



Media Business in the Gravitational Field of a Political Party.

The Printing and Publishing Cooperative of Czech Agrarians (1897–1938)

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Politics and business have been a commonplace connection since the emergence of modern political parties.¹ Economic interest was one of the classical links between individual interests collectively promoted by political means. In modern democracy, this is done at the level of representative assemblies, but also of various state-professional associations. This has essentially exhausted the legitimate direct involvement of the political party in the economic life of society. However, illegitimate, even illegal, involvement also came into play. In Central Europe, since the time of the Habsburg monarchy, political parties (unlike associations), lacked legal personality — this was true for the Bohemian lands and later also for interwar Czechoslovakia. They were not an institution that could be sued and therefore punished until the early 1930s. The absence of legal personality also implied an incapacity to perform legal acts. This meant, among other things, that the Party could not own property and could not directly conduct business itself. This fact was circumvented by the fact that the Party's property was managed by the Party's top representatives (to whom it was formally registered) who, if necessary, also defended the Party's interest in the sphere of business.

Doing business in a highly politicized, nationalized space defies standard textbook paradigms of economics, whether neoclassical or neo-Keynesian. Its logic tends to be heavily influenced by institutional frameworks, but also by occasional and contingent factors. In the Habsburg monarchy and especially in the Bohemian lands, a classic example of this is economic nationalism, which was a project of the national

1 The study is a shortened and edited version of the authors' study "Podnikání ve službách politické strany. Tiskařské a vydavatelské družstvo českých agrárníků Novina (1897–1938). Prameny, přístupy, interpretace", *Hospodářské dějiny/Economic History* 35, 2020, no. 2, [printed 2021], pp. 141–183. It was created within the projects of Charles University as part of the program PROGRES Q09: Historie — Klíč k pochopení globalizovaného světa (PROGRES Q09: History — Key to Understanding the Globalized World) and the Grant Agency of the Czech Republic, grant no. 20-15238S entitled *Družstevnictví a politika za první Československé republiky* (Cooperatives and Politics in the First Czechoslovak Republic).

Czech emancipation strategy, and in the German environment a defensive strategy against the advancing “Czechification”.² The business activities of those directly controlled by the political party also showed specific features. First of all, it is necessary to ask why a political party should engage in business. The answer is that the Party’s business can be a source of income for its activities. It can serve to maintain the operation of the bureaucratic apparatus and the Party’s publicity in the public space, traditionally done by organising public meetings of various kinds, contributions to charitable events, erecting monuments, memorial plaques, organising various celebrations, entertainment events, etc. At the time of the establishment of the Party system in the Habsburg monarchy, political parties relied on donations from supporters, especially from the wealthy founding elite. With the rise of social democracy and the development of mass parties, contributions from members also came into play.

At the end of the 19th century, when the last major differentiation of political trends and the formation of more or less stable political camps was taking place in the Bohemian lands, political parties came to the logical conclusion that systematic, long-term, and virtually daily interaction and communication with their clientele was necessary to influence the public sphere. This trend gained momentum with the introduction of universal suffrage in the Reichsrat (Imperial Council) in 1907. The press played a unique and indispensable role in this respect. The party papers also served as a feedback loop, a measure of mass, i.e. ideological acceptance. Parties that did not yet have a press organ functioning as a spokesperson for the Party began to build such organs. A broad-spectrum media outlet was becoming a necessity, albeit an extremely costly one. It was necessary to create a mechanism that would continuously ensure the Party’s promotional objectives without overburdening it financially. The era of party publishing and printing enterprises formally backed by private founders was dawning.

The Great Depression, which began in 1873, and the subsequent crises showed the insufficient stability of the smaller and therefore capital-weak limited partnerships and joint-stock companies that were being established. Establishing a joint-stock company required the approval of the Ministry of the Interior, as well as the opinion of other ministries (in this case, the Ministries of Justice, Commerce, and Agriculture), and the subscription of share capital, which would have been a problem given the rural distrust of securities. The low economic efficiency and the initially limited scope of activities were undesirable in their penetration of the public and would have had a negative publicity effect. In the agrarian environment, therefore, the key printing and publishing enterprise was built as a cooperative. Cooperatives were originally intended to be self-help small business institutions, but they were well suited to the purpose. The positive rural experience of money and consumer cooperatives played a role. Cooperative shares were seen by the public as a generally safe investment and did not entail much business risk. Liability did not generally exceed the

2 Cf. Drahomír Jančík — Eduard Kubů (eds.), *Nacionalismus zvaný hospodářský. Střety a zápasy o nacionální emancipaci/převahu v českých zemích (1859–1945)* (Nationalism called Economic. Clashes and Struggles for National Emancipation/Superiority in the Bohemian Lands 1859–1945), Praha 2011.



amount of the cooperative shares by a significant margin. Information on the cooperative's performance was intended exclusively for its shareholders/members and could be kept "under wraps".

Our case study focuses on the birth and operation of the most important printing and publishing business associated with the national Czech agrarian environment in Bohemia. This was the *Tiskařské a vydavatelské družstvo rolnické v Praze, zapsané společenstvo s ručením o(b)mezeným* (Peasant Printing and Publishing Cooperative, a registered cooperative with limited liability), founded in 1897. The cooperative became the second most important publishing enterprise in Czechoslovakia between the wars, which correlates with the importance of the agrarian movement as one of the key segments of the political system in Czechoslovakia. This business entity changed its name several times. The original version from 1897 was changed in 1917 to *Českomoravské podniky tiskařské a vydavatelské, zapsané společenstvo s ručením o(b)mezeným* (Czech-Moravian Printing and Publishing Enterprises, a Registered Cooperative with Limited Liability), and from 1930 the entity was known as *Novina, tiskařské a vydavatelské podniky, zapsané společenstvo s ručením o(b)mezeným* (Novina, Printing and Publishing Enterprises, a Registered Cooperative with Limited Liability). To promote a smooth flow of the text and its better comprehensibility, the authors decided to work with a simplified English version of the company in the submitted text, namely as "Agrarian Printing and Publishing Cooperative", then for the period after 1930 "Agrarian Printing and Publishing Cooperative Novina", or simply "Cooperative" (Družstvo, with a capital letter) or "Novina".

STATE OF RESEARCH ON THE PROBLEM, SOURCES, QUESTIONS

Any academic literature available that would provide a more detailed analytical study of the publishing and journalistic enterprise of the Czech Agrarian Party, from 1922 the Republican Party of the Agricultural and Smallholder People (hereinafter referred to as the Agrarian Party) is presently unavailable. The only text devoted to the cooperative under review was published in 2001 by Jaroslav Rokoský as "Příspěvek k vývoji agrárního tisku" (Contribution to the development of the agrarian press). He relied on literature and printed sources, which he supplemented with the manuscript of the memoirs of Rudolf Beran, former chairman of the Agrarian Party and chairman of the Czechoslovak government.³ These memoirs are the weakest link in a descriptive treatise, as the author accepted the events described in them uncritically as historical facts. This introduced a number of inaccuracies and errors into his work. The analysis of business in a political context was left aside.⁴

3 Rudolf Beran (1883–1954), Czechoslovak agrarian politician, landowner, 1938–1939 Prime Minister of the Second Czechoslovak Republic, 1939 Prime Minister of the Protectorate of Bohemia and Moravia.

4 Jaroslav Rokoský, *K dějinám Noviny, tiskařského a vydavatelského družstva. Příspěvek k vývoji agrárního tisku* (On the history of Novina, a printing and publishing cooperative. Contribution to the development of the agrarian press), In: *Tisk a politické stra-*

Printed sources are the most easily accessible. These include not only the daily press and contemporary literature, but also memoirs intended for the public. A rich source of information was a several-page supplement to the central agrarian daily newspaper “Venkov” in May 1937 celebrating the fortieth anniversary of the founding of the Agrarian Printing and Publishing Cooperative. Purposefully selected data demonstrating the “heroic” growth of the company was supported by the agrarian historian Josef Nožička with his “historical reportage”. However, he did not accompany the unique data on its turnover with data that would suggest the profitability of the business.⁵ The 1931 biography of Antonín Švehla (1873–1933), the landowner, long-time chairman of the Agrarian Party (1922–1929), Minister of the Interior, and three-time Czechoslovak Prime Minister, written by Agrarian Party Secretary Otakar Frankenberger and Agrarian politician and member of Parliament Josef O. Kubíček,⁶ left us with some extremely important information from behind the scenes of the formation and operation of the Cooperative. The importance of the journalistic-publishing business is also reflected in the programme and congress documents of the Agrarian Party.⁷

Karel Mečíř⁸ provided an extensive memoir of the cooperative’s operation. However, he also left aside its economic parameters. The unpublished memoirs of Rudolf

ny. Sborník referátů připravených pro nerealizovanou konferenci „Tisk, jeho místo a role v dějinách a současnosti politických stran na území českých zemí a Československa v letech 1860–2000“ v Olomouci ve dnech 24. – 25. října 2001 (The Press and Political Parties. A collection of papers prepared for the unrealised conference “The Press, its place and role in the history and present of political parties in the Bohemian lands and Czechoslovakia in the years 1860–2000” in Olomouc on 24–25 October 2000), Olomouc 2001, pp. 18–27. The inaccurate data and theses of his article were also incorporated by J. Rokoský into his large monograph on Rudolf Beran — see Jaroslav Rokoský, *Rudolf Beran a jeho doba. Vzestup a pád agrární strany (Rudolf Beran and His Time. The Rise and Fall of the Agrarian Party)*, Praha 2011, cf. especially pp. 38–39.

- 5 Od Tiskařského a vydavatelského družstva rolnického k dnešní „Novině“ (From the Peasant Printing and Publishing Cooperative to today’s “Novina”), Historical Report by Dr. Jos. Nožička, *Venkov* 32, 23 May 1937, no. 120, pp. 17–19.
- 6 Otakar Frankenberger — Jaromír O. Kubíček, Antonín Švehla v dějinách československé strany agrární. Ke třicetiletému jubileu československé strany agrární (Republikánské strany zemědělského a maloroľnického lidu v Československé republice) 1899–1929 (Antonín Švehla in the History of the Czechoslovak Agrarian Party. On the thirty-year jubilee of the Czechoslovak Agrarian Party — Republican Party of the Agricultural and Smallholder People in the Czechoslovak Republic — 1899–1929), Praha 1931, pp. 118–120, 263–264, 360–361.
- 7 Josef Harna — Vlastislav Lacina (eds.), *Politické programy českého a slovenského agrárního hnutí 1899–1938 (Political Programmes of the Czech and Slovak Agrarian Movement 1899–1938)*, Praha 2007, pp. 54–55, 193, 222.
- 8 Karel Mečíř (1876–1947), journalist, diplomat, member of the Revolutionary National Assembly of the Czechoslovak Republic. From the beginning of the 20th century he worked in the agrarian press. He was the editor of “Obrana zemědělců” and “Venkov” as well as Antonín Švehla’s personal secretary. After the establishment of the Republic, he joined the



Beran, deposited at the Ústav pro studium totalitních režimů, are a source of a special fate.⁹ They were written after the Second World War during the final stage of his life in prison facilities. The testimonial value of this source is irreplaceable. Not, however, in the details captured, in which Beran was inaccurate in hindsight (unable to rely on the underlying sources) but in their perspective and understanding of the issues from the position of a party leader. In contrast, only very brief information on the Agrarian Printing and Publishing Cooperative is provided by the Compass — *Finanzielles Jahrbuch für Österreich-Ungarn*. The Cooperative first appears here in a laconic form, giving its name and the year of its foundation in 1906.¹⁰ The brevity of information and the absence of the company in later years had its logic. The Compass served mainly the bourgeoisie, it was not used in the countryside, and the cooperative was quite saturated with demand.

A source that replicates the institutional framework of the Agrarian Printing and Publishing Cooperative is the archival collection of the commercial register in the State Regional Archives in Prague.¹¹ Although these are in the order of hundreds of pages, their testimony is significantly limited by the fact that the cooperative did not provide the judicial and administrative authorities with more information than it necessarily had to. The minutes of general assemblies were presented to the Commercial Court in reduced extracts. Apart from the names of the founders and the articles of association, the documents systematically record only changes in the statutory bodies. The few sporadically preserved attendance lists, which included information on the number of cooperative shares present, proved to be a unique source. The initial statement of quorum then gives insight through simple mathematics (number of shares x value of each share) as well as the amount of share capital. We learn virtually nothing about the Cooperative's management from the court materials. An exception is the random data on the amount of interest on the shares.

Correspondence with the state political administration — the Presidium of the Governor's Office (Statthalterei) and the Police Directorate in Prague — kept in the National Archives in Prague, reflects aspects of state supervision focused on the nature of printed materials and censorship supervision associated with their confis-

diplomatic service of the state, which he represented in Belgium and Greece, where his mission, however, ended in scandal. A. Švehla then promoted him to the post of Secretary General of the International Agrarian Bureau ("Green International"). Eduard Kubů — Jiří Šouša (eds.), *Rozmluvy s Antonínem Švehlou a o Švehlovi. Vzpomínky agrárního diplomata Karla Mečíře* (Conversations with and about Antonín Švehla. Memoirs of Agrarian Diplomat Karel Mečíř), Praha 2018, pp. 278–291.

9 Ústav pro studium totalitních režimů — Archiv bezpečnostních složek (Institute for the Study of Totalitarian Regimes — Security Services Archive, further as ABS), Rudolf Beran investigation and court files, Rudolf Beran — memoirs, sign. S-508-1.

10 Compass. *Finanzielles Jahrbuch für Österreich-Ungarn*, 1906, p. 967.

11 Státní oblastní archiv Praha (State Regional Archives in Prague, further as SOA Praha), fund (further f.) Krajský soud obchodní Praha (Regional Commercial Court Prague, further as KSO Praha), sign. Dr-IV-60, box (further as b.) 2606–2607, Novina, Praha.

cation. The archival collection of the most important Czech cooperative headquarters in Bohemia, the Ústřední jednota hospodářských družstev (Central Union of Economic Cooperatives, further as ÚJHD), also stored there, proved to be informationally void.¹² A unique but brief record of the economic parameters of the printing and publishing cooperative as of 1919 was provided by the Czechoslovak Statistics in the series Družstva neúvěrní (Non-credit Cooperatives).¹³ The documents stored in the Czech National Bank Archive in Prague record the credits of the Agrarian Printing and Publishing Cooperative to various monetary institutions.¹⁴

As we indicated in the introduction, the business of serving political interests is a specific business. The crucial question is what was more important in this particular case, whether the economic interest, i.e. whether the political party itself was making a profit or even profiting from the service to the political party, which wanted to finance itself with the profit, or the political interest, i.e. serving the political movement even at the cost of passive economic results, where the Party perceived the loss as the transaction cost of communicating with the public. We may admit that a political party's interest in its own press may extend beyond its immediate benefit to include ethnic, national, cultural, educational, social support, status, and other goals. Does the focus of such an enterprise have to have a distinctive essentially single-purpose profile, or can it also be a hybrid setting? Concretised to the Cooperative under study: was it a multi-purpose or a purposefully limited establishment?

Another equally important research question is the qualification of the relationship between the Party and the "service" business entity, identifying how the political party articulates its interest in it (the exercise of the Party influence mechanism). The last research question depends on the nature of the source base, which offers only a disparate patchwork of information that does not provide an opportunity to assemble economic data into a more coherent, broadly telling series. Are such data, in conjunction with historical-sociological methodological instruments, sufficient to formulate at least a framework thesis on the profitability of the enterprise?

12 ÚJHD was founded in 1896 as the headquarters of Czech agricultural cooperatives with agrarian connotations. Gradually it became a large and widely branched organisation of agricultural cooperatives in Bohemia which brought together credit cooperatives but also non-credit cooperatives — purchasing, warehouse, mill, power plant, machinery, potato processing, distillery, dairy and other cooperatives, etc. The ÚJHD carried out accounting auditing activities for its members (i.e. cooperatives), which were compulsory for members, and placed the capital surpluses of member cooperatives on the market.

13 Československá statistika (Czechoslovak Statistics), Vol. 10, Series X, Družstva neúvěrní v republice československé v roce 1919 (Non-credit cooperatives in the Czechoslovak Republic in 1919), Praha 1926, pp. 216–217, 396–397.

14 Archiv České národní banky Praha (Czech National Bank Archive in Prague, further as AČNB), fund Živnostenská banka (further as ŽB), sign. 7259-5, Novina, Praha; f. Agrární banka (further as AB), Minutes of meetings of the board of directors and directorate 1911–1918.





INSTITUTIONAL FRAMEWORK AND DEVELOPMENT OF THE BUSINESS ENTITY

A) ESTABLISHMENT OF THE COOPERATIVE

The Agrarian Printing and Publishing Cooperative was born at the end of the emancipation process of the agrarian movement, which until the 1890s was based on the liberal-oriented Young Czech Party (“mladočeši”). The Sdružení českých zemědělců (Association of Czech Peasants), created in 1896, was a kind of agrarian “proto-party”¹⁵ which decided to establish a press organ oriented towards the Czech countryside “for the benefit of better contact with the rural people”. Its publication was to be handled by a newly established company. The preparatory committee of the company met in Prague on 20 January 1897.¹⁶ It discussed the draft statutes and styled an appeal to the municipal and district self-government, and to the economic institutions of interest in the Czech countryside (credit cooperatives of all types), as well as to individuals to subscribe to cooperative shares. Jan Antonín Prokůpek, Stanislav Kubr, Josef Syrový, and Václav Nehasil, peasants and landowners from agriculturally productive areas of Bohemia, announced by letter of January 1897 to the Commercial Court in Prague that they had established the Agrarian Printing and Publishing Cooperative in Prague.¹⁷

The constituent general assembly of the Cooperative followed on 27 February 1897. The election of the board of directors was followed by the approval of the statutes and a debate on the cooperative’s editorial programme. The first chairman elected was the aforementioned Jan Antonín Prokůpek, a man with a high reputation in the Czech environment as a successful farmer and “economic national awakener”, behind whom stood his exceptional journalistic activity in the environment of the Czech countryside.¹⁸ From 1897, the Cooperative published calendars, leaflets, brochures, and the weekly “Obrana zemědělců” (Defence of Peasants) for the Association of Czech Peasants.¹⁹ The Association of Czech Peasants, the editorial office of “Obrana zemědělců” and the Cooperative soon found a common seat at a prestigious address

15 O. Frankenberger — J. O. Kubíček, Antonín Švehla v dějinách Československé strany, pp. 65–67.

16 Josef Nožička, Jan Antonín Prokůpek, apoštol hospodářského pokroku a národní svornosti (Jan Antonín Prokůpek, apostle of economic progress and national unity), Praha 1939, p. 137.

17 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606, Novina, Extract from the minutes of the constituent meeting of the Agrarian Printing and Publishing Cooperative, 20 January 1897.

18 Jan Antonín Prokůpek (1832–1915), Czech peasant, self-taught — he educated himself by reading, mayor of his native village Kutlíře in the Kolín region (1861–1902), from 1865 member of the Kolín district council and its chairman in 1887–1889, member of the committee of the Agricultural Council for the Kingdom of Bohemia (1884), Deputy of the Bohemian Diet (1889–1895).

19 Petr Bednařík — Jan Jirák — Barbora Köpplová, Dějiny českých médií: od počátku do současnosti (History of Czech Media: from the Beginning to the Present), Praha 2011, p. 147.

in the centre of Prague, on Wenceslas Square. This is an expression of the fact that the Cooperative was from the very beginning an integral part of the Czech agrarian political movement, the Agrarian Party since 1899. However, it did not yet have its own printing press.

Until the beginning of 1903, the activities of the Agrarian Printing and Publishing Cooperative were directed by its first chairman, J. A. Prokůpek. On 25 April 1903, the future leader and chairman of the Agrarian Party and a prominent statesman of the First Czechoslovak Republic, Antonín Švehla Jr., was elected in his place. At the same time, the Cooperative joined the most important national Czech cooperative association — the ÚJHD. Antonín Švehla developed an unprecedented cooperation with a number of deputies of Imperial Council and Diets in Bohemia and Moravia, who proclaimed the necessity of establishing a new large daily newspaper that would “awaken the countryside from its sluggishness”. The aim was to get the peasants to continue subscribing to the shares of the Cooperative and to increase its capital. At the meetings, alongside Antonín Švehla, other leaders of the Agrarian Party also pleaded for a new wave of subscription to the shares of the Cooperative. Since the time of both Švehlas (father and son), exclusivity had been in force and “only certified Party members could become members of the Cooperative”.²⁰ On 29 March 1906, the first issue of the daily newspaper “Venkov” (Countryside), the main “mouthpiece” of the Agrarian Party, was published. Although Karel Jonáš became the responsible editor, the soul of the administration of “Venkov” and the Cooperative was its chairman, Antonín Švehla.²¹ The Cooperative printing house was put into operation in December 1906. It was built in the courtyard of the building that housed the ÚJHD, the Secretariat of the Agrarian Party and the Association of Czech Peasants, namely in Hybernská Street in Prague. This facilitated the publication of all the newspapers and other printed matter, promising a reduction in printing costs and possible financial benefits in the future. The key institutions of the agrarian movement shared not only one building in Hybernská Street, but also a common administrative apparatus. This consisted of nine people — two secretaries, two editors, two clerks, two members of the paper’s administration, and one servant.²²

B) STATUTES OF THE COOPERATIVE

The foundation Act of the Agrarian Printing and Publishing Cooperative, the statutes, is dated 20 January 1897. The headquarters of the company was Prague. Its duration was not limited. It was to “assist the earnings and economy of its members by the joint management and operation of a printing works, possibly also a lithographic works and a type foundry, then by publishing books and magazines in general and agrarian ones in particular”. The subscription was set relatively low, at 4 K, but within

20 E. Kubů — J. Šouša (eds.), *Rozmluvy s Antonínem Švehlou*, p. 284.

21 O. Frankenberger — J. O. Kubíček, *Antonín Švehla v dějinách Československé strany*, pp. 118–119; E. Kubů — J. Šouša (eds.), *Rozmluvy s Antonínem Švehlou*, pp. 278–291.

22 ABS, Rudolf Beran’s investigation and court files, Rudolf Beran — memoirs, sign. S-508-1, *Novina, Printing and Publishing Cooperative in Prague*, p. 2.



Antonín Švehla, portrait from 1918
(Source: Archiv Kroniky Městské
části Praha 15).

six months a member was obliged to pay back at least one share of 50 K. The founders, aiming for a professional representation of essentially successful peasants in the pages of their own paper, conceived of the Cooperative as a tightly knit community. In order to maintain control over its direction, they inserted a clause in the constitutive document stating that membership or ownership shares could be disposed of only with the permission of the board of directors. As Rudolf Beran, the Party secretary, then general secretary and from 1936 (officially) its chairman, pointed out in his memoirs, this measure made it impossible for “outsiders” to get into the enterprise.²³ The earliest a member could leave the Cooperative and terminate his or her share was ten years after the membership application had been submitted, and this was formally possible only at the end of the year — by court or notary. In doing so, the withdrawing member had to bear the obligations for one year after he or she left the Cooperative, but lost the rights and benefits on the date of termination. Apparently, the fear of the Cooperative’s failure was not small, and so a member was liable

²³ Ibid., p. 5.



for the Cooperative's obligations not only with his share(s), but in addition with an additional amount equal to the amount of his share(s). The statutes provided for the systematic creation of funds to cover losses equal to 10 % of the profits. Four funds were set up, namely one general fund and three special funds, the first special fund being reserved for losses on uncollected printing subscriptions, the second for losses on advertising fees, and the third for losses on claims on the printer's clients.

The Cooperative's supreme body was the general assembly (*valná hromada*). It was to be convened annually no later than 30 April. A quorum required one tenth of the members and one tenth of the shares being represented. If the quorum was not met, a second general assembly was held an hour later, this time regardless of representation. The executive body of the cooperative consisted of a nine-member board of directors (*představenstvo*) elected for three years. One third of the members stood out each year, the first two years being decided by lot. The board of directors was responsible for the management of movable and immovable property, the hiring and firing of editors, literary, artistic (especially graphic artists) and administrative staff, who were hired by special contract, the management of the editorial office, the negotiation and conclusion of contracts, and the keeping of accounts.

An expression of the founders' efforts to control the decision-making processes was the procedure for admitting a member to attend a general assembly and the actual voting arrangements. Interested members had to apply in writing eight days before the general assembly and, on the basis of the application, were issued with a legitimation valid only for the relevant general assembly. The bureaucracy surrounding access to the general assembly contributed to the oligarchisation of the management of the cooperative, which, as will be recalled below, was unusually fragmented in terms of ownership. It was tacitly assumed that shareholders with one or two shares from different parts of Bohemia, people from not very educated circles, would not be willing to overcome the bureaucratic formalities and travel to Prague. At the same time, there was an attempt to create a barrier to voting majoritarianism by cumulating votes in one hand, by stipulating that no one could have more than 5 % of all shares. It was, however, possible to use a proxy in voting, who was represented by a power of attorney and a proxy card, provided that the proxy was also a member of the association. The general assembly decided by a simple majority of votes. It elected the chairman, vice-chairman, and other members of the board of directors, approved the annual accounts, and decided on the disposal of profits, including extraordinary remuneration for editors and members of the board of directors.²⁴

The first major change to the statutes came in 1917, when the value of a share was increased from K 50 to K 500. Existing shareholders were obliged to pay up their share to K 500 within six months. If they failed to do so, they were to be expelled from the cooperative. At first glance, the tenfold increase in the nominal value of the share looks very large. However, the increase in the share corresponded to the development of the economy, characterised by high inflation at the time of the First World War, and also to the fact that the economic situation of the Czech agricultural countryside had improved enormously during the war, and that the well-to-do had become richer.

24 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606, Novina, Statutes from 1897.



The modifications to the statutes during the First (1918–1938) and Second (1938–1939) Czechoslovak Republic respected mainly the changes in state law and did not fundamentally affect the subject of business or the procedures of the cooperative.²⁵ The only remarkable and unusual addition was the one which stipulated that the owner of each new share was obliged to pay a 50 % surcharge in addition to its nominal value as a registration fee, which was then used to strengthen the reserve fund.²⁶ A formal change was the 1930 name change to *Novina, tiskařské a vydavatel-ské podniky, zapsané společenstvo s ručením o(b)mezeným v Praze* (see above).

C) OWNERSHIP STRUCTURE OF THE COOPERATIVE AND DECISION-MAKING MECHANISM AT THE GENERAL ASSEMBLY

The ownership structure of cooperative shares was extremely diverse. Its core was made up of a group of large peasants/landlords. These were individuals who chose to articulate their status and economic interests through political means. Symptomatically, their members included the current or future top representatives of the Agrarian Party, such as Stanislav Kubr, Karel Prášek, Antonín Švehla (both Jr. and Sr.), Jan Antonín Prokůpek, František Udržal, etc.

TABLE 1: Fragmentation of ownership shares in 1897

Owners	with 1 share	with 2 shares	with 3 shares	with 4 shares	with 5 shares	with 8 shares	with 10 shares	total
Number/ percentage of all owners (%)	101/ 71.5	14/ 10.2	1/ 0.7	10/ 7.3	3/ 2.2	1/ 0.7	7/ 5.1	137/ 100.0

Source: SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606, *Novina*, Praha, Minutes of the General assembly of the Agrarian Printing and Publishing Cooperative of 27 February 1897, List of those present and list of other shareholders absent at the constituent meeting.

In total, 82.4 % of all owners held between one and three shares, and less than 10 % of owners held four to five shares. Owners with eight and ten shares totalled eight and accounted for about 6 %. No one purchased more than ten shares. Despite this fragmentation, the reins remained with the founders, i.e. in the founding board of directors, which in 1901 was supplemented by the landowner Karel Gerner, elected by the general assembly, in addition to Antonín Švehla, Jr., elected by the general assembly. Gerner remained in the leadership until his death in 1930, and the peasant/landowner Josef Žďárský rose from the mayor of the district council in Turnov to the provincial assembly, and in 1911 even to the imperial council, when he became chairman of the Czech Agrarian Party in 1904.

The number of members of the cooperative was steadily increasing. A small but logical decline in the number of shareholders was recorded during First World War

²⁵ Ibid, Extract from the minutes of the 34th General assembly of 30 October 1930.

²⁶ Ibid.



and at the beginning of the agrarian crisis in the second half of the 1920s, which then grew into a world economic crisis. This was a decline of around five and seven per cent respectively. The development of the number of shareholdings was more dynamic than that of the number of members. The decline, which was more than one-third, was observed at the end of the First World War and at the beginning of the First Czechoslovak Republic, returned to the level of the third year of the war in 1922 and remained at that level in principle until the mid-1930s, i.e. even during the world economic crisis. The dramatic rise came only with the end of the Second Czechoslovak Republic, by almost one hundred percent. The turning points in the development of the membership of the Agrarian Printing and Publishing Cooperative were the periods 1905 to 1912, 1920 to 1923, and 1938 to 1940. The first of these is associated with the accession of Antonín Švehla to the leadership of the cooperative and his aforementioned recruitment drive, which almost doubled the number of members, while the number of shares grew even faster, nine times (cf. the following table). This meant that the number of members with more than one share was rising. The initial situation, characterised by an unusually fragmented portfolio of owners, was changing. Fragmentation was significantly reduced, which in practice reflected a shift towards concentration of power. The second period marked the rapid emergence of collective members from the gravitational field of the Agrarian Party, while the third period was the period of the “megalomaniac” project of the agrarian press headquarters Florenc, coupled with a further strengthening of the role of collective members of the cooperative.

TABLE 2: Number of members and ownership shares

Year	Number of members	Number of shares	Year	Number of members	Number of shares
1897	137*	265*	1926	860	14087
1898	—	273	1928	838	13900
1899	264	424	1929	838	13900
1905	341	641	1930	840	13968
1911	642	5330	1932	838	13938
1912	646	5951	1933	825	13913
1916	610	14772	1938	856	26033
1919	741	9068	1940	867	29354
1920	744	11696	1941	860	29347
1922	891	14101			

* Total processed according to the notarial record of the constituent general assembly of 27 February 1897. These figures differ slightly from those given in the Venkov of 23 May 1937.

Source: SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606-7, Novina, Praha, Minutes of the General assembly (extracts).

The influence of the Agrarian Party was exercised through a relatively very limited group of party members. In principle, only a fraction of the shareholders attended the general assemblies, namely those who were closest to the Party's Prague



headquarters. They were able to concentrate around them, by the system of proxies, a number of votes that allowed a few dozen people to realistically control a cooperative with hundreds of members. At the fourth general assembly in 1900, for example, there were only eight duly legitimised members present with 40 shares and 28 votes. The year 1907 was very symptomatic, when 13 people attended the general assembly, eight of whom (printed in bold in the notes) belonged to the absolute top of the Agrarian Party.²⁷ The 32nd general assembly in 1928 was attended by only 20 people representing 90 shareholders but with 3,051 votes (thus a huge concentration of power). This was a general assembly of major importance, since the amendments to the statutes approved at the meeting increased the number of board members from 9 to 15, extended their term of office from three to six years, and extended the scope of the business to include the sale of books and magazines and the advertising business.

Despite the formally democratic organisation of the cooperative, the oligarchisation of its board of directors was reproduced in the following period. A democratic system that loses control loses its real democratic content. The members of the cooperative, in their credulity, laxity and thrift, showed no interest in the general assembly. The close links with the Agrarian Party are underlined by the venues of the general assemblies. The Agrarian Bank, another economic body set up by the Agrarian Party,²⁸ or even the political party itself took turns in arranging them and made its meeting rooms available.

The Agrarian Bank entered the Printing and Publishing Cooperative in 1912 as a “crypto-partner” by purchasing shares for K 20 000.²⁹ Four years later, the Agrarian Bank invested a further K 30,000 in the cooperative shares.³⁰ In 1919 it strengthened its participation by taking over shares with a nominal value of Kč 1.5 million, when the Agrarian Bank’s share capital was only Kč 40 million.³¹ At that point, the Agrar-

27 Antonín Švehla represented 26 shares with 16 votes, his brother JUDr. Stanislav Švehla 28 shares with 16 votes, MUDr. Otakar Srdínko 26 shares with 16 votes, Josef Hyrš from Okrouhlice 26 shares with 16 votes, Josef Syrový from Horek also 26 shares with 16 votes, B. Marjánko of Mělník, 26 shares with 16 votes, Jan Čaha of Prague, 26 shares with 15 votes, JUDr. Ludvík Pazderka of Lošany, 26 shares with 16 votes, Josef Žďárský, 26 shares with 15 votes, Karel Görner of Hřívno, 16 shares with 15 votes, Jan Náprstek, 26 shares with 15 votes, V. Novotný of Roztoklaty 26 shares with 15 votes and Bohumil Novák of Přistoupim, 26 shares with 15 votes.

28 The Agrární banka (Agrarian Bank) in Prague was founded in 1911 as a financial institution to support Czech agriculture and the agrarian movement by personalities from the leadership of the Czech Agrarian Party. It was established as a small bank with a share capital of K 2 million and deposits of K 3,5 million. See Jiří Novotný — Jiří Šouša, *Banka ve znamení zeleného čtyřlístku. Agrární banka 1911–1938 (1948)*. [The bank in the sign of the green four-leaf clover. *Agrarian Bank 1911–1938 (1948)*], Praha 1996.

29 AČNB, f. Agrární banka (further as AB), 115/117, Minutes of the meeting of the Agrarian Bank directorate of 17 June 1912.

30 AČNB, f. AB, 105/271, Minutes of the meeting of the Agrarian Bank Directorate of 7 August 1916.

31 AČNB, f. AB, 70/228, Minutes of the meeting of the Board of Directors of the Agrarian Bank of 29 October 1919.



ian Bank became the cooperative's largest shareholder. Only a year later (1920), the capital of the cooperative was further increased, this time by a nominal amount of Kč 1 million.³² This brought its share of the share capital to 34.5 %, totalling Kč 8 701 000. However, it could not act as a monolith which could control the general assemblies. The voting was governed by Article XXII of the Statutes, which laid down a 5 % voting threshold for individual shareholders. Thus it was that in 1916 the Agrarian Bank “ruled” with only 11 % of the votes present and, paradoxically, in 1920, after having increased its capital participation dramatically, even with only 6 %.³³

On the other hand, its importance to the Cooperative was unquestionably much greater than would be consistent with the limited influence derived from direct participation. It acted as a silent partner, helping to keep the cooperative afloat in periods of weak profitability. The bank also provided it with large credits. In 1920–29, these ranged from Kč 4 to 11 million. On 18 October 1922, for example, the cooperative's debit balance with the bank reached Kč 5 million and was covered by securities worth only Kč 930 000. This was probably already beyond the tolerance of the management of the credit institution, whose situation was not optimal, and in 1924 it had to be rescued from state funds with a sum of Kč 100 million against a share capital of Kč 60 million. The Agrarian Bank's management therefore decided to call on the Agrarian Printing and Publishing Cooperative to reduce the balance or increase the guarantees.³⁴

Close cooperation continued after the bank was rehabilitated by the state. This was obviously not conditioned by the lucrative nature of the business, which remained risky at first sight, but by the fact that Agrarian Bank was also the “economic child” of the Agrarian Party. The board of directors of Agrarian Bank was nominated by the Party's presidium, its top leaders were represented on it, and everything was guaranteed by the brother of the Party chairman Antonín Švehla Jr. — JUDr. Stanislav Švehla.³⁵ He was a member of the board of directors and directorate of the Agrarian Bank and also represented it at the general assemblies of the printing and publishing cooperative. A trace of political interference in the Agrarian Bank's business in relation to another party project, the Novina printing and publishing cooperative,

32 AČNB, f. AB, 70/250, Minutes of the meeting of the Board of Directors of the Agrarian Bank of 11 August 1920.

33 In 1916, the Agrarian Bank owned cooperative shares with an aggregate value of K 50,000, i.e. with a value of K 50 per share, it theoretically had 1 000 votes. However, as it was not allowed to hold more than 5 % of the total votes, its share was reduced from 1 000 votes to 738 votes, i.e. a total of 11 % of the votes. In 1920, the Agrarian Bank owned cooperative shares with an aggregate value of Kč 2 500 000, i.e. at a value of Kč 500 per share, it theoretically had 5 000 votes. However, since it was not allowed to hold more than 5 % of the total votes, its share was reduced from 5 000 votes to 584 votes.

34 Jiří Novotný — Jiří Šouša, Úloha Agrární banky v českém agrárním hnutí a při financování Republikánské strany zemědělského a malorolnického lidu (1918–1938). (The Role of the Agrarian Bank in the Czech Agrarian Movement and in the Financing of the Republican Party of the Agricultural and Smallholder People 1918–1938). In: J. Šouša — D. E. Miller — M. Hrabík Samal (eds.), *K úloze a významu agrárního hnutí v českých a československých dějinách*, Praha 2001, p. 255.

35 J. Novotný — J. Šouša, *Banka ve znamení zeleného čtyřlístku*, pp. 84–87, 214–216.



interference which, however, took an informal form, is provided by the minutes of an extraordinary meeting of the bank's board of directors in 1935. The chief director, Karel Svoboda, told those present that "at the suggestion and subtle intercession of the Party presidium" he proposed that the bank waive the dividend on the Party's shares in Novina, although Novina would pay the dividend to the other shareholders, which the board "approved without debate".³⁶ A further strengthening of the Agrarian Bank's involvement came in mid-1937, when the bank subscribed for 2 000 shares amounting to one million crowns and, in addition, unusually (it was a "foreign" business entity) strengthened the cooperative's reserve fund, where it put 500 000 crowns.³⁷ The link between Agrarian Bank and Novina was not only due to the bank's unilateral involvement in the cooperative. At the end of 1938 Novina held 1 248 shares in Agrarian Bank with a current market value of Kč 449 000.³⁸

The modernisation investments made by the cooperative in the early 1920s and the needs of the press it published exceeded its capabilities, and even the participation and financial backing of Agrarian Bank was not enough. Therefore, another agrarian institution was brought into the picture, namely the ÚJHD.³⁹ We have no information about the beginnings of its involvement in the cooperative, but we do know that already for the years 1923–1924 it collected 5% interest on its shares from the amount of Kč 3 800 000 of the capital invested. Thus the ÚJHD replaced the Agrarian Bank as the largest capital shareholder of the cooperative.⁴⁰ However, the dependence of the agrarian cooperative headquarters on the Party was much looser compared to the Agrarian Bank. While the ÚJHD was part of the agrarian interest group, it was a part with greater business discipline and prudence that often did not hesitate to pursue economic policies independent of the Party leadership. The terms of cooperation were therefore tougher, the credit guarantees tighter and higher. Nevertheless, the Agrarian Printing and Publishing Cooperative was forced to cover its needs with credits also obtained from this institution. In 1927, the credit from the ÚJHD exceeded Kč 5 million, and the printing and publishing cooperative asked for an increase of Kč 10 million. The terms of the ÚJHD were quite harsh, 7.5% interest + an additional 1% bonus on the growth of turnover, as the business combination of the two companies newly employed a separate clerk.⁴¹ The repayment of the credit with ÚJHD was

36 AČNB, f. AB, 101/121, Minutes of the Extraordinary Meeting of the Board of Directors of the Agrarian Bank, 31 October 1935.

37 AČNB, f. AB, 100/114, Minutes of the meeting of the Board of Directors of the Agrarian Bank of 3 June 1937.

38 AČNB, f. ŽB, sign. 7259-5, Novina, Praha, Balance sheet of the Novina cooperative as of 30 June 1938. It is not clear when the cooperative acquired the shares. In any case, their purchase was not part of the transactions that represented the bank's entry into the cooperative. This was most likely in the second half of the 1920s, as the cooperative was frantically seeking finance in the 1930s as a result of investments in new buildings and machinery.

39 see footnote 13.

40 Since we do not have the amount of capital for 1923–1924, we cannot determine the actual percentage of the ÚJHD. AČNB, f. ŽB, sign. 7259-5, Novina, Praha, Board of Directors of the ÚJHD 14 May 1927.

41 Ibid.



clearly causing difficulties for the Cooperative and so this credit was converted and also increased. In October 1929 it had already reached Kč 39 190 000. The cooperative guaranteed the credit not only with its own property but also with the property of the members of the board of directors.⁴² The most important player in the financing of the cooperative remained the ÚJHD until its end.

There is still uncertainty surrounding another relatively high financial commitment, this time of an individual, the chairman of the Party and the cooperative himself, Antonín Švehla. What is certain is that in early 1934 he owned more than 200 shares. Švehla's belief in the importance of the cooperative was therefore also expressed by a considerable personal investment.⁴³ He was a member of the cooperative with his father from the very beginning. At the constituent general assembly on 27 February 1897, Antonín Švehla, a peasant from Hostivař, was among those present with 4 shares, and Antonín Švehla from Hostivař with 8 shares was listed among the absent shareholders.⁴⁴ It is impossible to distinguish father from son. It is certain that A. Švehla the younger invested in the cooperative as soon as it was founded, and he invested again and a lot. We do not know when, probably in the early 1920s. At that time, the cooperative was struggling with a lack of capital. He supported the development of the cooperative by buying about 200 shares. At the beginning of 1934, a total of 207 shares with a total nominal value of Kč 103 500 were included in the inheritance proceedings.

The expansion of the printing and publishing enterprise, coupled with the construction of the premises in Prague's Florenc district, required further and further capital injections. The megaproject was swallowing up huge sums. In 1937, the elite agrarian organisation of the agrarian movement, the Ústřední jednota řepařů (Central Union of Beet Growers), became an important collective member of the cooperative.⁴⁵ It subscribed for 1 334 shares with a total value of Kč 1 000 500. The beet growers also involved the Union of Peasant, Joint Stock and Cooperative Sugar Factories,⁴⁶ which

42 Ibid., Directorate of Novina, Prague — to the Board of Directors of the ÚJHD, 16 October 1929.

43 Archiv hlavního města Prahy (Prague City Archives, further as AHMP), f. Okresní soud civilní pro Prahu-jih (District Civil Court for Prague-South), D V56/34, Estate file of A. Švehla.

44 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606, Novina, Praha, Minutes of the General assembly of the Agrarian Printing and Publishing Cooperative of 27 February 1897, List of those present and list of other shareholders absent at the constituent meeting.

45 Central Union of Beet Growers was founded as central professional and defence association of beet growers on 8 May 1902 under the leadership of Antonín Švehla. Later an influential trade union and interest organisation of the Agrarian Party. Cf. Antonín Švehla, *Řepařský boj: soubor dochovaných řečí, přednášek, provolání, memoranda pod. Antonína Švehly od roku 1902 do roku 1918* (The Beet Growers' Struggle: a collection of extant speeches, lectures, proclamations, memoranda, etc. by Antonín Švehla from 1902 to 1918), Josef Hakl (ed.), Praha 1938.

46 Svaz rolnických akciových, společenstevních a hospodářských cukrovarů (Union of Peasant, Joint Stock, Cooperative Sugar Factories), an organisation founded in 1922 on the initiative of the Agrarian Party, uniting newly peasant-owned sugar factories in Bohemia, i.e. sugar factories in whose statutory bodies peasants growing sugar beet occupied



participated within the quota of beet growers by subscribing Kč 150 000.⁴⁷ At the end of the 1930s, the identifiable collective investment (value of shares) of agrarian business institutions in Novina was close to Kč 7 million. In standard business, this would have meant that the Agrarian Bank, the ÚJHD, and the Central Union of Beet Growers, which kept Novina “afloat” both in capital and through massive credits, would have ruthlessly controlled the cooperative. This was not the case, however, as the stipulation that no one could have more votes than accounted for 5 % of all shares was still in force. The appointed “big owners” could therefore realistically control only 15 % of the votes together. An open battle for votes and thus for power never took place. The Agrarian Party was the influential clamp establishing a tacit consensus, and the agrarian press served all without exception. All used the services of the printing and publishing houses. The oligarchic voting machine functioned in the late 1930s in much the same way as it did when the printing and publishing cooperative was founded.

D) MANAGEMENT

Controlling the general assembly was the key to installing management. Primarily it was the election of the members of the board of directors, followed later by the management positions further delegated by the board, firstly the directors, then the general manager and the editors of the main papers. Naturally, the cooperative, as a party foundation, already with regard to its objectives, elected personalities closely linked to the Agrarian Party to the board of directors. The authors managed to compile five personnel cross-sections of the cooperative’s board of directors in 1897, 1901, 1919, 1928, and 1937.⁴⁸

In 1897 the board of directors was the result of a merger with the founding generation of the Association of Czech Peasants, headed by the landowner Jan Antonín Prokůpek, until 1895 a member of the Bohemian Diet. The nine-member board of directors included two other deputies Bohemian Diet — František C. Nickelfeld and Václav Nehasil. The majority, seven of the nine board members, were landowners, i.e. members of the upper middle class of the Czech countryside. The board of the “wealthy”, two of whom had great political careers ahead of them, namely Stanislav Kubr, chairman of the Agrarian Party 1899–1904, deputy of the Bohemian Diet (1901–1907) and Imperial Council (1901–1907), and Karel Prášek, vice-chairman of the Agrarian Party 1899–1913, deputy of the Bohemian Diet (1899–1913) and Imperial Council (1901–1918), 1907–1908 Czech Compatriot Minister (Landsmannminister), 1918 member of the Czechoslovak National Committee, 1918–1920 member of

important positions. Cf. František Čapka — Lubomír Slezák, *Cukrovarnictví do roku 1938 a agrární strana (se zřetelem na Moravu a Slezsko)* (The Sugar Industry until 1938 and the Agrarian Party, with Reference to Moravia and Silesia), Brno 2011.

⁴⁷ Národní archiv, Praha (National Archives, Prague, further as NA), f. Ústřední jednota řepařů, inv. no. 96, b. 14, Novina, printing and publishing enterprises in Prague.

⁴⁸ A detailed analysis of the composition ratio of the cooperative’s board of directors in the form of tables is published in original study in *Economic History*, 35/2, p. 157–161 (see footnote 1).

the Revolutionary National Assembly, first Czechoslovak Minister of Agriculture (1918–1920), President of the Senate of the National Assembly (1920–1924), member of the Senate until 1925, supplemented by two directors of economic (agricultural) schools as people with higher cultural capital.

Four years later (1901), at a time when the Agrarian Party had already established itself on the political scene, the post of chairman of the cooperative remained unchanged, with the aforementioned Karel Prášek as vice-chairman. Among the “new-comers” we see two other strong personalities of agrarian politics, namely Josef Žďárský, chairman of the Agrarian Party 1904–1909, deputy of the Bohemian Diet (1901–1913) and Imperial Council (1911–1918), 1911–1914 deputy chairman of the House of Deputies of the Imperial Council, who left the Agrarian Party in 1919 and founded his own party, and Antonín Švehla the younger, from 1909 chairman of the Party, deputy of the Bohemian Diet (1908–1913), first minister of the interior in the Czechoslovak Republic and repeatedly prime minister. Even at the beginning of the twentieth century, the cooperative was primarily an exclusive representation of the wealthy (agrarian royalty), consisting of eight landowners and one representative of the intelligentsia (director of the agricultural school).

With the accession of Antonín Švehla to the leadership of the Party, its image changed, both in terms of its programme and its representation. The leadership of the printing and publishing cooperative was significantly expanded from nine to sixteen persons and opened up to peasants and farmers, i.e. the middle or even lower middle class. At the beginning of the First Republic, Antonín Švehla, a landowner and Minister of the Interior, headed the cooperative as Chairman of the Board of Directors; his deputy was Josef Kalouš, a peasant, and from December 1919 František Udržal, a landowner and deputy of the Revolutionary National Assembly. Twelve seats were reserved for persons from the Czech lands, four for Slovaks. Of the 12 Czechs, six were landowners, one farmer, three peasants, supplemented by one university professor and one representative of the highest body of agricultural cooperatives, who was the agrarian politician and clergyman P. František Kroiher. The four-member Slovak agrarian representation was headed by MUDr. Vavro Šrobár, Minister of Health and Administration of Slovakia, as the second vice-chairman of the board of directors; it also included a deputy of the Revolutionary National Assembly, Fedor Houdek, and two intellectuals, Dr. Ing. Ján Botto and Ing. Ján Burian.

In 1928, when Antonín Švehla headed the Czechoslovak government for the third time, the sixteen-member board of directors included eight landowners, one farmer, one peasant, one representative of agrarian cooperatives, one banker and four representatives of the intelligentsia. However, what is more interesting than the structure of the cooperative’s board of directors in terms of social status, where the landlords maintain the majority, is the relationship of the cooperative’s board of directors to the leadership of the Agrarian Party. The party was headed by an executive committee of 154 members, which elected its presidium of 31 members. A full half of the members of the cooperative’s board were members of the Agrarian Party’s executive committee, namely Švehla, Staněk, Hodža, Udržal, Houdek, Šrobár, Botto, and Novák. The extraordinary importance of the printing and publishing cooperative will become clear if we analyse these eight members further. Only two (Botto, Novák) were mere members of the





executive committee, six of them were members of its presidium. The party bureau was headed by a chairman and four vice-chairmen. Of these, the members of the cooperative's board of directors were the chairman of the Agrarian Party, also the chairman of the cooperative, Antonín Švehla, and three party vice-chairmen — František Staněk, František Udržal, and Milan Hodža. Differently put, the four most important men of the Agrarian Party were also at the head of the printing and publishing cooperative! There can hardly be more compelling evidence that membership on the board of the cooperative represented a position of power within the Party.⁴⁹

In 1937, the number of farmers (five in total) on the board of Novina was balanced with the number of landowners (also five), while at the same time the representation of economically “friendly” agrarian entities increased in importance, as shown by their capital inputs into the cooperative (cf. below). In the first place, the representatives of the top organisation of agricultural cooperatives, Centrokooperativ,⁵⁰ František Kroiher, and the chairman of the supervisory board of ÚJHD, Jan Malkus, should be mentioned. The intersection of the Agrarian Party presidency with the board of directors of the Novina cooperative remained unnoticed, lasting until November 1938. From 1904 until the First World War, it became the rule that the Party chairman was a member of the board of directors of the Agrarian Printing and Publishing Cooperative and even its chairman after 1909. Obviously, a leadership position within the cooperative guaranteed influence over the press and therefore over the clientele. In the long run, we can summarise that the shifts in the management of the cooperative replicated the power shifts in the Party, accompanied by the accentuation of the roles of “allied” economic actors. It might seem that the field was cleared by the Agrarian Bank, but this was not the case. The latter had the antenna of its board of directors right at the source, because Antonín Švehla's brother, JUDr. Stanislav Švehla, the younger, saw “into matters”, and although he had resigned from the cooperative's board of directors,⁵¹ his law firm represented the cooperative in its dealings with the “outside world” and was therefore kept well informed.

Strict statements in documents, or rather the absence of documents such as records of meetings of the Party's executive committee and its presidium, do not allow us to clearly qualify where and by whom the strategic decisions regarding Novina were actually taken, since the Party leadership was, as indicated, merged with the cooperative's management. On the basis of isolated references, however, it can be assumed that the top party bureau was decisive, and that through its influence or pressure it was able to bring the missing financial resources to the cooperative.

49 The Executive Committee of the Agrarian Party in 1928 cf. *Deset let práce Republikánské strany zemědělského a maloroľnického lidu v Republice československé* (Ten Years of Work of the Republican Party of the Agricultural and Smallholder People in the Czechoslovak Republic), Praha 1928–1929, pp. 23–25.

50 Centrokooperativ, an “umbrella” organisation established in 1921, bringing together Czech rural and agricultural cooperative associations, plus three German and one Polish association.

51 JUDr. Stanislav Švehla was a member of the cooperative's board of directors in 1909–1913.

E) BUILDING “BRANCH PLANTS” AND A NEW HEADQUARTERS

When the cooperative was founded, it had only one printing plant in Hybernská Street in Prague. Its capacity was gradually exhausted. Starting in 1916, the cooperative began to purchase additional printing plants or shares in them. By purchasing small and medium-sized enterprises in regional centres, the number of branch plants reached ten during 1916–1923.⁵² The branch offices enabled better quality work in publishing regional and local agrarian periodicals, and the new buildings served as collateral for credits. At the end of 1938, the Novina owned a total of twelve branch printing plants, which had no legal personality and were managed from the centre, as well as the Praga advertising and newspaper plant and the Svěpomoc stationery shop.⁵³

In the mid-1930s, the aforementioned huge project of a complex of buildings in Prague’s Florenc district began to be implemented, where not only the printing house but also the editorial offices of “Venkov” and other periodicals, as well as all the administration, were to be transferred. The leadership of the Agrarian Party set up a special commission, which was sent to the large European printing houses (Switzerland, Italy, Belgium, Germany) for experience. The project was drawn up by the prominent Czech architect Bohumil Sláma (1887–1961) according to American models. In the context of inter-war Czechoslovakia, it was a gigantic project; in its final form, the building had three underground and six above-ground floors. Its price tag was more than sixty million crowns.⁵⁴ The year 1938 brought an end to the growth of the cooperative (in the sense of increasing production capacity), and the opposite direction of development was set in motion. At the turn of 1938/39, as a result of the post-Munich division of Czechoslovakia, the subsidiary plants in Slovakia and Subcarpathian Ruthenia were closed down. Some of the buildings ended up on Hungarian territory. In 1940, the statutes were modified to reflect the changed conditions caused by the Nazi occupation (the establishment of the Protectorate of Bohemia and Moravia). However, the former representatives of the Agrarian Party on the cooperative’s board of directors were unacceptable to the Nazi occupation administration, and therefore its management, headed by Rudolf Beran, resigned on 27 November 1940. This finally closed the era of the exclusive influence of the former Agrarian Party leaders in the company, although the influence of the agrarian complex remained in the company and the cooperative continued to publish the daily newspaper “Venkov” and other publications. The *de facto* end of Novina was marked by the decision of the Czech National Council of 11 May 1945, which handed over “all the enterprises of the Novina company into the hands of the Communist Party of Czechoslovakia”.⁵⁵

52 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2607, Novina, Praha.

53 AČNB, f. ŽB, sign. 7259-5, Novina, Praha, Report to the Directorate of Živnostenská banka dated 25 October 1938.

54 ABS, Investigation and court files of Rudolf Beran, Rudolf Beran — memoirs, sign. S-508-1, Novina, Printing and Publishing Cooperative in Prague, p. 6.

55 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2607, Decision of the Land (Zemský) National Committee in Prague dated 22 August 1945, Letter of the Land (Zemský) National



Rudolf Beran, portrait from the mid-1930s. (Source: Zpráva o činnosti Republikánské strany zemědělského a maloroľníckého lidu v republice Československé v letech 1932–35, Praha 1935).

THE COOPERATIVE'S BUSINESS

The object of business defined in the statutes did not change with the growth of the company in terms of capital and employees and the proliferation of “branch plants”. The editors of the main periodicals published by the Agrarian Party and its satellite organisations were based at its address: the daily “Venkov” (1906), the weekly “Cep” (Flail, 1907), and the picture magazine “Rozkvět” (Rise, 1908). From 1914 onwards, the Agrarian Printing and Publishing Cooperative was responsible for publishing two other newspapers tailored to the tastes of the popular readership — the evening newspaper “Večer” (The Evening), focused on Prague, and “Lidový deník” (People’s daily), oriented towards the rural classes. In the same year, the first popular educational magazine was founded — “Agrární revue” (Agrarian Review). The agrarian press experienced its greatest growth in the first decade of the Czechoslovak Republic. In total, there were dozens of periodicals.⁵⁶ In addition to newspapers and magazines, the cooperative published various educational writings, bro-

Committee to the Regional Commercial Court dated 15 October 1945. Attempts to reverse this decision were unsuccessful in the heated times of “limited democracy”.

⁵⁶ Jiří Malíř — Pavel Marek et al., *Politické strany. Vývoj politických stran a hnutí v českých zemích a Československu, 1861–2004* (Political Parties. The Development of Political Parties and Movements in the Bohemian Lands and Czechoslovakia, 1861–2004), vol. 1, Praha 2005, p. 574n.



chures, and printed forms for rural self-government. The newspaper's exponential growth into a large enterprise was to be documented by its display at the exhibition at the Prague Exhibition Centre in the spring of 1937. Visitors would be impressed by the huge numbers. In 1936 alone, the Novina circulation was to churn out 62 million copies of magazines and five million books since the publishing house's inception. Compared with 1907, that is, in thirty years, the number of editors had risen from 10 to 92, workers from 56 to 1044, clerks from 16 to 335, magazine copies from 855 000 to 62 000 000, the number of rotary presses from one to eight, platen presses from 2 to 48, quick presses from 5 to 82, auxiliary presses from 8 to 176, and typesetters from 4 to 60. In addition to 51 of its own magazines, Novina printed 135 foreign magazines.⁵⁷ The balance of 1937 included 12 printing shops and 3 bookstores.⁵⁸

How the immediate management of the Cooperative's business activities was conducted in the long and short term, we are not yet able to fully discern. The first six years are not clearly definable in managerial terms; we only know that the main newspaper of the Association of Czech Peasants, the aforementioned "Obrana zemědělců", was managed as editor by its co-founder Emanuel Hrubý⁵⁹ in 1897–1902, which means that the newspaper was under the direct control of the agrarian policy leadership from the beginning. The original idea of the management of the agrarian press is expressed in the Programme of the Czech Agrarian Party of January 1903, where the general principles of agrarian organisation include the organisation of the press. The programme divided the management of the Cooperative into two lines, the administrative (official) line, and the line of content reserved for the Party. It was to be represented by an editor-in-chief responsible to an editorial board to be elected by the Party's executive committee together with the deputy clubs.⁶⁰ The proposed complicated model was obviously not followed. We do not "understand" the management of the press and the printing house until the early 20th century. Karel Mečíř's account of the publication of "Venkov" and its management explains the daily involvement of the cooperative's chairman, Antonín Švehla, in the editorial office and printing house. Švehla decided on the hiring and firing of employees and on the work of the editorial office as such. This was the practice. Mečíř's account is corroborated by the memoirs of Rudolf Beran, who, although not precisely timed, clearly states for the period between 1909 and 1918 that regular meetings were held every week with the Party and cooperative chairman Švehla. According to Beran, the meetings were to be attended by the Party's chief secretary František Hybš, the editor of "Venkov" Josef

57 Výstava Noviny: 62 milionů výtisků časopisů (Exhibition of Novina: 62 million copies of magazines), In: Od Tiskařského a vydavatelského družstva, p. 5.

58 Ibid.

59 Emanuel Hrubý (1865–1943), Czech agrarian politician, 1893–1897 editor of the newspaper "Hlasy z Podřipska" (Voices from the Podřipsko region), 1897–1902 editor of "Obrana zemědělců" (Defence of Peasants), 1897 co-founder and first secretary of Sdružení českých zemědělců (Association of Czech Peasants), 1899 secretary of the Agrarian Party, 1901–1907 deputy of the Imperial Council and 1901–1908 of the Bohemian Diet, 1920–1935 senator of the National Assembly for the Agrarian Party, member of its executive committee.

60 J. Harna — V. Lacina (eds.), Politické programy, p. 54.



Vraný, the director of the cooperative Antonín Jun (cf. below) and the then second party secretary Rudolf Beran. Their resolutions were passed on by Vraný to the press and by Beran to the party organisational units.⁶¹

Officially, the press filing cabinet of the Prague police directorate stated that the main print product of the agrarian publishing house — the periodical “Venkov” — was a political paper of the Czech agrarians, which carried the usual columns of the daily press as well as fiction and advertisements. The real legal responsibility for the content was divided between the responsible editor, the printer, the periodical publisher, and the book publisher. In 1906, Karel Jonáš was appointed editor in charge, Eduard Beaufort became printer, and the documents of the Agrarian Printing and Publishing Cooperative list its chairman Antonín Švehla as publisher. It is clear that the publisher and publishing house held the fundamental decision-making powers in their hands, with the editor and printer providing the “strategic” decisions.⁶²

In 1925, the Agrarian Party’s Congress Report published the Party’s Press Regulations; these regulated matters concerning the organisation of the press, the programme, subscription, security, unification, discipline, supervision, responsibility, extension, deepening, getting as close as possible to rural life, the organisation of the press service, etc. These matters were to be managed by the Party’s press commission based in Prague, elected by the press commission, elected by the Party Congress. The press commission was to have fifteen members and elect a chairman from among its members, who had to be a member of the party executive committee. The commission was to include the central secretaries of the Agrarian Party, representatives of the press cooperative, and the responsible editors of the six major agrarian newspapers.

The Agrarian Party’s press commission was primarily responsible for: supervising the management of the papers as to the manner of writing and the maintenance of the programme line of the Agrarian Party; examining the financial conditions of the various papers and to take measures to make the papers economically self-sufficient; making proposals to the Executive Committee of the Party for the appointment of responsible and chief editors; taking care, in conjunction with the publishers of the Party papers, to extend the press as far as possible and to devote every care to that every organized Party member should subscribe to at least one Party daily and one regional paper; seeing that the press effectively promoted the Party program and did

61 ABS, Investigation and court files of Rudolf Beran, Rudolf Beran — memoirs, sign. S-508-1, Novina, Printing and Publishing Cooperative in Prague, chapter 2, p. 4. Beran’s recollection of the post-war years is complemented by his statement in “Venkov” on the fortieth anniversary of Novina, where he softened the authoritative decision-making of Antonín Švehla in the editorial office, this time specifically fixed to 1906, when he wrote that the publication of the weekly “Cep” “was decided by the chairman (of the cooperative) Švehla after the office with the administrative committee of the printing enterprises”. Rudolf Beran, *Radostné jubileum (Joyful Jubilee)*, In: *Od Tiskařského a vydavatelského družstva*, p. 5.

62 E. Kubů — J. Šouša (eds.), *Rozmluvy s Antonínem Švehlou*, pp. 278–291; NA, f. Prezidium místodržitelství Praha (Presidium of the Governorate Prague), 1901–1910, sign. 8/4/22-106, b. 3774, File sheet of Venkov ad no. 5889/1906; NA, f. Policejní prezidium (Police Presidium), 1908–1915, sign. P 66/17, tab. 2307, Letter from the Agrarian Printing and Publishing Cooperative dated 22 March 1906.



not deviate in its writing from its program principles; deciding in the first instance on the establishment of new printing enterprises by Party members or their participation in such enterprises, and; deciding disputes between editors and newspaper publishers, while the committee would judge disputes in terms of the benefit to the Party or the damage it would suffer.⁶³

The Press Regulations tell us that in the inter-war period the link between the Party and its printing and publishing cooperative was strengthened. It was no longer just an interpersonal matter determined by the membership of leading party officials on the cooperative's board of directors. It was also expressed in the internal party code, to which the Agrarian Party created an executive apparatus built from the bottom up. The competences of the apparatus went beyond ideological frameworks and partly interfered in the economic affairs of the printing and publishing cooperative, as the commission was to examine the financial conditions of the individual papers published by it. No control mechanism was assigned to check compliance with the press regulations. We have no record of the specific meetings of the commission or of who held the post of chairman at what time. Indeed, it is hardly conceivable that the ten most powerful men of the Agrarian Party could be controlled from below. Moreover, there is one problem, and that is that the press commission had no formal instruments in relation to the cooperative to influence its activities, since the cooperative operated exclusively on the principles of commercial law, and the possibilities of the Party's press commission could in principle be limited to appealing to the party members in the cooperative.

From the fact that the chairman of the Agrarian Party was at the head of the Agrarian Printing and Publishing Cooperative, it can be concluded that in essential matters he really held the "baton". As the Agrarian Party grew in organisation and membership, the work with the press became more sophisticated. Rudolf Beran reports that regular meetings were held between the editors of the daily and regional newspapers and party representatives, party press correspondence was issued, and meetings were held between the directors and managers of the cooperative's printing works to coordinate the employment of individual enterprises. This confirms that the provisions of the press regulations corresponded to some extent with the economic practice of the cooperative.

In 1907, the post of director was established, and later, as the company grew and branch plants were added, that of general manager, who was (the aforementioned) Antonín Jun until the Nazi occupation.⁶⁴ His role was not defined by the articles of association. It is clear from the company correspondence from the late 1930s and early 1940s that he was in charge of the economic operation, negotiating with the insurance company, banks, the ÚJHD, etc. (in the early 1940s he was also on the board of directors of the Novina cooperative). As the above analysis has shown, the decision-making power of the general assembly of the cooperative was more or less a formal matter. In contemporary computer terminology, the printing and publishing cooperative

⁶³ Ibid.

⁶⁴ Antonín Jun (1881 — ?), Czech journalist. Antonín Jun belonged, together with Rudolf Beran to the "secretariat party" that influenced events in the Agrarian Party. J. Rokoský, Rudolf Beran, p. 128.



represented the power “hardware” of the Agrarian Party, into which the “software” was inserted by the headquarters of the political entity, i.e. the party leadership. The interconnectedness of hardware and software was ensured by an informal political mechanism that proved to be functional in the long run.

The reconstruction of business activities and strategies lacks a more systematic source base. Balance sheets and final accounts are not available, with one exception (an extract from a balance sheet), and this is very late, from the late 1930s. Nor do we have a more complete series of figures for the essential balance sheet items. In the forty-eight years of the cooperative’s existence, we encountered the amount of the share capital only nine times, the amount of the reserve fund and the net profit four times, and the amount of the interest on the shares three times.⁶⁵

TABLE 3: Summary of available data relating to standard balance sheet items

year	share capital/root capital in K/Kč	reserve fund in K/Kč	net profit in K/Kč	interest share in %	turnover in K/Kč
1897	13 650				
1899	20 000				
1907					3 220 000
1910					6 041 000
1911	266 501		18 795	6	
1912	297 587		21 311	7	
1914					7 574 000
1916	861 650	48 874			33 401 000
1918					91 335 000
1919	4 521 500	1 961 409	520 481		
1920	8 701 000				285 933 000
1925					548 540 000
1930					979 505 000
1932	6 972 500	3 816 172		0	
1938	11 677 500	8 144 255	1 370 365*	4	

* For 1938 this is gross profit, net profit figure is not available.

Sources: SOA Praha, f. KSO Praha, sign. Dr-VI-60, b. 260, Novina; data for 1919 — Československá statistika, vol. 10, series X, Družstva neúvěrní v Republice československé v roce 1919, Praha 1926, pp. 216–217, 396–397; data for 1916 and 1932 — Vladimír V. Dostál, Agrární strana, p. 306 (based on data from party congresses); data for 1938 — AČNB, f. ŽB, 7258-4,7259-5, Novina, Praha. For retrospective data on turnover, cf. article Od Tiskařského a vydavatelského družstva, pp. 17–19 (see footnote 5).

The above table illustrates how poor the base of the surviving economic data is. The data are disparate, factually incompatible for individual periods, coming from

⁶⁵ The internal documents of the cooperative and the banks often, incorrectly from the point of view of economic theory, speak of dividends.



different sources of varying degrees of reliability, and cannot be verified.⁶⁶ Certain rough cuts can be made for business only for the years 1912, 1918/1919, 1937/1938 (from 1917 onwards the accounting year was not identical with the calendar year and dated from 1 July to 30 June of the following year). The only thing that can undeniably be deduced from the table is that the cooperative was growing steadily, and in the First Czechoslovak Republic to the extent that it entered the sphere of large-scale business. Table 2 above, showing the development of the number of members and ownership shares, corresponds to the thesis of the cooperative's expansion.

The fact that the first years of the business were not glorious in terms of economic results can be seen from the minutes of the general assembly of the Agrarian Printing and Publishing Cooperative held in March 1900. The agrarian politician and editor of "Obrana zemědělců", Emanuel Hrubý, complained at this general assembly about the "misunderstanding and laxity in the peasantry" when it came to the subscription of the press.⁶⁷ At the time, "Obrana zemědělců" had only 1 850 subscribers and a further 1 670 issues were sent out as a sample (free of charge). Its publication was probably unprofitable. Yet a political decision came into play to increase the frequency of the magazine from two issues to three a week without increasing subscriptions.⁶⁸ Neither the increasing periodicity nor the promotion brought about a dramatic improvement in the situation. Until the end of the magazine's publication in 1906, the number of subscribers was only around 4 000. In spite of the limited success of "Obrana zemědělců", it was decided — again politically — to publish a new newspaper, the rural journal "Venkov". It differed in "shape" from its predecessor and was more akin to the contemporary journalistic work of the press of civic political groups. It put more emphasis on current news, including foreign news and political commentary, but also entertainment. As the official newspaper of a major political party represented at the Bohemian Diet and the Imperial Council, it had to publish a much larger circulation to cover not only the Central Bohemia region, but prospectively the entire Bohemian lands. In sum, this meant an increase in the number of editors and the need for better qualifications. The circulation of "Venkov" in 1908–1910 was around 10 000 copies.⁶⁹ Compared to "Obrana zemědělců", the circulation essentially doubled. An offhand reference in the memoir of the newspaper's general manager, Antonín Jun, to the first decade of the 20th century steers us towards doubts about the ability of the enterprise to finance itself, when he wrote "great financial worries have often weighed heavily on us, as the publication of a daily newspaper is very expensive".⁷⁰

The 1912 balance sheet statement informs us that 171 persons (17 permanent members of the editorial staff, 11 contributors, 19 members of the administration,

66 The figures are cited as evidence of the extraordinary fragmentation and incoherence of the materials. Their possible adjustment for inflation is therefore meaningless.

67 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606, Novina, Praha, Protocol on the 4th General assembly of the Agrarian Printing and Publishing Cooperative, 13 March 1900.

68 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606, Novina, Praha.

69 NA, f. Prezidium místodržitelství Praha, 1901–1910, sign. 8/4/22-106, b. 3774.

70 Antonín Jun, Naši spolupracovníci. K našemu jubileu (Our Associates. On our jubilee), In: Od Tiskařského a vydavatelského družstva, p. 6.



26 persons in the dispatch office, 8 servants, 90 persons in the printing office) were responsible for the operation of the cooperative. The printing house operated with 80 typesetters, two rotary presses, 9 printing presses, 10 miscellaneous other machines, and 23 motors of various horsepower. The total turnover of the cooperative for the year 1911 was K 6 796 270, the gross profit was K 106 770 and the net profit was K 18 795. Ten per cent of the net profit was put into funds, ten per cent went to the board of directors, and seven per cent to interest on shares.⁷¹ The profit was therefore not very large. The cooperative was clearly struggling with liquidity, as evidenced by its application in December 1911 for cooperation with the Agrarian Bank. The latter was to take over the repayment of the balance owed to the ÚJHD of a quarter of a million crowns, which it wanted to cover by bill discounts.⁷²

In 1913, the number of permanent members of the editorial staff increased from 17 to 18, eleven contributors remained, the number of members of the administration increased by 6 to a total of 25, the dispatching department was strengthened by 6 persons, and the printing house by 19 persons. The equipment of the printing house also changed, two rotary presses remained, eleven speed presses were added, and the net profit increased by two and a half thousand to K 21 300 over the previous year.⁷³ The cooperative's situation was clearly not going well, for in February 1916 the chief director of the Agrarian Bank, Karel Svoboda, proposed at a meeting of the directorate that "the Czech Agrarian Party should be paid a sum of K 10 000 for 1915 out of the commission on the profits of the [Agrarian Bank's] goods and machine department and credited to the Printing Cooperative for its benefit, as previously ordered".⁷⁴ Thus the details of the business disappear for a long time; all we know is that in 1916–1917 the cooperative set up "branch plants" and the Agrarian Bank's involvement in it increased (cf. above).

A unique and rather interesting constellation of economic data was provided by the Czechoslovak State Statistical Office for 1919. The company's paid-up shares constituted a capital item (root capital) of Kč 4 521 500, its own assets amounted to Kč 6 482 929 (of which land and buildings amounted to Kč 1 722 000, machinery and equipment to Kč 2 739 000, securities and deposited money to Kč 1 085 000), and the foreign assets managed by the company (outstanding liabilities/trade debts) far exceeded these items, reaching Kč 13 064 630. Turnover then reached Kč 29.5 million. Probably the most interesting item is receivables of Kč 14 277 000, which exceeded the foreign assets under management by one million. This suggests that the greater part of the capital was immobilised in unpaid receivables, and it is questionable how much of the receivables were bad debts. It can rightly be assumed that it was a not insignificant proportion. The cooperative's overheads increased as the number of its

71 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606, Novina, Praha.

72 AČNB, f. AB/115/47, Minutes of the meeting of the Agrarian Bank Directorate of 22 December 1911.

73 SOA Praha, f. KSO Praha, sign. Dr-IV-60, b. 2606, Novina, Praha, Extract from the minutes of the 17th ordinary general assembly of 30 April 1913.

74 AČNB, f. AB, 105/198, Minutes of the meeting of the Agrarian Bank Directorate of 23 February 1916.



employees grew. If in 1912 there were 200 employees, in 1919 there were already 1 281. The reported net profit was slightly over half a million crowns.⁷⁵ Noteworthy is the dramatic increase in the reserve and auxiliary emergency funds, which approached almost two million crowns (reserve fund Kč 1 861 000, auxiliary and emergency funds Kč 100 000). These were not, however, generated from profits, which were — as indicated — not large. This was explained by an amendment to the articles of association, which, in addition to the investment in the purchase of shares, required the purchaser to pay a 50 % surcharge as a “registration fee” to be paid into the reserve fund. This was an inconspicuous subsidy, albeit a subsidy based on the statutes.

The first such covert subsidy documented is the purchase of shares in the printing and publishing cooperative by the Agrarian Bank in the nominal value of Kč 1.5 million for the sum of Kč 2 250 000 in October 1919.⁷⁶ The Agrarian Bank again made a “contribution” to the reserve fund in the following year, 1920. It bought the cooperative’s shares with a nominal value of Kč 1 million in order to pay half as much more for them, i.e. Kč 1.5 million.⁷⁷ A similar operation took place in 1937, when the Agrarian Bank subscribed for one million Kč worth of shares and contributed half a million Kč to the reserve fund (cf. above). As shown by the non-standard practice regulated by the statutes, the Agrarian Party used the Agrarian Bank as its reserve “party treasury” from which it financed loss-making activities, in this case the payment of the party press and printed matter. For the Agrarian Bank, the printing and publishing cooperative was a “black hole” in which millions disappeared.

With 1920, we effectively lose contact with the balance sheet economic parameters for twelve long years. It is possible, however, to find data on partial financial transactions with financial institutions. The unique figure given at the 24th General assembly of the Cooperative held on 22 November 1920 is important for us. It tells us that 11 696 shares in total gave a capital of Kč 8 701 000. This was essentially a doubling of the share capital with an almost constant number of shareholders. This means that, at the beginning of the First Czechoslovak Republic, the Agrarian Party “pumped” additional funds into the Agrarian Printing and Publishing Cooperative from its “own” economic institutions, the ÚJHD and the Agrarian Bank, in the space of a single year, roughly Kč 4 million in shares and a further almost Kč 2 million in increased reserves. Even this capital “equipment” was not sufficient for the demands placed on the company by the Agrarian Party. The Cooperative was working with enormous credits; only the credits of the Agrarian Bank amounted to another four and a half million Kč in 1922. A characteristic phenomenon in the functioning of the printing and publishing cooperative in the 1920s, as before the war, was the liquidity problems. There were repeated requests for guarantees, including tax guarantees, repayment of the cooperative’s debts to third parties, special loans for the purchase of stocks, etc., both from the Agrarian Bank and the ÚJHD. The capital drawn from the credits was about four to five times the amount of the share capital. In spite of the obvious continuing

75 Československá statistika, vol. 10, series X, pp. 216–217, 396–397.

76 AČNB, f. AB, 70/228, Minutes of the meeting of the Board of Directors of the Agrarian Bank of 29 October 1919.

77 AČNB, f. AB, 70/250, Minutes of the meeting of the Agrarian Bank of 11 August 1920.



financial difficulties, the Agrarian Party leadership managed to pull the daily circulation of the central daily newspaper “Venkov” up to a solid 30 000 copies, which it maintained until the mid-1930s.⁷⁸ This made it one of the largest daily newspapers in the country.

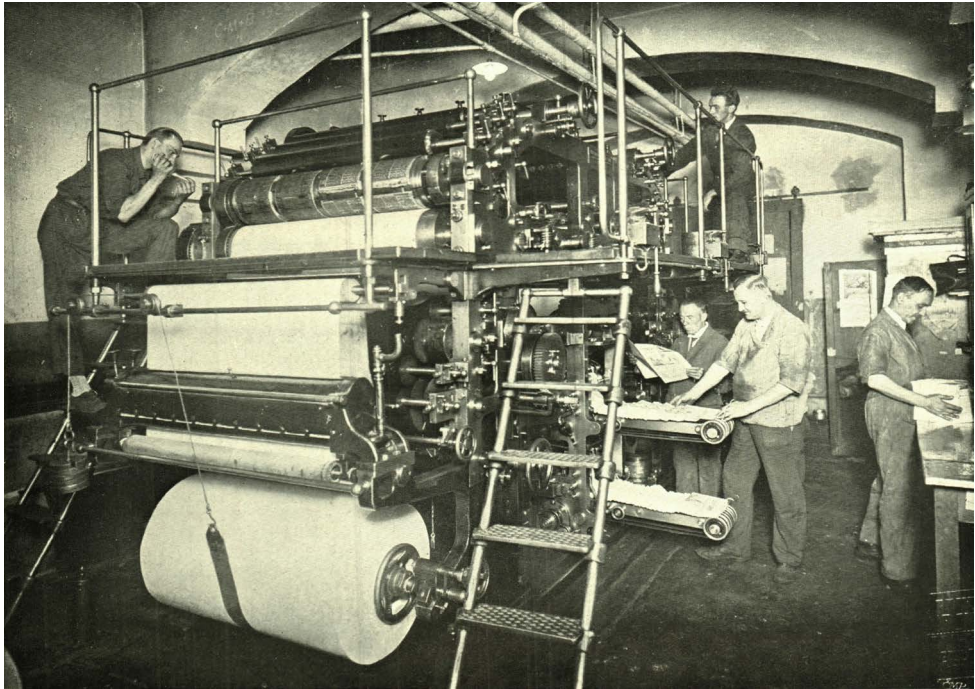
The global economic crisis exposed the economic problems of the cooperative to the public. Although we cannot build on specific figures, the retrospective report on the Party’s activities for the years 1932 to 1935, prepared for the congress held in early 1936, spoke very openly about them. It stated that the population was cutting back on print purchases and the business community was cutting back on advertising, which were the main sources of income. The advertising section of the newspapers had fallen to almost nothing, and book sales and the consumption of printed matter had also fallen. Competition in the market was unusually fierce. The report pointed to the fact that publishers were selling books below cost and printers were taking work at prices that often did not even cover the cost of paper. Subscription collections became protracted. Countless sent reminders added to the costs. “The management of the cooperative faced the difficult task of keeping the printers running and ensuring the existence of the magazines”. The publication of books was restricted. Only “thanks to the leadership of the Agrarian Party and the ÚJHD” was the cooperative and its activities maintained in their entirety. The cooperative reduced salaries, and the workers agreed to this measure. As a result, it did not lay off but continued to employ 2 822 people.⁷⁹

What is remarkable is the management’s admitted efforts to rationalise operations and technically upgrade the company to prepare it for the post-crisis prosperity. Paradoxically, during the crisis, obsolete equipment, printing machines, etc. were replaced. The crisis also led to the replacement of the old printing machines with modern ones with many times higher performance, taking advantage of the fall in their prices. It was argued that without improvements in the performance of the machines, printers would not have survived, as a revolution in technology had taken place. The old printing presses made the pictures unclear, which readers complained about. The new equipment of the printers consisted of eight rotary printing presses for daily sheets, 68 quick presses, 36 folding presses, and 54 typesetters. The report boasted that the agrarian daily and weekly press was up to the times, but competition with the sensationalist tabloids was tough.

The Agrarian Party’s retrospective congress report for 1932–1935, in a subchapter devoted to printing and publishing plants, admitted a fundamental fact, namely that “all the press, with slight exceptions, is strongly passive, so that it is very difficult to keep the magazines alive”. This brings us to the most controversial part of the exami-

78 Jakub Končelík — Pavel Večera — Petr Orság, *Dějiny českých médií 20. století* (History of Czech Media in the 20th Century), Praha 2010, p. 39.

79 Zpráva o činnosti Republikánské strany zemědělského a malorolnického lidu v Republice československé v letech 1932–1935 (Report on the activities of the Republican Party of the Agricultural and Smallholder People in the Czechoslovak Republic in 1932–1935), published on the occasion of the congress of 30–31 January 1936 by the Executive Committee of the Republican Party of the Agricultural and Smallholder People, pp. 53–54.



Printing press of Agrarian Printing and Publishing Cooperative (Source: Zpráva o činnosti Republikánské strany zemědělského a maloroľnického lidu v republice Československé v letech 1932–35, Praha 1935).

nation of the Cooperative's activities, namely the problem of prosperity. The loss as such has never been quantified in the available documents. It is questionable to what extent the reported net profits of 1911–1912, 1919, and 1938 were real profits. Rather, it was a fictitious item ("accounting profit") designed to satisfy small investors in their expectation of a return on their shares, 7% and 6% in 1911 and 1912, but none in 1932 and 4% in 1938. The above-mentioned peculiarity of the replenishment of the reserve funds, as well as the reference to the payment of dividends only to small shareholders in 1935, suggest the above. The cited retrospective convention report was "painted" in black, but only cursorily. It was intended for a public that was supposed to understand the temporary difficulties without being able to see the depths of the problems. This is brought home to us by the negotiations over the estate of Antonín Švehla, long-time leader of the Party and the cooperative and owner of more than two hundred shares. In the estate file, the Novina shares, which were nominally worth Kč 500, were valued at less than a third of their fair market value, i.e. Kč 150. However, in an official letter addressed to JUDr. Stanislav Švehla, the Agrobank's directorate noted that the cooperative had not paid any dividends for two years and, in view of its financial situation, no dividend would be paid next year either. The "naked" reality of the situation at the height of the economic crisis in 1934 was expressed in the last sentence of the letter: "It is rather not impossible that [the Cooperative] will ask for



a 100 % increase in shares, so that the old shares would in fact be completely worthless.⁸⁰

The only more comprehensive set of economic data is an extract from the annual balance sheet for the period from 1 July 1937 to 30 June 1938, made in connection with an application for a credit of between three and four million crowns from another financial institution, Živnostenská banka⁸¹:

Extract from the balance sheet:

Assets: total assets Kč 90 163 403

Of which real estate: Kč 30 220 940 (Prague Kč 15 591 829, Bratislava Kč 6 526 909)

Business friends: Kč 22 804 212 (mainly the company Jaromír Bečka, which is responsible for the construction of the new complex in Florenc)

The largest part of the assets is therefore money in construction and real estate, about 53 million.

Customer and subscriber arrears: Kč 15 988 253 (up Kč 800 000 from the previous year).

Inventory cost: Kč 10 375 701

Paper inventory: Kč 7 655 076

Liabilities: total liabilities Kč 90 163 403

Value of members' shares: Kč 11 677 500

Credits: Kč 39 635 060

Reserves: Kč 8 144 255 (Reserve Fund for claims 4 million; General Reserve Fund 2 million; Pension Fund for clerks and workers 2 million, the rest is tax reserve.)

Business friends: Kč 27 336 752 (Kč 4 532 540 owed to business friends)

Overpayments from customers and subscribers Kč 1 636 472

Other people's money Kč 263 000

Loss and profit account:

Loss:

Depreciation on real estate and inventory: Kč 2 042 179

Interest on credits: Kč 1 348 160

Mortgage interest: Kč 149 231

Overheads on magazines and publishing houses: Kč 40 046 361

Printing overhead: Kč 34 495 604

Maintenance of real estate: Kč 334 356

Total: Kč 78 415 892

⁸⁰ AHMP, Okresní soud civilní pro Prahu-jih, D V56/34, Estate file of A. Švehla, Letter from the Agrarian Bank of Czechoslovakia to JUDr. Stanislav Švehla, 2 March 1934.

⁸¹ Živnostenská banka (Trades Bank): the most important national Czech financial institution in the Bohemian lands, founded in 1868. After the First World War it gained decisive influence on the economic policy of the Czechoslovak state. AČNB, f. 7258-4, Novina, Praha.

Profit:*From publishing and magazines: Kč 33 111 705**From printers: Kč 45 889 876**Income from securities: Kč 129 551**Real estate income: Kč 593 774*

The clerk of Živnostenská banka, who prepared the documents for the Board's decision on the credit application, wrote that the assets of approximately Kč 74 million consist of Kč 33.8 million in mobile resources, non-mobile assets account for Kč 41 million and are countered by financial and trade liabilities of Kč 50.7 million. Net assets amount to Kč 19 million according to the balance sheet. From this, a provision for expected losses of Kč 4 million must be deducted. Against the remaining assets of Kč 15 million stood a debt of Kč 40 million, which clerk considered disproportionately high.

What does the incomplete balance sheet say about the long-term development of the company and its state at a given time? Much can be deduced from the document, but it should be noted that the data analysed by Živnostenská banka's clerk reflect only the main balance sheet items while many smaller items are missing. The totals of assets and liabilities are not entirely consistent (interest on membership shares, cash on hand, carry-over from the previous year, etc.). The most suspicious item in the balance sheet assets is accounts receivable amounting to almost Kč 16 million. The remark that it increased by Kč 800 000 over the last year suggests that the payment discipline of the clientele deteriorated at a relatively fast pace. This was obviously a long-term problem, and it can be assumed that a substantial part of this item was dubious receivables, i.e. receivables that were doubtful and not actually recoverable, which were used to optically balance the balance of payments. The high stock of paper could indicate a significant proportion of dead capital lying in warehouses. However, it must be taken into account that the times were very uncertain, the fate of the Bohemian borderlands was in question (Munich Agreement), and the paper industry was largely located in the territory ceded to Germany. The paper stocks may therefore also be perceived as a prudent move by a good manager. The difference between the assets and liabilities of "business friends" represents a passive balance of more than Kč 4.5 million. This indicates that the company paid its "close" suppliers late, probably significantly.

On the balance sheet, the company was presented as profitable, more by the technical work of the printers than by the publishing and editorial activities that were the ultimate goal. The huge debt seemingly derived from "property" expansion, i.e. the purchase of property and the acquisition of state-of-the-art machinery. Additional sources annotated by an official of the credit department of Živnostenská banka, however, beyond the balance sheet itself, said that Novina still held securities worth Kč 812 000, the largest part of which was Agrarian Bank shares worth Kč 449 000.⁸² From the remark that the cash at the financial institutions was less than Kč 2 million, and also from the other applications for credits and their justifications, we can

82 AČNB, f. 7259-5, Novina, Praha.



judge a continuing lack of liquidity. The lack of liquidity was also behind the request for a bridging operating credit from Živnostenská banka.⁸³ Is it usual for a company “in good shape” to struggle with such a problem on a permanent basis? Rather not. Živnostenská banka eventually approved the credit.⁸⁴ However, the approval was quite likely to have been facilitated by other circumstances, namely the loss of business opportunities in the newly withdrawn border region and the solidarity of conservative circles in the changed political climate. The lure to attract the interest of Živnostenská banka was the promise that after the credit was repaid, Novina would continue to maintain a current account with the bank and possibly take out further credits of around Kč 1 million.

The balance sheet extract of 1937/38 is cautious, presenting Novina as a modernising and expanding company, but not as a long-term profitable and stable one. This corresponds with the rough picture offered by archival documents of the previous period. This admitted times of negative profit and existential problems. In this context, the authors emphasise that the utmost caution is needed in assessing the economic performance of the company, even in the case of its current profitability (if the 1938 figures are accepted as credible). It is enough to recall the fate of another business entity “initiated” by the Party, the Agrarian Bank, which in the first half of the 1920s was profitable, paid dividends and appeared to be a healthy financial institution but in reality, was a loss-making bank that soon had to seek rehabilitation beyond its share capital.⁸⁵

Scepticism about the economic self-sufficiency or even profitability of the newspaper is encouraged by an article by “Venkov” itself in March 1926 announcing that “newspapers in this country — for the most part — are not commercial and industrial enterprises, but a propaganda institution of political parties”.⁸⁶ The article concluded by stating the sad reality that daily newspapers, with a few exceptions, are not able to support themselves, are not self-sufficient, and are kept alive by the money of political parties.

The “agrarian lament” over the “red numbers” of the balance sheets of the publishers of the daily press also appeared in 1937 in the aforementioned anniversary issue of Novina. The article “Těžkosti československého tisku” resulted in the statement that throughout the world the press is viewed like any other enterprise and the price is calculated so that the revenue at least covers the issue. In Czechoslovakia, after October 1918, inflation devalued the currency and the cost of publication rose tenfold or more, to which the prices of newspapers and magazines were not

83 The general director of Novina, Antonín Jun, justified the request for a credit during his visit at Živnostenská banka by the fact that collections from the countryside were regularly received only after the harvest of hay, grain, and beet. AČNB, f. 7259-5, Novina, Praha.

84 Ibid. An annex to the credit file of Živnostenská banka includes a sketch and a budget of the construction in Florenc.

85 J. Novotný — J. Šouša, *Banka ve znamení zeleného čtyřlístku*, pp. 161-181.

86 *Smutné tajemství sedmé velmoci* (The sad secret of the seventh superpower), Venkov, vol. 21, 30 March 1926, no. 76, p. 1.



sufficiently adjusted. The article stated that “according to the current cost of production, weekly newspapers should be priced at Kč 80, 100, 120 or 150 (per year), but in fact weekly newspapers in Czechoslovakia are published at Kč 12, 16, 24, 32, 36 and only in rare cases at Kč 40. Weekly newspapers are therefore sold for one-third, often even one-quarter of the production price, as are other magazines.”⁸⁷ Lamentations resulted in the conclusion about the excessive popularity of newspapers in Czechoslovakia, which arouses suspicion abroad that Czechoslovak newspapers lived on “extraordinary means”. The indignant author thus shot his own party in the foot when he wrote: “The press is viewed politically in such a way that very low subscriptions will win tens of thousands of voters”.⁸⁸ The quoted articles in “Venkov” from 1926 and 1937 are an indirect admission of the problems, but also of the “naked fact” that Novina was an enterprise moving in the economic field but operating according to political notes.

The economic data collected in the study did not allow to outline the Novina business strategy. The only thing that emerges from them is that the company increasingly catered to the needs of agrarian politics and, as a party segment, its performance was still seen as potentially untapped, not sufficiently responding to the Party’s needs, be they politically promotional or potentially economically profitable. The growth of the company in the interwar period was impressive, but it was bought out by huge investments and ultimately by enormous debt in the 1930s, four times its capital stock.

CONCLUSION

(A) The founding of the Agrarian Printing and Publishing Cooperative was clearly a political act at its inception, tied to the formation of a political party entity — the Czech Agrarian Party — whose emancipation and promotion the press of its central organ was to serve. Those who invested money in its founding, small rural investors, may have wanted to serve the agrarian movement, but they undoubtedly also expected economic benefits from their investment. The Party also tried to provide them with this, despite the fact that the cooperative had insufficient capital and minimal reserves. Rudolf Beran said after the Second World War: “From the start, the principle was established that the Agrarian Printing and Publishing Cooperative was a non-profit enterprise and could never pay out more than 5 % of the subscribed shares”.⁸⁹ If such a statement had been publicly proclaimed, the subscription of shares would hardly have met with much success. The funds invested in the project would essentially constitute a gift to the Party, coupled with a double liability. This principle could

⁸⁷ Těžkosti československého tisku (Difficulties of the Czechoslovak press), In: Venkov, vol. 32, 23 May 1937, no. 120, p. 2 of the appendix.

⁸⁸ Ibid.

⁸⁹ This claim has no support in the statutes of the cooperative and the 5% threshold of share appreciation was exceeded, as already mentioned. ABS, Investigation and court files of Rudolf Beran, Rudolf Beran — memoirs, sign. S-508-1, p. 2.



only be accepted “tacitly”, and only at the level of the Party leadership. The establishment of the Cooperative was a long-term project which was not narrowly political in purpose, but clearly included other aspects, cultural, educational, and even entertainment, in addition to the economic aspects. The transition from the twice-weekly “Obrana zemědělců” to the daily “Venkov” documents this.

(B) At the beginning, the company was a classic cooperative, concentrating the owners of a few shares, who came from the middle or upper middle classes of the countryside. The initial situation, in which the “bits” of capital collected determined the character and performance of the enterprise, gradually changed. The small owners were not excluded from it and formally constituted the “decisive” majority, but the mobility of capital and the economic strength of the firm (*notā bene* problematic) were already determined by the large business entities from the 1920s onwards. The latter took equity stakes in it, and on not very favourable terms, with only a limited number of votes reserved to them by statute at general assemblies. Their potential positions of influence were, however, strengthened by their role as providers of large credits, which gave them financial control of the company (the credits exceeded the cooperative’s share capital/capital stock several times over). However, this influence, which in normal market conditions is not arbitrary and of course used to the disadvantage of the borrower, was not used to any great extent by the lending firms, as they also belonged to the Agrarian Party. The decision-making processes in the cooperative were controlled by the Agrarian Party. The mechanism for entrenching the influence of the Party tops, i.e. the oligarchisation of the cooperative’s board of directors, consisted of sophisticated procedural manipulation of votes at the general assembly. Pre-prepared candidates were “elected” to the board of the cooperative, which was the key business entity of the Agrarian Party ensuring its stability in the public space. The cooperative’s board of directors (cooperative management) effectively coincided with the absolute party top, i.e. the Party’s executive committee headed by the chairman, who was also the chairman of the cooperative. It is clear that the position on the cooperative’s board of directors was perceived as a position of power.

(C) Party influence in the Cooperative vaulted on three pillars. The first was formalized and was expressed through the staffing of the cooperative’s board of directors by the functionaries of the Agrarian Party. The second was informalized but no less significant. It was the financial subsidies that the Party provided to the economically passive cooperative from other companies belonging to its fold. Without them, the printing and publishing cooperative would have “collapsed”. The third pillar was represented by the Agrarian Party’s press commission, i.e. the control of another admittedly dependent and obviously overlapping body with the top of the Party, which, however, was tied to the lower tier of the Party and therefore represented a kind of sensor that gave the executive committee or the congress the theoretical possibility to comment on the issue of the party press and its functioning on the basis of specific information provided through the intra-party channel. Realistically, perhaps, the possibilities of the press commission, although expressed very broadly in the 1920s, were limited. An indication for this observation is the fact that the official documents of other congresses do not mention the press issue.



(D) On the question of whether the party enterprise also generated a profit or primarily served political purposes and was loss-making, we can provide only a tentative thesis. To the Party as founder and de facto obvious operator of the business, the admission of an economic loss was prestigiously unacceptable in view of the clientele and political competition. Theoretically, one can even make a profit from communication with the public. The economic results of the cooperative also formally speak to the public in this vein. Was this an accounting fiction or a reality? The extant data do not explicitly mention losses, but the veiled statements of politicians and journalists suggest the passivity of the cooperative's business. Our analysis of the surviving fragmentary data points to the same conclusion. The unusual articles of association correspond to this. The reserve fund was provided with a special, generous source of funds outside the profits, namely a surcharge ("registration fee") on the purchase of cooperative shares. Even more unusual is the provision for reducing the value of the membership share in the event of losses. A reduction in the value of the security in the event of business problems for the company was always the usual solution which was resorted to once the reserve fund had been exhausted. What is strange, however, is the inclusion of this procedure in the company's constituent document, which is clearly a reflection of fears of its lack of prosperity.

The Cooperative was not threatened with extinction even in the difficult situation of the global economic crisis. The Party saw it as a stabilising element of its existence and therefore its bankruptcy was not an option. In any case, economic considerations were subordinated to political ones. In presenting the performance of the cooperative to the public, the Party came up with alternative ways of expressing its "success". It was not about profits, but about the quantitative development of production, the increasing number of employees, the growing turnover approaching Kč 1 billion, the increasing number of printing subsidiaries and incorporated enterprises, the improving machinery, the increasing number and value of real estate — in short, the improving position of the cooperative on the printing market. Efficiency was not measured in crowns, but in the number of supporters of the Agrarian Party and the promotion of the interests of the countryside, represented, of course, mainly by the agrarian lobby.

(E) The Second Czechoslovak Republic (1938–1939) and the subsequent occupation of the rest of the Bohemian lands by Nazi Germany had an impact on the character of the large cooperative Novina, which ceased to be a party enterprise, and its administrative bodies were abandoned by prominent figures of the agrarian movement of the interwar period. Novina turned into one of many commercial publishing houses and printing houses, although its increased interest in the agrarian environment and issues cannot be denied. It continued to publish the daily "Venkov", a relic of the now defunct party.

(F) Ten or fifteen years ago, few "business history" scholars would have wondered whether examining a firm that was not primarily in business for profit was a legitimate topic in business history. But that view has now been overtaken, and American historians naturally include, in the history of business, non-profit firms ("social entrepreneurship", guided by all-beneficial social objectives) and "quasi-corporations", i.e., corporations formed in good faith that fulfil the role of a firm but lack the proper



formalities of a legal entity.⁹⁰ After all, in the US, up to ten per cent of the productive capacity operates as non-profit companies and quasi-corporations.⁹¹ Although Novina was not a non-profit organisation by nature, in some ways it was close to it, being a “serving institution” essentially subordinate to an entity that did not have the proper legal background and performing services for it in the public space. It also shared its regional anchorage with non-profit organisations. The company did not seek to expand into foreign markets but operated in a relatively narrowly defined market. It formally wanted to produce (and should have produced) profit, but in reality it did not, yet it grew in turnover, clientele, and performance. In the eyes of the founders, its purpose was not purely economic. Its political and social purpose was at least as important, if not more so. That is why its activity cannot be measured solely in terms of economic effects, but also in terms of social, political, and cultural effects. The latter, however, are difficult to measure. Their image was borne in the minds of political managers who influenced economic management, if they were not themselves part of it. Such alternative assessments of the firm, based on the use of the social sciences of political history and cultural history, need to be combined with an examination that is economic in nature. Only by blending an entire range of perspectives can we understand the place of the fundamentally non-profit-oriented business in the life of society.

⁹⁰ Philip Scranton — Patrick Friedenson, *Reimagining Business History*, Baltimore 2013, p. 87.

⁹¹ *Ibid.*, p. 87.