

## **'The Times' and the publishers.**

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Publishers' Association.  
Royal College of Surgeons of England

### **Publication/Creation**

London : Privately printed for The Publishers' Association, 1906.

### **Persistent URL**

<https://wellcomecollection.org/works/juvpt65s>

### **Provider**

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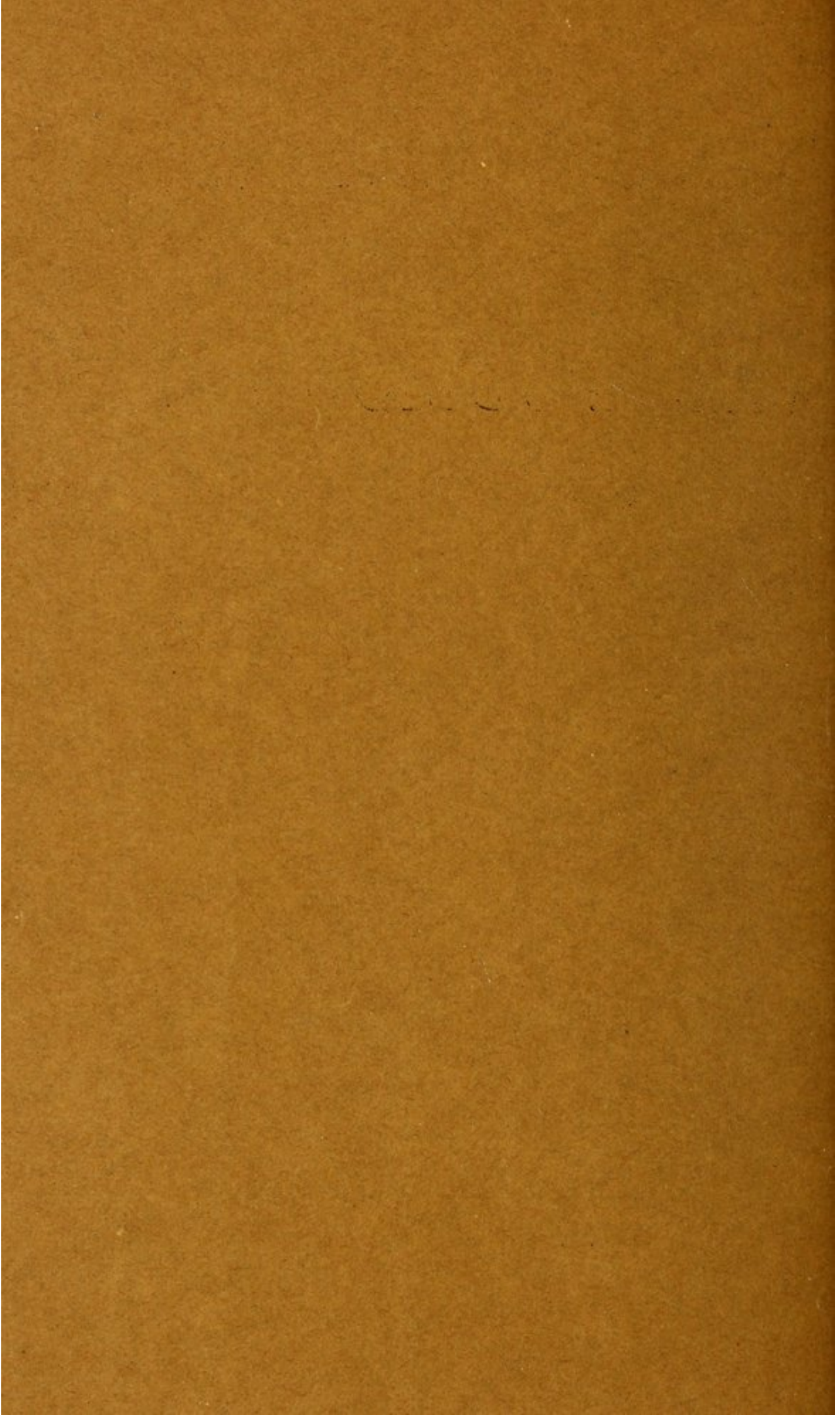
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**"THE TIMES"**

**AND**

**THE PUBLISHERS**







# **“THE TIMES” AND THE PUBLISHERS**

**SECOND EDITION**



**PRIVATELY PRINTED FOR  
THE PUBLISHERS' ASSOCIATION  
STATIONERS' HALL, LONDON**

**1906**



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The only point at issue between the Publishers and *The Times* is the limit of six months after publication during which second-hand copies of *Net Books* shall not be sold or offered for sale at a reduced price.





# “THE TIMES” AND THE PUBLISHERS

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THE *Times* has declared war upon the publishers, and the dispute is now being carried on under the eyes of the public.

The heading of the first manifesto is “*An attempt at a Monopoly*,” and it would be difficult to find any more appropriate description of the present state of affairs, for a monopoly of the well-known American kind is what the *Times* Book Club, under its American controllers, is now bent on establishing. To retort in their own phrase, they are “attempting to dictate terms to their own advantage without considering the rights of others.”

The origin of the *Times* Book Club is an open secret. It had become necessary in recent years for our great newspaper to discover some means of increasing its circulation and advertisement revenue, which had been impaired by the competition of cheaper papers as well as other causes.

## **The “Encyclopædia Britannica.”**

The first move was to father the circulation of the ninth edition of the “Encyclopædia Britannica,” which having served its purpose over here, and fallen into the hands of an American Syndicate, was re-introduced to the British public by all the processes familiar to the Trans-Atlantic “promoter.” It mattered not that a great part of the work was completely out-of-date—it was eagerly swallowed by the public, which believed, on the strength of the reputation of the *Times*, that it was getting a new work and regarded it as a real bargain.

## **Origin of the *Times* Book Club.**

The success of the “Encyclopædia Britannica” led to the American Syndicate being entrusted with the task of reviving the sale and advertisements of the *Times*, and the method of accomplishing this was the capturing of the book trade, for it was believed that what had been done with the “Encyclopædia Britannica” could be done with the publications of all the English publishers.

It is important to keep this point in view, for, from the first, the selling of books has not been an end in itself, but only a



means to an end, viz., the financial improvement of the *Times* newspaper.

At first the *Times* was offered to subscribers at a reduced payment of £3 per annum, or about 2½d. per diem, but the next year the annual subscription was restored to the normal amount of £3 18s., which payment was to include all the privileges of the TIMES BOOK CLUB, set forth in glowing colours as though these were some new invention, instead of being to a large extent privileges which have been afforded by the circulating libraries for years past.

The principal advantages offered to the public as compared with those already enjoyed at the hands of circulating libraries were :—

- i. That every subscriber should have every book which he or she asked for, *at once*, as the *Times* was to purchase a larger stock than any other library.
- ii. That copies were to be offered for sale second-hand at an earlier date after publication; at a lower price; and in a cleaner condition than by any other library or bookseller.
- iii. A catalogue superior to all others, for the use of readers, was to be established.

### Promise and Performance.

i. The first condition has not always been fulfilled: customers have been kept waiting for books, and the *Times* Book Club has in many cases purchased smaller numbers of books than Mudie's, Smith & Sons, and other large libraries. Moreover, they deliberately state that, unless they can purchase books at all times on "subscription terms,"\* they drop them. "The minute our stock is run out of those purchased on subscription terms we invariably drop it from the catalogue."

ii. The second condition has given rise to the present state of affairs.

The *Times* Book Club having little experience "over-bought" certain books, and wishing to dispose of these and other works, began selling off at a short time after publication, and at ruinously low prices. For instance, one book published at 36s. was offered within four months of publication to the public at 7s. A transaction which in view of the price which was paid for them must obviously have resulted in a loss. This gives a clue to the whole policy adopted by the *Times*.

\* NOTE.—For the benefit of those who are not acquainted with the Book Trade, it should be mentioned that when a new book is first offered to the booksellers before publication, they are given terms somewhat lower than the ordinary trade terms, in order to encourage them to stock the book. These special terms are called subscription terms and are only granted on this occasion.



For as we have already stated, the Bookselling business was not an end in itself, but a means to an end, and the first prospectus contained a statement that hitherto "no library has ever been established with the deliberate object of spending money instead of making money, and none has ever attempted to do all that we undertake to do." In order to make it an efficient means, it was necessary to undermine the position of existing booksellers, and to acquire something like a monopoly of the sale of books, and the premature selling of so-called second-hand copies at ruinously low prices was a powerful weapon in accomplishing this purpose.

iii. The catalogue has been suppressed, the Book Club having realized their inability to carry out what they had undertaken in this respect.

### **The position of the Bookseller.**

A bookseller who has to earn his living by a precarious and not very profitable trade, cannot afford to compete with the conditions offered at present by the *Times* Book Club. This process of "squeezing out" is familiar to everyone who has followed the history of the formation of trusts. It is commonly resorted to until the ring is complete and then prices are raised again.

We can say without hesitation that in every large town in the United Kingdom, and especially in every University town, there are booksellers to whom the educated community owes a debt of gratitude.

These are men who not only supply but help to create a demand, they are not mere salesmen but invaluable advisers, whose shops are the rendezvous of lovers of good literature and whose counsel is constantly sought by intelligent readers and purchasers of books. The public will be the loser if it allows these men to be undermined and ruined by an American Syndicate, for an ulterior purpose of its own.

### **Remainders and the "Jumble Sale."**

But the premature selling of second-hand books was not the only weapon in the armoury of the *Times* Book Club. Early in 1906 the publishers of London were approached by the Book Club with an enquiry whether they had any cheap "remainders" for sale.

Some of the publishers were suspicious and declined to deal; others sold off old stock, much of which, in the ordinary course of events, would have found its way to the pulping mill at waste paper prices. These books were offered to the public with a fresh flourish of trumpets as extraordinary bargains: the great Jumble Sale was advertised far



and wide, and the British public came in its thousands to buy. Much of what it purchased may be described in the words of a *Times* circular as "books which it did not want, at a discount of 50 % or more"; but it had "got a bargain," and whether it be at the haberdasher's or the bookseller's John Bull loves a bargain, even though he never finds any use for it afterwards.

### **Policy of the *Times* Book Club—A Monopoly !**

The *Times* Book Club has a firm belief in the gullibility of the British public, and in seeking to establish a monopoly of its own it astutely begins by accusing the publishers of endeavouring to form a Monopoly in their own interest.

There are probably few businesses which possess less of the character of a monopoly than that of a publisher, anybody may start one to-morrow. In educational and scientific literature there are scores of competing manuals from the lowest price upwards; and even in the case of Memoirs and Travels and such like, one popular book soon drives out another. The war in South Africa, the expedition to Tibet and the Russo-Japanese war all gave birth to many competing works on the same subject.

### **The Author's Interests.**

There is one interest, however, which is significantly left out of sight by the *Times* Book Club, and that is the interest of the author.

Copyright is a statutory limitation of the natural indefeasible right of an author to the creation of his own brain and industry. In the public interest the law enacts that the author and his heirs shall not have a monopoly in these creations for all time, and that after a certain term of years they shall become public property. But during the limited term the author or his assigns are granted full enjoyment of his rights. The Copyright Act begins with an explicit statement that its object is to encourage the production of good literature, and to secure to the author all advantages so long as copyright exists. In short the copyright owner, and not the *Times* Book Club or any other bookseller, has the right to determine the price of a book and the conditions on which it shall be sold.

Now it is obvious that nothing is more calculated to undermine and injure the rights of an author than the shortening of the life of a book. This life is already much curtailed in most cases by the enormous output of books, and the fierce competition which it creates, but if new books are to be sold "unspoilt" at a discount at the end of a few weeks after



publication, an irreparable injury will be done to copyright property. Authors, publishers, and booksellers must all suffer in the long run.

### Unspoilt Copies.

The *Times* Book Club claim that they offer "unspoilt" copies at a reduction of 33½ to 70%. Now a "spoiled" copy is everywhere recognized as a copy which, by reason of being slightly soiled or damaged, cannot be sold as a new or fresh copy. An "unspoilt" copy is, therefore, equivalent to a new copy, and this is offered to the public at a price considerably less than the *Times* Book Club had to pay for it!

This is not genuine business, and when the booksellers are irreparably injured, prices will be raised in the natural course of events, and the great monopoly will have been established.

### "Exorbitant Prices" and Cost of Producing Books.

"The publishers' policy of exorbitant prices" is a phrase dear to the Managers of the *Times* Book Club. It occurs over and over again in their manifestos, and seems somewhat strange as emanating from the office of the most expensive daily paper in the United Kingdom—perhaps in the world.

In the second part of their declaration of war the *Times* Book Club accuse the publishers of "demanding an extravagant price for the books they issue, a price out of all proportion to the cost of production." Taking the example of a biography sold at 36s. they proceed to state that the cost of paper, type-setting, making the plates, printing, binding, of a "fair edition" is 4s. per copy.

It would be difficult to find a more inaccurate statement of the case: either it is intentionally misleading both in what it asserts and what it omits, or it betrays a profound ignorance of the cost of production of books.

The publishers are roundly accused of making a profit of 800 per cent. on their outlay. The Managers, in reply to the very shrewd criticisms of a writer in *Truth*, say that "they said nothing of the sort." But their words are "The all round profits on these books thus amount to 800 per cent. . . a profit which is we believe enormously in excess of that expected in any other trade."

This comparison with any other trade leaves little doubt as to the impression intended to be made on any intelligent mind.

But what are the *Times* figures: they say that "a fair edition" of an ordinary book published at 36s. net, costs 4s. per copy, "including the cost of paper, type-setting, making the plates, printing, and binding."



Observe that an "estimated" expenditure is based on "a fair edition," and from these vague premises a definite conclusion is drawn. No mention is made of payment to author; author's corrections (which frequently amount to over £50 in such books); of advertising (which is as necessary an expenditure as printing, and a heavier one), of establishment expenses, or of the risk of loss which publishers incur on most books.

On the other side it is assumed that every copy is sold, and none are left on hand (which is hardly ever the case) and no allowance is made for copies presented to author, to the press, &c. In short both sides of the account are "cooked" in order to produce an inaccurate result.

The profit made on the "Encyclopædia Britannica" was proportionally larger than that made by publishers on all but a very small number of exceptional books, and the commission allowed to the booksellers was only 5s. for the 25 volumes.

### **Prices of Books now and formerly.**

One of the anonymous correspondents who write letters to the *Times* states that books are much more expensive than they were 60 years ago because a new middleman has come into existence since then, and this statement is eagerly endorsed by the Manager of the *Times* Book Club.

Both these statements are far from the truth: publishers and booksellers were differentiated more than 100 years ago, and to take books of travel alone as an example of price, the volume now published at 21s. or 24s. must be compared with those of Parry, Franklin, Beechey, Burckhardt, Ross, Denham, Clapperton, Belzoni, Ker Porter, Keatinge, Bowdich, and a host of others, which were all sold at prices varying from £2 5s. to £4 14s. 6d. There were no circulating libraries then, and in those days the average life of a book was much longer than it is now.

When once a book or an author has established a reputation and has secured a certain or continuous sale, a cheap edition is almost invariably produced, and there never has been a time in the world's history when so much cheap and good literature was accessible to the public as at present.

The comparison of Lockhart's *Life of Scott*, a book of established reputation, of continued sale, and *out of copyright*, with a new biography the success of which is a mere lottery, betrays a complete ignorance of the whole business in hand.

### **A Significant Admission.**

The *Times* Book Club boasts that its members get all the privileges of a circulating library "for nothing:" it enables its



"subscribers to read, for nothing at all, the new books as they appear."

This statement is most significant; "for nothing" of course means on payment of £3 18s. (or 3d. per diem) inclusive of the *Times*, and it is capable of two interpretations (i) either three-pence per diem is "an exorbitant price" for the *Times* if the library can be thrown in for nothing, or (ii) they are carrying on a large and expensive business at a loss, in order to crush the booksellers and by creating a monopoly repay themselves subsequently.

### **The *Times* Book Club and the Booksellers.**

The third part of the *Times* declaration of war deals with the bookseller, and is even weaker than the other two parts. It takes no notice of the fact that the circulating libraries and booksellers have for many years given the public every facility for the purchase of second-hand copies at reduced prices, *after a reasonable interval*, and openly avows its belief that those purchasers who have once experienced the advantage of the *Times* Book Club, would, even if prepared to pay the proper price for a book, not go back to an ordinary bookseller. "*Our clients could hardly be expected to make an exception in this single one of their book transactions and buy a new copy at another book shop.*" In other words, the cat is out of the bag, and a monopoly of bookselling is the aim of the *Times* Book Club. The remarks about the Booksellers' profit, and the terms allowed to them by the Publishers are not worth discussing, as they are based on an estimate of the cost of production of books, and the returns from sales, which are shown to be absolutely erroneous.

The pretended solicitude of the *Times* Book Club for the bookseller is illustrated by their original prospectus of the "Encyclopædia Britannica," in which the public is exhorted to save money by doing without the bookseller.

### **The Net Book System.**

The Managers of the *Times* Book Club omit to state that the Net Book System was established eight years ago *at the earnest request of the booksellers themselves* to help them out of the disastrous condition to which the under-cutting of prices among themselves had reduced their businesses; they know too that the six months limit during which books shall not be sold second-hand was supported after careful consideration by the publishers, again at the earnest request of the booksellers, and yet they write, "the publishers aim a direct blow at the bookseller, imposing very hard terms upon him, . . . the publishers are in the true monopolist spirit attempting to dictate terms to



their own advantage without considering the rights of others," etc.

The Net Book System has worked in a most satisfactory manner ; it has given fresh heart and confidence to the booksellers ; it has inflicted no hardship on the public (for when a book is made "net," the price, as a rule, is fixed at a proportionately lower figure than if it had been non-net) and it has been a distinct gain to authors, as it has enabled booksellers to "stock" their books.

### **The Life of a Book.**

It is well-known that the life of a book is in many cases sadly shortened in these days of competition and over-production. The first six months of a book's existence is the critical time, and many books never survive it. The action of the *Times* Book Club in prematurely selling off second-hand copies will grievously shorten this already short life. This is bad for the author and equally bad for the bookseller who speculates in a new and promising book in the hope of selling off his purchase gradually in six months, but will now find himself forestalled, and his prospects of sales ruined.

### **Lord Campbell's Opinion.**

The Managers quote triumphantly Lord Campbell's well-known decision about restrictions on sales, but this was only a personal opinion, not a legal decision. Moreover, in 1852, the state of the case was very different from that which now exists. Lord Campbell and his two colleagues were asked to arbitrate at a time when no American syndicates were coming to threaten our English industries, and when cheap literature was barely in its infancy, when paper was taxed, and when the dispute lay between the majority of the publishers on one hand, and certain booksellers in combination with certain authors on the other ; the dispute is now between the *Times* Book Club on the one hand, and the authors, publishers and booksellers united as one man on the other. Lord Campbell held, as we all hold, that the public ought to be supplied with good and cheap literature. It must be remembered, however, that at the present day every book of classical repute, or that possesses any possibility of continued life, can be obtained at a price which Lord Campbell never dreamed of. A man can form a library of shilling volumes, containing all that is worth having in English literature of the past, without filching from living authors the proceeds of their labours.

In 1852 the *Times* was a disinterested spectator, and took up the case against the publishers warmly : now it is one of the parties to the suit and can hardly claim to be judge and jury as well.



## Original Proposal of the *Times* Book Club.

The Manager of the *Times* Book Club states that "before the Book Club was established the publishers were aware of the principles and objects and cordially welcomed them."

This is inaccurate: *they did not know that books would be sold off "unspoilt" or otherwise, at one-fifth of the published price a few weeks after the publication.* Moreover, they had the repeated assurance of the *Times* Book Club Managers that they believed they were going to benefit the bookseller, and were told that "*we do not want to undercut in either buying or selling.* We want to be the honest broker between readers and publishers with as little opportunity for bargaining as possible"—an assurance which to any ordinary mind precludes the possibility of such undercutting as is now practised by the Book Club.

## High Priced Books.

While it is an indisputable fact that the large majority of books now-a-days are very cheap as compared with past times, it may readily be admitted that certain works in certain classes of literature (a small majority of both) are high priced.

But this is in no way due to the publisher or the bookseller. The chief causes of this state of things are :

- i. The large payments in advance demanded by all successful, and most rising authors.
- ii. The habit of a certain section of the British public of hiring rather than purchasing its new books. One copy is thus made to serve the purpose of many. This practice brought into existence the three volume novel, which became a *reductio ad absurdum*, but no such misuse of it exists now.

## Misunderstandings.

Mr. Frederic Harrison and other correspondents write to the *Times* extolling the advantages and convenience they have derived from the lending library.

This is a good example of the misunderstandings to which the wordy manifestos have given rise. The publishers have no desire to put a stop to any legitimate development of the circulating libraries, but only to the premature and ruinous "undercutting" of sales which has been entered upon.

We may give another example of misleading statements and their fruits. On Wednesday, October 10th, there appeared in the *Times*, a long article on Net books, in which by a careful (but inaccurate) process of reasoning, an endeavour was made



to prove that the "public library and its owners will be ground between the upper and the nether millstones of an inexorable demand, and a sphinx-like monopoly."

On Friday, an anonymous correspondent draws the further conclusion that "we are now compelled to give exorbitant prices for books *which are paid for out of the rates.*"

Could inaccuracy and mental confusion exceed this !

The writer's line of argument would appear to be this : the Free Libraries are bound to buy large numbers of certain expensive books (according to the *Times*). Some Free Libraries are supported by the rates, therefore the price of books is kept up by payment from the rates.

The *Times* Book Club claims that having bought books it is entitled to do what it pleases with them. This is not the case when special terms of purchase are conceded, as such an arrangement is always subject to conditions.

### Conclusion.

If the *Times* desires to disseminate good and cheap literature printed and circulated at their own cost let them do so. They do not do this because they know the risk they would run in endeavouring to compete with and supersede the admirable editions already in existence. They prefer to "undercut" in new publications, for an ulterior purpose of their own.

Many have been the comments among all intelligent classes at the sad falling off which they discern in the fact of the *Times* lending its honoured name to the "puffing" of Cyclopædias, Atlases, &c., and we believe that the public has only to be informed of the facts in order to see through this new move.

The advantages offered by the *Times* have in almost every detail, save two, been for many years available to the public through circulating libraries and second-hand booksellers who are carrying on a legitimate trade.

The two points in question are :—

- i. That the enterprise is carried on for an ulterior purpose, and consequently the advantages are given as the *Times* says "for nothing."
- ii. That books are undersold prematurely, sometimes at a very large reduction—as has already been explained.

We cannot believe that the public will consent to swallow this "attempt at a Monopoly," in spite of the American bait under which it is concealed.

It is a significant fact that since this dispute became public the leading London daily and weekly newspapers have voluntarily supported the contention of the publishers, and some of them have very severely criticised the *Times*.



*The following letters and articles are reprinted by permission :—*

## OPINION OF THE SOCIETY OF AUTHORS.

(THE TIMES, October 23rd, 1906.)

“TO THE EDITOR OF THE TIMES.

“Sir—I am instructed to forward to you the enclosed resolution passed by the managing committee of the Incorporated Society of Authors at a special meeting held to-day to consider the questions at issue between *The Times* Book Club on the one hand and the Publishers' Association and the Associated Booksellers of Great Britain and Ireland on the other :—

“Resolution.—That this committee is of opinion that the course of business pursued by *The Times* Book Club is in important respects opposed to the interests of authors, and accords its support to the objection raised there to by the Publishers' Association and by the Associated Booksellers of Great Britain and Ireland.

“In coming to the conclusion embodied in this resolution the committee have, as is their duty, paid primary regard to the material interests of authors—of the creators of books—which have hitherto been but slightly regarded by the parties to the controversy—but they believe that those interests, justly and reasonably understood, are not in conflict, but are wholly identical, with the interests of literature, and with the permanent interests of the reading public.

“Certain features in the proceedings of *The Times* Book Club are in conflict with all the above-mentioned interests.

“The object of the Authors' Society is to secure for the author a fair remuneration, a fair share of the product of his work, and such a position of independence as will enable him to obtain this just recompense.

“*The Times* raises the cry of ‘cheap books,’ showing in this case a zeal for ‘mere cheapness’ not always apparent in its attitude towards the producer and consumer of other commodities. No doubt the public like to buy books cheap, and like, or ought to like, these books to be good, and the authors of them to be fairly treated. In the end—and the not remote end—if you starve and degrade authors, you starve and degrade literature.

“This is not the interest, nor can it be the wish, of the public.

“Now what is *The Times* Book Club, and how does it stand in regard to these matters? It has no concern with the remuneration of authors, or with the cost of production of books, for it does not employ authors or produce books; nor is it even a bookseller in the legitimate sense of that term, for it is not bound to make, nor can it look to make, a fair trade profit as a bookselling business. It is a department of the advertising department of *The Times* newspaper, ‘Its privileges’ are baits thrown out to catch circulation, and thereby to catch advertisements for *The Times* newspaper.



"It is not necessary to criticize in detail the methods adopted to attract and retain public attention, though many literary men must entertain a profound repugnance to them, but it may at least be said that such a course of dealing does not enhance the dignity of literature. It may be affirmed with equal confidence that it is opposed to the interests of authors. We have had our differences with the publishers and, no doubt, shall have them again. Our partnership with them is not without its jars; but it is a partnership; for the publisher, no less than the author, stands or falls with the success or failure of the book, and not merely with its momentary success, but also—and here he touches hands with the booksellers—with its continued appreciation, with the length of its life as a literary property. Hence it is also the publisher's interest that the books he produces should possess merit in the public estimation, and hence, again, it is his interest, although he may not always have recognized it, to deal fairly with authors and to be ready to accord to them their fair share in the profits of the venture; for, unless he follows this course he will, thanks, to the competition which now exists, fail to secure books from authors of popularity and repute.

"*The Times* Book Club cares for none of these things. In the nature of the case it can, in its heart, care for none of them, any more than it can care for the dignity of literature.

"In order to fulfil obligations undertaken for an entirely foreign purpose, and an entirely non-literary end—namely, the increase in the gains of *The Times* newspaper—its object is simply and solely to buy as cheaply as possible 'books of the moment,' to supply the first and fleeting demand for them, and, that over, to 'cut its loss' by selling them off as soon as it can for any price it can, and to repeat the game with the next 'sensation' of the moment.

"The publishers and booksellers have spoken with no uncertain voice on the effect of such a course of trading on their branches of the business—results which *The Times* Book Club seems to invite the public to welcome and to applaud. The results to authors may well be not less serious. If the methods of the Club be allowed to continue, they will spread. Imitators will arise. The author will be no longer the partner able to demand his fair share. He will be at the mercy of a few large 'concerns' which can take his books at their own price or refuse to take them unless he accepts it, whose sole interest is cheap buying and quick 'scrapping,' whose interest in literature is limited to the question how they can best make the buying and selling of books a useful subsidiary means of promoting the yield of their advertisements, the popularity of their aerated water, or the vogue of their toilet soap. Where lies the advantage to the author, either to his pride or to his pocket? It would be contrary to general opinion and experience to suppose that in the long run the public would find their benefit in a state of things savouring far more strongly of monopoly than the present organizations either of publishers, or of booksellers, or of authors—a state of things at least threatening a despotic control of the literary profession and of the book trade by a small group of persons, firms, or companies,



whose methods and objects alike are totally alien from literature, from any desire to promote the production and appreciation of good books. Moreover, the public will do well to remember that as monopolies grow their prices are apt to grow. Enthusiasm for cheapness does not survive the struggle for the control of the market. If that is once obtained the monopolist's full ideal comes into practice—cheap buying and dear selling. The public may to-day buy their cheap books from the Book Club at a price too dear.

"I am, Sir, your obedient servant,

"G. HERBERT THRING,

"Secretary of the Incorporated Society of Authors.

"39, Old Queen-street, Storey's-gate, S.W., Oct. 22."

## MR. RUDYARD KIPLING'S OPINION.

(THE TIMES, October 20th, 1906.)

"TO THE EDITOR OF THE TIMES.

"Sir,—The recent action of *The Times* Book Club, which, we are informed, is owned, originated, and directed by *The Times*, and for which *The Times* is solely responsible, must be my excuse for troubling you with a letter.

"So far as I understand it, to secure the advantages offered by *The Times* Book Club people must subscribe to *The Times*. Consequently, as more people join the Book Club the circulation of *The Times* newspaper increases. When the circulation of a paper increases, the advertising rates, which should pay shareholders their dividends, are, quite legitimately, increased, because then the paper reaches a larger audience.

"The special advantages of *The Times* Book Club appear to be these. *The Times* buys new books from the publishers, loans them gratis to its subscribers, and, after a short interval, sells them to its subscribers at rates which defy competition.

"Many people will therefore join *The Times* Book Club—i.e., subscribe to *The Times*—and save money on each new book they buy, rather than buy from the bookseller, who, since he depends for his livelihood on the profits of the books he sells, cannot meet *The Times* cut in prices.

"If everyone bought books through *The Times* Book Club there would be no need for the bookseller. It is not to the financial interest of *The Times* that the bookseller should exist. Every book sold across his counter means one stray sheep among the public not yet gathered into the fold of *The Times* subscription list. And, as I said before, the larger a newspaper's circulation the higher its advertising rates and the greater its profits.



"The particular pretext on which the booksellers will be undersold is of no importance. They are independent distributing agents of a commodity which *The Times* is handling in order to increase its circulation; and to that extent must interfere with *The Times*. I note *The Times* assures them that when they shall have reduced the price of books booksellers will be able to make larger profits than at present, by selling more books. But it is the essence of *The Times* scheme that the booksellers shall never be allowed to sell quite as cheaply as *The Times*. Otherwise, what advantages could *The Times* offer to its own bookbuyers? So, it seems to me, the booksellers will go, that *The Times* may become sole distributing agent for the current literature of the day.

"I do not see how this is to benefit anyone except *The Times*. People in other lands have already discovered that, if they can only ship their goods to market over one railway system, they must perforce pay such rates as that railway imposes. Similarly, under the new system, if there are no booksellers to distribute an author's books among the public, the author must wait on the will and convenience of the organization which has taken the place of his distributing agents. If for any reason that organization does not care to handle the book, the author may be as effectively ruined as a Western farmer to whom a railway refuses trucks to shift his wheat to market.

"This may seem an extravagant assumption; but the Manager of *The Times* Book Club in his letter to *The Times* of October 8 shows that something of this sort is already being put in motion.

He could not, he explains, purchase certain books on his own terms.

"The publisher and the author being bound to their distributing agent, the bookseller, the terms on which they sold included the possibility of a livelihood for the bookseller, because he was necessary to their business. *The Times* terms would have eliminated their sole means of reaching the public except through *The Times*. The publisher, the booksellers, and the author had been working together for some years. *The Times* Book Club is not many months old. Therefore the former could not accept *The Times* terms. Therefore the books were not cheap for *The Times* to buy. Therefore, the Manager of the Book Club writes, *The Times* bought many fewer copies for loan to *The Times*' subscribers than it would otherwise have purchased, and these, I gather, he did not 'feel under any obligation to push.' I understand he has loyally lived up to his lack of obligation, but my point is that the books were 'pulled' simply and solely because they were not sold to *The Times* on terms which would have enabled *The Times* to undersell the booksellers.

"If this manipulation is attempted before the Trust is well consolidated, what may authors reasonably expect when the avenues of distribution are held by *The Times*?

"As for *The Times* claim to benefit the public by supplying it with cheap literature, it offers no guarantee that prices once lowered to secure control of a market may not be raised when that market is



secure; nor is the record of other Trusts reassuring on this head. I see that the manager recently pronounced that the day of six-shilling novels and thirty-shilling biographies is ending. He does not say what will happen when for a present gift of cheap books the public shall have conceded to *The Times* power to dictate the prices of all books hereafter.

"In that event, authors as well as prices will be arranged by *The Times*. We have had a glimpse of what has been happening during the transition period. So long as there is a difficulty in getting 'cheap' books, *The Times* must 'push' authors published by firms which will enable *The Times* to undersell the bookseller. *The Times* has already demonstrated how it 'pulls' books which do not give it that power.

"The end seems simple enough. The author, cut off from his bookseller, who is his distributing agent, must lie absolutely at the mercy of *The Times*. *The Times* can decide the selling price of his book, his royalty (which need bear no proportion to the selling price), and the manner in which the book shall be printed and advertised. If *The Times* does not, for any reason, like his book, he must either write to please *The Times*, or cease writing, because he has no means of reaching his public except through *The Times*.

"So the public will have exchanged the right of reading, at fixed prices, whatever they wish to read, for the privilege of buying at whatever price *The Times* may appoint, precisely whatever *The Times*, in its judgment, allows to reach them.

"This arrangement may pay *The Times*, but it seems to be on the way to depriving literature, the author, and the public of a certain amount of freedom.

"Yours sincerely,

"RUDYARD KIPLING.

"Batemans, Burwash, Sussex."

## "THE TIMES" AND THE PUBLISHERS.

(THE SPECTATOR, October 13th, 1906.)

"We had hoped to be able to refrain from commenting on the private trade dispute between the Publishers' Association and the *Times* newspaper. The *Times*, however, has chosen to make a direct appeal to the public by insisting that its action has been taken in their interests, and that it is fighting against a body of selfish monopolists. In these circumstances, and in view of the great amount of attention drawn to the whole matter in the Press, we can hardly refrain from comment.

"Before dealing with the merits, we would ask our readers to clear their minds upon two points. In the first place, they must remember that, however much one of the combatants may speak of



its desire to act in the interests of the readers of books, such an expression of altruism is in reality only a move in the business game. The *Times*, like any other business concern, is thinking of its own interests and its own profits, and is in no sense a corporate knight-errant of the bookshelves. When its conductors intervened some fifty years ago in the quarrel between the booksellers and the publishers, their position was a very different one. They were not then traders in books, but occupied an impartial position, and had a right to claim that they regarded the matter solely from the point of view of the readers of books. Now, through their own choice, they have become book-vendors, having pecuniary transactions with the publishers on a very large scale, and hence they cannot possibly claim to take a judicial view of the matter without setting up as judges in their own cause. We do not for a moment suggest that the *Times* has not a perfect right to fight its own battle as vigorously as it can; nor, of course, does the fact that it has large monetary interests involved by any means show that it is in the wrong. This monetary interest, however, of necessity bars the plea that it is the disinterested champion of the public, just as it was in 1852. What we have said as to the *Times* being engaged in fighting a purely commercial battle applies, of course, with equal force to the publishers; but we are bound to point out here that, as far as we know, the publishers have made no attempt to represent themselves as acting on any grounds but those of legitimate business. Again, a sense of fairness obliges us to note that there is little justification for the *Times* in accusing the publishers, as it does in its leader of Thursday, of having lost their tempers and forgotten their manners. The publishers, no doubt, in their general letter to the Press tell some unpleasant home-truths to the *Times*; but such plain speaking was provoked, and, in our opinion, justified, by the original attack made upon the publishers in the advertisements issued by the *Times* during the past fortnight. In those advertisements the publishers were represented as selfish monopolists who gain enormous profits at the expense of the public and the authors. Those who make suggestions of this kind, and especially when they are founded on erroneous data, must expect to be hit back. Again, all who complain of bad manners in a public controversy should be especially careful of their own methods.

"We desire to warn our readers of another source of misconstruction and prejudice in the present controversy. It has been suggested that the *Times* occupies the Free-trade position, while the publishers take that of the Protectionists, and of Protectionists of a particularly odious kind. Any such analogy from the political arena is entirely false and misleading. The question of Free-trade or Protection, in the true sense, does not arise. The Free-trader does not in the least desire to interfere with the complicated mechanism of private buying and selling. All he asserts is that the Government is doing a deep injury to commerce, and is impairing the wealth of the nation, if it steps in and by the force of law prevents buyers from choosing their own markets, and compels them, under heavy penalties in the shape



of Custom-duties, to purchase in the dearer rather than in the cheaper market. He insists that the Government shall not interfere with prices, but shall keep its hands off and leave private individuals, whether they live in these islands or across the sea, to manage their own commercial transactions in their own way.

"When we come to the details of the actual dispute we do not wish to dogmatise as to the absolute right or wrong of the transactions involved; but we are bound to say that it appears to us that the publishers would have been very foolish men of business if they had allowed the *Times* to break down the system of selling 'net books' which was devised some fifteen or twenty years ago, and which, on the whole, has worked extremely well. The *Times*, no doubt, alleges that it has always kept strictly within the letter of the law as to the agreement which it signed in regard to the sale of 'net books.' A little reflection, however, will show that it kept the letter rather than the spirit of the agreement, or, to put it in another way, that the original agreement was so loosely worded that its spirit could be defeated by the sale of so-called second-hand books at very large reductions. The *Times*, no doubt, had a perfect legal, and therefore a perfect moral, right to manage its own affairs in its own way, and to sell books bought under the net agreement in any way that did not legally infringe that agreement. The booksellers, on the other hand, had an equally good right, when the old agreement expired, to make a new form of agreement as to net books. No man who stands on his strict legal rights has a right to complain if others follow his example. The only important mistake which it appears to us that the publishers committed was that of originally allowing the *Times* better terms than any other library or bookseller. They, or at any rate a large number of them, appear to have promised the *Times* an extra 15 per cent.—paid in kind, if not in cash. We do not profess to speak as business experts, but it seems to us that this policy of giving special prices to favoured individuals is extremely likely to end in difficulties and perplexities. There is nothing morally wrong in such favouritism, but it is almost always bad business. It was on such special terms that the greatest monopoly in the world, the Standard Oil Trust, was built up.

"One curious incident of the quarrel has been a discussion as to whether the publisher is necessary to the author. Why should he not, it has been asked, deal directly with the printer and the bookseller, and, in fact, produce and sell his books himself, and so gain the middleman's profit? The answer, we believe, is that, except for a few very great and popular authors who might employ an exclusive agent—that is, a private publisher—the attempt would be sure to prove disastrous. The publisher, who is in effect a speculator and dealer in intellectual talent, is necessary to the pecuniary welfare of the author. Without his enterprise and energy in discovering new writers, and speculating in their abilities in prose or verse, the author who desired to come before the public would find himself in hopeless difficulties. Again, we are convinced that the publisher, though he may often conduct his business on unenlightened lines,



does not make an exorbitant profit. Of the large number of publishers in the United Kingdom, only a very few make anything that can fairly be called large profits, and even those profits are only obtained by the use of a very large amount of capital and by the exercise of great business ability. The proof that the profits in the publishing trade are not inordinate or illegitimate is to be found in the fact that a very large number of publishers only contrive to make a bare living. If the publishing trade were the gold-mine it has been represented, we may be quite sure that there would be hundreds of men pressing in to share in the 800 per cent. profits that have been talked about. As long as publishing remains the absolutely open trade that it is at present, and as long as publishers compete freely for the wares which authors produce, we need have no anxiety that the publishers, as a whole, will be able to deprive the authors of their profits. If publishing were really the simple and lucrative business which the *Times* has represented it, and if publishing on the lines advocated by the *Times* would benefit the public and the authors so immensely, while at the same time leaving a fair share of profit to the publisher, why does not the *Times* embark on the publishing business itself, and delight readers with cheap books and authors with huge honorariums?

"Before we leave the subject of our present article we feel bound to say a word of deep regret that the greatest of British—nay, of all—newspapers should have become involved in a business controversy so little calculated to add to its dignity or prestige. Although we differ in so many respects from the political views of the *Times*, we desire to express our unbated respect for the way in which it is conducted on its journalistic side, and for the magnificent service it renders daily to the nation by its foreign news, by the fullness and accuracy of its Parliamentary and platform reporting, and by the admirably high literary standard which it invariably maintains. In every department the *Times* as a newspaper is not only up-to-date, but shows good taste and ability. We can best express what we mean by saying that English public life, and even English literature, would be infinitely the poorer if the *Times*—which heaven forbid!—were to cease to exist. The *Times*, as a newspaper, has never stood higher than it stands to-day, both as regards news and literature, nor has it ever been more what, to borrow a useful Americanism, we may describe as 'a live paper.' It is, therefore, with no little regret that the friends of the *Times*, amongst whom we desire to rank ourselves, have followed the undignified quarrel over the development of the *Times* Book Club. We do not desire to be censorious, but we cannot resist expressing what we are sure is in the minds of thousands of Englishmen to-day,—namely, that the *Times* had much better stick to its last, and be the best newspaper in the world, rather than turn itself into a cheap lending library and a bookseller at cut-throat prices."



## "THE TIMES" ON THE WARPATH.

(TRUTH, *October 3rd*, 1906.)

"The declaration of war between the Publishers' Association and the *Times* can surprise nobody who has any knowledge of the book trade. When the *Times* Book Club was first started it offered to the publishers a profitable opportunity of disposing of all the stocks of unsold literature mouldering in their cellars, and it was natural that many publishers, being only human, should jump at the chance. But the scheme of running the 'Club' as a second-hand book shop as well as a circulating library threatened serious complications in the trade, which could easily be foreseen. By offering alluring inducements to the most profitable class of customers first to read a book under the 'free' library privilege, and then to purchase it at a handsome discount, if they found it to their taste, the scheme struck straight at the heart of the bookselling trade. The publishers cannot afford to be indifferent to the interests of the booksellers, nor is it to their advantage that a very large slice of the retail trade should be captured by the *Times* Book Club, which is already decidedly exacting in its dealings with the publishers, and would be likely to become more so if it gained a position to dictate its own terms. All this several of the longer-headed publishers foresaw at the outset, and they therefore declined to do business with the *Times* on the special terms which it endeavoured to impose. The course of events has justified them, and now the Publishers' Association collectively has resolved not to countenance the sale of books at second-hand prices within the period after publication provided by the rules of the *Times* Book Club.

"In the flamboyant advertisements with which the *Times* has once more been bombarding newspaper readers, a valiant show has been made of defying the publishers and adhering to the original scheme. This looks rather like making a virtue of necessity, for if a contract has been made with the subscribers on specified terms, those terms must be adhered to. While it is obviously true that the publishers cannot prevent a man who buys a book in the open market from selling it again at what price he pleases, it is quite certain that they can impose what terms they please on those who buy of them direct. If, therefore, the *Times* elects to abstain from dealing with them directly, it forfeits all the pecuniary advantages which it has hitherto been able to obtain as one of the largest buyers. There is, therefore, a prospect of a trial of strength which will be of great interest from the sporting point of view; but beyond that the public which does not subscribe to the *Times* and its Book Club has absolutely no interest in the matter. It is the height of absurdity for the *Times* to pretend that it is fighting the battle of 'the Reading Public' against the publishers. The circulation of the *Times* is a secret which it is entitled to keep to itself, but the number can only be an insignificant fraction of the circulation of any of the big penny and halfpenny daily



papers, and the regular subscription list is not equivalent to the whole *Times* circulation. It is childish to suggest that these few thousand subscribers constitute or in any way represent 'the Reading Public,' though it is quite possible that they include enough regular buyers of the more expensive class of books to draw off a great deal of valuable trade from the booksellers' shops. Outside this limited number the reading public is altogether unconcerned in the dispute. It would not be in any way affected if the *Times* Book Club closed its doors to-morrow.

"In order to bolster up the suggestion that it is fighting the battle of the public, and to secure support in the shape of additional subscriptions, the *Times* has undertaken to prove that the current prices of new books are outrageously excessive. The publishers are represented as a ring of 'monopolists,' exacting monstrous profits by means of artificially inflated prices. All the language at the command of the fluent gentleman who writes the Book Club advertisements is exhausted in the denunciation of this ring of public enemies, and in depicting the heroic attitude of the *Times*, which has undertaken, single-handed, to beard the dragon of monopoly in its den and rescue the reading public from its domination. The whole of this fanciful picture is founded upon one of the most nonsensical calculations that was ever offered for public consumption. The writer takes three books published at 36s., and estimates that not one of them cost more than 4s. 'to produce,' this cost including paper, type-setting, making the plates, printing, and binding. The inference is calmly drawn from this that 'the all-round profits on these books should thus amount to 800 per cent., a profit which is, we believe, enormously in excess of that expected in any other trade.' The '800 per cent. profit' furnishes an imposing side-heading, conspicuously displayed in heavy type. Further examples follow to show that 800 per cent. is quite the normal thing among these bloodsuckers of publishers. A guinea book is estimated to have cost 1s. 8d. 'to produce,' an 18s. book 1s. 6d., and so on. The *Times* does not pay much compliment to the intelligence of the Reading Public that it hopes to enlist in its club by seeking to delude them with such rubbish. It must surely occur to some of them that the author of a book expects to make something out of it as well as the publisher. Nor can they be so ignorant of business matters as to suppose that a publisher's working expenses are limited to the cost of the raw material of the volumes he publishes, and the mechanical processes by which the raw material is manufactured into books. To the ordinary expenses of maintaining an office and conducting a business, which every wholesale producer has to bear, must be added in this case an exceptionally large outlay on advertising; and it is strange that the *Times* should affect to overlook this element in the cost of putting a new book on the market, considering what a handsome revenue, by the evidence of its own columns, it must draw from the publishers, and considering that one of the conditions which its Book Club has imposed on the publishing trade is the return of a



handsome percentage on every book the club purchases in the shape of payment for advertisements in the *Times*. It is this view of the matter that makes the *Times*' attack on the publishing trade such palpable humbug. The Book Club people first extort from the publisher a big slice of his profit for their own benefit, and when he refuses to conduct his business in the way that suits them, they turn round and abuse him unmercifully as a grasping monopolist who is making 800 per cent. out of his customers, and hold themselves up to public admiration as disinterested philanthropists who have resolved to put an end to his evil deeds in the interests of cheap literature!

"Of course, the fallacy of the 800 per cent. argument does not end with the disingenuous pretence that everything between the published price of a book and the cost of printing and binding it is publishers' profit. Everybody knows—no one better than the *Times* and the writer of the Book Club advertisements—that the publisher supplies the retail trade at a discount, and consequently that the 800 per cent. never reaches him at all. Probably the advertisement writer intended to cover himself against this observation by using the phrase 'all-round profit,' and he goes on later to recognize that the bookseller must be paid, though he would have it believed that the retailer does not get a fair share of the profit. But in this he only admits against himself that the 800 per cent. of which he makes such a parade is altogether misleading, and that he has no right to suggest that the publisher pockets anything like that amount. The greatest fallacy of all, however, in the argument, and the most insidious, is the assumption it makes that the whole edition of every book produced is sold out. A publisher who priced his books in the expectation that none of his stock would ever be left on his hands would be a candidate for the Bankruptcy Court, if not for a lunatic asylum. Apart altogether from the misleading financial calculations on which it is based, the *Times*' argument conceals what is really the most essential factor in determining the price of books—namely, that the trade of a publisher is among the most speculative in existence, and that he deals in what are to a large extent in the nature of 'perishable goods.' The number of new books of which the success can be predicted before publication is, in relation to the whole output of the publishing trade, almost infinitesimal. Of the rest, in spite of all that can be done by lavish advertisement or other adventitious aid, a very large proportion are foredoomed to utter failure. Of many more, for which some brisk demand may be excited at the moment of their appearance, it is certain that in a few weeks or months they will lose their attraction either because the circumstances which gave them an interest has passed away, or because they have been eclipsed in popularity by some new publication. It is just for this reason that it is of vital consequence to the publisher that his stock should be cleared quickly, and that he, equally with the retail bookseller, is liable to be hit so hard if a large quantity of his books are thrown on the market second-hand at reduced prices while the demand for them is still active and the new stock not yet exhausted.



"The publishing trade is, therefore, one in which large losses are inevitable incidents; and to attempt to estimate the general rate of profit in the trade by taking one single article and comparing its retail price with the cost of production—even the honest net cost to the producer—is an absurdity which would only be committed by a person totally ignorant of the business or deliberately seeking to deceive others. To those who know anything of the trade this will appear little better than a platitude. That there are large houses which consistently make good profits may be true enough; but the reason is clear—their reputation enables them to command the most attractive goods, and the risks of the business are therefore reduced in their case to a minimum. But that large fortunes are nowadays to be made out of the mere publishing of books I do not think anyone will assert. On the other hand, that it is a business which opens an easy road to failure and bankruptcy is only too often proved, and the number of firms who get more than a bare living out of it is very limited. The *Times*' picture of a ring of monopolists, sweating extravagant profits out of booksellers and readers, is therefore not only founded on inaccurate and misleading arguments, but is inconsistent with notorious facts. The very term 'Monopolists' is absurd clap-trap, for there is nothing in the nature of a monopoly in the trade. Nothing is easier than to start in business as a publisher. Of late years new firms have sprung up like mushrooms—often to live no longer—and the trade certainly suffers at present as much as any other from excessive competition.

"That the *Times* of all papers should identify itself with this foolish attack on the publishing trade is astonishing and incomprehensible. During the last twenty or thirty years there has been a progressive fall in the price of daily papers, and the vast majority of 'the Reading Public' now declines to pay more than a halfpenny. The *Times* alone adheres to the price at which it was sold half-a-century ago. It has a perfect right to do so; but there is not an argument, or apology for an argument, with which it has been belabouring the publishers which might not be equally used against itself. It is easy to imagine a parallel case to that of the Book Club. Suppose that Messrs. W. H. Smith & Sons, who deal extensively in the *Times* and also run a circulating library (and a very good one), were to suddenly announce that every subscriber to their library might read the *Times* at their bookstalls free of charge, and that after certain hours in the morning more or less soiled copies of the paper would be on sale at 1d. or a  $\frac{1}{2}$ d., according to the amount of wear that the subscribers had taken out of them. This would be an immense boon to the Reading Public. The *Times* in spite of all the eccentricities that have recently discredited its management, retains many of the features which originally placed it at the head of English journalism. Most people like to have a look at it if they can get the chance, and all that stands in their way is the prohibitive price at which it is published. Such a scheme as I have sketched above would place it at once within the reach of the humblest newspaper reader, who is now limited to the *Daily Mail* or



the *Star*; and it might also prove very profitable to Messrs. Smith and Son. But it would work havoc with the *Times* subscription list, and, incidentally, therefore, with the *Times* Book Club; and the proprietors of the *Times* would have every right to say that they would not supply any firm without a guarantee that the paper would be sold at the published price—at any rate within a certain period of publication. If Messrs. Smith & Son were to reply by publishing broadcast calculations showing the disparity between the price of the *Times*, and the cost of the paper and printing (based on their estimate of its circulation), denunciations of the greed and stupidity of the proprietors of the *Times*, and invocations to the public to assist them in breaking down a grasping monopoly by subscribing to their library, I think the proprietors of the *Times* would have some ground for resenting their proceedings. The whole business is, indeed, a lamentable exhibition of the ignominious position into which the *Times* has been dragged by its association with the outside enterprises that have been run in its name. When the Book Club project was first in the air I spoke strongly in these columns of the policy on which the proprietors of the *Times* had embarked. There is no impertinence in this, for the *Times* has in the past gained the position of a public institution in the welfare and good name of which we are all interested—and none more than journalists. It was not a good day for English journalism when a paper holding such a distinguished position committed itself to the risky policy of supplementing the profits of its own business by entering into an alliance with an enterprising American for the sale of goods in the name of the *Times* by unstinted use of the arts of the 'smart' Yankee advertiser. I never believed that in the long run the *Times* would gain by this policy, whatever the quantity of grist that might immediately be brought to its mill. You may buy gold too dear. That this is a sound view is very clearly proved by the sordid squabble with the publishing trade, the questionable means that have been used to extract a little business capital out of it, and the discreditable figure that the *Times* cut in the whole affair."

## BOOK CLUBS AND BREECHES CLUBS.

(TRUTH, *October 17th*, 1906.)

"The controversy between the *Times* and the publishers has, incidentally, raised the question, 'Are books too dear?' Many authorities have given the public the benefit of their opinion on this question. It may have an interest of its own for buyers and readers of books, but it has not, so far as I can see, any relation to the present dispute in the book trade. That the price of books all round is artificially kept at a level above what the natural conditions of the market would justify is, *primâ facie*, difficult to believe. I should think it possible that a mistake is sometimes made in issuing



an expensive edition of a work of great public interest with the intention of following it with a cheaper edition a year or two later. But this is a question of policy which those in the trade may possibly understand better than outsiders; and, what is of more consequence, it can apply only to those exceptional cases where a very large sale can be expected with certainty. Setting aside novels, it can rarely happen that a couple of books are published in twelve months for which a sufficient public demand to justify a large cheap edition can be relied upon.

"Mr. Hall Caine's incursion into the fray is neither instructive nor graceful. He has been adding up in the *Daily Mail* the cost of ink, printing, and paper in the spirit of the *Times* advertisement writer, and he has arrived at the conclusion that 'middlemen' make a profit of 2s. 2½d. on every copy of a six-shilling novel sold at 4s. 6d. He is fairer to the trade than his rival of the Book Club, and he has got the gross divisible profit down from 800 to less than 100 per cent. But he still, like the *Times* calculator, fails to take into account the fact that, on this basis, publisher and bookseller will lose between them 2s. 2½d. on every copy which they fail to sell, the possibility that the greater part of the copies may be left on their hands in nearly every case, and the probability that a large number will be in very many. This aspect of the business was fully dealt with in the first article on the *Times* advertisements which appeared in TRUTH a fortnight ago. It is, therefore, unnecessary to point out again the absurdity of estimating middlemen's profits by a comparison between 'cost of production' and retail price in the case of a highly speculative trade, in which, for one reason or another, large losses on many ventures are an inevitable incident. The test by which Mr. Caine has undertaken to prove his point has obviously no bearing on it. The question which he has raised relates to new novels, and he has undertaken to test it on a play, which is itself founded on a novel of established popularity. The play is being performed nightly to crowded houses, and the book has therefore a standing daily advertisement to thousands of people, which will not be charged in the publishers' account of the book. The book is to be published by the most widely circulated newspaper of the day, which enjoys exceptional advantages for commending it to the public; and the 'experiment' is boomed by all the circumstances under which it is to be made. As regards plays, the 'test' will prove less than nothing, for the plays of popular dramatists are already published in the book market at lower prices than Mr. Caine proposes to issue his at; and as regards the publication of new novels it is palpably irrelevant. All that it will demonstrate is the proficiency of Mr. Hall Caine and the *Daily Mail* in the art of advertising, which was hardly needed.

"But even if it could be shown that books are 'too dear,' what prospect is there of their being cheapened by the operations of the *Times* Book Club? The casual observer, or the purchaser of books through the Club, may argue, not unnaturally, that underselling, which is the sole cause of the present dispute, necessarily



means reduced prices to the public. For the moment, of course, it does. But it is necessary in these cases to look a little ahead, and to consider the motive of the underselling. This is not a case of ordinary trade competition in which one firm by superior business management, or going to work on a larger scale, is enabled to force its competitors to reduce their prices to the same level or shut up their shops. The ordinary booksellers cannot reduce their prices to the Book Club level because the Book Club is not a bookseller only. It is also a circulating library, and the circulating library is a branch of the *Times* newspaper. A firm which has several lines of business can afford to deal in one at a loss for the purpose of bringing customers to another; for example, a draper may put one article in his window below cost price to tempt customers into his shop and then persuade them to buy something on which he is making a handsome profit. Again, a circulating library may sell books below cost price and yet not lose money on them, having already made something out of them by lending them to subscribers to read. It is out of the question, therefore, for the bookseller who is a bookseller only to compete with the Book Club in price if the two are left to fight out their battle single-handed. It follows that the booksellers must go under, and that the bulk of the bookselling trade must fall into the hands of the Book Club, and any other circulating libraries which are in a position to compete with it. In other words, the trade will fall into the hands of a very small ring. If anybody supposes, with Mr. Hall Caine, that such a ring, when it had once fairly got command of the market, would continue to sell books at any less profit than the ordinary tradesman gets out of them to-day, or that it would have any policy but the policy of all rings, to raise prices to the consumer, it is waste of time to argue with him.

"It is worth while to point out here that the *Times* has never asked the publishers to reduce their prices, and that its position in the present dispute would not be altered if they did so. The resolution adopted against the Book Club was not the outcome of spontaneous action by the publishers, but of pressure put upon them by the booksellers, who saw their trade threatened with ruin by the *Times* Book Club. This has now been explained very fully to the public by the president of the Booksellers' Association. What the publishers have done is designed to protect the bookselling trade against an illegitimate cut-throat competition by a firm which has no interest in that trade except as a means of advertising another class of business. No doubt the publishers would not take this course if they did not think that it is to their interest to keep the booksellers on their legs—in other words, to prevent the retail trade falling into the hands of a small ring. But so long as they sell their books it does not matter directly to them to whom they sell, or at what price the first buyer resells them. If they reduced the price of new books 20 or 50 per cent. to-morrow, the dispute would remain unchanged as long as the *Times* was restricted from underselling the rest of the retail trade.

On the other hand, if that restriction is withdrawn to-morrow, the



*Times* will resume buying books at the publishers' prices as heretofore, and we shall hear not another word about its heroic resolution to reduce them.

"Again, how can the *Times* Book Club or any circulating library be interested in reducing the price of books? The dearer the books the greater the demand for the lending library. At the same time, the library must tend in a considerable degree to keep up the price of books. The effect of a lending library is to make a single volume serve the needs of more than a single purchaser—in some cases, perhaps, a dozen people, in others three or four times that number, or more. Their joint subscriptions enable the books to be produced at a price which pays the author and the publishers, which a sale at prices within the reach of the same number of people would not. The library, therefore, keeps up prices. 'The public wants cheap books,' says Mr. Hall Caine. Of a great many new books—and it is only new books we are concerned with; reprints of standard works are cheap and plentiful enough—the statement certainly is not true. All that the public wants is cheap novels, and the public gets them in unlimited quantities—through the circulating libraries. At what price it gets them I think few people have calculated. Twopence a volume is the normal rate to non-subscribers in thousands of little lending libraries which supply in the aggregate hundreds of thousands of readers. At Boot's Cash Chemists, which as a benefactor of the reading public beats the *Times* hollow, you can get almost any book you want, and as many of them as you want for a subscription of 10s. per annum. If you take the victims of the novel habit who change their books two or three times a week (sometimes oftener than that) at Boot's, or some such library, you will find that they are paying less than 1d. per volume. If it were a guinea subscription at Mudie's or Smith's, the charge would not amount to 2d. When Mr. Hall Caine sees in his vision a benevolent Book Trust bringing out somebody's novels at prices within the reach of all who want them, has he reflected that they want them and get them already at 1d. or 2d. the volume? I think he will find that 4s. 6d. for a humble ten or fifteen thousand will pay the author better. Anyhow, when new novels come to be sold at the price which the public now pays for reading them, the circulating library will cease to exist, and the *Times* Book Club with it, if not the *Times* newspaper. Let us hear no more nonsense, then, about the Book Club being interested in cheap books, or moving a finger or spending a penny to bring down their price—except for its own special and temporary purposes.

"Let us imagine a situation such as the *Times* has created arising in some other trade. We will take breeches, which have been associated before now with books. My tailor charges me two guineas for a pair of these indispensable garments. I have long thought it too much, and probably many of my readers think the same in their own case. There is evidence moreover, that the articles can be produced much more cheaply. Having the highest example in journalism before me, suppose that I decide to start a



TRUTH Trousers Club. I offer to all annual subscribers to TRUTH on the usual terms the following privileges, in addition to the delivery of the paper weekly; (1) The use of a pair of two-guinea trousers free; (2) the right to change their trousers as often as they like at this office, or to have a fresh pair delivered at their doors once a week; (3) the option of purchasing club trousers at reduced prices in Class A, B, C, or D, according to the state of repair that the garments are in after the other members have had a turn at them. In Class A the trousers will be undistinguishable from new; in Class D they will be a bit baggy at the knees, but still thoroughly serviceable. Having booked, let us say, a thousand subscribers, I go to Savile-row and that district and order for the club of various firms of high standing a thousand pairs of trousers of all hues and sizes, just to begin with. As I am such a good customer I shall of course expect a biggish discount, and I shall not fail to stipulate for a batch of trouser advertisements in TRUTH. The tailors at first think it rather good business. As for the members of the club, they enjoy themselves unspeakably. They astonish their friends at their other clubs by coming out in a different pair of trousers every day, and they fill their cupboards and shelves to bursting with garments of the best West-end style at Houndsditch prices. The TRUTH Trousers Club catches on. It is recognised that I have conferred, entirely free of charge, a priceless boon upon the trouser-wearing public. To meet the rush of subscribers, and to provide the necessary facilities for changing trousers, I have to take palatial premises in a leading thoroughfare. I inaugurate them with a mammoth sale of brand-new trousers at low prices, buying up for the purpose the stock of half the slop-shops in the Kingdom. As the result of all this, advertised regardless of expense, the circulation of TRUTH goes up by leaps and bounds. The Club and its public-spirited founder are in the seventh heaven. But the devil is among the tailors. The demand for new trousers from private customers, is found to be vanishing, and the best customers and men who used to have a new pair once or twice a month, have disappeared entirely. The Club custom is no compensation for these losses. At the end of a year one firm, from whom the Club has taken 200 pairs, finds that it has lost fifty customers who used to be good for 500, and so on all down Savile-row and the adjacent thoroughfares. It is easy to see that the Club movement will not stop at trousers. Coats and waistcoats are bound to follow. Besides, other papers will join in the movement. The *Daily Mail* and the *Daily Telegraph* will soon be going into the second-hand clothes trade, and, by virtue of their colossal circulation, will take millions of customers from the tailors' shops. The tailors and the slop-shops see ruin before them. They do not mind legitimate competition in their own trade, but they object to be undersold by a Trousers Club which is run at a loss in order that a high-priced newspaper may be sold at a profit. Evidently they must take to selling newspapers at a loss in order to sell trousers at a profit, or else they must stop the journalist from giving away trousers. Choosing the second and easier course, the tailors decide not to supply the TRUTH



Trousers' Club unless it undertakes not to sell off its stock below cost price until it is visibly the worse for wear.

"Then I go on the war-path. I show by adding up the cost of cloth, cotton, and buttons, that a pair of two-guinea trousers can be produced for 5s. 3d. I advertise on all the hoardings that an unscrupulous trade is making 800 per cent. profit out of its helpless customers. I denounce the indecent greed of the monopolists who would rather kill the TRUTH Trousers Club, and leave its members to take refuge in kilts or blankets, than abate a jot of its profits. I swear that this thing shall not be. TRUTH has promised the world cheap trousers, and TRUTH will see that the world gets them. In the name of public decency, I appeal to all the trouser-wearing public to aid me by filling up the attached form of annual subscription to TRUTH. I publish letters from X 99, Y 999, and Z 9,999, members of the club, testifying to the merits of the TRUTH trousers, and exhorting me as the champion of cheap clothing to stick to my guns and smash up Savile-row. Though hitherto a convinced Protectionist, I put up an anonymous "Free Trader" to write letters to TRUTH, proving by means of his ancient shibboleths that two-guinea trousers stand for all that is most pernicious in the propaganda of the Tariff Reform League. And this is only the opening of the campaign. 'Whatever steps I may in future be compelled to take in defending the Trouser Club and the public' (I quote *mutatis mutandis* from last Saturday's *Times*) must be left for the present to the imagination.

"The Trouser Club is as close an imitation of the Book Club as the circumstances of two different trades will allow. The position of the newspapers in the two cases is precisely parallel. It might have been supposed until last Saturday that there was a slight element of difference, but now the *Times* has informed the world that it 'originated, owns, and directs the Book Club, and is in every way responsible for it.' My relation to the Trouser Club therefore exactly corresponds to that of the proprietors of the *Times* towards the Book Club. What is the position, stripped of all the sophistry, misrepresentation, and false issues by which it has been obscured? Simply that of a trader manufacturing and selling one article, who for reasons best known to himself, prices his goods at three times their market value, and, finding his sales diminish in consequence, decides to 'give away' another class of goods by way of gaining customers for his own at his own price. It is a practice well known in the lowest walks of commercial life, but hitherto confined to them. Adopted for the first time by a firm of world-wide reputation, and supported by a heavy expenditure of money and unstinted advertisement, it achieves a considerable success. But with what result? That another trade is threatened with ruin, and takes steps to defend itself. Finding himself in a difficulty, the interloper poses as a public benefactor, and endeavours to obtain support in the dispute he has provoked and to bring more grist to his own mill by advertising himself in that character. Is he a public benefactor? Obviously not, because the whole object of operations is to sell his own goods



above the market price. The hypocritical pretence that he makes seems to aggravate whatever was previously open to objection in his proceedings. I am sorry to see the leading firm in my own line of business drift into so invidious and ignominious a position; and as its example must have an influence on my trade and others, I hope that the result in this case may not be such as to encourage imitation."

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*The following extract from an article in THE TIMES, of October 23rd, 1906, by Dr. A. SHADWELL, who was commissioned by THE TIMES to investigate the question, is especially noticeable inasmuch as it abandons one of the chief and most misleading contentions adverse to the publishers.*

### "THE PUBLISHERS' GRIEVANCE.

"Why, then, are they so angry? For there is no doubt that some of them are very angry indeed. The feeling may be partly due to the comparative failure of certain books, which has been attributed to the operations of the Book Club. The instances that have been brought forward are the 'Life of Lord Randolph Churchill' and a novel of Miss Corelli's, but they are unfortunate examples. If the outside demand for any book has been injured by the cheap sales of the Club, the books most injured would be those which have been most largely sold; but the two books mentioned were not largely sold. The demand for them was small; and if the demand was small or, let us say, disappointing inside the Club and outside as well, the obvious inference is that the public did not care for them. No such complaint has been made about other books which have sold well in the Club, and it really will not do to say that when a book sells well it is in spite of the Club, and when it sells badly it is because of the Club. That is not reason but temper. In any case the evidence from the failure of particular books is not enough to account for the general feeling. That seems to be due to the statements made in the advertisement columns of *The Times* at the beginning of the conflict, and here I must say I think the publishers—not the book-sellers, who were not concerned—have a legitimate grievance, a



grievance of very much the same kind as *The Times* has against those who put forward the American syndicate and the dark designs on the book trade. Those statements were calculated, if not intended, to excite prejudice; they charged publishers as a body with making colossal profits. I have made inquiry in two well-informed and independent quarters—one strongly hostile to publishers—and I have come to the conclusion that the statements were unfair and misleading. A friend of mine, who has a very intimate knowledge of the publishing trade but is no admirer of publishers, said indignantly about these statements, 'They are such liars.' That is not a pleasant thing to have said; there is an answer to it, but not, I think, a very good one. No doubt spectators enjoy a good fight, and the more vicious the cut and thrust the better the fun; but the object of fighting is not to amuse the spectators, and the man who exercises the more restraint has the advantage. I cannot help thinking it a great pity that those statements were made; they do not strengthen the case for the Book Club, which is good enough to bear stating with great sobriety. But I must leave that for another article. The real significance of this contest has still to be considered. Although no one has been hurt yet and the ruin of the book trade is a pure chimera, it does not follow that the Book Club and what it stands for is necessarily in the public interest. It is not doing what its opponents allege; but the question—What is it doing? has still to be answered."

