates. Any larger paper shall be charged in the same ratio.

(c) **When pages are set to the dimensions of a smaller page** than that on which they are printed, either as proofs or copies, composition shall be charged as for the smaller page, and re-imposition shall be charged in addition if re-imposition is necessary.

(d) **Class I (15 ems or less of own body), Classes II, III, and IV, inserted matter, foreign languages, etc.,** except as provided for in paragraph 18 (b)—whether in one or more pieces on any page, shall be charged by quarters of a page in all folios and smaller pages; in broadsides such matter shall be charged by quarter folio pages of single paper according to the proportion it bears to a folio page. Portions of matter payable at the highest rate shall include such amounts of other matter on the same page at the next lower rates (whether Class I, II, III, or IV, inserted matter, foreign languages, etc.) as will come within the quantity chargeable. The balance of matter on the page shall be similarly dealt with. (e) Where matter is cast on a body two points, or more, larger than its own, such matter shall be charged as for nearest intermediate size (e.g., 10 point cast on 12 point body shall be charged as 11 point).

2. **ENDORSES, OUTSIDE PAGES of WRAPPERS and TITLE PAGES** shall be charged as if set in the type specified in paragraph 33 (d) for the particular size of page; for other sizes than those specified they shall be charged as the type necessarily used as plain matter in the body of the work. No extra charge shall be made for any smaller type inserted. The charge for wrappers shall include back labels if required.

3. **SPLIT FRACTIONS, SUPERIORS and INFERIORS, or type used as such,** shall be charged as the body of the type with which they are used.

4. **BLANK TABLES**—either whole pages or portions—shall be charged as if set in type of the size specified in paragraph 33 (d), the blank columns being reckoned as figure columns for the purpose of classification. Total lines or any matter in the nature of a column heading appearing beneath the cross rule shall not affect the charge.

5. **COLUMN HEADINGS** to matter in Classes II, III, and IV shall wherever necessary to obviate undue extension either in width or depth of heading, be set in type smaller than that used for the matter with which they are connected without any extra charge being made. Column headings shall be charged at the same rate as the matter to which they belong, except in the case of Class I matter, where such headings are necessarily set in smaller type than the matter to which they belong, in which case they shall be charged as provided in paragraph 1 (d) or 18 (b) as the case may be.

6. **NOTES** to tables shall, where possible, be set in type of the same size as that used for the matter with which they are connected, and shall be charged as provided in paragraph 1 (d) or 18 (b) as the case may be. This does not refer to side notes, the charges for which are specified in paragraph 18 (a).

7. **READ-ACROSS PAGES.**—Each page shall be charged upon its merits.

8. SMALL TYPE inserted in the body of a table, unless of itself coming within Class II, III, or IV, shall be charged extra—

If three lines or less—as inserted matter under paragraph 18 (b).

If more than three lines—the difference between Class I matter (by quarter pages) of its own size and of that with which it is connected.

9. TITLE HEADINGS to tables shall be charged as Class I matter of the type specified in paragraph 33 (d), or of such other size as may be specially directed to be used for Class I matter.

10. CANCELLED MATTER from any work shall be cumulative, and if together exceeding a quarter page, shall be charged by quarter pages according to the particular matter cancelled.

ADDITIONAL CHARGES.

11. BLANK PAGES.—All necessarily made-up blank pages shall be charged 9d. per page for making up, whether paged or not; no headings shall be placed to such pages. Blank portions of pages shall be charged as if set in the type specified in paragraph 33 (d) for the particular size of page.

12. BLANKING TABLES.—When proofs of tables are ordered by the Controller with the equivalent of one or more figure columns of whatever length, entirely blank, for subsequent completion during proof stage, the following prices shall be charged for the pages affected—

	Per page.
	s. d.
Printing demy 16mo and smaller sizes	1 0
Royal 16mo and foolscap 8vo to printing demy 8vo	1 6
Royal 8vo to imperial 8vo and foolscap 4to to crown 4to	2 0
Printing demy 4to to royal 4to and foolscap folio	3 0
Crown folio, imperial 4to and larger sizes	4 6

Intermediate sizes shall be charged at the rate for the size nearest in area, whether smaller or larger.

13. FOREIGN LANGUAGES, &c.—(a) Foreign languages and Welsh printed in roman or italic type shall be charged 50 per cent. extra on the composition prices in Table A. No charge shall be made unless an amount equal to four full lines is inserted.

(b) Gaelic, German, Greek, Russian, Saxon, and similar languages in their own characters, algebra, and music, shall be charged 150 per cent. extra on the composition prices in Table A. Arabic, Hebrew, and similar Eastern languages in their own characters, *without points*, shall be charged 200 per cent. on the composition prices in Table A. *If with points*, at 400 per cent. extra on the composition prices in Table A. No charge shall be made unless two words or eight separate letters are inserted in any one page.

(c) The charges for foreign, algebra, and music shall be made as provided under paragraph 1 (d).

14. IMPOSING shall be charged as follows—	Per page.
Printing demy 16mo and smaller sizes	2d.
Royal 16mo and foolscap 8vo to printing demy 8vo	3d.
Royal 8vo to imperial 8vo and foolscap 4to to crown 4to	4d.
Printing demy 4to to royal 4to and foolscap folio	6d.
Crown folio, imperial 4to and larger sizes	1s. 0d.

with a minimum charge of 1s. 0d. for any forme. Intermediate sizes shall be charged at the rate for the size nearest in area, whether smaller or larger. When works, or portions thereof, which separately will cover less than one side of the paper issued are ordered for the same Department at the same time they shall, if so directed, be imposed together.

15. INSERTION of "FOR OFFICIAL USE" or "OFFICIAL COPY" in Non-Parliamentary publications shall be charged 2s. 0d. per insertion, to include stoppage of the machine to permit of such insertion (or deletion as the case may be) being made.

16. LABELS SHOWING TITLES OF PARLIAMENTARY PAPERS shall be charged 2s. 6d. for composition and presswork of six copies of each label. When more than six copies are ordered the presswork of the copies shall be charged under Scale II, column 4.

17. NUMBERING QUESTIONS in EVIDENCE, if not numbered in copy, shall be charged 6d. per printed page only for the pages so numbered.

18. SIDE and FOOT NOTES and INSERTED CLASS I MATTER—
(a) Side notes shall be charged as follows—

	Per page.
	<i>s. d.</i>
Printing demy 16mo and smaller sizes	0 9
Royal 16mo and foolscap 8vo to printing demy 8vo	1 0
Royal 8vo to imperial 8vo and foolscap 4to to crown 4to	1 6
Printing demy 4to to royal 4to and foolscap folio	2 0
Crown folio, imperial 4to and larger sizes	3 0

Intermediate sizes shall be charged at the rate for the size nearest in area, whether smaller or larger. If on both sides of the page, double the foregoing prices. These prices shall include smaller type than that specified in paragraph 33 (f) if necessary for compression. Side rules shall be charged at half the price for side notes.

(b) Foot notes and inserted matter if together making three lines or less shall be charged one-half the above prices for side notes. If exceeding three lines either together or separately they shall be charged as provided in paragraph 1 (d).

19. SKELETON PAGES for second printing shall be charged one-sixth of the composition prices in Table A.

20. STEREOTYPING or REPETITION of TYPE of complete works or portions to cover one side of the paper or less for the purpose of reducing presswork shall be adopted when ordered if the number of copies required is 5,000 or over.

21. (a) ELECTROTYPING.—2½d. per square inch mounted, with a minimum charge of 2s. 0d. **STEREOTYPING.**—1½d. per square inch mounted, with a minimum charge of 1s. 3d. Electros and stereotypes shall be measured on the appearing surface. They shall be used free of any composition or type-rent charges whenever required, so long as the type of which they are duplicates shall remain unrevised. **MOULDS** made for the purpose of releasing the type of any work shall be charged ¼d. per square inch, with a minimum charge of 9d., and stereotypes ordered from the moulds shall be charged 1d. per square inch, with a minimum charge of 1s. 0d. Moulds, and stereotypes made from moulds, as distinct from stereotypes made for the purpose of reducing presswork, shall be kept free for use of H.M. Stationery Office for so long as may be required.

(b) The foregoing charges shall include any re-imposition necessitated by the process used.

(c) Should plates or moulds be ordered for delivery to H.M. Stationery Office or to another Contractor, an extra allowance of 12½ per cent. of the foregoing charge will be made; the plates so ordered shall become the property of the Controller.

22. TYPE RENT CHARGES—	Per printed page per 3 months.
<i>see</i> Conditions IX and XIII.	
Octavos—Foolscap and all smaller sizes	1½ <i>d.</i>
Post, Copy, Crown, Writing Demy, Large Post, Writing Medium, Printing Demy	2 <i>d.</i>
Printing Medium, Royal, Super Royal	2½ <i>d.</i>
Large Super Royal, Imperial	3½ <i>d.</i>
Quartos—Foolscap	3 <i>d.</i>
Post, Copy, Crown, Writing Demy	3½ <i>d.</i>
Large Post, Writing Medium, Printing Demy	4 <i>d.</i>
Printing Medium, Royal, Super Royal	4½ <i>d.</i>
Large Super Royal, Imperial	6 <i>d.</i>
Folios—Foolscap	5 <i>d.</i>
Post, Copy, Crown, Writing Demy	6 <i>d.</i>
Large Post, Writing Medium, Printing Demy	8 <i>d.</i>
Printing Medium, Royal, Super Royal	9 <i>d.</i>
Large Super Royal, Imperial	1 <i>s.</i> 0 <i>d.</i>
Sheet Broad-sides—Foolscap	9 <i>d.</i>
Other sizes	Double the folio prices.

Intermediate sizes shall be charged at the price of the size nearest in area.

REPRINT CHARGES.

23. ALTERATION of IMPRINT, 1*s.* 6*d.* per alteration.

24. ALTERATION of PAGINATION (whether of position or otherwise).—Foolscap folios and larger, 3*d.*; smaller sizes, 2*d.*; per page.

25. CORRECTIONS.—Reprints with corrections shall be charged 25 per cent. of the composition prices in Table A, and those provided in paragraphs 13, 18 and 19 for the pages actually corrected. This charge shall include all authors' corrections, reading, and all over-running and re-making-up necessitated by the corrections (except as provided in paragraph 26), and all work provided for in paragraphs 23, 24, 29, and 30.

26. OVER-RUNNING to DIFFERENT MEASURE and RE-MAKING-UP shall be charged two-thirds of the composition prices in Table A, and those provided in paragraphs 13, 18, and 19, as finally re-made-up. This charge shall include all work covered by paragraph 25.

27. PROOFS of all reprints will be paid at the rates provided under Scale II for proofs.

28. RE-IMPOSING shall be charged at the prices provided in paragraph 14. *This charge shall be payable in respect of all reprints.*

29. RE-MAKING-UP shall be charged 20 per cent. of the composition prices in Table A, and those provided in paragraphs 13, 18, and 19. This charge shall include all work provided for in paragraphs 24 and 30.

30. REMOVAL or ALTERATION of POSITION of SIDE NOTES.—Crown folio and larger, 1*s.* 6*d.*; royal 4to. to crown 4to., 9*d.*; smaller sizes, 4*d.* per page.

MINIMUM CHARGE.

31. Where the total charges under Scale I in respect of any order amount to less than 2*s.* 6*d.*, this amount will be paid as a minimum charge.

OVERTIME.

32. (a) No extra charge for overtime will be allowed under this Contract except in the case of work previously authorised by the Controller to be undertaken after working hours on any day. For overtime thus incurred extra payments for Compositors, Machine men, Layers-on, Pressmen, and Labourers necessarily engaged upon the work required to such extent as may appear reasonable to the Controller will be made as follow :—

From 6 p.m. to 8 p.m., 10d. per hour

From 8 p.m. to 8 a.m., and Saturdays 12 noon to 5 p.m., 1s. 8d. per hour.

From Saturdays 5 p.m. to Mondays 8 a.m., 2s. 6d. per hour.

These charges shall include all auxiliary workers and all other expenses. When overtime is incurred in waiting for copy or proofs, payment as above will also be made for all above-mentioned employees necessarily kept, provided direct evidence is produced of the instructions to wait for such work. No payment for waiting will be made in respect of any employees engaged upon other Stationery Office work upon which overtime is chargeable, nor will any duplicate payment for waiting be made in respect of any employee.

(b) In each case in which charges are made for overtime, the Contractor shall furnish weekly, upon forms to be provided by the Stationery Office, full information of the work done, and shall give full details of the number of workers of each class, the number of hours engaged, and such further information as may be deemed necessary by the Controller. He shall also support his charges by the Controller's authority above referred to and by a certificate from the Department or officer from whom the work emanates that it has been executed satisfactorily and to the time ordered, and shall also keep all workmen's dockets and time-sheets showing all the work done during the days upon which overtime is incurred, and, whenever required, shall permit the inspection of the same.

GENERAL INSTRUCTIONS AS TO COMPOSITION.

33. (a) Whatever may be the dimensions shown or type used in a pattern sent with an order, the following dimensions and sizes of type shall be adopted (in the absence of written instructions to the contrary given by the Controller), except in cases in which the matter to be printed cannot be condensed into the space available without the use of larger dimensions or smaller type. Should larger dimensions or smaller type be unnecessarily used they will not be paid for.

(b) Dimensions in pica ems of appearing matter, including folio or headline and foot notes, but exclusive of side notes and white or signature line at foot :—

	16mo.	Octavo.	Quarto.	Folio.
Foolscap	—	19 × 31	31 × 40	37 × 66
Post, Copy, Crown, Wtg. Demy ..	—	21 × 37	34 × 47	45 × 78
Writing Medium, Printing Demy ..	19 × 26	22 × 42	38 × 51	50 × 87
Ptg. Medium, Royal, S. Royal ..	22 × 29	25 × 48	42 × 58	60 × 96
Large Super Royal, Imperial ..	25 × 36	32 × 52	48 × 70	70 × 108

Sheet-and-half folios shall be set to one-half wider than ordinary folios.

(c) Broadsides and pages of other denominations than the foregoing shall be of such dimensions as may be required, and shall not be subject to any addition or reduction on account of area.

(d) Sizes of type to be used for Class I matter :—

Octavos —Foolscap	.. .. .	Brevier.
Post, Copy, Crown, Writing Demy	.. .. .	Bourgeois.
Writing Medium, Printing Demy	.. .. .	Long primer.
Printing Medium, Royal, Super Royal,		
Large Super Royal, Imperial	.. .. .	Small pica.
Quartos —Foolscap, Post, Copy, Crown, Writing		
Demy	.. .. .	Long primer.
Writing Medium, Printing Demy	.. .. .	Small pica.
Printing Medium, Royal, Super Royal,		
Large Super Royal, Imperial	.. .. .	Pica.
Folios —Foolscap	.. .. .	Pica.
Other Sizes	.. .. .	As required.

(e) Block or antique type used in any work shall not be of smaller body than the type with which it is used, unless instructions for the use of smaller type shall be given by the Controller.

(f) Side and foot notes, and inserted matter of any class shall be set in type two sizes smaller than the body of the work.

(g) Pages consisting entirely of Class II, III, or IV matter shall be set in any size of type that may be directed. In the absence of the Controller's special directions to the contrary, type two sizes smaller than that specified in paragraph 33 (d) shall be used. *Nonpareil or smaller type for Class II, III, or IV matter shall be used only in accordance with direct orders from the Controller.*

(h) Matter in Classes II to IV shall in no case govern the price to be paid for Class I matter in the same work; such Class I matter shall be set in accordance with the provisions of paragraph 33 (d) and so charged.

(i) Continuous table matter in any class set lengthwise in any work shall, in the absence of written instructions by the Controller to the contrary, have the headings inserted once only in each opening of the work. Should a heading be inserted more than once in any opening without such instructions having first been obtained, payment will only be made for the total quantity of table matter actually appearing, omitting the second headings.

(j) All matter shall be set solid where practicable. Leaded and whited matter and any unnecessary blank pages or blank portions of pages will not be paid for unless specially authorised by the Controller.

34. IMPRINTS.—An imprint stating group, warrant, and sub-numbers, number of copies printed, and date of delivery shall be inserted in all works; in the case of Schedule C items the Schedule number shall be inserted. The imprint of all works ordered to be kept standing under Condition IX (b) shall also contain an italic (S). No charge shall be made for the insertion of such imprints or for sale imprints.

Scale II.—PRESSWORK.

SIZES OF PAPER AS SENT TO PRESS.	CHARGEABLE PROOFS—see heading to Scale I—per sheet one side.	MAKING-READY (for copies) per sheet one side.	COPIES—per 1,000 pulls, and pro rata by 125's for smaller or larger quantities.
	Up to 12 proofs.		
1.	2.	3.	4.
	s. d.	s. d.	s. d.
Folios and smaller sizes— To 15½ in. in length	0 10	2 4	3 2
Foolscap, Post, Crown, Writing Demy, Copy— Over 15½ in. to 20½ in.	1 0	3 8	3 10
Printing Demy, Medium, Royal— Over 20½ in. to 25½ in.	1 1	5 8	4 6
Double Foolscap, Super Royal, Imperial, Double Post, Double Writing Demy— Over 25½ in. to 31 in.	1 3	8 0	5 4
Large Double Crown, Atlas, Quad Foolscap, Double Printing Demy, Double Medium— Over 31 in. to 36 in.	1 3	12 0	6 0
Double Royal, Double Elephant— Over 36 in. to 40 in.	2 2	18 0	7 4
Large Quad. Crown, Double Imperial, Quad. Printing Demy, Quad. Medium— Over 40 in. to 47 in.	2 6	26 0	8 6

Intermediate sizes and fractions shall be charged according to length as in column 1.

1. **METHOD of WORKING** (unless otherwise ordered).—Wherever practicable, all fractions of sheets printed on both sides shall be worked and turned. All other work printed on both sides shall be worked and turned—or perfected when there are sufficient pages to cover both sides of a sheet of the paper or other material issued; whether work is printed on both sides or on one side of the paper only, the largest sheet possible is to be used (single, double, or quadruple) according to the number of pages to be printed. The working of each side of perfected sheets shall be reckoned separately.

Where paper issued is necessarily reduced in size, it shall be cut to size before printing.

2. **BLOCKS**.—Line blocks (other than Royal Arms, for which no extra charge will be allowed) shall be charged 9d. each for underlaying, and half-tone blocks 2s. 3d. each for cutting overlays. These charges shall cover work in all stages—from first proof to supply of copies. If so ordered

all blocks returned to the Stationery Office shall be accompanied by two pulls on any size of sheet that may be necessary, stating title of work and warrant number under which last printed, for which charge shall be made at the prices specified in column 2; no further charge shall be made for any operations under either Scales I or II.

3. BRONZING shall be charged two and a half times the prices in column 4.

4. CARDBOARD, CLOTH, CLOTH-LINED PAPER, MANILLA, GUMMED PAPER and PARCHMENT.—One-quarter extra to the prices in column 4 shall be charged for material of these classes, whatever the thickness.

5. COLOURED INK shall be charged one-sixth extra to the prices in columns 2 to 4.

6. FINE WORK with HALF-TONES (if ordered) shall be charged double the prices in column 3 for making-ready and one-half extra to the prices in column 4 for printing. These charges are additional to the charge for cutting overlays specified in paragraph 2.

7. PERFORATING at PRINTING MACHINE.—Perforating rule ordered to be used in the type forme shall be charged one-sixth extra to the prices in columns 2 to 4. If ordered to be worked separately the prices in columns 2 to 4 shall be charged.

8. STEREO and ELECTRO PLATES.—For making-ready work printed from plates one-third extra to the prices in column 3 shall be charged. Mixed formes of type and plates shall be considered as being wholly of plates. No additional charge shall be made in respect of the printing from plates.

9. DIFFERENT QUALITIES OF MATERIAL.—When copies of any job are ordered at the same time on different qualities of material, should the materials be approximately of the same size, one presswork charge only will be admitted for the total number of copies produced.

10. TITLE PAGES.—Separate copies of title pages of Parliamentary and Non-Parliamentary publications—cut from sheets printed immediately prior to the supply—shall be charged 1s. 3d. for 25 copies or less of each title. One full sheet of paper for each copy required will be allowed for the purpose.

11. INSERTION OF "FOR OFFICIAL USE," ETC., IN NON-PARLIAMENTARY PUBLICATIONS.—As the charge provided under Scale I includes stoppage of the machine, the presswork charge will be for the total number of copies printed and not for the official and unofficial copies separately.

12. PAPER ALLOWANCE.—Paper, etc., will be issued in the proportion of four *overs* per 125 copies or less, with a minimum—for each separate fraction of a sheet—of two full sheets of the material issued, and with a corresponding allowance for proofs. For all work required to be delivered in sheets for binding one advance copy folded, gathered, and collated (uncut) shall be delivered to the Director of Printing and Binding immediately following the putting to press of the last sheet of the work, and three perfect overplus copies shall be delivered for each 125 copies or less ordered; additional paper to this extent will be allowed for the purpose; presswork for these copies shall be charged at the price per 1,000 copies on the cumulative quantity of the total number of sheets contained in the work. For parchments, overs will be issued in the proportion of one parchment and three paper overs per 125 copies or less,

with a minimum—for fractions of a sheet—of one parchment and one sheet of paper, and with a corresponding allowance of paper for proofs. All spoiled or unused parchments shall be returned to the Stationery Office. *The foregoing allowances shall cover all work which may be required under Scale III.*

Notes to paragraphs 3, 5 and 6.—The extra charges provided under these paragraphs shall be paid only when the work has been specially authorised before execution by the Director of Printing and Binding.

Scale III.—MISCELLANEOUS WORK.

Where prices are quoted per 1,000 the charge shall be pro rata by 125's, with a minimum charge of 8d. for each operation required, except where otherwise stated. In other cases the minimum prices are for the quantities stated, and then pro rata by those quantities. No charges under this Scale shall be made in respect of proofs unless 25 copies or more of any set are required.

All materials required for the operations included in this Scale shall be supplied by the Contractor, except where otherwise stated.

Intermediate Sizes shall be charged at the price of the size nearest in area, whether smaller or larger, calculated upon the untrimmed size.

1. **Banding** in quantities up to 20 (including counting where necessary), 4d. per 25 bands; gathering and collating in sets after banding, 3s. 0d. per 1,000 bands.

2. **Cloth Backing or Edging**, under 11 inches, 8d.; 11 to 18 inches, 1s. 0d.; above 18 inches, 1s. 6d. per 25 strips. **Cloth backing of books**, 1s. 0d., 1s. 6d., and 2s. 0d. per 25 respectively. Jobs shall be backed or edged two up if so ordered and payment made on the size as ordered to be executed. Quantities of 2,000 or more strips shall not be ordered.

3. **Counting and Folding**.—In 2's to 5's, 1s. 0d. per 1,000 pieces; in 10's to 25's, 8d. per 1,000 pieces.

4. **Counting and Slipping Forms** in 25's, 50's, or 100's, 4d. per 1,000 forms; **Counting and Tying (or Banding) Forms** in 25's, 50's, or 100's, 6d. per 1,000 forms. No charge shall be made for quantities in excess of 100.

5. Cutting Out Cancels and Inserting Corrections.

	Per 1,000 Insertions.	
	s.	d.
Sizes up to writing medium octavo	5	6
Above writing medium octavo to writing medium quarto	6	0
Sizes larger than writing medium quarto	6	6

6. **Cutting Corners or Round Cornering**, paper 4d.; card, cloth, cloth-lined paper, manilla, or parchment, 8d. per 1,000 corners. Minimum charge under this paragraph, 1s. 0d.

7. **Cutting up**, paper 2d. per 1,000 pieces as cut. Where the total number of pieces exceeds 40,000 the excess quantity shall be charged at 1½d. per 1,000 pieces. Card, cloth, cloth-lined paper, gummed paper, manilla, or parchment, shall be charged 50 per cent. extra to paper rates. Forms worked together shall be reckoned as one job for cutting up.

8. **Eyeletting Forms** in 25's or under, including counting, 8s. 0d. per 1,000 lifts.

9. Eyeletting and Cording or Taping Cardboards, two eyelets, 6*d.*; one eyelet, 4*d.* per 25 copies.

10. Folding Forms Singly, one fold, 1*s.* 8*d.* per 1,000 copies; additional folds, 1*s.* 0*d.* per 1,000 folds. Cloth, cloth-lined paper, manilla, or parchment shall be charged one-half extra; card (including scoring or creasing), double rates. Manilla, when ordered to be creased before folding, shall be charged at card rates.

11. Folding.

Sizes up to writing medium octavo ..
Above writing medium octavo to writing
medium quarto
Sizes larger than writing medium quarto ..

Per 1,000 Sections.*			
4 Pages	8 Pages	16 Pages	32† Pages
<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>
1	8	2	6
4	0	4	0
1	10	2	10
2	0	3	4
4	4	5	0
7	0	8	8

12. Folding, Gathering, and Collating.

Sizes up to writing medium octavo ..
Above writing medium octavo to writing
medium quarto
Sizes larger than writing medium quarto ..

Per 1,000 Sections.*			
4 Pages	8 Pages	16 Pages	32† Pages
<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>
3	2	4	0
5	4	5	4
3	8	4	8
6	0	6	0
4	4	5	8
7	4	7	4
8	8	11	0

13. Folding, Gathering, Collating, and Sewing.

Sizes up to writing medium octavo ..
Above writing medium octavo to writing
medium quarto
Sizes larger than writing medium quarto ..

Per 1,000 Sections.*			
4 Pages	8 Pages	16 Pages	32† Pages
<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>
6	6	7	4
8	8	8	8
7	8	8	8
10	0	10	0
9	8	11	0
12	8	12	8
16	4		

In a work containing a 4-page oddment, such oddment shall, unless otherwise ordered, be inserted in a larger section for sewing, and shall be charged under paragraph 11 for folding and paragraph 19 for inseting; the price for sewing, etc., the larger section shall include sewing the inset.

* Each sheet or fraction shall be charged according to the number of pages contained therein.

† Not applicable to sizes smaller than foolscap octavo.

14. Folding Throw-out Plates (including all necessary cutting for folding-in). 2*s.* 0*d.* per 1,000 folds. Plates printed in sections of 4 pages, 8 pages, etc., shall be charged under item 11, 12 or 13, as the case may be.

15. Gathering Unfolded Sheets.—To be gathered in sheets as printed wherever possible.

	Per 1,000.	
	<i>s.</i>	<i>d.</i>
Not exceeding 16 × 10 ins.	1	4
Above 16 × 10 ins. to 23 × 18 ins.	1	8
.. 23 × 18 .. 31 × 22	2	0
.. 31 × 22	2	6

16. Glueing on Wrappers, including Folding where necessary—

	Per 1,000.	
	<i>s.</i>	<i>d.</i>
Sizes up to writing medium octavo	10	0
Above writing medium octavo to writing medium quarto	13	4
Sizes larger than writing medium quarto	16	8

Manilla wrappers (to include creasing and folding where necessary) shall be charged 50 per cent. more than the foregoing rates. Wrappers with end-leaves pasted down, or wrappers lined with paper supplied by Stationery Office, shall be charged 150 per cent. more than the foregoing rates.

17. Gumming.—Foolscap, 1*s.* 6*d.*; post to royal, 2*s.* 0*d.*; larger sizes up to double demy, 3*s.* 0*d.*; per 24 sheets issued. Quantities over 21 quires shall not be ordered.

18. Gumming Edges or Bands on any material up to 1 inch in width, 5*d.*; above 1 inch to any width, 7*d.* per 1,000 inches gummed. The charge shall be reckoned on the total length gummed in any order.

19. Insetting in Cover for Stitching, Insetting Forms or Sections, or Inserting Plates for Flat Stitching.

	Per 1,000 Insets.	
	<i>s.</i>	<i>d.</i>
Sizes up to writing medium octavo	1	8
Above writing medium octavo to writing medium quarto	2	0
Sizes larger than writing medium quarto	2	8

Insetting sheets short at head and/or foot, or narrow sheets, shall be charged one-half extra. Where the insertion of plates necessitates slitting folds, one-half extra shall be charged for such plates.

20. Interleaving, 3*s.* 0*d.* per 1,000 interleaves, to include such cutting, folding, and pasting as may be necessary. (Paper for interleaving to be supplied by the Stationery Office.)

21. Numbering by Machine, 1*s.* 4*d.* per 1,000 numbers. Card, cloth, cloth-lined paper, gummed paper, manilla, or parchment shall be charged one-half extra. No extra charge shall be made for one letter appearing with numbers; where two or more letters appear, 6*d.* extra shall be charged for each separate series of letters.

22. Pasting and Attaching Leaves, Plates, or Slips, to include matching if required.

	Per 1,000.*	
	<i>s.</i>	<i>d.</i>
Sizes up to writing medium octavo	4	0
Above writing medium octavo to writing medium quarto	5	0
Sizes larger than writing medium quarto	6	0

23. Pasting and Inserting Leaves, Plates, or Slips, to include matching if required.

	Per 1,000.*	
	<i>s.</i>	<i>d.</i>
Sizes up to writing medium octavo	5	0
Above writing medium octavo to writing medium quarto	6	4
Sizes larger than writing medium quarto	7	8

* Chargeable on the piece attached or inserted.

24. Perforating by Perforating Machine, paper, 1s. 4d. per 1,000 cuts, any width. Card, cloth, cloth-lined paper, gummed paper, manilla, or parchment to be charged one-half extra. Forms printed together shall, where possible, be perforated together. Charge shall be made for the total number of cuts executed, and all perforation in the same straight line (whether continuous or not) shall be charged as one cut. Minimum charge under this paragraph, 1s. 0d. (*For perforating at printing machine, see Scale II, paragraph 7.*)

25. Punching Round Holes, singly, paper, 5d.; card, cloth, cloth-lined paper, gummed paper, manilla, or parchment, 10d. per 1,000 holes. Punching two round holes and cording (or taping) cards to hang, 5d. per 25 cards.

26. Punching Round Holes in sets of from 2 to 5 holes inclusive (if ordered under this Contract), on same edge of leaf, 10d. per 1,000 leaves; card, cloth, cloth-lined paper, gummed paper, manilla, or parchment, 1s. 8d. per 1,000 forms. Minimum charge under this paragraph, 1s. 0d.

27. Ruling shall be charged as follows :—

Size of Paper as ruled. 1.	One Direction.		Two Directions.	
	Setting Pens. 2.	Price per 1,000 Copies. 3.	Setting Pens. 4.	Price per 1,000 Copies. 5.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Not exceeding 16" in length ..	2 0	2 0	6 0	4 8
Above 16" to 21" in length ..	2 4	2 4	7 0	5 4
" 21" " 27" " ..	3 4	2 8	10 0	6 4
" 27" " 31" " ..	4 0	3 0	12 0	7 0
" 31" " 36" " ..	4 8	4 4	14 0	10 0
" 36" " 42" " ..	5 4	5 0	16 0	11 8

The price per 1,000 copies shall be charged for the total number of sides ruled alike, whether on one or both sides of the sheet or sheets. All ruling shall be executed in such a manner that the work may be printed in accordance with paragraph I of Scale II, unless otherwise ordered. For 1,000 copies and over, work shall be ruled more than one up if ordered by the Director of Printing and Binding.

28. Stitching, Wire, quirewise up to 64 leaves and wrapper, or flat up to 100 leaves and wrapper.

	Per 1,000 copies.			
	1 wire.	2 wires.	3 wires.	4 wires.
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
One-piece section	2 0	2 6	3 0	3 6
Two or more pieces	3 0	3 8	4 6	5 4

Flat stitching over 100 leaves and wrapper shall be charged one-half extra.

Double rates shall be charged for books flat stitched both ways.

Non-rusting wire, when ordered, shall be charged 2d. per 1,000 wires extra.

Minimum charge under this paragraph, 1s. 0d.

	Per 1,000 copies.		
	Up to 64 leaves and cover.		Over 64 leaves and cover, flat stitched by hand.
	One piece section.	Two or more pieces	
	<i>s. d.</i>	<i>s. d.</i>	<i>s. d.</i>
Sizes up to writing medium octavo ..	2 8	4 0	15 0
Above writing medium octavo to writing medium quarto	3 4	5 0	18 0
Sizes larger than writing medium quarto	4 0	6 4	21 0

Minimum charge under this paragraph, 1s. 0d.

30. Trimming.—Where the sheets of a book are folded and sewn or stitched, and the books have to be specially trimmed on three edges, the following prices per 1,000 leaves will be paid in respect of the number of leaves so trimmed :—

	<i>s. d.</i>
Sizes up to writing medium octavo	0 2½
Above writing medium octavo to writing medium quarto ..	0 3
Sizes larger than writing medium quarto	0 4

Foolscap folio works shall be trimmed to 8½" × 13½"; royal octavo works to 6½" × 9½". All other works shall be trimmed sufficiently only to separate the leaves and make the edges smooth.

31. Unstitching, thread, 4s. 0d. per 1,000 copies; wire, 8s. 0d. per 1,000 wires.

For all Miscellaneous Work the charges will be calculated upon the cumulative quantity of each operation in any work; thus, whilst the folding, etc., of 800 copies of one sheet is chargeable as 875 copies (by 125s), the folding of 800 copies each of five sheets is chargeable only as 4,000 copies, not as 4,375.

GENERAL NOTES TO ALL SCALES.

It must be distinctly understood that the Contractor may be ordered to carry out any operations or method of production for which payment is provided in the Contract.

Revision of Works.—Works are likely to be revised in any way that will result in economy.

Memorandum.—Attention is directed to the Memorandum issued with this Contract.

SCHEDULE C.

**THE FOLLOWING WORKS ARE EXCLUDED FROM THIS CONTRACT—
see SCHEDULE A.****CUSTOMS AND EXCISE.**

- Amendment Slips for General Orders, Codes, and Books of Instructions.
 Annual Statement of Trade of the United Kingdom with Foreign Countries, etc. Vols. I to IV.
 Bills of Entry, various.
 C. & E.620—Annual Request for Books, Forms, Paper and Envelopes for use of Collectors in the Southern Area.
 C. & E.620L.—Annual Requests for Books and Forms supplied from London for use of Collectors.
 C. & E.620M.—Annual Request for Books, Forms, and Envelopes supplied from H.M. Stationery Office, Manchester, for use of Collectors.
 General Orders.
 No. 31 (Sale).—Import and Export List.
 No. 32 (Sale).—Appendix to Import and Export List.
 No. 71.—B.—Annual Request for Books, Forms, Economy Labels and Envelopes for use of Surveyors and Officers.
 No. 71.—L.—Annual Request for Books and Forms supplied from London for use of Surveyors and Officers.
 No. 71.—M.—Annual Request for Books, Forms, Paper and Envelopes supplied from H.M. Stationery Office, Manchester, for use of Surveyors and Officers.
 Report of the Commissioners of His Majesty's Customs and Excise.

INLAND REVENUE.

- Alphabetical List of Tax Surveyors and Surveyors of Taxes in the United Kingdom.
 Estate Duty—Statistics of Capital Values and Numbers of Cases.
 Estate Duty Office—Location of Staff.
 Inland Revenue Establishment.
 List of Stockbrokers in the United Kingdom.
 Report of the Commissioners of His Majesty's Inland Revenue.
 Valuation Department—List of Valuation Districts, etc.

STATIONERY OFFICE.

- Catalogue of Works.
 Consolidated List of Parliamentary and Non-Parliamentary Publications.
 Contracts.
 Establishment List.
 His Majesty's Ministers and Heads of Public Departments.
 List of Historical Manuscripts.
 London Gazette.
 Official Almanac.
 Statutory Rules and Orders.
 The National Museums and Galleries of London. List of Lectures, etc.
 Weekly List of Statutory Rules and Orders.

APPENDIX III.

Contracts for Printing put out to Tender for Competition in London and the Provinces during the Three Years, 1922/23 to 1924/25.

Description and Number of Contracts.	Number of Tenders Received.			Lowest Tender (London or Provinces).		Contract Awarded to.		Invitations extended to.					
	London Firms.	Provincial Firms.	Total.	London Firms.	Provincial Firms.	London Firms.	Provincial Firms.	London Firms only.	Provincial Firms only.	Both London and Provincial Firms.			
										No. of Invitations.	Awarded to		
									London.		Provinces.		
Bookwork Contracts ..	41	166	106	272	28	13	28	13	27	8	6	17%	83%
Jobwork Contracts ..	39	175	498	673	12	27	16	23	12	—	27	15%	85%
Miscellaneous Contracts	28	90	13	103	20*	6	19	6†	21	—	7	17%	83%
Bookwork Estimates ..	9	51	15	66	7	2	8	1	6	—	3	60%	40%
Jobwork Estimates ..	1,688	6,657	2,931	9,588	1,323	365	1,359	329	824	11	853	63%	37%
Miscellaneous Estimates	1,088	2,156	1,492	3,648	566	522	566	522	424	72	592	24%	76%
	2,893	9,295	5,055	14,350	1,956	935	1,996	894	1,314	91	1,488	46%	54%
Percentages		65%	35%	—	68%	32%	69%	31%	45½%	3%	51½%	100%	
		100%			100%		100%		100%			100%	

* Tenders not received for two contracts.

† Awards not made in three instances.

APPENDIX IV. STATIONERY OFFICE PRESS.

System of Accounting.

The undertaking throughout is treated on a commercial basis with separate accounting for each of the Works. The Accounts are kept at the Stationery Office under the supervision of the Director.

The prime books for each of the Works are :—

Invoice Book.
Journal.
Cash Book.
General Ledger.
Impersonal Ledger.

In addition a Stock Book is kept giving a classified record of goods purchased.

Purchase of Plant and Materials.—All demands for machinery, plant, and materials are made out in triplicate, one copy is retained at the Works, one is kept by the Works Division at the Stationery Office, and the original, after approval and signature of the Director of Printing Works, is forwarded to the Director of Supplies of H.M. Stationery Office, who makes out the official order on the contractor supplying the goods. In accordance with the standard practice of the Stationery Office, any demand involving expenditure in excess of £50, or of an unusual character, or for which competitive tenders cannot be obtained is submitted for the personal approval of the Controller or Deputy Controller.

Payment for Goods Purchased.—Invoices for materials received are checked immediately for quantity, quality, and price. They are also checked against the copy of the demand, and the demand and invoice marked with a corresponding number. After the invoices have been duly checked against the goods received the Chief Examiner and Receiver at the Stationery Office certifies the invoice for payment and forwards the same to the Director. The Contractor submits a monthly statement of invoices rendered and cleared during the month to the Director of Accounts of H.M.S.O. who registers it and forwards it to the Director of Printing Works. The appropriate invoices are assembled and attached to the Contractor's monthly statement, and entered in the invoice book and ledger. The account is then forwarded to the Director of Accounts for examination and payment. After payment the vouchers are returned to the Director of Works and amount paid recorded in cash book and ledger. The impersonal ledger is posted from the invoice book at convenient periods.

Accounts for Printing Executed.—The Works receive orders from the Director of Printing for all work required to be done, specifying the contract under which the work is chargeable in a similar manner as in the case of private contractors. Monthly accounts in detail are compiled by the staff at the Works and forwarded to the Director of Printing Works. These accounts are posted in the Journal and Ledger and sent to the Director of Accounts for examination. The Director of Printing Works is notified of any alterations made in the examination of accounts. These amendments are noted, and at the end of each financial year the appropriate adjustment is made.

Miscellaneous Sales.—Accounts for waste paper, etc., sold are recorded in the journal and ledger and rendered direct to the Contractor. When payment is received it is recorded in cash book and posted in the ledger, and the check passed to the Director of Accounts of H.M. Stationery Office, who gives a signature for it and pays it to the Paymaster-General.

Payment of Wages.—Imprests are made out weekly by the Director of Printing Works on the Director of Accounts of H.M. Stationery Office, in respect of each Works for the estimated amount required for wages. In the cases of Harrow and Cricklewood the cheques are forwarded to the Works and lodged in the local Bank (Barclays) two days prior to payment of wages. Money for wages and a small amount for current petty cash

expenses is drawn on pay-day. The London Works have no banking accounts. In these instances open cheques for the amounts required are given to the Director of Printing Works, who on the actual pay day hands them to a responsible official from the Works marked "Please pay Mr. . . ." Cash is drawn from the Paymaster-General and taken to the Works for the payment of wages.

Wages sheets are compiled by the cashier at each Works and payment made in the presence and under the certificate of two independent witnesses.

After payment of wages, the wages sheets, together with a certified account of wages and insurance payments, are forwarded to the Director of Printing Works.

The wages sheets are checked and amounts posted in cash book and ledger.

The Director of Printing Works renders a Monthly Account for each Works to the Director of Accounts of H.M. Stationery Office, showing balance brought forward, payments made during the month, supported by the relative vouchers, and balance at end of the month.

All transactions are progressively audited throughout the year by representatives of the Exchequer and Audit Department stationed at the Stationery Office.

Costing System.—The Costing System in operation at the Works is that advocated and generally adopted by members of the Master Printers' Federation. It provides for ascertaining the cost of each individual item and a daily and weekly record of output in each department, together with the cost of production.

Contracts for Work Executed.—In the main, printing done for the Stationery Office is taken under definite contracts at the rate of the lowest outside responsible tenderer. Where an exception is made to this rule such as the case of confidential printing, the rate to be paid for the work is fixed by the Stationery Office, based on the cost which would be incurred if the work were done under similar conditions outside.

Depreciation of Plant.—Depreciation of Plant at the rate of 10 per cent. on diminishing value is taken to a Depreciation Reserve Account and charged against the gross profits.

Supervision by Stationery Office Staff.—Salaries with an addition of 14 per cent. for superannuation of officers engaged directly at the Works are charged to the respective accounts, and the salaries of headquarters staff are charged proportionally between the various Works according to wages paid.

Fire and Compensation Insurance.—An amount equal to that which would be charged by an Insurance Company is charged in each account.

Rent, Rates and Taxes.—An Annual Return is obtained for these services so far as they are disbursed by H.M. Office of Works. In instances where property is Government freehold, an assessment of rent is made. These charges are all taken to the respective accounts.

Maintenance of Buildings, and Light, Heat, and Power.—The amounts incurred for these services at each works is advised annually by H.M. Office of Works and taken to account.

Interest on Advances for Plant, etc.—Interest on advances is charged at the rate of 5 per cent. per annum where the interest on accumulated profits and depreciation reserve would amount to less than that on the amount actually advanced.

Work in Progress at the end of the Financial Year.—This is priced out at contract rates or cost, whichever is the lower.

EXCHEQUER AND AUDIT DEPARTMENT,
Victoria Embankment, E.C.4.

30th May, 1924.

Sir,

I am directed by the Comptroller and Auditor-General to acknowledge the receipt of your letter of the 28th instant, S/20795, forwarding a copy of a memorandum submitted by the Controller H.M. Stationery Office to the Committee of Enquiry into Government Printing Establishments

asking whether the Comptroller and Auditor-General can confirm the procedure indicated therein.

In reply I am to state that the Comptroller and Auditor-General agrees that the memorandum correctly describes the Accounting procedure adopted by the Stationery Office, subject to the following observations :—

- (1) He has not yet officially examined the costing system but intends to do so in the current year.
- (2) In regard to the Contracts for work executed he agreed that the prices assigned to the Stationery Office printing presses are in the great majority of cases those of the lowest outside tenders, but where the lowest tender has not been accepted for reasons such as the high class or the confidential nature of the work involved he has had to accept the certificate of the Controller of the Stationery Office that the rate paid for the work is based on the cost which would be incurred if the work were done under similar conditions outside.
- (3) The passage relating to "interest on advances for plant, etc.," correctly described in general terms the procedure which the Stationery Office have adopted, or expressed their intention of adopting, in connection with the accounts submitted for the Audit of the Comptroller and Auditor General, of which the latest relate to the year ended 31st March, 1923.

But the Comptroller and Auditor-General holds the opinion that it is not right in principle to allow a credit to the printing works for interest on depreciation reserves unless those reserves are represented by a corresponding investment of cash, an operation which automatically reduces the available cash profits.

Further, he has recently invited the Treasury to consider the question whether for the purpose of these accounts the practice of allowing accumulated profits to be set off against capital advances might not be discontinued, and the account be prepared in future on the assumption that the profits are distributed annually so far as available cash would allow.

I am, Sir, Your obedient Servant,

(Signed) S. HOPPING.

The Secretary,
Committee of Enquiry into Government
Printing Establishments,
Treasury.

APPENDIX V.

REPORT of the COMPTROLLER AND AUDITOR GENERAL upon the ACCOUNTS of the INCOME and EXPENDITURE of H.M. STATIONERY OFFICE PRESS for the year ended 31st March, 1924.

(Extract from "Trading Accounts and Balance Sheets, 1923-24.")

Stationery Office Presses.—In previous years the operations of the different printing establishments under the management of the Stationery Office have been shown in the accounts as separate concerns. This year, following on proposals made to and approved by the Public Accounts Committee in 1924, an amalgamated Trading Account and Balance Sheet

is presented, covering the whole of these undertakings, accompanied by subsidiary statements relating to each Press.

The Treasury have had under further consideration the questions raised before the Committee of 1924 as to the principles according to which interest should be charged on capital advances and on advances for working expenses, and I am informed that the following rules have been laid down and applied to the accounts for the year now in question :—

- (i) Interest to be charged on capital advances.
- (ii) A depreciation reserve fund to be maintained out of profits, any moneys expended on replacement or obsolescence being regarded as taken from this fund.
- (iii) This reserve fund, although regarded as deposited with the Exchequer, will be available for providing working capital to the factories. Consequently, interest will not be charged in the accounts on working capital, nor will it be credited on the amount of the reserve fund. Any profits which arise after providing for the reserve fund will be regarded as available for "distribution," *i.e.*, in this case, for surrender to the Exchequer.

The adjustments necessary as a consequence of these decisions have been made in the account for 1923-24. A Depreciation Fund of £70,606 17s. 6d. has been set up as at 31st March, 1924, of which £35,000 has been regarded as spent upon replacement of obsolescent plant, etc., and used to reduce the original capital advances. The amalgamated Balance Sheet shows the Capital Account and the Fund at the net figures after this allowance has been made. Surplus profits of £60,000, including £13,430 18s. 2d. outstanding on closed factories, are regarded as surrendered to the Exchequer.

Cricklewood Chart Factory.—This factory was set up to provide for the production of Naval Charts, which had hitherto been supplied by a private firm under contract. The account covers the eleven months from the commencement of operations on 1st May, 1923, to 31st March, 1924. The schedule of prices paid to the former contractor has been adopted, where applicable, as the basis of credits for work executed, but engraving and similar work representing about one-quarter of the total work done has been priced at cost plus 10 per cent., there being no contracts for similar work with private contractors from which comparative prices might have been available.

Payments of approximately £1,600 for salaries during the period of building and equipping the factory, and thus in the nature of preliminary expenses, have been included in the charge for supervision during the period of this account before arriving at the net profit shown.

As part of the factory buildings is occupied by the Admiralty for chart storage and distribution, the rent of the Stationery Office portion charged in the account has been calculated on 60 per cent. of the total cost of purchase and adaptation.

In paragraph 27 of my Report on the Civil Services Appropriation Accounts for 1921-22, I mentioned that a sum of £25,000 had been paid to the former contractor. Of this, £4,581 1s. 9d. has been included in this account for plant handed over and set up in the factory; the balance has been excluded. This balance comprises the estimated value of engraved plates and stones taken over, which are presumably regarded as the property of the Admiralty, and £7,500 (approximately) compensation paid for disturbance of the contractor.

STATIONERY OFFICE PRESSES.
(AMALGAMATED ACCOUNTS.)

The object of these accounts is to show, on the one hand, what the work done has actually cost, and, on the other hand, what the same work would have cost had it been done by contractors instead of in the Government Printing Works. The prices charged on the credit side of the accounts are therefore mainly those which would have been payable had the various "contracts" under which the greater portion of the work has been executed been allotted to the lowest satisfactory tenderer at his tendered price, and, in exceptional cases where such a method of comparison was not possible, they are as nearly as can be ascertained what would have been paid for the work had it been executed in similar circumstances by private firms. The basis on which the accounts have been compiled has been approved by the Treasury.

TRADING ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Stock on hand, 1st April, 1924	2,281	-	4	By Credits for work executed*	457,003	18	10
„ Work in Progress, 1st April, 1924	64,412	18	9	„ Work in Progress, 31st March, 1925	66,589	11	10
„ Sundry Trade Charges	4,100	1	3	„ Stock on hand, 31st March, 1925	2,250	15	8
„ Wages	288,730	12	4	„ Foundry Output	1,642	-	7
„ Incidental Expenses	787	5	2	„ Discounts received	231	9	6
„ Light, Heat, Power	8,132	8	1				
„ Repairs and Renewals	5,674	8	1				
„ Purchase of Materials	10,163	6	1				
„ Outwork*	8,852	13	9				
„ Balance carried to Profit and Loss Account, being Gross Profit for the year	134,583	2	7				
	<u>£527,717</u>	<u>16</u>	<u>5</u>		<u>£527,717</u>	<u>16</u>	<u>5</u>

* The amounts shown for outwork and credits for work executed include inter-factory work to the value of £6,468 2s. 6d.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Rent, Rates, etc.	13,023	7	2	By Balance from Trading Account	134,583	2	7
„ Insurance (Fire)	900	10	4	„ Profit on Sale of Plant	100	6	-
„ Insurance (Compensation)	577	9	3				
„ Telephone	257	1	2				
„ Supervision	7,329	13	11				
„ Depreciation of Plant and Machinery	18,457	17	4				
„ Interest on Capital	12,698	2	9				
„ Balance carried to Balance Sheet, being Net Profit for the year	81,439	6	8				

Subsidiary Account No. 1.
FOREIGN OFFICE PRESS.

TRADING ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Stock on hand, 1st April, 1924	258	2	5	By Credits for work executed	34,855	16	9
„ Work in progress, 1st April, 1924	2,912	7	6	„ Work in progress, 31st March, 1925	1,939	4	2
„ Sundry Trade Charges, Cartage, etc.	38	2	—	„ Stock on hand, 31st March, 1925	278	8	4
„ Wages	19,787	2	9	„ Discounts	4	18	—
„ Incidental Expenses	41	19	2				
„ Light, Heat, Power	372	—	—				
„ Repairs and Renewals	552	6	5				
„ Purchase of Materials	479	11	9				
„ Outwork	4,484	16	7				
„ Balance carried to Profit and Loss Account, being Gross Profit for the year	8,151	18	8				
	£37,078	7	3		£37,078	7	3

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Rent, Rates, etc.	500	—	—	By Balance from Trading Account	8,151	18	—
„ Insurance (Fire)	44	17	—	„ Profit on Sale of Plant	19	18	—
„ „ (Compensation)	39	11	6				
„ Supervision	590	11	2				
„ Depreciation of Plant and Machinery	1,456	17	2				
„ Interest on Capital	1,156	10	1				
„ Balance carried to Balance Sheet, being Net Profit for the year	4,383	9	9				
	£8,171	16	8		£8,171	16	8

BALANCE SHEET, 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
H.M.S.O. Capital Account (Advances for Plant) ..	20,983	5	9	Plant and Machinery :—			
Sundry Creditors :—				As per last Account (Depreciated) ..	14,543	15	5
Trade	293	8	1	Additions 1924–1925	104	11	6
H.M.S.O. Press, Hare Street	8,189	11	9		14,648	6	11
“ “ War Office	195	15	3	Less Depreciation 1924–1925 ..	1,456	17	2
Insurance (Compensation) Reserve	223	1	8				
Profit and Loss Account :—				Depreciation Reserve Fund (deposited with			
Balance 31st March, 1924	1,684	16	4	Exchequer)			13,191 9 9
Profit for year 1924–25	4,383	9	9	Sundry Debtors :—			
	6,068	6	1	Trade			6 1 4
Less surrender to Exchequer (in				H.M.S.O. Press, Harrow			67 2 1
addition to £20,000 surrendered				“ “ Kingsway			14 10 —
in previous years)	3,000	—	—	“ “ Cricklewood			51 1 7
	3,068	6	1	“ “ Prince's Street			9,621 7 6
				Work in progress, 31st March, 1925 ..			1,939 4 2
	£32,953	8	7	Stock on hand, 31st March, 1925			278 8 4
				Cash in hand, 31st March, 1925			7 3 5
					£32,953	8	7

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Depreciation charged at 10 per cent. on diminishing values. Stock on hand valued at market price.

19th November, 1925,

W. R. Codling,
Accounting Officer.

Subsidiary Account No. 2.

HARE STREET PRESS.

TRADING ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

			£	s.	d.				£	s.	d.
To Stock in hand, 1st April, 1924			294	4	8	By Credits for work executed			106,585	14	6
„ Work in progress, 1st April, 1924			11,327	19	5	„ Work in progress, 31st March, 1925			15,519	12	8
„ Sundry Trade Charges, Cartage, etc.			1,012	18	1	„ Stock on hand, 31st March, 1925			225	1	-
„ Wages			85,685	1	7	„ Discounts			31	17	9
„ Incidental Expenses			223	13	-						
„ Light, Heat, Power			2,650	15	11	„ Foundry Output			1,858	7	5
„ Repairs and Renewals			1,595	14	5	„ Less Metal			216	6	10
„ Purchase of Materials			989	1	4				1,642	-	7
„ Outwork			1,581	19	1						
„ Balance carried to Profit and Loss Account, being Gross Profit for the year			18,642	19	-						
			<u>£124,004</u>	<u>6</u>	<u>6</u>				<u>£124,004</u>	<u>6</u>	<u>6</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

			£	s.	d.				£	s.	d.
To Rent, Rates, etc.			2,732	4	9	By Balance from Trading Account			18,642	19	-
„ Insurance (Fire)			363	5	6	„ Profit on Sale of Plant			80	8	-
„ „ (Workmen's Compensation)			171	7	5						
„ Telephone			76	12	-						
„ Supervision (including Office Accommodation)			2,043	14	6						
„ Depreciation of Plant and Machinery			3,565	3	5						
„ Interest on Capital			2,632	2	2						
„ Balance carried to Balance Sheet, being Net Profit for the year			7,138	17	3						
			<u>£18,723</u>	<u>7</u>	<u>-</u>				<u>£18,723</u>	<u>7</u>	<u>-</u>

Subsidiary Account No. 3.

HARROW PRESS.

TRADING ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Stock on hand, 1st April, 1924	1,327	6	10	By Credits for work executed	256,633	8	2
„ Work in progress, 1st April, 1924	48,863	2	11	„ Work in progress, 31st March, 1925	47,887	17	6
„ Sundry Trade Charges, Cartage, etc.	2,881	8	3	„ Stock on hand, 31st March, 1925	1,339	3	8
„ Wages	145,061	19	11	„ Discounts received	186	17	9
„ Incidental Expenses	467	13	11				
„ Light, Heat, Power, etc.	4,081	5	5				
„ Repairs and Renewals	2,520	4	7				
„ Purchase of Materials	6,985	13	-				
„ Outwork	1,179	4	11				
„ Balance carried to Profit and Loss Account, being Gross Profit for the year	92,679	7	4				
	<u>£306,047</u>	<u>7</u>	<u>1</u>		<u>£306,047</u>	<u>7</u>	<u>1</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Rent, Rates, etc.	5,999	14	7	By Balance from Trading Account	92,679	7	4
„ Insurance (Fire)	442	18	10				
„ „ (Workmen's Compensation)	290	2	6				
„ Telephone	139	16	10				
„ Supervision	2,858	11	-				
„ Depreciation of Plant and Machinery	11,775	15	2				
„ Interest on Capital	7,953	14	5				
„ Balance carried to Balance Sheet, being Net Profit for the year	63,218	14	-				
	<u>£92,679</u>	<u>7</u>	<u>4</u>		<u>£92,679</u>	<u>7</u>	<u>4</u>

Subsidiary Account No. 4.

KINGSWAY PRESS.

TRADING ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Stock on hand, 1st April, 1924	79	10	11	By Credits for work executed	2,748	12	7
„ Work in progress, 1st April, 1924	28	15	5	„ Work in progress, 31st March, 1925	41	9	9
„ Sundry Trade Charges, Cartage, etc.	9	14	7	„ Stock on hand, 31st March, 1925	41	2	9
„ Wages	1,713	13	5	„ Discounts received	-	4	7
„ Incidental Expenses	7	19	10				
„ Light, Heat, Power	200	-	-				
„ Repairs and Renewals	80	17	4				
„ Purchase of Materials	70	-	11				
„ Outwork	80	13	1				
„ Balance carried to Profit and Loss Account, being Gross Profit for the Year	560	4	2				
	<hr/>						
	£2,831	9	8		£2,831	9	8
	<hr/>				<hr/>		

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Rent, Rates	250	-	-	By Balance from Trading Account	560	4	2
„ Insurance (Fire)	5	13	2	„ Balance carried to Balance Sheet, being Net			
„ „ (Workmen's Compensation)	3	8	6	Loss for the Year	100	18	4
„ Supervision (including Office Accommodation)	16	14	6				
„ Depreciation of Plant and Machinery	195	14	10				
„ Interest on Capital	189	11	6				
	<hr/>						
	£661	2	6		£661	2	6
	<hr/>				<hr/>		

Subsidiary Account No. 5.

WAR OFFICE PRESS.

TRADING ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Stock on hand, 1st April, 1924	5	8	7	By Credits for work executed	8,891	16	8
.. Work in progress, 1st April, 1924	455	18	9	.. Work in progress, 31st March, 1925	597	14	5
.. Sundry Trade Charges, Cartage, etc.	21	11	6	.. Stock on hand, 31st March, 1925	5	16	2
.. Wages	5,135	15	10	.. Discounts received	-	4	3
.. Incidental Expenses	2	3	11				
.. Light, Heat, Power	163	-	-				
.. Repairs and Renewals	239	9	6				
.. Purchase of Materials	25	1	9				
.. Outwork	1,483	16	6				
.. Balance carried to Profit and Loss Account, being Gross Profit for the year	1,963	5	2				
	<hr/>						
	£9,495	11	6		£9,495	11	6
	<hr/>				<hr/>		

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Rent, Rates, etc.	250	-	-	By Balance from Trading Account	1,963	5	2
.. Insurance (Fire)	8	3	9				
.. " (Workmen's Compensation)	10	5	5				
.. Supervision (including Office Accommodation)	405	-	1				
.. Depreciation of Plant and Machinery	262	5	5				
.. Interest on Capital	156	12	4				
.. Balance carried to Balance Sheet, being Net Profit for the year	870	18	2				
	<hr/>						
	£1,963	5	2		£1,963	5	2
	<hr/>				<hr/>		

Subsidiary Account No. 6.

CRICKLEWOOD PRESS.

TRADING ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Stock on hand, 1st April, 1924	316	6	11	By Credits for work executed	47,288	10	1
„ Work in progress, 1st April, 1924	824	14	9	„ Work in progress, 31st March, 1925	603	13	4
„ Sundry Trade Charges, Cartage, etc.	136	6	9	„ Stock on hand, 31st March, 1925	361	3	9
„ Wages	31,346	18	10	„ Discounts received	7	7	2
„ Incidental Expenses	43	15	4				
„ Light, Heat, Power	665	6	9				
„ Repairs and Renewals	685	15	11				
„ Purchase of Materials	1,613	17	4				
„ Outwork	42	3	6				
„ Balance carried to Profit and Loss Account, being Gross Profit for the year	12,585	8	3				
	<u>£48,260</u>	<u>14</u>	<u>4</u>		<u>£48,260</u>	<u>14</u>	<u>4</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1925.

	£	s.	d.		£	s.	d.
To Rent, Rates	3,291	7	10	By Balance from Trading Account	12,585	8	3
„ Insurance (Fire)	35	12	1				
„ „ (Compensation)	62	13	11				
„ Telephone	40	12	4				
„ Supervision	1,415	2	8				
„ Depreciation of Plant and Machinery	1,202	1	4				
„ Interest on Capital	609	12	3				
„ Balance carried to Balance Sheet, being Net Profit for the year	5,928	5	10				
	<u>£12,585</u>	<u>8</u>	<u>3</u>		<u>£12,585</u>	<u>8</u>	<u>3</u>

APPENDIX VI.

POST OFFICE SAVINGS BANK—PRINTING BRANCH.

Revenue Account for the Year ended 31st March, 1924.

	£	£		£	£
To Working Expenses :—			By Value of Work Produced :—		
<i>Staff.</i>			Forms	56,609,380	12,889
Wages, including War Bonus	8,512		Deposit Books	1,532,059	4,054
Administration and Clerical Staff	710		Envelopes	21,641,650	5,440
Establishment Charges	40				
Telephone, Postage, Stationery, etc.	20				
Provision for Superannuation, Sick Benefit and Insurance	432			79,783,089	
		9,714	By Sale of Xylonite, Waste Paper, etc.	—	197
<i>Plant.</i>					
Depreciation for Period	757				
Realised by Sale of old Machinery	89				
		668			
Provision for Increased Cost of Renewals and Machinery	2				
Repairs to Machinery	74				
Repairs to Furniture and Premises	110				
Ink, Rollers, Dextrine, Xylonite and Sundries	608				
Cost of Paper Used :—					
Forms	4,069				
Deposit Books	1,153				
Envelopes	2,190				
		7,412			
		8,874			
<i>Rent, Light, etc.</i>					
Rent and Rates	270				
Motive Power, Lighting and Heating	413				
Gas and Water	22				
		705			
To Interest on Capital	—	415			
Excess of Value of Output over Cost	—	2,872			
		22,580			

Balance Sheet at 31st March, 1924.

(08680)

<i>Liabilities.</i>	£	£	<i>Assets.</i>	Mach- inery.	Type, &c.	Furni- ture and Access- ories.	Total.
Savings Bank Fund :—							
Advances on Capital Account at 1st April, 1923	18,329						
Less Reduction of Capital during 1923-24	2,943						
	<hr/>	15,386	Prime Cost at 31st March, 1923 ..	£ 9,223	£ 3,786	£ 329	£
			Less Renewals 1898 to 1923 ..	3,071	1,286	—	
				<hr/>	<hr/>	<hr/>	
Reserve against Increased Cost of Renewals		2,087	Additions in 1923-24	6,152	2,500	329	
				1,057	—	—	
				<hr/>	<hr/>	<hr/>	
			Less Depreciation	7,209	2,500	329	
				3,001	1,611	323	
				<hr/>	<hr/>	<hr/>	
				4,208	889	6	5,103
			Stores in Stock :—				
			Paper	—	—	5,240	
			Miscellaneous	—	—	108	
						<hr/>	5,348
			Savings Bank Fund :—				
			Liability in respect of Accrued Depreciation	—	—	4,935	
			Liability in respect of Reserve against Increased Cost of Re- newals	—	—	2,087	
						<hr/>	7,022
		<hr/>					<hr/>
		£ 17,473					£ 17,473

209

Interest on Capital is calculated at 3 per cent. on Capital Expenditure up to 31st March, 1912, and at the average Bank Rate appropriate to each year for subsequent expenditure.

Depreciation is calculated on the straight line method, and is based on the estimated life of the various classes of machinery and plant. Stock is valued at Purchase Prices.

All normal debits, excluding a charge for fire insurance, are shown in the account.

The Credits consist of the value of the work produced based upon prices fixed by the Stationery Office, and the actual sums realised from the sale of old materials and waste paper.

APPENDIX VII.
ORDNANCE COMMITTEE PRESS.

Working Expenses Account, 1st April, 1922, to 31st March, 1923.

<i>Dr.</i>			<i>Cr.</i>
Particulars.	—	Total.	Particulars.
	£ s. d.	£ s. d.	£ s. d.
<i>Direct Charges.</i>			
(i) Civilian Wages	—	3,121 2 0	By Work done for Chief Inspector of Royal Engineers Stores
(ii) Materials Used.			0 15 7
Paper, etc.	146 8 10		.. Work done for Superintendent of Experiments
Consumable Stores	85 19 11		.. Work done for Group Accounting Officer Corps of Military Accountants, South-Eastern Area
		232 8 9	.. Work done for Research Department
<i>General Standing Charges.</i>			.. Work done for Chief Inspector of Armaments
Accommodation and Quartering.			.. Work done for Royal Artillery Committee
(iii) Rental Value War Department Property	—	152 0 0	.. Work done for Ordnance Committee
			2,802 15 11
<i>Barrack Services.</i>			
(iv) Electric Light and Power	23 0 3		
(v) Gas	29 19 3		
		52 19 6	
<i>Plant and Machinery.</i>			
(vi) Repairs	47 13 2		
(vii) Depreciation	147 8 7		
		195 1 9	
<i>Administrative.</i>			
(viii) Telephones	—	3 5 0	
		£ 3,756 17 0	£ 3,756 17 0

APPENDIX VIII.
DETAILS OF SUPERVISION CHARGES 1922-23.

	Harrow Works.	Hare St Works	Foreign Office Press.	India Office Press.	War Office Press.	Meteorological Office Press.	Total.
Stationery Office Officials engaged entirely at the individual Works.	£ s. d. 1,336 11 9	£ s. d. 822 8 9	£ s. d. 338 11 0	£ s. d. ...	£ s. d. 328 15 9	£ s. d. .	£ s. d. 2,826 7 8
Headquarters Staff engaged entirely on the Works as a whole.	814 10 10	397 7 0	119 3 0	27 16 0	27 16 0	11 18 0	1,498 10 10
Add 14 per cent. for Superannuation	2,251 2 7	1,219 15 9	487 14 0	27 16 0	356 11 9	11 18 0	4,324 18 1
Rent for two rooms at Headquarters	315 3 2	170 15 5	64 1 8	3 17 10	49 18 5	1 13 3	605 9 7
Indirect Supervision of Stationery Office Staff 7½ per cent. on £10,000 (including Superannuation).	622 8 0	270 10 11	81 3 3	18 18 9	18 18 9	8 2 4	780 0 0
Total ..	£3,188 11 9	£1,661 2 1	£802 18 9	£50 12 7	£428 8 11	£21 13 7	£5,950 7 8

STATEMENT SHOWING THE NUMBER OF STAFF WITH THE COST OF SALARIES AND WAGES, AND (WHERE POSSIBLE) THE AMOUNT, EXPRESSED IN MONEY VALUES, OF THE BUSINESS TRANSACTED BY EACH DIVISION OF H.M. STATIONERY OFFICE.

Administration.

5 Controller, Deputy Controller, Private Secretaries etc.,	£4,375
--	--------

Registry.

64 Clerical	£11,579
---------------------	---------

The amount of business transacted in this division cannot be expressed in money values other than the amount of the salaries.

Establishment Division.

	£
17 Clerical	5,502
26 Industrial	3,532
65 Messengerial	8,259
<hr/>	
108	<hr/> £17,293

The only amount of business in this division that can be expressed in money values is that of salaries and wages, viz. :—£371,722 a year excluding wages in the Printing Works.

Accounts Division.

	£
135 Clerical	32,562
47 Technical	14,806
<hr/>	
182	<hr/> £47,368

The amount of business transacted in this division expressed in money values is £3,484,592 a year.

Supplies Division.

	£
62 Clerical	14,736
155 Industrial	30,685
<hr/>	
217	<hr/> £45,421

The amount of business transacted in this division expressed in money values is about £730,000 a year.

Printing and Binding Division.

	£
14 Clerical	2,331
48 Technical	16,936
<hr/>	
62	<hr/> £19,267

The amount of business transacted in this division expressed in money values is about £1,325,000 a year.

Receiving and Examining Division.

	£
14 Clerical	2,729
16 Technical	5,582
41 Industrial	8,954
<hr/>	
71	<hr/> £17,265

The amount of business transacted in this division expressed in money values is about £1,725,000 a year.

<i>Publications Division.</i>								£
68	Clerical	..	..	..	..	..	..	17,559
91	Industrial	..	..	..	..	..	..	18,072
<hr/>								
159								£35,631

The amount of business transacted in this division expressed in money values is about £550,000 a year.

<i>Duplicating and Distributing Branch.</i>								£
297	Clerical	..	..	..	..	..	..	42,145
151	Industrial	..	..	..	..	..	..	26,614
<hr/>								
448								£68,759

No money value can be given expressing the amount of the business transacted in this division which is service for other Government Departments mainly to the relief of their votes.

<i>Printing Works.</i>								£
1	Clerical	..	..	..	..	..	..	168
10	Technical	..	..	..	..	..	..	4,769
1,435	Industrial	..	..	..	..	..	..	250,000
<hr/>								
1,446								£254,937

The amount of business transacted in this division expressed in money values is about £350,000 a year.

<i>Transport Division.</i>								£
12	Clerical	..	..	..	..	..	..	3,600
93	Industrial	..	..	..	..	..	..	18,248
<hr/>								
105								£21,848

The amount of business transacted in this division expressed in money values is about £45,730 a year.

<i>Manchester Branch.</i>								£
124	Clerical	..	..	..	..	..	..	24,806
11	Technical	..	..	..	..	..	..	3,634
236	Industrial	..	..	..	..	..	..	38,498
9	Messengerial	..	..	..	..	..	..	1,105
<hr/>								
380								£68,042

The amount of business transacted in this division cannot be expressed in money values separately from those of the main divisions at headquarters.

<i>Edinburgh Branch.</i>								£
35	Clerical	..	..	..	..	..	..	5,820
6	Technical	..	..	..	..	..	..	1,796
22	Industrial	..	..	..	..	..	..	3,519
3	Messengerial	..	..	..	..	..	..	307
<hr/>								
66								£11,442

The amount of business transacted in this division cannot be expressed in money values separately from those of the main divisions at headquarters.

<i>Cardiff Branch.</i>								£
4	Clerical	..	..	..	..	..	..	505
2	Technical	..	..	..	..	..	..	728
1	Industrial	..	..	..	..	..	..	150
1	Messengerial	..	..	..	..	..	..	129
<hr/>								
8								£1,512

The amount of business transacted in this division cannot be expressed in money values separately from those of the main divisions at headquarters.

<i>Belfast Branch.</i>								£
7	Clerical	..	..	..	..	..	..	1,631
2	Technical	..	..	..	..	..	..	562
3	Industrial	..	..	..	..	..	..	520
<hr/>								
12								£2,713

The Belfast Branch is an agency service, the cost of which is borne entirely by the Government of Northern Ireland.

The amount of business transacted in this division expressed in money values is £42,000 a year.

APPENDIX IX.

THE VOTERS' LIST CONTRACTS.

Copies of Circular letters addressed to their Members by the Federation of Master Printers of the United Kingdom.

24, Holborn,

London, E.C.1.

29th March, 1918.

NOTES FOR GUIDANCE IN TENDERING FOR THE PRODUCTION
OF VOTERS' LISTS.

A number of printers who have had practical experience in producing Voters' Lists in various parts of the country yesterday considered the schedule attached to the Tender Form and the specimen pages submitted by the Stationery Office, and make the following notes for the guidance of those who intend tendering :—

The Contract Forms will probably be issued by the Registration Officers on April 1st, and will be returned by him to the Stationery Office on April 8th, and contracts will be made between April 10th and 15th, so the time for making arrangements is short.

In putting forward prices below which they consider printers would be ill-advised to tender it is suggested that the following points should be kept in mind :—

In arriving at the cost of composition of the first list, the fact that considerable overtime will need to be worked and the output from present-day staffs will in most offices be very much below normal. The dislocation of all other work in the office whilst the lists are in hand should also be taken into account, and the fact that the *original cost* of composition is only charged once, and is not paid for again, throughout the whole term of the contract.

As the type or metal also has to be kept standing right through the whole term, contractors should consider what loss they may sustain if metal alters in value, or that in the case of type locked up in this contract, which might otherwise be available for other work, the outlay for any new type will certainly be on a much higher scale later on.

The difference in the rate of wages paid in various centres, though not as great as formerly, was considered, but it was pointed out that all other items in cost, the use of metal or type, interest and depreciation and insurance of plant, working and general expenses vary only slightly, and that therefore there should be little variation in the prices fixed for the whole country. The undernoted rates are not based on London wages, and higher figures, it is suggested, should be quoted in London and other large centres.

The following were unanimously agreed upon as fair *minimum rates*, and, considering the special difficulties which must be faced by all who

tender under existing conditions, in some centres higher rates should be, and will be, quoted. All present agreed not to quote below these rates :—

	Suggested minimum price to be charged.
	s. d.
<i>For first List of Electors.</i>	
1. For composing and all operations necessary to produce two proofs and two revises per 100 names (per 100)	31 0
2. For authors' corrections to first list per 50 additions, deletions, or alterations (per 50)	23 0
<i>For first Register of Electors.</i>	
3. For authors' corrections to standing type or corrections in proof stages per 50 additions, deletions, or alterations (per 50)	31 0
4. For remaking up, additions of figures, and reference marks per 100 names, as finally printed.. .. . (per 100)	13 0
<i>For List of Electors after the first.</i>	
5. For authors' corrections to standing type per 50 additions, deletions, or alterations (per 50)	25 0
6. For remaking up and all operations necessary to produce two proofs and two revises per 100 names, as finally printed (per 100)	8 4
7. For authors' corrections to standing type per 50 additions, deletions, or alterations (per 50)	31 0
8. For remaking up, alteration of figures and reference marks (per 100)	13 0
<i>For first List of Absent Voters.</i>	
9. For composing and all operations necessary to produce two proofs and two revises per 100 names (per 100)	50 0
10. For authors' corrections to first list per 50 additions, deletions, or alterations (per 50)	33 0
<i>For List of Absent Voters after the first.</i>	
11. For authors' corrections to standing type per 50 additions, deletions, or alterations (per 50)	37 6
12. For remaking up and all operations necessary to produce two proofs and two revises (per 100)	12 6
13. For composing and all operations necessary to produce two proofs and two revises of Lists of Claims and Objections including authors' corrections per 50 names (per 50)	21 0
14. For printing, stitching with wire or thread, cutting, and all operations necessary to complete per 100 copies or less of 4 pp. of folio or quarto or 8 pp. oct., of prints or reprints (per 4 pp.)	20 0
15. Type rent for each completed period of three months for each 4 pages per three months (per page)	2 0

It was noted that the County Lists would involve more labour in the original composition, and therefore 33s. per 100 names was suggested the minimum for County Lists, 31s. applying to Borough Lists.

These rates are based in the main on the assumption that mechanical composition (linotype or monotype), will be used ; if hand composition is adopted to any extent, the rates should be higher.

The smallest number of names which printers will be invited to tender for will be a single polling district.

This is an excellent opportunity for printers to co-operate, as it will certainly need all the resources of the industry to complete the work in the time given.

The Federation officials are in close touch with the authorities, and so far as possible will furnish information.

R. J. LAKE, *Director*.
A. E. GOODWIN, *Secretary*.

24, Holborn,
London, E.C.1.
24th April, 1918.

VOTERS' LISTS.

The Federation of Master Printers have now been able to agree with H.M. Stationery Office within the Schedule of Prices for the production of Lists and Registers of Electors.

An exactly similar Schedule will be sent by the Stationery Office to all who previously quoted the figures recommended by the Federation, and they will be given an opportunity of quoting at a discount or premium on the figures in the Schedule. Tenderers are to be given until Saturday next to submit revised tenders.

It should be understood that the prices in the Schedule are based on day work, and on a minimum compositors' rate of 48s. per week. Where much overtime is expected to be necessary, and where the compositors' rate is above 48s. a suitable premium should be quoted.

It will be noticed that several alterations have been made to bring the scale out of the region of speculation. In the Absent Voters' Lists, where most of the names are expected to exceed one line, and also the County Lists, the price will be at per line and not per name.

Payment is also to be made for proofs in every instance when they are called for.

Payment is also to be made for titles as 25 lines and sub-titles as 10 lines.

The price given for printing includes the charge for dropping forms, dismantling, and putting into storage, and has been adjusted according to the number of copies required.

It will be noted that two rates are given, one if work is done by mechanical, and another for hand composition. If both methods are employed in the same office, the price should be adjusted between the two, and this fact should be stated on the tender form.

REGINALD J. LAKE, *Director*.
A. E. GOODWIN, *Secretary*.

REVISED SCHEDULE

which has been agreed upon by H.M. Stationery Office and the Federation of Master Printers as a basis for tendering for the production of the LIST and REGISTER OF ELECTORS.

SUGGESTED PRICES TO BE CHARGED.

	Mechanical.	Hand.
	<i>s. d.</i>	<i>s. d.</i>
<i>For first List of Electors.</i>		
1. For <i>composing</i> and all operations necessary to produce per 100 names (Author's corrections not to be included here.)	25 0	35 0
2. For <i>Author's corrections</i> to first List (when not due to printer's errors) per 50 additions, deletions, or alterations	20 0	20 0
<i>For first Register of Electors.</i>		
3. For <i>Author's corrections</i> to standing type (when not due to printer's errors) per 50 additions, deletions, or alterations (Not including re-making up, addition of figures and reference marks, or type rent.)	21 0	21 0
4. For <i>re-making up, addition of figures and reference marks</i> , and all operations necessary, per 100 names (as finally printed) (Not including Author's corrections.)	10 0	10 0
<i>For Lists of Electors after the first.</i>		
5. For <i>Author's alterations</i> to standing type (when not due to printer's errors) per 50 additions, deletions or alterations (Not including re-making up or type rent.)	22 6	27 6
6. For <i>re-making up</i> , and all operations necessary to produce two proofs and two revises, per 100 names (as finally printed) (Not including Author's corrections.)	8 9	8 9
<i>For Registers of Electors after the first.</i>		
7. For <i>Author's corrections</i> to standing type, or <i>corrections in proof stages</i> (when not due to printer's errors) per 50 additions, deletions, or alterations (Not including re-making up, alteration of figures and reference marks, or type rent.)	28 0	28 0
8. For <i>re-making up, additions of figures and reference marks</i> , and all operations necessary to produce two proofs and two revises, per 100 names (as finally printed) (Not including Author's corrections.)	10 0	10 0
<i>For first List of Absent Voters.</i>		
9. For <i>composing</i> and all operations necessary to produce two proofs and two revises, per 100 lines (Author's corrections not to be included here.)	25 0	35 0

	Mechanical.	Hand.
10. For <i>Author's corrections</i> to first List (when not due to printer's errors) per 50 additions, deletions, or alterations	20 0	20 0
<i>For Lists of Absent Voters after the first.</i>		
11. For <i>Author's corrections</i> to standing type or corrections in proof stages (when not due to printer's errors) per 50 lines, additions, deletions, or alterations (Not including re-making up or type rent.)	25 0	28 0
12. For <i>re-making up</i> , and all operations necessary to produce two proofs and two revises, per 100 lines (as finally printed)	8 9	8 9
(Not including Author's corrections.)		
13. For composing and all operations necessary to produce two proofs and two revises of <i>Lists of Claims</i> and of <i>Objections</i> , including any Author's corrections, per 50 names	21 0	21 0
*14. For Printing, stitching with wire or thread, cutting, and all operations necessary to complete, per 100 copies or less of 4 pages of folio or quarto, or 8 pages of octavo, whether of first or subsequent editions	}	For 25 copies, 15s. 6d.
		After, per 25 copies, 6d.
15. For <i>type rent</i> , for each completed period of 3 months after the completion of the first List of Electors until the date of termination of Contract—for each 4 pages per 3 months	1 9	6 3

County Lists and Absent Voters' Lists:—All turnover lines will be counted as Names.

All turnover lines to be underneath.

Titles will be counted as 25 Names; Sub-titles, 10 Names.

24, Holborn,
London, E.C.1.
21st May, 1919.

Dear Sir,

VOTERS' LISTS CONTRACTS.

As intimated in the Members' Circular, representations were made to H.M. Stationery Office with regard to the increase in cost occasioned by the reduction in hours and payment for holidays. An offer was received from the Controller, and it was thought advisable for a deputation to call upon him in order to discuss this matter more fully and clear up other questions relating to these contracts. It was subsequently decided to recommend the acceptance of the offer of 5 per cent. to be added to all contract work executed under these contracts after March 3rd, 1919—this percentage not to be added to any previous percentages agreed to in respect of wage advances, but to be added as a separate item to the Bills.

* The price includes charges for dismantling and putting in storage.

The question of payment for proofs was thoroughly discussed, and the Stationery Office contend that payment is only to be made for any more proofs than two and two revises. Several Contractors have claims and disputes for the corrections of numbers in the Absent Voters' List, and the Controller has offered 12s. 6d. per hundred names in several cases, but considers that each case must be decided upon its merits. It was apparently intended that the numbers should not be added until the list was ready for printing, hence the reason for not paying the full rate for corrections.

With regard to the charges for Machining, the deputation strongly urged that each section of the list should be regarded as a unit and odd pages paid for accordingly.

In the case of any particular hardship in the working out of the Scale, Contractors are asked to intimate particulars to this Office.

We understand that in all probability a longer time will be given in future for the production of the list, but the official dates are not yet decided upon.

Yours faithfully,

A. E. GOODWIN, *Secretary.*

24, Holborn,
London, E.C.1.

25th October, 1919.

Dear Sir,

You have probably received official intimation from the Stationery Office of the termination of the contract for the printing of the List and Register of Electors.

We have already advised many Contractors that the Controller is, of course, quite within his rights in issuing this notice under the first clause of the contract, which states that either party is entitled to terminate the contract by notice one month after the completion of any Register.

Many Registration Officers have now been furnished with the new contract form, specimens of the new form for preparing the List and the Register and a schedule of prices prepared by the Stationery Office, which the Federation, however, has not yet had an opportunity of carefully scrutinising.

In some districts tenders are required to be returned as early as Wednesday, the 29th instant. It is suggested that in such cases the Registration Officers should be informed that the time allowed is insufficient to carefully check the schedule figures and determine an equitable premium on the schedule in a contract of such importance.

It is unfortunate that the contract has been terminated at this moment when labour problems in the printing industry are so unsettled, and this difficulty should be kept in mind, and, if necessary, pointed out to the Registration Officer.

The Special Committee appointed are carefully examining the contract and schedule, and you will be advised not later than Wednesday morning as to their views. It is urged that you should await the receipt of this further communication before tendering.

Yours faithfully,

A. E. GOODWIN, *Secretary.*

24, Holborn,
London, E.C.1.

28th October, 1919.

Dear Sir,

The form of tender and schedule of rates for the Voters' List Contract has been carefully scrutinised.

It has been compared with the prices charged under the contract now terminated, and also examined in the light of the experience of the actual cost of producing the Lists under present-day rates and conditions.

The new schedule varies considerably from the old one; composition is reduced by about 40 per cent., but other items, such as the re-making up, are reduced by 50 per cent. and the machining, etc., charge is reduced by 75 per cent. These comparisons are made with machine composition rates as no rates are quoted for hand composition.

Owing to working conditions and equipment varying also the proportion of overtime which may be necessary, the character of the copy and the time given, the schedule should be carefully scrutinised by each contractor, bearing in mind the fact that after the first register is produced the re-making up charge is at a very low rate.

The Federation strongly urges all Contractors to go carefully into this matter themselves, and are of opinion that it will not be possible to execute this contract at remunerative rates unless the following percentages *above* the schedule are added :—

	Per cent.
London and Grade I towns	35
All Grade II and III towns	27½
All Grade IV, V and VI towns	20

As already pointed out, the schedule, which is stated to be based on a wage of 69s. to cover all costs, only provides one set of rates, and therefore in districts where no machine composition is available the contractors should consider if it is at all possible for the work to be done at remunerative rates if the above percentages are quoted.

It is suggested that in tendering the Registration Officers should be informed that no account is taken of demands now under consideration for wage increases or advances in costs in other directions.

Yours faithfully,

A. E. GOODWIN, *Secretary.*

24, Holborn,

London, E.C.1.

31st October, 1919.

Dear Sirs,

With reference to the Circulars issued in reference to the Voters' List Contracts it is gratifying to learn that Contractors have so far confirmed the opinions of the Committee and the recommendations are being followed. Many districts, however, have not yet received the Schedules and Tender Forms and it is important that in every district Associations should arrange for a special meeting if this has not already been done, and that reference should be made to 24, Holborn, if any difficulties arise with regard to the recommendations already made. The Controller of the Stationery Office has informed us that an allowance will be granted if any increases in wages should take place during the period covered by the contract. There may possibly be some delay before the result of the tendering will be known, but we shall endeavour to keep you informed.

Yours faithfully,

A. E. GOODWIN, *Secretary.*

24, Holborn,

London, E.C.1.

6th November, 1919.

Dear Sir,

The Emergency Committee dealing with the Voters' List Contracts met to-day and reviewed the position, and I am directed to ask you to advise at once all members in your area who hold Voters' List Contracts that so far as we can ascertain, tenders have been submitted from many districts on the lines of the figures recommended by the Committee, namely, 35 per cent. for Grade I towns, 27½ per cent. for Grade II and III towns, 20 per cent. for Grade IV, V and VI towns.

Several Contractors have stated that they consider that these percentages will probably not be found adequate after the first list is produced, but we do not recommend any higher figures being quoted.

In many districts the Schedules have not yet been issued and definite contracts are not likely to be issued until the 20th.

In tendering, Contractors should make it clear that they have not taken into account the increase in wages which will come into operation next week, as if this is done we shall be able to negotiate for an advance on the contract figures at a subsequent date.

The Committee are firmly of opinion that if the figures recommended are adhered to, there is every likelihood that work will not be transferred to the other areas.

Kindly see that we are advised of the action taken in your district.

Please do not fail to communicate the contents of this letter to your members without delay.

Yours faithfully,

A. E. GOODWIN, *Secretary.*

APPENDIX X.

SURVEYS OF GREAT BRITAIN ESTIMATES 1924-25.

(1) <i>Vote for Surveys of Great Britain (Class I, 11).</i>		
Maintenance, revision and publication of the maps of Great Britain on the 1-inch and smaller scales in outline and with hills		£ 52,590
Maintenance, revision and publication of the 6-inch and 25-inch maps of Great Britain		159,660
Work for which repayment is made		1,750
Services for the War Office		12,000
Services for the Admiralty		500
Services for the Air Ministry		2,400
Services for the Geological Survey		8,000
Services for the Stationery Office		400
Services for other Public Departments		7,000
Expenses connected with the sale of Ordnance and Geological Survey Maps		2,500
		<hr/> £246,800
(2) <i>Included in other Departmental Estimates.</i>		
Buildings, Rents, Furniture, Fuel and Light, &c., Class I, 10		£ 5,100
Rates, Class I, 13		1,300
Stationery and Printing, Class II, 30 :—		
Publications, Parliamentary and Non-Parliamentary ..		140
Printing, Paper, Books, &c.		835
Office Supplies		300
Superannuation, &c., Class VI, 1		45,924
Post Office, Revenue Departments, No. 3		1,479
		<hr/>
Total expenditure		£301,378
<i>LESS :—</i>		
Sale of Maps, &c.*		£ 47,000
Work for which repayment is made		1,750
Royalty Payments and other Miscellaneous Receipts		4,000
Services for War Office		12,000
Services for Admiralty		500
Services for Air Ministry		2,400
Services for Geological Survey		8,000
Services for Stationery Office		400
		<hr/>
		76,050
		<hr/>
Total		£225,328

* In addition, it is estimated that the following amounts will be paid over to H.M. Stationery Office and the Department of Scientific and Industrial Research respectively.

H.M. Stationery Office—Sale of Map Catalogues and Geological Memoirs	£ 400
Department of Scientific and Industrial Research—Sale of Geological Maps	800

APPENDIX XI.

**List of Societies Federated to the Printing and Kindred
Trades Federation of the United Kingdom.**

Typographical Association.
 London Society of Compositors.
 National Union of Printing, Bookbinding, Machine Ruling and Paper
 Workers.
 Scottish Typographical Association.
 National Society of Electrotypers and Stereotypers.
 Amalgamated Society of Lithographic Printers.
 Amalgated Society of Litho Artists, Designers, Engravers and Process
 Workers.
 National Union of Journalists.
 Association of Correctors of the Press.
 National Society of Operative Printers and Assistants.
 Printing Machine Managers' Trade Society.
 Amalgamated Society of Paper Makers.
 The Society of Women Employed in the Bookbinding and Kindred Trades.
 Platen Printing Machine Minders' Society.
 Amalgamated Typefounders' Trade Society.
 National Union of Press Telegraphists.
 Original Society of Papermakers.
 Amalgamated Association of Pressmen.
 London Society of Machine Rulers.
 London Society of Lithographic Music Printers.
 Pattern Card Makers' Society.
 Map and Chart Engravers' Association.
 London Society of Music Engravers.

APPENDIX XII.

STATEMENT SHOWING WAGE VARIATIONS OF COMPOSITORS.

Manchester, Birmingham, Bolton, St. Albans, Worcester and Oswestry, are taken as typical of Provincial towns as they become Grades I to VI towns, respectively, under the March, 1919, grading. At this date also the hours were universally reduced from 50 to 48 per week, and payment for bank holidays and one week's annual holiday agreed to.

London.			Manchester.			Birmingham.			Bolton.			St. Albans.			Worcester.			Oswestry.		
	£	s. d.		£	s. d.		£	s. d.		£	s. d.		£	s. d.		£	s. d.		£	s. d.
Pre-war	1	19 0	Pre-war	1	18 6	Pre-war	1	17 6	Pre-war	1	16 6	Pre-war	1	12 0	Pre-war	1	12 0	Pre-war	1	10 6
Oct., 1915	2	1 0	May, 1916	2	0 6	Oct., 1916	2	0 0	Feb., 1916	1	18 6	May, 1916	1	14 6	Aug., 1916	1	15 0	July, 1916	1	12 6
April, 1916	2	2 0	Nov., 1916	2	2 6	Feb., 1917	2	3 0	Mar., 1917	2	0 0	Feb., 1917	1	17 6	Oct., 1917	1	19 0	Oct., 1917	1	17 6
Oct., 1916	2	5 0	June, 1917	2	10 0	Aug., 1917	2	9 0	Oct., 1917	2	6 6	Nov., 1917	2	1 6	April, 1918	2	8 6	Aug., 1918	2	5 0
June, 1917	2	9 0	Jan., 1918	3	0 0	Feb., 1918	2	19 0	Mar., 1918	2	16 6	May, 1918	2	9 6	Oct., 1918	2	18 6	Jan., 1919	2	12 6
Nov., 1917	2	13 0	July, 1918	3	10 0	Sept., 1918	3	9 0	Sept., 1918	3	6 6	Nov., 1918	3	0 0						
Jan., 1918	2	15 0																		
April, 1918	3	2 6																		
Oct., 1918	3	12 6																		

At this point the towns were graded and increases and decreases (except in London) were uniform throughout the country.

London.	Grade I.	Grade II.	Grade III.	Grade IV.	Grade V.	Grade VI.														
	£	s. d.		£	s. d.		£	s. d.		£	s. d.		£	s. d.		£	s. d.			
Mar., 1919	—	—	Mar., 1919	3	15 0	Mar., 1919	3	12 0	Mar., 1919	3	9 0	Mar., 1919	3	8 0	Mar., 1919	3	8 0	Mar., 1919	3	0 0
June, 1919	3	17 6	June, 1919	—	—	June, 1919	—	—	June, 1919	—	—	June, 1919	—	—	June, 1919	—	—	June, 1919	—	—
Nov., 1919	—	—	Nov., 1919	4	1 0	Nov., 1919	3	18 0	Nov., 1919	3	15 0	Nov., 1919	3	12 0	Nov., 1919	3	9 0	Nov., 1919	3	8 0
Dec., 1919	4	5 0	Dec., 1919	—	—	Dec., 1919	—	—	Dec., 1919	—	—	Dec., 1919	—	—	Dec., 1919	—	—	Dec., 1919	—	—
Jan., 1920	—	—	Jan., 1920	4	2 6	Jan., 1920	3	19 6	Jan., 1920	3	16 6	Jan., 1920	3	13 6	Jan., 1920	3	10 6	Jan., 1920	3	7 6
June, 1920	4	15 0	June, 1920	4	12 6	June, 1920	4	9 6	June, 1920	4	6 6	June, 1920	4	3 6	June, 1920	4	0 6	June, 1920	3	17 6
Nov., 1920	6	0 0	Nov., 1920	4	17 6	Nov., 1920	4	14 6	Nov., 1920	4	11 6	Nov., 1920	4	8 6	Nov., 1920	4	5 6	Nov., 1920	4	2 6
Oct., 1921	4	15 0	Oct., 1921	4	12 6	Oct., 1921	4	9 6	Oct., 1921	4	6 6	Oct., 1921	4	3 6	Oct., 1921	4	0 6	Oct., 1921	3	17 6
Jan., 1922	—	—	Jan., 1922	4	10 6	Jan., 1922	4	7 0	Jan., 1922	4	4 0	Jan., 1922	4	1 0	Jan., 1922	3	18 0	Jan., 1922	3	15 0
July, 1922	—	—	July, 1922	4	7 0	July, 1922	4	4 0	July, 1922	4	1 0	July, 1922	3	18 0	July, 1922	3	15 0	July, 1922	3	12 0
Sept., 1922	—	—	Sept., 1922	4	4 0	Sept., 1922	4	1 0	Sept., 1922	3	18 0	Sept., 1922	3	15 0	Sept., 1922	3	12 0	Sept., 1922	3	9 0
Nov., 1922	—	—	Nov., 1922	4	1 0	Nov., 1922	3	18 0	Nov., 1922	3	15 0	Nov., 1922	3	12 0	Nov., 1922	3	9 0	Nov., 1922	3	6 0
Dec., 1922	4	11 0	Dec., 1922	—	—	Dec., 1922	—	—	Dec., 1922	—	—	Dec., 1922	—	—	Dec., 1922	—	—	Dec., 1922	—	—
Jan., 1923	4	9 0	Jan., 1923	—	—	Jan., 1923	—	—	Jan., 1923	—	—	Jan., 1923	—	—	Jan., 1923	—	—	Jan., 1923	—	—
May, 1923	—	—	May, 1923	3	17 6	May, 1923	3	14 6	May, 1923	3	11 6	May, 1923	3	8 6	May, 1923	3	5 6	May, 1923	3	2 6

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