

## CHAPTER 4

# Spedan's Big Idea – and a Family at War



A vivid photograph of John Lewis in court, behind his solicitor, the Hon Charles Russell, on 18 March 1911.



Spedan Lewis at about the time he entered his father's business.

My father, my brother and I had been drawing from the business £10,000 a year upon its capital and a further £16,000 or more in profit. This latter amount was about as much as the whole of the staff except certain factory workers were getting between them. Hardly any of the staff had ever had more than a meagre living.

SPEDAN LEWIS IN PARTNERSHIP FOR ALL, 1948

It was on the edge of complete collapse. It was not merely a derelict. It was a desperate derelict, in the last stages of decay.

SPEDAN LEWIS, WRITING ABOUT PETER JONES  
WHEN HE ARRIVED THERE IN JANUARY 1914

In the May of 1909, some weeks after his brother Oswald had left the business and Selfridges had opened, Spedan was thrown from his horse, which apparently shied as he took his normal morning ride down from his home through Regents Park to Oxford Street. He'd seriously damaged a lung, and though he ignored the pain for a couple of days his condition rapidly deteriorated, and was diagnosed as pleurisy and empyema. That's as nasty as it sounds: the main symptom is extreme chest pain, especially when breathing in. His condition needed a novel and dangerous operation, followed by another in the late summer of 1910. The prolonged recovery period meant that he spent much of the next three years shuttling between spells in the business and recuperation on the coast and the continent. That gave him the time to think.

### The Three and the Three Hundred

His first sight of his father's accounts had given him plenty to think about. The year before his fall he'd discovered that the 300 employees of the business were receiving close to £16,000 a year in total. Only four were being paid (as opposed to earning...) more than £250 a year for the long hours they toiled. But Spedan, his brother and his father were taking almost exactly that £16,000, to which could be added £10,000 a year in interest on their capital. Each was making therefore the equivalent today of about £800,000 a year, but paying very little tax, while their employees made an average equivalent to £4,500. No other major employer thought twice about that disparity – as still too few do today. As Spedan was to write later:

In fact, as a whole the staff were getting just a bare living, with very little margin beyond absolute necessities and correspondingly little chance to get much fun out of life, and at the same time feel they were saving adequately for their retirements ... Moreover the pay rates were not supplemented in any way. Absence for illness almost always meant stoppage of pay. Only in very special cases was there any help for that or in any other trouble. The business was forty years old but there was not a single pensioner or any prospect for anybody, and not a penny was spent on playing-fields or any other amenity for the staff. In all such ways the management could hardly have been more ruthlessly close-fisted. Obviously such a state of affairs could not have existed unless the general conditions at the time had been more or less similar. To me ... all this seemed shocking.

It led him to conclude that someone who controlled a business shouldn't take out of it more than he would pay anyone else to do the same job. His father profoundly disagreed, and contended that many of his workers were lazy, and only did the minimum they could get away with. Spedan's retort was that since they had no stake whatever in the success of the business,