

# TRADE WINDS

Conglomerate Busting

by Walter Arnold

ARCHIBALD MACLEISH, the nearest personage we have to a poet laureate, fairly stunned an audience of publishers and other book people recently during a ceremony at which he was awarded the National Medal for Literature. The poet spent most of his acceptance speech denouncing conglomerate take-overs of formerly independent publishing houses. (There have been 300 mergers in the past 20 years, and the trend continues apace.) Mr. MacLeish warned of the threat to the advancement of knowledge and literature posed by large corporations whose ultimate interest is in the "bottom line" on their publishing division's financial statements, and he called the take-over companies "corporate carnivores who have a high devotion to private profit at the expense of everything else."

For many publishers, independence is a dream of former days. For example, Viking was bought by Penguin, which belongs to The Pearson Group, an international holding company. E. P. Dutton belongs to Elsevier of Holland, one of the oldest printers and publishers in the world. RCA owns Random House, Pantheon, Knopf, and Ballantine Books; CBS owns Holt, Rinehart & Winston, Frederick Praeger, Popular Library, and Fawcett; MCA owns Putnam's, Coward, McCann & Geoghegan, and Berkley paperbacks; and Gulf & Western owns Simon & Schuster and Pocket Books. The owners of these so-called vertical conglomerates are outside publishing, and the presidents and editors in chief of houses owned by these giants often protest that their publishing decisions are never interfered with from above. That may be so—as long as the publishers are making a sufficient margin of profit.

There are also internal, or horizontal, publishing conglomerates. Doubleday, which is the largest single trade house and book club owner (of the Literary Guild, for example), owns Dell and its subimprints, Dial, Delacorte, and Delta Books; Harper & Row owns Basic Books, Barnes & Noble, T. Y. Crowell, and J. B. Lippincott; and Time Inc. owns Little, Brown (which owns the New York Graphic Society Press) and The Book-of-the-Month Club in addition to its own magazines and mail-

order book operations. The corporate masters of these horizontal conglomerates are at least in the book business, but their devotion to bigness leads to approximately the same results on publishing decisions as those of the vertical powers.

WHY THE UPROAR over such mergers? One reason is the dangerous concentration of national market power in fewer and fewer big houses, with a concurrent reduction in the variety of editorial options open to authors and to the reading public. Moreover, the 50 largest publishers account for around 75 percent of the total annual national book business. But there are really only eight giant houses that agents and authors clamor after. (They are Doubleday, Harcourt Brace Jovanovich, Macmillan, McGraw-Hill, Prentice-Hall, Random House, Simon & Schuster, and Time Inc.) In the telling phrase of Richard Snyder, president of Simon & Schuster, these houses may become "like the seven sisters of the oil business." Already, the 10 largest mass-market paperback houses, every one of which is owned by a conglomerate, account for 90 percent of the annual market. And two companies' book clubs (Doubleday's and Time Inc.'s) account for over 50 percent of all book club sales. Obviously, if this trend continues, general book publishing could become like commercial television, a national junkyard dominated by a few networks that are, in turn, slaves to ratings measured by the lowest common denominator of interest.

Certain consequences of this trend should be clear: Increased market power and the "deep pocket" of conglomerates drive up the stakes while they drive down the standards all around. In the harried, driven hunt for ephemeral "blockbusters," often mediocre books, for which ridiculous sums of money are paid (and not always made), are designated "A" books by their publishers and get most of the promotional attention, while often solid and potentially lasting books are designated "B" books and left to shift for themselves. (A lot of publishers obviously try to be self-fulfilling prophets.) At the same time, this industrialization of literature brings the attempt to apply cost-benefit efficiency to an at-bottom intuitive and personal

business. The resulting increased bureaucratization adds to the overhead, which is then added to the cost of the books, thus sending prices remorselessly up.

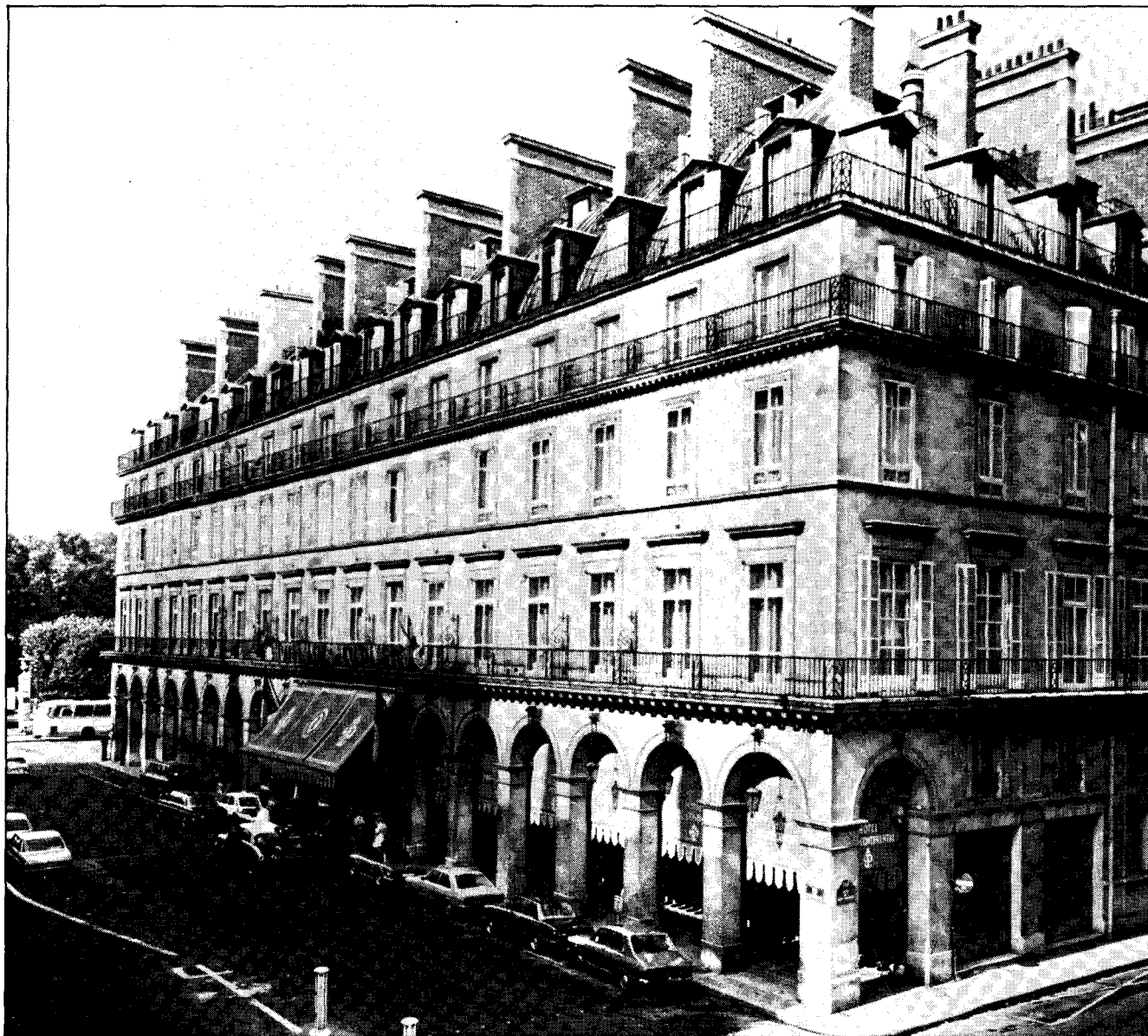
True enough, many of the formerly independent houses would probably have had to go out of business sooner or later had they not been bought and given new capital. (And many would not have; greed for more clout is another powerful motive for selling out or buying up.) But aside from the fact that, editorially speaking, many of these houses might just as well have gone out of business, there is the perfectly good argument that if a publisher can't manage itself or judge its market successfully after a reasonable amount of time, then it has done what it could and should make way for the many new independent houses that happily keep cropping up despite everything.

Encouragingly, the alarm is being transmitted, and a number of attempts are being made to alert the public and halt or reverse this process of conglomeration, oligopoly, and concentration of power in book publishing. The Authors Guild, the largest organization of professional writers in America, has petitioned Congress to investigate the trend in conglomerate take-overs in a series of brilliantly argued briefs, backed up by statements of such leading authors as John Hersey, Herman Wouk, and James Michener. (In fact the guild's and other protests and petitions recently nipped in the bud a possible bid by Western Pacific Industries to take over Boston's Houghton Mifflin.) And Congress is investigating the trend: Senator Kennedy's Subcommittee on Antitrust and Monopoly has already begun hearings on publishing and will resume them shortly. Congressmen Morris Udall and Robert Kastenmeier have called for hearings in the House. The guild has also petitioned the Federal Trade Commission and the Justice Department to investigate specific past mergers such as Time Inc. and The Book-of-the-Month Club. And the Justice Department has filed charges against CBS to compel it to undo its purchase of Fawcett Books. Best of all, an increasingly critical public wants to know more about publishing practices and about the people who edit and publish the books that they buy. ©

# BOOKED FOR TRAVEL

A Paris Potpourri

by Horace Sutton



*Paris's Inter-Continental—"By 1892, the Guide Joanne wrote accounts of its lunches at five francs, its dinners at seven."*

THE SUMMER of '78 in Europe may well be crossed off and counted as a late winter. It marked the year of the coldest and wettest Wimbledon in memory. The *Paris Herald* carried a photograph of a July snow in Switzerland. And lining up for cabs between the two massive candelabra that mark the entrance to the Inter-Continental in Paris one July night, a number of patrons had reached back into winter closets to retrieve their furs.

When the sun finally broke through the chill, gray mass of clouds, it not

only cheered the soul, but it warmed the genie's lamp of imagination. Looking out the window of the Inter-Continental, a hotel suffused this summer in the nostalgia of its 100th anniversary, one could look across the rue de Rivoli beyond the iron railings into the Tuileries, the gardens begun by Catherine de'Medici in the middle of the 16th century. A hundred years later came Le Nôtre, the master landscaper, to create the dramatic touches that still endure.

With the sunlight streaming down the Rivoli and splashing the trees of the park, one could swing open the double

French doors and dream of the demonstrations that took place in the summer of 1792, driving Louis XVI and Marie Antoinette from the gardens to take refuge in the Manège, the covered riding school that had been taken over by the Legislative Assembly. The royal guards protected the royal family, but Louis had ordered the guards not to fire on the demonstrators, and in the riot the guardsmen were set upon by the mob and most were killed.

The Manège stood on the site of what was to become the rue de Castiglione and the rue de Rivoli, an old