

Full Steam Ahead



An illustration from a 1920s booklet advertising Peter Jones's autumn fashions, with the old shop behind. And the new Peter Jones in the 1960s, with its architect William Crabtree.

If my wife and I had chosen to sell out, we should have had a seven-figure fortune that invested in sound securities would have produced an income of upwards of £40,000 a year [around £2m today]. A life of leisure with resources so large was attractive. On the other hand, the course that we took had for us, our temperaments being what they were, attractions still stronger.

SPEDAN LEWIS, *IN PARTNERSHIP FOR ALL*, 1948

From 1927 to 1939 was for me a time of youthful zest and energy spilling over in all directions; nothing was too zany to look into and everything was possible.

SIR BERNARD MILLER *IN THE 1970s*,
REFLECTING ON HIS PARTNERSHIP CAREER

When his father died in June 1928, Spedan immediately kick-started his plan to incorporate the John Lewis business into 'his' Partnership. Despite all that had gone before, he did his father the posthumous honour of calling the new combined business after him, and not himself. It wasn't to be named, as it might well have been, the Spedan Lewis Partnership. He described his father's achievement like this, and these precepts had become his own:

From first to last throughout the whole of his long career my father held steadily to a simple policy of genuine solid service. He took immense pains to have constantly in stock the greatest possible choice of goods of certain kinds. He took equal pains to give really good value and to win in all other ways a first-rate reputation for general trustworthiness. It was his success in those aims that made me feel it would be good for the Partnership to bear his name.

The 'Settlement' of 1929

Spedan now needed to bring John Lewis employees into the Partnership, and make the handover of his ownership legally watertight. After the problems that followed his illness and absence in 1922 and the subsequent injection of money from his father, so successful was trade at Peter Jones that he had been able to distribute at a rate of 15% of pay in 1924, 20% in each of the years 1925–27, and even at the odd figure of 23⅓% in 1928. Now he had to do two things. He must redeem his Partners' 'Share Promises' – they amounted to £76,632, a little under £4m today – and turn them into proper shares that could be traded on the stock exchange. Moreover, he had to combine John Lewis with Peter Jones in a new Partnership, into what he termed a co-operative society of producers. The idea was to sell the two businesses to its new owners, the Partners, who would pay him back gradually out of future profits. He felt strongly that no one person should own more than they needed for their personal use and as insurance against bad times, and to pass on to their descendants. As he put it:

My wife and I had decided that for the rest of our lives we would limit our private expenditure to a certain rate. If we held to that programme then the money that we had already would cover the whole of that expenditure no matter how long we should live, and would indeed leave a large remainder (that should, we intended, go to the Partnership) beyond provision for children, ill-health or accident.

Essentially he chose to sell his fortune to the Partners, current and prospective, receiving his payment out of future profits. He did not, as some came to think, give his fortune away. How exactly to do it was something he'd been discussing with advisors for some time, and they came up with