

## The Finances of the Society 1944–1986

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### 4.1 Introduction

Since 1944, five Honorary Treasurers have been in charge of the Society's finances. All have had to face different problems and all have dealt satisfactorily with their particular difficulties, although occasionally activities outside their control made the situation "touch and go"; deft reactions in these cases saved the day. The Society owes a great deal to the Honorary Treasurers, whose hard and effective work has turned the Society into a thriving organization with resources sufficient to allow all the developments outlined in Chapter 3. The reserves they have accumulated should be able to deal with any future contingencies. In short, they have built up a financial structure to support "a forward-looking and virile organization" (J. H. Bushill, Honorary Treasurer, 1944–1954, Fig. 4.1).

The period of office of each of the Honorary Treasurers who served since 1944 covers about ten years and coincides more or less with the different phases of the Society's post-Second World War developments. The rest of the Chapter will thus be sectionalized to consider the developments which occurred under each Honorary Treasurer, although there are obvious overlaps.

### 4.2 1944–1952 (J. H. Bushill)

Towards the end of the Second World War came the end (1944) of the term of office of that stalwart J. A. Gardner, who had been Honorary Treasurer for 31 years since the establishment of the Society in 1913. His successor was J. H. Bushill, who had served as Assistant Honorary Treasurer under



Fig. 4.1. J. H. Bushill. Honorary Treasurer, 1944–1952.

Gardner from 1941 to 1944. Bushill, who was in office until 1952, saw the Society pass from a period when it was in a condition of delicate financial equilibrium to one in which the increasing number of members and the increasing sale of the *Biochemical Journal* resulted for the first time in the accumulation of reserves, albeit small. This latter development did not please some members, who believed that profit-making was not compatible with the activities of a Learned Society. This as an end in itself is undoubtedly so, but it was also vitally important in order to capitalize the Society so that it would have a buffer against future problems as well as a springboard for developing further activities necessitated by the buoyant development of the science of Biochemistry. This niggling attitude to accumulating surpluses kept recurring over the years but Bushill, in a letter to R. A. Morton, was the first to point out that:

“When the annual financial reports were presented, it was not unusual for someone to point a finger at the surplus of income over expenditure and say that the accumulation of money was not the function of the Society. Some attempts, which deceived no one, were made at hiding the surplus by transferring money to a ‘contingency’ account and to justify such action by drawing attention to the continuing rise in the cost of publishing the *Journal*. It was emphasized that, with the increasing size and activities of the Society, paid secretarial and clerical assistance would some day be needed. That was a serious contingency against which, it was stressed, the Society must be prepared.”

However, the ‘non-profit’ lobby won the day over the pricing of the Society Symposia which were introduced in 1948. The remit to introduce such publications contained a statement that the aim should be to market them as cheaply as possible. “It required inspired crystal gazing to decide upon the number to be printed in order that costs and receipts should balance” was the response of a somewhat disillusioned Honorary Treasurer.

To help with the everyday accounting of the Society’s finances, Dr Bushill used the services of Mr H. Mears, one of his colleagues in J. Lyons & Co. At the end of his period with the Society, Mr Mears was presented with a gold watch in recognition of his services.

One important act of Bushill was to use a stockbroking firm, Messrs. C. F. Chance & Co., to raise the Society’s portfolio of investments.

#### 4.3 1952–1962 (F. A. Robinson)

Dr F. A. Robinson (Fig. 4.2) took over from Dr Bushill in 1952 and served the Society for ten years. The financial situation over this decade was well summed up in a letter (3 July 1968) from Robinson to R. A. Morton:



Fig. 4.2. F. A. Robinson, C.B.E.  
Honorary Treasurer, 1952–1962.

"During 1951 I had various discussions with J. H. Bushill so that when I took over from him as Treasurer at the A.G.M. in April 1952, I was well briefed as to how things were going. I was also able to obtain the services of an accountant, Mr Mann from Allen & Hanburys [Robinson's employers] and this proved to be very necessary as the amount of money being handled increased rapidly from year to year. In 1951/1952 the finances were not in very good shape and in September 1952, the committee recommended that the subscription be increased to £3.10.0 (£3.50) [£35] per annum and this was argued at a General Meeting held in March 1953; however, A. L. Bacharach (see Chapter 3) and other members criticized the decision to increase the subscription when the Society had such large reserves, but the meeting nevertheless, agreed to the increase. In fact, we only lost 97 members [out of some 2000] as a result of the increased subscription and we had a credit balance of £1,000 [£10,000] at the end of the financial year in 1954. I estimated that had we not increased the subscription, we would have had a deficit of £1,800 [£17,000].

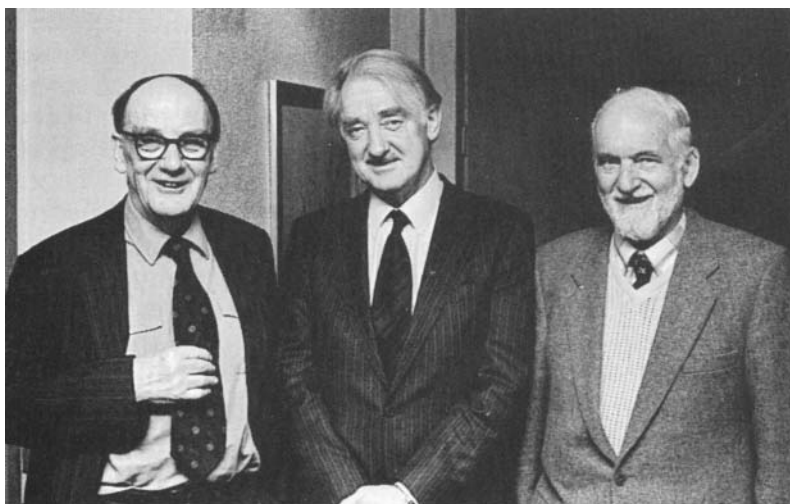
"In 1955, we had a surplus of £2,800 [£25,000] which aroused no comment at the A.G.M. and in 1956 a surplus of £6,000 [£51,000] which was actually greeted with acclamation! In 1957, however, the surplus was only £474 [£3900] as the cost of printing the *Journal* had risen considerably. In fact it cost three times as much as in 1950. In 1958 the surplus was again high, about £4,000 [£31,600] although costs had continued to rise. Each subsequent year ended with a surplus, largely because non-member subscribers paid for the *Journal* by volume and not by an annual subscription. Thus as the *Journal* increased in size, the number of volumes published per annum increased, so that non-member subscribers paid correspondingly more and, in fact, increases in cost were largely met by this increased income from sales. Unfortunately I failed to maintain my regular sum of surpluses and finished with a deficit of £2800 [£20,300] at my last A.G.M. in 1962."

In spite of the difficulties noted by Dr Robinson, the 1950s represented a decade of some stability within the Society when financial affairs in the world at large were anything but stable. However, the deficit in 1962 was a signal of problems to come. The Society's investment policy during this period has been criticized, although on the suggestion of R. H. A. Plimmer (Fig. 1.2), the Honorary Treasurer and the Trustees met Chance Bros in 1954 and the Society's portfolio was reorganized to give an increased income of £120 [£1120] per annum and, at the same time, the Society's money was invested in securities with a better chance of capital appreciation in the long run. However, the investments were still operated under the assumption that the Society was under the control of the Charity Commissioners; that is, investments had to be in gilt-edged securities. That this assumption was unwarranted did not emerge until 1960 when the Trustees sought legal advice on the matter. It transpired that there were no restrictions in

the power of investment if it lay with the Committee and not with the Trustees. On the advice of the Society's solicitor an amendment was made to one of the Rules making it clear that Trustees should "deal with the same (i.e. investments) as directed by the Committee". In April 1960, one third of the Society's gilt-edged securities were sold and shares in twenty different industrial equities were bought. The Trustees were then invited to accept responsibility for the investments made on the Committee's behalf. The Trustees felt that their position was now becoming untenable and their reaction to the new situation accelerated the Society's decision to become incorporated (see Chapter 3). This rather late move into equities occurred according to one critic after "the steam had gone out of the stockmarket", that is after the huge increase in the price of equities which occurred in the later 1950s.

#### 4.4 1962–1972 (W. F. J. Cuthbertson)

Dr Cuthbertson (Fig. 4.3) took over from Robinson in 1962, inheriting not only a deficit budget but pressure for increased support for various Society activities; in particular, the *Journal* was still increasing in size. Furthermore, inflation was beginning to be significant and the Society had no permanent home. There was no alternative but to raise the subscription from £3.10.0 (£3.50) to £5 [£36] per annum. At the same time, two new categories of membership were introduced: student membership and joint husband and wife membership. The justification for the student differential was that students, unlike staff, could not claim tax rebate on the membership fee. The joint membership included only one copy of the *Biochemical Journal*; in fact, the realization that the *Journal* was being distributed to members at a loss was probably the



**Fig. 4.3.** Three Honorary Treasurers (left to right): W. F. J. Cuthbertson, O.B.E., 1962–1972; B. Spencer, since 1981; D. F. Elliott, 1972–1981. (Photographed at a reunion lunch, 23 October 1985, held as part of the 75th Anniversary celebrations.)

turning point which led finally to the Committee's acceptance of the joint membership. The fees for 1963 were set at £2.10.0 (£2.50) [£25.75] for students and £7.10.0 (£7.50) [£53] for husband/wife members.

Meanwhile the Society was anxiously looking for a new home and, as indicated in Chapter 3, the present headquarters was bought for £57,094 [£345,000], which entailed the sale of about 70% of the total investments of the Society. This was a brave decision and, apart from all the advantages which accrued from having a headquarters, the Society benefited significantly from the investment. At the time of writing (1986) 7 Warwick Court is valued at "in excess of £500,000".

By 1966 the Society was in the absurd position that any newly recruited members represented a liability of £3.15.0 (£3.75) [£23.75]. The annual outlay per head for general activities was £4.5.0 (£4.25) [£27.50], the annual cost of the *Biochemical Journal* per head (run-on cost) was £4.10.0 (£4.50) [£28.50] and the annual subscription was £5.00 [£31.95]. In addition the acquisition of headquarters would inevitably incur increased administrative costs. There was no doubt that an increase in the annual subscription was again justified. The Finance Committee recommended an increase to £8.00 [£51.00] and proposed a new concept — membership without the *Biochemical Journal* at £3.10.0 (£3.50) [£22]. This idea was firmly resisted by a group of members on the grounds that it would change the character of the Society. It was the duty, they maintained, of the Society to provide a subsidized *Journal* to each member and, furthermore, the profit made by *Journal* sales to non-members should be used to this end and not to develop new activities which the Officers, in their turn, felt were beneficial to the future well-being of the Society.

Eventually, it was decided to air these problems in the Agenda Papers and the issue for April 1967 printed three statements. The first contained the Committee's views on the future organization of the Society's meetings and publications and advocated the new subscription structure. This was followed by an, "opposition" statement drawn up by the three protagonists, J. D. S. Bacon, G. A. Levvy and C. F. Mills. Finally, the third statement gave the Officers' considered answer to the points raised by Dr Bacon and his colleagues.

Another problem closely associated with the change in the subscription pattern was the proposal that Proceedings, the unedited abstracts of Communications to the Society, Symposia lectures etc., which were printed in the *Journal*, should be published separately. The new Proceedings would be distributed with the Agenda Papers and thus give members better value for their basic subscription. This proposed change was also vigorously challenged.

The proposal to introduce the two tier subscription arrangement was passed at the A.G.M. on 13 April 1967; however,

the majority was not large enough to carry the motion under the Rules of the Society. In contrast, the proposal to separate Proceedings from the *Journal* was lost. At an Extraordinary General Meeting called at Oxford in July 1967, the subscription change was passed with the necessary three-quarters majority and paragraph 14 of the Articles of Association was appropriately modified. Unfortunately, as the Society had only recently been incorporated (see Chapter 3), there appeared to be some confusion over the arrangements for proxy voting at the E.G.M. Those who had organized the opposition to the subscription proposal felt that if the rules had been applied correctly the three-quarters majority might not have been reached. However, there was no means of knowing whether or not a similar number of 'yes' proxies were also mislaid. The most important outcome of the incident was the realization that voting at the end of a long General Meeting when members are drifting away is not perhaps the best way of settling controversial issues. A ballot of all members is probably preferable.\*

The subscriptions finally set for 1967 were £3.10.0 (£3.50) [£21.50] for membership without the *Journal* and £9.00 for comprehensive membership. It was also accepted at the E.G.M. that in future the members' subscription rate for the *Journal* should be brought before the A.G.M. each year and should be less than the run-on cost. The Committee eventually agreed that the price should be "within 70–100% of the run-on cost as assessed by the auditors on the latest figures available". The subscription to the *Journal* for non-members was at this time £27.10.0 (£27.50) [£168].

The problem of the members' subscription to the *Journal* again became acute towards the end of the Cuthbertson decade, mainly because inflation was beginning to bite, as emphasized by considering the "today's prices" quoted in this chapter. By 1970 it was clear that the service cost to each member was higher than the membership fee: £4.9.5 (£4.47) [£22], which would rise to an estimated £5.8.1 (£5.41) [£29] by 1971. It will be remembered that the annual subscription at the time was still £3.50 [£19]. The fact that *Biochemical Society Transactions* was under active discussion at the time (see Chapter 6) made it rather unwise to take a proposal for increased subscriptions to an A.G.M. until 1972; however, this meant that implementation would not be possible until 1973. To add to the difficulty of holding prices steady, the members' subscription rate for the *Journal* was already down by June 1970 to 73% of the run-on cost and was forecast to be below 70% by the end of the year. It would then stand at £8.472 p.a.

\* A fascinating view of the "politics" of the discussions which eventually led to the changes enumerated in this Section has been provided by Dr J. D. S. Bacon. The manuscript has been deposited in the Society's Archives.

[£46], which would rise to £9.732 [£52.50] if the increased postage rates due to come into force in 1971 were taken into account. On this evidence the members' subscription for the *Journal* was raised to £8 [£36.50] for 1972. Because of the steep rise in the rate of inflation, the 1967 proposal regarding run-on costs would continue to make difficulties so that a proposal was put before the 1973 A.G.M. that the cost of the *Journal* to members should be based on a predicted cost calculated from the run-on cost of the previous year. This amendment was carried and continues in force to the present time (see also Dr Elliott's comments later in this Chapter).

During this decade, the Society became incorporated so budgets had to be prepared in detail and votes adopted which had to be adhered to. As example Table 4.1 shows the summary of votes adopted in 1971 and 1979. The comparison also shows the way the budget was increasing even after making allowance for inflation.

#### 4.5 1972–1982 (D. F. Elliott)

The problems which the Society would face in the 1970s as the result of run-away inflation were signalled by the situation just outlined, which was developing at the end of Dr Cuthbertson's time as Honorary Treasurer and which Dr Elliott (Fig. 4.3, see also Plate 4A) had experienced as Assistant Honorary Treasurer from 1970 to 1971. As Honorary Treasurer he continued mainly in the traditions of his predecessors but had to deal not only with inflation but with unprecedented growth in the Society's activities. He was the first Honorary Treasurer to explain in detail his thinking on the financial problems of the Society at A.G.Ms. Those present at these meetings were confronted with mini-seminars, complete with slides. This successful exercise in communication did a great deal to satisfy the membership of necessary steps which at first sight

Table 4.1. Summaries of expenditure votes for 1970 and 1979

	Vote	1970 (£)	1979 (£)
1.	<i>Biochemical Journal</i>	126,889	373,192
2.	Editorial Board	4,980	—
3.	Editorial Office	21,714	104,754
4.	Meetings — General & Travel	12,210	72,835
5.	Other activities	9,107	20,316
6.	Accommodation	3,866	14,150
7.	Administrative Office	27,989	76,462
8.	General Society Expenses	2,285	12,650
9.	Reserve Fund	12,566	—
10.	<i>Biochemical Society Transactions</i>	—	55,778
11.	Depot	—	78,580
	Total	221,606*	808,717

\*Adjusted to 1979 prices £646,300.

appeared extremely unattractive. Dr Elliott has recorded his thoughts on this period, recollected in the tranquillity of retirement. They are reproduced here and apart from their intrinsic interest, they illuminate many matters discussed elsewhere in this chapter.

“This decade, especially the early part, was one of growth and change as never before experienced by the Society. Main meetings were developing in size and scope, groups were growing apace and creating their own specialist meetings, while the *Journal* was enjoying a period of high popularity as a medium for publication, its size increasing by 25% in the two years from 1970. This very success caused financial pressures which were initially very difficult to control because the need for accurate forecasting and control at the level determined by the budget was not fully appreciated by all concerned with expenditure. The *Journal* was the crucial element in the balancing of the Society’s finances. The turnover was so large in comparison with all other sections of business that a small percentage change not forecast had a drastic effect on the overall financial results.

“The central problem of maintaining the financial viability of the *Journal* demanded that all aspects of production and distribution be subjected to very close examination, for in spite of the scientific success, as evidenced by its growing popularity to authors as a medium for publication, sales to external subscribers were actually declining. Sales to members brought no income, rather the reverse. The policy of earlier years whereby members received the *Journal* at the run-on cost determined by the auditors from the accounts of the previous year, resulted in a substantial loss at a time of inflation and expansion at the rates current in the early 1970s. The audited figure became out of date before it could be applied. A loss of £26,000 [£130,000] was incurred in this way during the first three years of the decade. It was necessary, therefore, to ask members at the A.G.M. in 1973 to agree to the proposal that the *Journal* be supplied at a predicted cost based on the run-on cost of the previous year. Sales of the *Journal* to external subscribers continued to fall, albeit slowly, in the face of a determined publicity drive and analyses revealed that although some new customers were being obtained, large institutions were reducing the number of copies taken. It was concluded that the market was saturated and it was the view of the Editorial Board that price increases above a very narrow margin of safety would be counter-productive at a time when the scientific reputation of the *Journal* was growing rapidly. The aim was to keep the *Journal* in front of the widest possible reading public, particularly that overseas. The price was held in 1971 and 1972 but, with growth in pagination over the two years of 25% plus inflation of nearly 10%, together causing heavy increases in the cost of production and distribution, this was sailing very close to the wind from the financial point of view. In fact the balance sheet for 1972 showed an overall loss of £30,271 [£138,000] to the net assets of the Society and thus there was need for a substantial increase in price in 1973 and again in some later years. Increases were kept to the minimum necessary to secure a reasonable financial return but,



even so, the combination of growth and inflation, the latter reaching the high point of 24.9% in 1975, resulted in the price of £245 [£335] in 1981. This was 5.4 times the price in 1971 but the size had also increased considerably, as was intended, to the extent of 45% in 1981 after reaching a peak of 54% in 1978.

"After much discussion and argument in every forum of the Society's organization, *Transactions* was ready for launch in 1973 [see Chapter 6]. The size of the new publication turned out to be far beyond predictions, but the time was fortunate because the price of the *Journal* had to be increased by 55% in that year and *Transactions* was offered with the *Journal* at no extra cost for the first year of its life. This ensured maximum publicity for the new publication and perhaps allayed the shock of such a large rise in the price of the *Journal*! *Transactions* was provided free to all members in 1973 and in later years at a predicted cost just as in the case of the *Journal*. *Transactions* was an undoubted success in spite of the adverse effects of mounting printing and postage costs in later years which made necessary some reductions in the amount of space available to authors. Otherwise the price would have been beyond the reach of a large proportion of the membership it was intended to serve.

"The pressure of growth and inflation was also bearing heavily upon the cost of services to members, particularly the printing and postage of Agenda Papers and the organization of meetings. Income coming mostly from investments and sales of the *Journal* had for a number of years provided sufficient funds to keep the membership subscription below the full cost of the services provided, but the gap was widening rapidly and could not indefinitely continue to be filled from this source. It was not considered prudent to raise more income by increasing the price of the *Journal* in this critical period of its life, a question that has already been commented upon. In 1972 it was necessary to ask members for an increase of £2 [£9] on a subscription of £3.50 [£16] and this was agreed at the Annual General Meeting but it proved to be insufficient and a further increase of £1.50 [£6.50] was similarly agreed in the following year. Thus the subscription for 1974 became double that for 1972 and it was not arrived at without considerable protest. Nevertheless, it was still well below the cost of services, as was proved when the *per capita* costs of membership were presented with the accounts in 1975 and could not have been viewed too adversely because the membership actually increased during this period. In parenthesis it should be mentioned that during these difficult years, when the rate of increase in the subscription no doubt gave rise to some alarm, the yearly accounts were presented in considerable detail so that it could be seen how the cost of the essentials needed to maintain a properly functioning Society were soaring year by year. It was possible to hold the subscription at £7 for a further three years, but it was necessary to ask for an increase to £10 [£20] for 1978. Then, for the first time in the history of the Society, it was decided to introduce a differential in subscription for overseas members, few of whom had the opportunity to attend meetings, and a reduction of £2 was made for this category of members. Costs continued to rise relentlessly and an increase to £15 [£23.00] for

1980, again with a reduction of £2 for overseas members, was agreed by the membership. In 1980 it became apparent that finances were heading for a substantial deficit in the following year unless a further large increase in subscription was levied. In view of the fact that meetings accounted for approximately half of the total cost of membership services, it seemed only appropriate that the proportion due to their expenditure should be borne by those who attended meetings. Over the previous years these had undergone unprecedented growth in the scale of facilities offered. Consequently, the Committee proposed that all members should pay a basic subscription of £16 plus optional payment for attendance at meetings, consisting of an annual meetings fee of £8 for home members and £4 for those overseas. The basic subscription would entitle members to receive all other services as before. This proposal was discussed at great length at the Annual General Meeting in 1980 and was carried by a narrow margin. Such unpopular financial measures as those found necessary in 1980 and 1981 were probably responsible for the 10% decline in membership which occurred during these two years, but there had been steady increases in earlier years so that in 1981 the number stood at 102 more than in 1970."

To interrupt Dr Elliott's contribution for a moment; meetings charges were levied for only one year; when the financial position improved dramatically they were quietly dropped but the position was not formally regularized until 1986 when the Committee decided that the meetings charge should not be abandoned but should be zero for the time being — shades of VAT! However, the most recent revenue accounts (see Table 4.2) still show that meetings cost 1.5 times the income from membership fees. Furthermore, the graphs in Fig. 4.4 bear out Dr Elliott's view in showing that increased subscription levels had only a temporary effect on membership numbers. The drop from 1977 to 1981 was reversed in 1982 and by 1985 the number of members had reached an all-time high. Fig. 4.4 further shows that over the period of Dr Elliott's term of office, the subscription merely followed, albeit in a somewhat disjointed manner, the 'indexed' value based on the published general inflation rate.

**Table 4.2. Meetings and membership revenue and cost, 1981–1985**

Year	Membership income	Meetings costs	Membership costs	Numbers of members	Meetings & membership cost <i>per capita</i>
	(£)	(£)	(£)		(£)
1981	102,583	59,015	15,590	4537	9.60
1982	70,699	57,416	24,906	5258	15.65
1983	77,531	90,990	35,350	5356	24.00
1984	80,982	102,951	50,635	5662	27.10
1985	92,328	142,546	22,169	6305	26.10

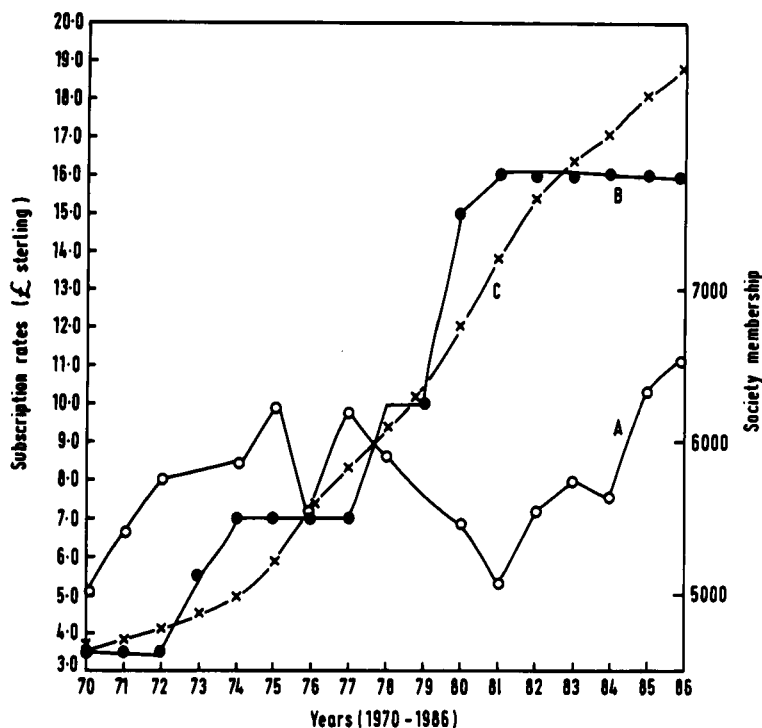


Fig. 4.4. Changes over the period 1970 to 1986 in (A) membership numbers, (B) membership subscription rates, and (C) subscription rates 'indexed' for inflation and normalized to the 1970 rate of £3.50.

"Over the years a great deal of attention has been given to reducing our dependence on sales of the *Journal* by providing more income from other sources. Every vestige of available capital has been invested in stocks yielding a high rate of interest and, from about 1974 onwards, short term investment in the money market of money flowing in from forward subscriptions to publications, has been particularly important, due to the high interest rates available. Although capital gains have not been the objective, such investments nearly always carrying an element of risk not appropriate for a learned Society such as ours, there have been some very useful returns from the sale or redemption of stocks. Particularly noteworthy is the investment in Zambia Copper which cost £18,930 and yielded £63,863 on redemption after only three years. As our export sales of the *Journal* and *Transactions* are mostly to countries whose currency is based on the American dollar, we are vulnerable to changes in the exchange rate if these occur after the dollar price of the *Journal* has been fixed. Fortunately this has only once caused a serious shortfall in income and, on the other hand, in late 1976 a sudden increase in the value of the dollar against the pound resulted in a substantial gain. It is also worthy of note that our publishing activities have made a significant contribution to Britain's exports, the *Journal* and *Transactions* together accounting for approximately £500,000 [£710,000] in 1980. Apart from the *Journal*, *Transactions* has been the most important publication in respect of the income it has provided, whilst other publications and the sale of reprints have also given small returns. The joint venture with the Medical Research Society in the publication of *Clinical Science*, has been successful in that a substantial surplus is now held jointly for the

benefit of the two Societies and there have been occasional distributions from this fund to each Society.

"To sum up, the main cause of the financial problems during the ten years from 1970 was rapid growth. Change and growth were necessary to keep pace with the growth of Biochemistry itself but at times enthusiasm stretched our monetary capacity to danger point. The need for strict control in every section of expenditure was the lesson that had taken time to be learned. Inflation was a persistent threat to financial stability; from a figure of 9% in 1971, it reached 24.9% in 1975, then declined somewhat, rising again to 17.2% in 1979, then declining again but by 1981 still remained at 12%. It was undoubtedly responsible for part of the charges borne by the membership."

During this decade the Colchester Depot for storing and distributing the Society's publication was bought (see Chapter 3). Simultaneously with this development, distribution services were offered to other learned societies. This venture was part of a long term plan to make the Society less financially dependent on the profits from the sale of the *Biochemical Journal*. This has developed satisfactorily, apart from a hiccup in the early 1980s, caused by one or two societies withdrawing to develop their own distribution office after learning the 'know how' from the Colchester staff. One or two other societies either withdrew or threatened to withdraw because of what they considered was the excessive commission charged. On investigation, it was agreed that the complaint of high charges was justified and the rate of commission was reduced. This resulted in at least one Society dropping its notice to leave. Recently the administrative activity at Colchester has been streamlined and its efficiency improved. In 1986 the Depot processes distribution of six journals, various supplements and reprint requests. The Membership Office is also now at Colchester. Mrs S. Day (Fig. 4.5) is presently in charge of all these activities.

Efforts over the years and particularly since 1970 to make the Society less reliant on income from the *Biochemical Journal* resulted by 1985 in a small move in the right direction. *Transactions* contributes 4.5% of the total surplus (Table 4.3) and although 'Books' provides less than 1% of the total a change in current policy, which aims at keeping prices as low as possible, could significantly increase the yield under this head. However, further expansion of publications along these lines cannot be expected in the depressed conditions of the publication scene at the moment; indeed, one of the Society's more recent publications (*Essays in Medical Biochemistry*) failed to survive and another (*Bioscience Reports*) has been transferred to a commercial publisher (see also Chapter 6). It is clear that the failure of the Society to venture into a rapid publication journal in the early 1970s when there was a need for such a journal, was financially a lost opportunity. The



Fig. 4.5. Mrs S. Day. Manager of the Society's Colchester Depot.

prestigious and profitable *FEBS Letters* quickly and effectively filled the gap. All these aspects of the Society's publications are dealt with in detail in Chapter 6.

The increased complexity of the Society's finances led to the need for professional day by day supervision of the accounts. A full time accountant (Mr G. Dale, Plate 2A) was appointed in 1980.

#### 4.6 Since 1982 (B. Spencer)

Professor Spencer (Fig. 4.3, Plate 4C) took over from Dr Elliott in 1982 and inherited a stabilized and disciplined situation. Surpluses continue to be made and are currently substantial (see Table 4.3). The investment policy was reviewed and the portfolio of shares has gradually been changing to speed up the disposal of gilt-edged stock and the accumulation of equities. In other words the Society has accepted the advice of the Honorary Secretary to invest for capital growth rather than primarily for income, which, at the time of writing, is satisfactory. This policy, leading to capital accumulation, is an insurance against the time when various technology developments in printing and publishing may render the *Biochemical Journal* in its present form obsolete or, at best, less profitable. Capital assets would be necessary when the time comes, possibly quite soon, for the Society to move to larger premises. [In 1986 this is under active discussion.]

The excellent financial situation in which the Society has found itself in the 1980s has allowed the Committee to approve many new activities (see Chapter 3) under the benevolent but cautious eye of the Honorary Treasurer, who is in a position to relax somewhat the approach of the Society's first Honorary Treasurer, that "the job of a Treasurer is to treasure".

#### 4.7 The Costing of the *Biochemical Journal*

When the membership subscription was separated from the *Journal* subscription the way was open for the Society to exploit its very lively commercial asset — the *Biochemical Journal*. During the 1970s the Committee was very loth to do this mainly because of the deeply held feeling of many that a

Table 4.3. Revenue summaries for the Biochemical Society's operations in 1985

	General Account (£)	Membership (£)	Meetings (£)	<i>Biochemical Journal</i> (£)	<i>Transactions</i> (£)	Books (£)	<i>Bioscience Reports</i> (£)	Distribution (£)	Totals (£)
Total income	349,462	100,324	12,079	1,487,995	148,518	29,303	47,233	87,780	2,262,694
Expenditure	96,506	122,493	154,625	863,808	117,710	23,564	58,275	61,594	1,498,575
Surplus/(Cost)	252,956	(22,169)	(142,546)	624,187	30,808	5,739	(11,042)	26,186	764,119

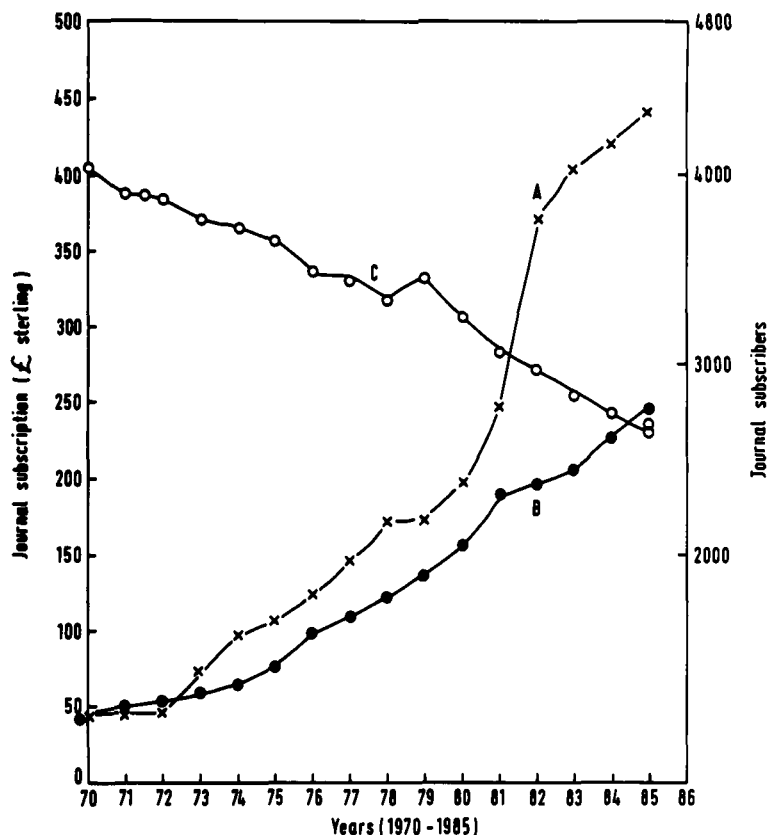


Fig. 4.6. Changes over the period 1970–1985 in (A) *Biochemical Journal* subscription rates, (B) subscription rates ‘indexed’ for inflation and normalized to the 1970 rate of £45, and (C) subscription numbers.

learned society should not “go commercial”, but additionally that making a significant profit might infringe our charitable status and that by increasing the subscription rate we would lose customers. There is no problem with the Charity Commissioners provided the profits are all used to further the science of Biochemistry. One can see that the increases in the *Journal* subscription rate from 1970 until 1980 (Fig. 4.6) were generally restrained. As pointed out earlier, the relatively large increase in 1973 was sweetened by the free distribution to all subscribers of the first volume of *Transactions*. By 1980 the Committee was reconciled to making as much profit out of the *Journal* as the market would stand and a rapid increase in price was implemented from 1981 to 1985; the page cost of the *Journal* in 1980 was 50% of the price for similar journals. 1981–1985 is the only period when the rise in subscription rate has been greater than that of general inflation. If the general inflation index is applied to *Journal* prices (this is, of course, an oversimplification because it is highly likely that changes in the publishing area are different from those in general) and the variation in the size of the *Journal* ignored, then on a 1970 price of £45 p.a. the 1986 price should have been around £2340 p.a. A more realistic view is that on the

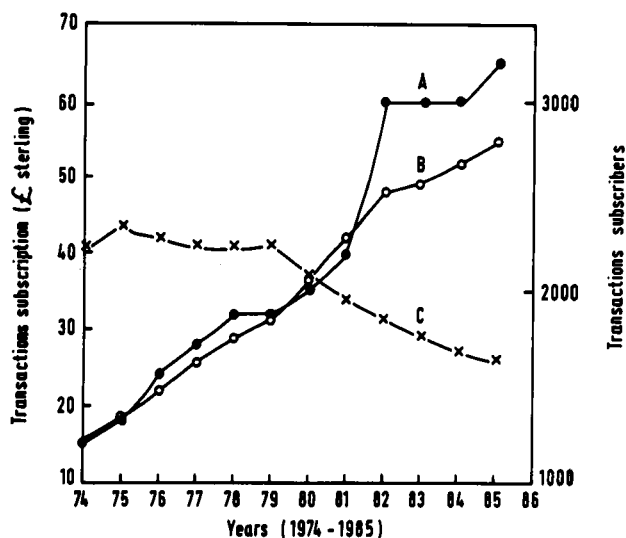


Fig. 4.7. Changes over the period 1974-1986 in (A) subscription rates for *Transactions*, (B) subscription rates 'indexed' for inflation and normalized to the 1974 rate of £15, and (C) number of subscribers to *Transactions* over the period 1974-1985.

basis of a sound commercially judged rate of £445 p.a. the *Journal* had been severely underpriced for the preceding ten years or so and that the 1970 price should have been in the range of £80-£90 p.a.

The question of loss of *Journal* subscribers is a serious one but it is difficult to pin the blame on rising subscription rates. There was already a very steady decline in numbers from 1974 to 1980 (Fig. 4.6) and the rate of decline after 1980, when the subscription prices rose so rapidly, remained the same. The decline is much more likely due to the fall in the size of library budgets associated with the worldwide reduction in science funding by Governments, which has resulted particularly in the cancelling of replicate copies by institutions. The same phenomenon can be observed over the twelve years of the life of *Transactions* (Fig. 4.7), when from 1981 to 1984, a period of constant subscription rate, the number of subscribers continued to fall steadily.

If the raw subscription data (total numbers) in Figs 4.6 and 4.7 are analysed in detail then it emerges that for both the *Biochemical Journal* and *Transactions* the number of U.K. subscribers who are not members of the Society has remained relatively steady over the period 1979-1985. It is the size of the overseas market which has decreased, by 21.75% for the *Journal* and by 24% for *Transactions*. This trend is particularly worrying when it is realized that the overseas market represents 85-90% of the total sales of each journal. The numbers of U.K. members' subscriptions has declined during the same period by 35.4% for the *Journal* and by 51.3% for *Transactions*; the corresponding figures for overseas members are 44.6% and 45.4%, respectively. The relevant data for the *Journal* are given in Table 4.4.

**Table 4.4. Distribution of subscribers to the *Biochemical Journal* 1979–1985**

Date	Non-Members		Members	
	U.K.	Overseas	U.K.	Overseas
1979	298	3003	254	732
1980	302	2926	240	447
1981	297	2772	216	420
1982	287	2697	184	402
1983	261	2581	180	385
1984	285	2439	183	417
1985	294	2350	164	406

Although every effort is currently being made to improve the circulation of the *Biochemical Journal* (see Chapter 6) saturation point must be close and its high scientific standard must be its most potent weapon in the circulation battle. Librarians cannot resist requests from scientists to subscribe to a journal which is in the top ten of cited biochemical journals.

The prices of the *Biochemical Journal* and *Transactions* to members are now realistically tied to the predicted run-on costs certified by the Society's Accountants as required by the Society's Articles of Association (Article 64) (see also Chapter 3).

So far only the sterling subscription rate has been discussed but North American subscriptions, which are quantitatively the most important source of income, are paid in U.S. dollars and the Society has a U.S. dollar account to deal with these subscriptions. The unexpectedly large variations in the exchange rate between the pound sterling and the dollar added to the difficulties of the Honorary Treasurers in producing sensible estimates, but over the years the situation has probably levelled itself out. Special rates are also in force for Japan, but the rest of the world is tied to the U.K. rate.

Over the period 1970–1985 large and unpredictable variations in the annual number of pages in the *Journal* are apparent. This is an additional hazard in forward planning and is considered in more detail in Chapter 6.



## Plate 1



(A) Some past Chairmen of the Main Committee (left to right): T. W. Goodwin, C.B.E., F.R.S. (1971–1974; Honorary Member, 1985); S. V. Perry, F.R.S. (1980–1983; Honorary Member, 1986); T. S. Work (1974–1977; Honorary Member, 1979); F. Dickens, F.R.S. (1966–1967; Honorary Member, 1967; deceased 25 June 1986); G. A. D. Haslewood (1969–1971).

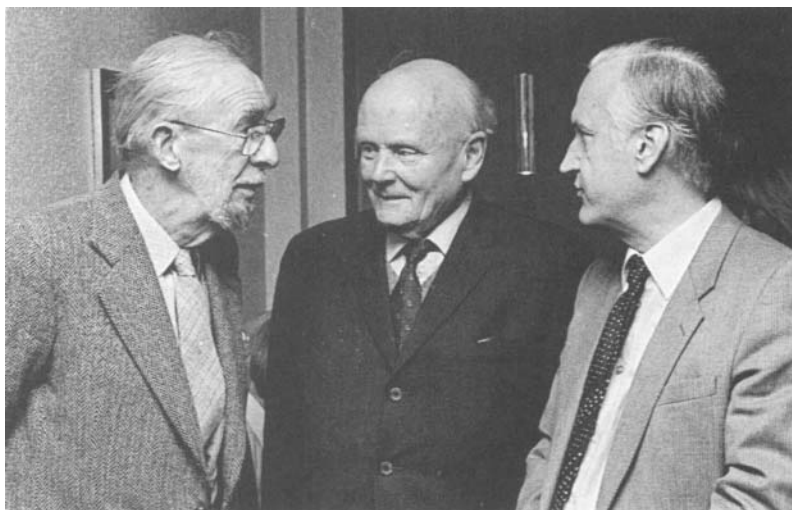


(B) Some previous Honorary Secretaries of the Society. Standing (left to right): P. N. Campbell (1958–1964); H. M. Keir (1970–1977) (currently Chairman of Main Committee); R. H. Burdon (since 1981); D. Robinson (1980–1985); A. P. Mathias (1967–1974); A. N. Davison (1967–1973). Seated: A. C. Chibnall, F.R.S. (1930–1940).



**Plate 2**

**(A)** Senior Administrative Staff at Warwick Court, November 1985 (left to right): G. W. Dale (Accountant, deceased 1987); Vivienne J. Avery (Assistant Secretary, 1978-1986); G. D. Jones (Executive Secretary); A. G. J. Evans (Editorial Manager); Doris E. Herriott (Meetings Officer).



**(B)** A trio of past Chairmen of the Editorial Board of the *Biochemical Journal* (left to right): A. G. Ogston, F.R.S. (1955-1959); W. V. Thorpe (1959-1963); D. G. Walker (1969-1975).



**(C)** H. F. Bradford (Honorary Secretary, 1974-1981) and G. R. Barker (Honorary Archivist, since 1982).

# Plate 3

(A) A. Neuberger, C.B.E., F.R.S. (Chairman of the Editorial Board of the *Biochemical Journal*, 1952-1955; Chairman of Committee, 1967-1969; Honorary Member, 1973) and H. R. V. Arnstein (Honorary Secretary, 1962-1967; Chairman of PESC, 1981-1984).



(B) D. C. Watts (Managing Editor of *Transactions*, since 1977; Chairman of Committee of Management for *Clinical Science*, since 1985) and H. J. Rogers (Chairman of the Editorial Board of the *Biochemical Journal*, 1964-1969).

(C) R. H. S. Thompson, C.B.E. F.R.S. (Honorary Secretary, 1952-1955; Chairman of Committee, 1967-1968; Honorary Member, 1986) and Sir David Cuthbertson (Honorary Secretary, 1945).



## Plate 4



**(A)** D. F. Elliott (Honorary Treasurer, 1970–1981) and W. T. J. Morgan, C.B.E., F.R.S. (Honorary Secretary, 1940–1945; Honorary Member, 1969).



**(B)** R. M. C. Dawson, F.R.S. (Honorary Publications Secretary, 1973–1980) and R. H. Burdon (Honorary Secretary, since 1981).



**(C)** B. Spencer (Honorary Treasurer, since 1981) and C. E. Dalglish (Honorary Secretary, 1955–1959).



**(D)** S. V. Perry, F.R.S. (Chairman, 1980–1983; Honorary Member, 1986) and L. Young (Honorary Secretary, 1950–1953).