

A BRIEF HISTORY OF THE *FINANCIAL TIMES*

by David Kynaston, author of *The Financial Times: A Centenary History*

A crucial merger

It was the merging of two small City newspapers in 1945 that saw the creation of the *Financial Times* as we know it today. The two papers that came together that year were the *Financial News* and the *Financial Times*. The merger created a single paper, the modern *Financial Times*, that soon began to obtain a breadth and stature previously unknown in financial journalism. The *FT* of the new millennium is, in a very real sense, the progeny of that fortunate partnership over sixty years ago.

The older of the two original papers was the *Financial News*, which was established in 1884 and initially called the *Financial and Mining News*. Its founder, and editor for some twenty-five years, was the energetic and not always scrupulous Harry Marks, who in the 1880s realised the potential that existed for a lively and well-informed daily financial paper. The new publication's focus – the City of London – was then at the height of its international influence and importance: the Gold Standard reigned supreme and the London Stock Exchange was burgeoning. There were other financial papers and journals already in existence, but none that covered the stock market as thoroughly, and offered such trenchant advice, as the *Financial News* under Marks now did.

The birth of the FT

Four years later there appeared a rival to the *FN* in the form of the *Financial Times*, which launched on 13 February 1888. On its masthead it claimed to be 'Without Fear and Without Favour' and boldly described itself as the friend of 'The Honest Financier' and 'The Respectable Broker', the enemy of 'The Unprincipled Promoter' and 'The Gambling Operator'. Control of the *FT* passed through several hands during its first year, including those of the notorious company promoter Horatio Bottomley, but by 1889 it was under the firm and capable management of Douglas MacRae, a printer by trade who never lost his faith that there was room for an alternative financial daily to the *FN*. The early years proved a hard struggle, but in 1893 he displayed a stroke of marketing genius by deciding to have the *FT* printed on pink paper, immediately distinguishing it from its various rivals. Two years later the famous 'Kaffir boom' in South Africa gold mining shares took place, leading to hectic scenes on the Stock Exchange and surrounding streets. With the resultant upsurge of readership and advertising, the permanent future of the *FT* was assured.

The stockbroker's Bible

Over the next twenty years, until the First World War, the *FN* and *FT* were indisputably the two leading financial dailies, and seem to have been roughly on a par with each other in terms of circulation, profits and overall reputation. The war, however, proved a turning-point. Under the editorship of a brilliant but unbalanced journalist, Ellis Powell, the *FN* made the profound mistake of turning itself into a crude propaganda sheet designed to cover the so-called 'Unseen Hand' of traitors in high places. It was a campaign that fundamentally alienated the paper's City readership, which was still its core constituency, placing accurate reportage at a

premium, and dismissive of subjective rhetoric. By contrast the *FT* continued on its sober way and increasingly became known as ‘the stockbroker’s Bible’. From 1919, it was owned by the astute Berry Brothers, who already owned the *Sunday Times* and who later took over the *Daily Telegraph*. Limited in range and often dull, but utterly reliable in its coverage of all the relevant financial news, the *FT* of the twenties and thirties was undeniably the ‘right stuff’ as far as its almost uniformly bowler-hatted readers were concerned.

Meanwhile, from the mid-twenties, the *FN* gamely tried to fight back under a series of distinguished editors. The newspaper adopted a policy of recruiting bright young journalists, creating a more outward-looking and thoughtful paper than the *FT*.

Among those on the *FN*’s team during these inter-war years were Paul Einzig who began the acclaimed ‘Lombard Street’ column on monetary matters, Otto Clarke who initiated the celebrated 30-Share Index later taken over by the *FT*, and the young Hammond Innes before he turned to writing thrillers. Orchestrating the paper’s affairs from 1928 was its chairman Brendan Bracken, dynamic, often brash, and of seemingly limitless self-confidence. He was already an intimate of Winston Churchill, became Minister of Information during the Second World War, and was reputedly the prototype for the character of Rex Mottram in Evelyn Waugh’s novel *Brideshead Revisited*. But for all the talent at the *FN*’s disposal in these years it was a depressingly uphill fight, especially during the slump of the early thirties. The paper nearly went to the wall, and its circulation was never more than about a third of the *FT*’s level of some 30,000.

Two papers become one

It was a pattern that probably would have continued after the war, but for the rather capricious decision in 1945 by the *FT*'s owner Lord Camrose (the father of William Berry) to offer his paper to the *FN*. He did so partly because of poor health, partly because he wished to concentrate the family energies on the *Daily Telegraph*, but above all because he anticipated (unlike most people) a Labour victory in the general election later in the year and did not believe that in the changed post-war conditions the City would be able to sustain two financial dailies. Bracken, on behalf of the *FN*, responded to the offer with alacrity, managed with some difficulty to meet the purchase price, and on 1 October 1945 the two papers became one – taking the name of the *FT* on account of its higher circulation, greater commercial clout, and also no doubt its pink paper.

Combining industrial and financial coverage

The *FN* thus nominally died as a paper, but its spirit very much lived on through the people who now took the top jobs on the new merged *FT*. Chairman of the new *FT* was Bracken; editor was the former *FN* editor Hargreaves Parkinson (who had also founded the 'Lex' column, now transferred to the *FT*); and day-to-day management was the responsibility of the managing director, Bracken's protégé Lord Moore, later Lord Drogheda. Severe newsprint restrictions handicapped the growth of the paper, but under Parkinson's far-sighted editorship, the *FT* now took its first tentative steps towards embracing industrial as well as financial coverage. In 1949 Parkinson retired early because of ill health and was succeeded by Gordon Newton, who had also come up on the *FN* side.

The choice was not an obvious one but proved a masterstroke on Bracken's part. Over the next 23 years Newton revealed himself to be one of the great Fleet Street editors of the twentieth century. He was in no way an intellectual, but he had an almost uncanny affinity with his readership. He did not write himself, but was the surest of judges about what comprised effective journalism. He consistently expanded the paper's horizons, but never forgot that ultimately it had to remain a practical paper for practical people. His news values were instinctive, his insistence on accuracy unstinting, and his own appetite for work infinite. There has been no more important person in the history of the paper.

Encouraging wider readership

During the first half of the 1950s, as the newsprint restrictions eased, Newton not only fulfilled Parkinson's legacy by introducing a thorough industrial and labour coverage, but also tightened up and expanded the paper's traditional financial coverage, ensuring that the City remained the *FT's* unbreachable 'citadel'. In 1953 it celebrated its 20,000th issue and took advantage of the occasion to introduce under the masthead the words 'Industry', 'Commerce' and 'Public Affairs', words which over the next decade provided daily testimony to enhanced ambitions and widening readership. That same year Newton, encouraged by Moore, took the first step to what would become the *FT's* celebrated Arts page, beginning with a review of Graham Greene's play *The Living Room*. Newton also began to pursue the systematic and fruitful policy of recruiting two or three journalists each year direct from Oxbridge, including such subsequently illustrious figures as William Rees-Mogg and Nigel Lawson, both of whom served valuable apprenticeships on the expanding *FT*.

The pace of change did not let up. In 1957 the paper was taken over by Pearson, then a holding company with such diverse interests as oil and media. This development allowed much greater access to capital resources than had previously been the case. In 1958 Bracken died, but the following spring received a fitting memorial when the paper moved to Bracken House in Cannon Street, commanding a fine view of St Paul's and where the paper would stay until moving just south of Southwark Bridge in 1989. During the late fifties and early sixties, as the stock market boomed and Britain was assured that it had 'never had it so good', so the *FT* prospered too, attaining by 1961 an average circulation of over 132,000 – over double what it had been when Newton became editor. To most intents and purposes it had 'arrived' as one of the select band of national quality papers.

A major challenge

Newton had a final major challenge to face during his editorship. This occurred in 1967 when *The Times*, under new ownership, launched a pull-out section of business news, representing a clear threat to the *FT*'s quasi-monopoly in that area. Newton successfully countered by reaching out for a still broader readership, introducing in quick succession the Technical (later Technology) page, the Executive's World (later Management) page, and in the Saturday paper the memorably entitled How To Spend It page (from 1994 in magazine format). Over the following few years Newton also oversaw the rapid expansion of the paper's foreign coverage, with a key role being played by the young foreign editor, J.D.F. Jones, so that by the early seventies there was hardly a paper in the world with as many full-time foreign correspondents as the *FT*. Newton retired at the end of 1972, leaving behind a transformed paper, a

circulation of some 190,000 and a pervasive ethos of integrity and commitment to journalistic truth.

Redefining the FT

Newton's successor was Fredy Fisher, who was German by origin, internationalist by temperament, and well-equipped to take the *FT* into a further phase of its development. Under his editorship the paper not only became more professional and better produced, but also engaged in a certain process of redefinition, improving once more its specialist areas of coverage (above all of the thriving and increasingly important Euromarkets) and accepting that in certain 'non-economic' spheres it was not going to compete with the general press. This process of redefinition was furthered by the decision, implemented in 1979, to start printing in Frankfurt an edition for European consumption. By the early eighties the *FT* embodied an international approach, seeking to provide a complete editorial service for the international businessman that no other British paper came close to matching.

No FT... no comment

The rest of the decade, under the quietly authoritative editorship of Geoffrey Owen from 1981, saw continuing progress, helped for most of the period by buoyant stock markets, liberalising capital markets and intense financial activity as a whole. There was also a remarkably successful advertising campaign in Britain based on the 'No *FT*... no comment' slogan, which quickly became part of everyday vernacular.

During 1986, circulation for the first time passed the 250,000 mark, with a quarter of

the sale coming from overseas. Printing in New York (from 1985) as well as London and Frankfurt, providing unrivalled international company news, and from 1987 publishing the first daily world share index, the *FT* had become one of the very few genuinely international papers as it completed its first century. That landmark, in February 1988, was celebrated by a memorable banquet at London's Guildhall, where the guest speakers were Nigel Lawson, then at the height of his reputation as Chancellor of the Exchequer, and Paul Volcker, the leading central banker of his generation.

A global paper in the era of globalisation

The two decades since the paper's centenary have been dominated by the forces of globalisation – making the world economy, for the first time, close to a seamless whole. Under a series of editors (Richard Lambert from 1991, Andrew Gowers from 2001, Lionel Barber from 2005), the *FT* has, arguably more than any other paper in the world, both covered and mirrored that process, all against the hugely helpful backdrop of English becoming ever more the universal language of business. Meanwhile, other UK newspapers have significantly cut back on their international coverage and number of foreign correspondents, leaving a vacuum that the *FT*, already thoroughly international, has been more than willing to fill. Many journalists have contributed to the paper's authoritative treatment of the new world economy of the 1990s and 2000s, though perhaps none more notably than Martin Wolf, its leading economics commentator. Deeply committed to capitalism for political as well as economic reasons, but never retreating to market fundamentalism, he has exemplified the *FT*'s very best, most enduring values.

Different platforms, core product

The *FT*'s readership in these years has been transformed. After Paris in 1988 and Tokyo in 1990 had become the third and fourth non-UK places to print the *FT*, Madrid, Stockholm and Los Angeles all followed in 1995, the same time as the international edition was being relaunched. Other landmarks continued thick and fast: printing in Hong Kong (1996); launch of the US edition (1997); printing in Milan and Chicago (1998); non-UK circulation overtaking UK circulation (1988), printing in Boston and San Francisco (1999); printing in Dallas, Miami, Kuala Lumpur and Seoul (2000); the launch of the German-language *FT Deutschland* (2000); total circulation hitting an all-time high of over 500,000 copies per day (2001); digital printing in South Africa (2002); printing in Dubai and Atlanta (2003); printing in Sydney (2004); the launch of the Middle East edition (2008). Importantly, different editions, for all their local variations, have been recognisably the same core, *FT* product – a product readily identifiable not only because of the pink paper, across continents and time zones.

Hard copy, of course, has not been the only platform in these years. The website FT.com was launched as early as 1995, followed in 2002 by a relaunch and the introduction of subscription services. By the end of that year, unique monthly users had reached 3.2 million and page views over 50 million. Over the succeeding years the paid-for model remained unusual among newspaper websites, but by 2009 it was becoming clear that other titles were going to have to move towards it in order to sustain commercial viability. There is also now an increasingly popular Chinese-

language *FT* website, reflecting a significant hunger for objective news and business coverage.

The FT today

The *FT* today, whether delivered through hard-copy or online, remains in its underlying ethos recognisably the paper that Gordon Newton did so much to create half a century earlier: sober, detached and with an obstinate, unyielding separation between fact and comment. ‘We live in financial times’ became the new UK advertising slogan in 2007, just as the global financial crisis was starting to unfold – a crisis that brought out the very best in not only the paper’s uniquely global reportage, but also a more newfound ability to be at the very heart of the debate about the possible remedies to that crisis, in both the immediate and more long-term future. Times are unlikely to become less financial in the century’s second decade, and the *FT* will almost certainly remain an indispensable guide to those times.