

COMMITTEE ON THE HISTORY OF THE FEDERAL RESERVE SYSTEM

Report

May 23, 1955

Publishers and Publishing Problems

At the request of the Committee, your research director has, over the course of the last several months, discussed with publishers of various types the publishing problems which will arise as a part of this project. The list includes 4 commercial publishers (Harcourt Brace, Harper Bros., W. W. Norton and McGraw-Hill), the head of a book distributing firm (Book-of-the-Month Club), 1 university press (Princeton) and 2 foundations (Brookings and Twentieth Century Fund), of which one does its own publishing while the other used to do its own publishing.

From a strictly practical point of view, it was perhaps too early to get full value from these conversations. We do not yet know how many books are to be published, who is to be the chief historian, what are to be titles or even, except in general, what is to be the content of these books. Until these questions can be answered, it is difficult for any publisher to give an opinion on which plans can be built. Yet, given this basic difficulty, it has been interesting to see how much time commercial publishers were willing to devote in discussing it. Their advice and their suggestions varied, but without exception, the problem caught their attention and held it.

In the course of these conversations, certain areas of general agreement emerged.

First, it was agreed without exception that the project would benefit from enlisting the services of a single publisher to handle all books and manuscripts resulting from it.

Second, it was generally agreed that a common dress for all the books would both attract the eye and help cut costs. (Book design is a considerable item in publishing expense.) One publisher went so far as to speak of the "dignity and monumental aspect" which come with putting such a group of volumes into series.

Third, it was generally agreed that it would be well, once a publisher had been chosen, to enlist his help in planning the book in advance of writing. There are savings of editorial time to be made if a uniform style sheet is set up for the guidance of all authors working on various facets of the project. (Style in this sense has to do with spelling, the setting of tables, capitalization, and so forth.)

Fourth, on the matter of sales to be expected and costs, it was believed that the books would probably not have a wide enough public appeal so that they could be counted on to pay for themselves. The Committee should therefore be prepared to provide a publishing subsidy.

However, it should be noted that agreement on this fourth point, while general, was by no means absolute. One publisher advised that such an idea might present a psychological handicap to the Committee which would do more harm than good. His advice was, "Admit to yourselves that you may have to subsidize, but by no means assume that you must."

### Diverse Opinions

#### Subsidy

Outside these areas of agreement, the advice and opinion contributed with such evident good will varied widely. Some of the commercial publishers expressed themselves as preferring to have the books they publish stand on their own feet and not liking the idea of subsidy. Others tolerated subsidies, and a third group, while not soliciting them took them for granted in the case of books which might perform a public service but could not rely on a wide popular appeal.

The most interesting contribution on the matter of subsidy was the suggestion that it could be direct or indirect. By indirect subsidy the speaker meant the promotion and guarantee of a certain volume of sales in advance of publication. He went on to say that if the Federal Reserve System would inform their member banks that the history and its attendant monographs were volumes which every member bank should have, subsequent promotion effort should be able to secure a pre-publication guarantee of perhaps 6,000 copies. To these would be added college sales, library sales and so on, making a total sale of perhaps 10,000 copies of each volume.

It should be noted that this suggestion came not from a publisher but from the head of a house (Book-of-the-Month Club) which distributes the books of other publishers. In looking at the venture as posing a problem for promotion and distribution rather than a publishing problem, he not only widened the prospect of possible readers and lightened the subsidy burden, but also made a new suggestion in the cost sector.

#### Costs

The figure of publishing costs is a complex of step-by-step costs including copy-editing, composition, type-setting, paper, presswork, binding, advertising, promoting, etc. These seem to be separable to a surprising degree. The suggestion of the distribution expert is that the Committee might save money by going, manuscript in hand, to a book manufacturer who would set the book up and make the plates. The next step would be to take the plates to a publisher for the processes that follow.

The publishing approach to the cost problem varied from a careful estimate of price per page to a general all-over guess. These are based on an edition of 2,000 to 3,000 copies per volume, which seems, with the exception noted above, to be the general estimate of the number to be sold.

W. W. Norton, a firm which does not like to publish subsidized books, estimated roughly that the cost of a two-volume history, such as the Committee has in mind, including the necessary charts and tables, might be \$7,500; this figure does not include the costs of composition. It is comparable to a figure mentioned by Harper Brothers. It can not, however, be taken as cost of subsidy - a matter for which close bargaining is recommended.

McGraw-Hill Book Company has made arrangements on other projects similar to those which we were discussing with them. They are now publishing the work of the Committee on Economic Development. They estimate that a 1,500 page, 2 volume history, 3,000 copies, would cost \$22,477. As for monographs, one of 250 pages, 2,000 copies printed, would cost \$3,832. As for the item of subsidy, they suggest a 35-40% formula in which the sponsoring agent (that is, the Committee) would pay for composition, copy-editing, paper, presswork and binding. The payment goes into a debit fund, and a return credit of 35-40% of the net price is set up. When the credit rises to the point where it equals the debit, the company begins paying a 35-40% royalty. In this arrangement, the publisher assumes costs of overhead and distribution.

The Princeton University Press, which handles the books and pamphlets for the National Bureau for Economic Research, thereby finds itself so heavily loaded with economic publications that they would not be interested in publishing books for this Committee. They were, however, interested in the problem. After some figuring, they produced a rough estimate of costs. They said we should figure on \$8.50 per page for an edition of 2,000 copies plus binding costs of \$1,000. On 1,500 pages, which is what a two-volume history might contain, this would mean a manufacturing cost of \$13,750.

It should be noted that this is not the figure asked for subsidy. It is a cost figure, and against it would be balanced whatever sales the Press was able to make. Princeton did not, however, as does McGraw-Hill, suggest that it would be satisfied to get the manufacturing costs back. They feel they should be reimbursed for non-manufacturing costs. This would mean a rough total for the history alone of \$27,500, which is comparable to the McGraw-Hill estimate.

Against figures like these, the Brookings estimates are more cheerful. Dr. Calkins says that, in general, they run 30% under other estimates; in this instance, they are much lower; if foundations will pay the printing costs, Brookings can usually break even on publication. An issue of 3,000 copies means \$5,000 to \$7,000 for printing costs. Of this, the Committee would not be expected to provide for a subsidy of more than \$3,000 to \$4,000.

### Other Considerations

Several other items raised in these conversations should be reported. They come under four heads: tax considerations, style, readability and scholarly responsibility.

The question of tax accountability was raised by the young men at the Princeton Press. They warned that we may run into a tax problem if we try to subsidize a commercial publisher. This detail, not mentioned before, needs further exploration.

In the matter of style, used here to denote the way a book is set up and the general dress which is given it, the McGraw-Hill Company ranks high. They have been leaders in lifting books on economics out of a traditionally dull dress. They devote a great deal of attention to size of type, setting of tables, design of dust jacket, design of the whole book, so as to make a dense and difficult subject look more attractive to the eye of the purchaser and the reader; This factor plays a real part in the saleability of a book.

Readability is a factor much stressed by the Twentieth Century Fund, but commanding little attention among most publishers of books on economic and monetary subjects. It seems to be generally assumed that anyone who will pick up a book on those subjects is prepared to move through thorny hedges of obscure prose. At the same time, Mr. Ordway Tead of Harpers spoke admiringly of the lucidity with which Mr. Randolph Burgess writes; he wishes that all writers of books on monetary subjects would be as clear and readable.

Scholarly responsibility - this matter has been discussed in Committee meetings before now. If the Brookings Institution should publish books resulting from this project, their plan for securing scholarly responsibility, which has been explained to the Committee, would probably be used.

### Summary

As a result of these exploratory talks, the following recommendations can be made:

First, that, as between the three types of publishers, the Committee narrow its field of choice by dropping out the university presses. For this project, Brookings Institution, which operates a non-profit press, offers the chief advantages which a university press can offer - prestige, scholarly judgement, academic connections, subsidized rates.

Second, that the decision as between a commercial publisher and Brookings be undertaken in two steps, first by selecting the commercial publisher who would seem to promise most for this project, and second by comparing the advantages he offers with those offered by Brookings.

Third, that in deciding as between commercial publishers, the Committee lay more stress on skill in promotion and distribution of books than on traditional prestige. In the manufacture of these books, publishing competence will certainly be required, but their promotion and distribution will call for the services of a genius.

Fourth, that in considering the matter of subsidy, the Committee explore further the practicality of the indirect type, with its pre-publication guarantee of a wider distribution than seems to be contemplated by advocates of a direct subsidy. The services of an expert in this technique may come high, but the advantages of wide distribution are so great as to more than counter-balance the expense factor.

All estimates based on 2 volumes, 1,500 pages, an edition of 2,000-3,000 copies

Harper  
& Bros.

Brookings

Princeton U. Press

McGraw-Hill

V. V. Norton

Manufacturing  
Cost

\$7,500

\$22,477

\$13,750

\$5000-\$7000 \$7,500

(does not include cost of composition)

(35-40% subsidy required; 35-40% of net price of each sale to be credited against this. When subsidy repaid, a 35-40% royalty to be paid)

(\$8.50 per page, \$1,000 binding costs)

(of which \$3000-\$4000 subsidy required)

Promotion and  
Distribution  
Costs

no charge

included in above figure

\$13,750 (estimates an amount equal to manufacturing costs)

no charge

no charge

Total

\$7,500

\$22,477

\$27,500

\$5000-\$7000 \$7,500

Mr. Harry Scherman  
Book of the Month Club  
345 Hudson Street  
New York City, N. Y.

Dear Mr. Scherman:

Mr. Donald Woodward, secretary of the above Committee, has suggested that you might give us the benefit of your advice on a publishing problem. As you see by the letterhead, our goal is study of the Federal Reserve System. That means the writing of a definitive history, it also means other books bearing on various angles of the System, such, for instance, as the volume on "Benjamin Strong - Central Banker", which Lester Chandler of Princeton expects to do for us.

Thus far, most of this is in the future. We have been engaged in our major project only since July, so we are by no means in a position to discuss a definite list of titles and authors. We must, however, inform ourselves as to the conditions afforded by the publishing world in order to know whether we should think ahead in terms of going to commercial publishers, university presses, or such endowed organizations as the Brookings Institution which does its own publishing. We have been assuming that some subsidy might be necessary, but we would like to explore details on that too.

Given this problem, I wonder if you would talk with me so I may acquire information which I can transmit to the Committee. If convenient for you, I would like very much to see you some time next week. I shall ask my secretary to call your office late Monday morning to see if an appointment can be arranged.

Very sincerely yours,

Mildred Adams  
Research Director

Committee on the History of the Federal Reserve System

September 7, 1954

Dear Miss Simpson:

Thank you for your letter of September 2. I have checked with Dr. Woodward and find that Tuesday, September 21, at 12:30 p.m. is agreeable to him.

Would you be so kind to tell Mr. Scott that both of us will be very glad to lunch with him and his colleagues at the Canadian Club on the 21st at 12:30 p.m.

Sincerely yours,

Mildred Adams

Miss Earline Simpson  
Secretary to Mr. Scott  
Harcourt, Brace and Company, Inc.  
383 Madison Avenue  
New York 17, New York

HARCOURT, BRACE AND COMPANY, INC  
PUBLISHERS

383 MADISON AVENUE, NEW YORK 17, N.Y.



September 2, 1954

Miss Mildred Adams  
Committee on the History  
of the Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Miss Adams:

After checking with  
Mr. McCallum and Mr. Hart, Mr. Scott was  
wondering if you and Dr. Woodward would be  
free for luncheon at 12:30 p.m. on Tuesday,  
September 21, at the Canadian Club. If  
this is not agreeable, we can arrange to  
set up the luncheon for a later date.

Very truly yours,

Earline Simpson  
Secretary to Mr. Scott



August 17, 1954

Dear Mr. Scott:

When I came in this morning I found the Rossiter book which arrived last week. I shall read it with interest and a searching eye for a possible writer on this project.

It will be good to see you and the others some day after the 12th of September. I will be awaiting a call from you.

Sincerely yours,

Mildred Adams  
Research Director

Mr. S. Spencer Scott  
Harcourt, Brace and Company, Inc.  
383 Madison Avenue  
New York 17, N. Y.

HARCOURT, BRACE AND COMPANY, INC.

PUBLISHERS

383 MADISON AVENUE, NEW YORK 17, N.Y.



August 16, 1954

Miss Mildred Adams  
Committee on the History of the Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Miss Adams:

Thank you for your letter of August 12th. Mr. McCallum is away this week, and I am going to be away next week, but I have asked my secretary, Miss Simpson, to set a day some time after the 12th of September, when we can get you, Mr. Woodward, Mr. Hart, Mr. McCallum and myself together for luncheon.

Sincerely,

S. Spencer Scott

SSS:es

August 12, 1954

Dear Mr. Scott:

Thanks so much for your letter of August 11th with its information about Mr. Robertson and its suggestion for a later meeting. I know I can speak for Mr. Woodward when I say that both of us will very much welcome a luncheon conference with Mr. McCallum, Mr. Albert Hart and yourself. We are very much in need of informed advice and you have been so helpful that we come swarming back for more aid with great enthusiasm.

The book has not appeared, but will, I am sure, come in a later mail. My thanks in advance.

Cordially yours,

Mildred Adams  
Research Director

Mr. S. Spencer Scott  
Harcourt, Brace and Company, Inc.  
383 Madison Avenue  
New York 17, N. Y.

cc: Mr. Donald B. Woodward

HARCOURT, BRACE AND COMPANY, INC.

PUBLISHERS

383 MADISON AVENUE, NEW YORK 17, N.Y.



August 11, 1954

Miss Mildred Adams  
Committee on the History of the Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Miss Adams:

I am sorry to be so slow in sending you the copy of Rossiter's SEEDTIME OF THE REPUBLIC, but I thought I would be able to answer all the questions you raised. I find I haven't all the answers yet, but I don't want to hold up sending you a copy of the book.

I have talked with Mr. McCallum, head of our College Department, and he held up a warning finger to me on Robertson, who is doing the Economic History for us. He said that Robertson handles facts well, but writes ponderously. Mr. McCallum thought well of Lester Chandler, but suggested that in September we get Mr. Woodward and you to come for luncheon with Mr. McCallum, Mr. Albert Hart, our economic adviser, and myself. I think this suggestion has a lot of merit to it, for you would not only have people who know the college field much more accurately than I do, but you would also have people who know something about the various men and women to whom you might turn for projects. Let me know what you think of this.

Sincerely,

S. Spencer Scott

SSS:es

COMMITTEE TO STUDY THE HISTORY OF THE FEDERAL RESERVE SYSTEM

September 28, 1954

Dear Mr. Tead:

This is to acknowledge your letter of September 24th to Miss Adams. She is now on vacation and does not expect to return to this office until October 10th. She will get in touch with you or your secretary about an appointment when she returns.

Sincerely,

Secretary

Mr. Oddway Tead  
Harper & Brothers  
49 East 33rd Street  
New York 16, N.Y.

# HARPER & BROTHERS

PUBLISHERS SINCE 1817



49 East 33<sup>rd</sup> Street, New York 16, N. Y.

September 24, 1954

Dear Mildred Adams,

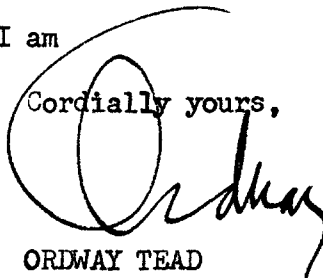
You wrote to our President, Frank McGregor, on September 17th regarding the book publishing problems of your Committee. I find that you are momentarily on your vacation and Frank has therefore asked me to write you to say that I am presumably the editorial person here who has had the most active experience with the type of volume that you are talking about.

I would be happy to explore this whole situation further with you and suggest that as soon as you are back on the job, you call me up and we will get together.

I note that you prefer an appointment after October 10th. It so happens that I shall be in the West between the 10th and 23rd, hence, perhaps this can be arranged in the week of the 25th of October.

Looking forward to seeing you, I am

Cordially yours,



ORDWAY TEAD  
Editor, Social & Economic Books

Mrs. Mildred Adams  
Committee on the History of the  
Federal Reserve System  
33 Liberty Street  
New York 45, New York

OT:aw

September 17, 1954

Dear Mr. McGregor:

This Committee, operating under Rockefeller funds, has a publishing problem ahead of it on which we would very much appreciate your advice. As you will see by the letterhead, our goal is study of the Federal Reserve System. That means the writing of a definitive history, it also means other books bearing on various angles of the System such, for instance, as the volume on "Benjamin Strong - Central Banker" which Lester Chandler (one of your authors, I believe) expects to do for us.

Thus far most of this is in the future. We have been working only since January, and preliminary investigation has occupied most of that time, so that we are by no means in a position to bring you a final list of titles and authors. We must, however, inform ourselves as to the conditions afforded by the publishing world in order to know whether we should think ahead in terms of going to commercial publishers, university presses or such endowed organizations as the Brookings Institution which does its own publishing. We have been assuming that some subsidy might be necessary, but we would like to explore details on that.

Given this problem, I wonder if you would be interested either in letting me come to see you so as to acquire information which I could transmit to the Committee, or in setting up a small conference to include your advisers on economic and monetary subjects at which Mr. Donald Woodward, Secretary of the Committee, might also be present.

If either of these suggestions appeals to you, I would like to make the necessary plans ahead for some date convenient for you (preferably after October 10th). The Harper reputation as a publisher of economic books is so famous that we are eager to have the benefit of this consultation.

Very sincerely yours,

Mildred Adams  
Research Director

Mr. Frank McGregor, President  
Harper Brothers  
49 East 33rd Street  
New York City, New York

February 9, 1955

Dear Mr. Benjamin:

This Committee, operating under Rockefeller funds, has a publishing problem ahead of it on which we would very much appreciate your advice. As you will see by the letterhead, our goal is study of the Federal Reserve System. That means the writing of a definitive history, it also means other books bearing on various angles of the System, such, for instance, as the volume on "Benjamin Strong - Central Banker," which Lester Chandler of Princeton expects to do for us.

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Given this problem, I wonder if you would be interested in letting me come to see you, so as to acquire information which I could transmit to the Committee. I would like to make the necessary plans ahead for some date convenient for you, preferably after the 18th of February. The McGraw reputation as a publisher of economic books is so famous that we are eager to have the benefit of this consultation.

Very sincerely yours,

Mildred Adams

Mr. Curtis Benjamin, President  
McGraw-Hill Book Company  
330 West 42nd Street  
New York, N. Y.



August 25, 1954

Dear Storer:

In the first place, my warm thanks for your kindness in devoting so good a lunch hour to the problems of this Committee which I laid on your shoulders and those of George Brockway. You both were kindness itself in its most intelligent and informed fashion, and I am deeply grateful. I will certainly take advantage of your permission to call you on other publishing angles as we go along.

With this go the letters from Barbara which I enjoyed to the fullest. She does sound like a lady of leisure and I am not altogether sure that so much of it is as "simply enchanting" as she claims. You have, of course, noted the two dashed with which "for a spell" was inclosed!

I note the message to me, and will reply instantly to the Gold Coast from the gold reserve. And I will descant on the "graparbora" with flourishes.

Gratitude and devotion,

Mildred Adams

Mr. Storer B. Lunt  
W. W. Norton & Company, Inc.  
101 Fifth Avenue  
New York 3, New York

October 21, 1955

Dear Mr. Ervin:

Thanks so much for your note of October 18th inquiring about the progress of this project.

The project goes ahead, but the publishing aspect is about where it was when we talked last winter. What I was then doing was making a preliminary survey of possibilities, and thus far we have not made further decisions in that area.

The Committee will be glad to know that you are still interested, and I shall hope to be able to be more informative at a later date.

Very sincerely yours,

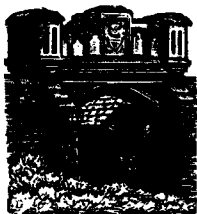
Mildred Adams

Mr. John Ervin, Jr.  
Princeton University Press  
Princeton, New Jersey

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R. MIRIAM BROKAW, *Managing Editor* · KENNETH F. COOK, *Accountant*

October 18, 1955

Miss Mildred Adams  
Committee on the History of the  
Federal Reserve System  
33 Liberty Street  
New York 45, New York

Dear Miss Adams:

We have been wondering, because of our interest in your project, whether you have come to any conclusions on publishing since our very pleasant discussion last winter. I realize, of course, that the project is a long-range one, so it is entirely possible that you are not in a position to make any moves yet. But, as I say, we are interested, and without in the least wishing to press you I am writing to inquire how matters are progressing.

Sincerely,

*John Ervin, Jr.*  
John Ervin, Jr.

JE/lrs

February 9, 1955

See letter to Mr. Herbert Bailey

February 9, 1955

Dear Mr. Bailey:

This Committee, operating under Rockefeller funds, has a publishing problem ahead of it on which we would very much appreciate your advice. As you will see by the letterhead, our goal is study of the Federal Reserve System. That means the writing of a definitive history, it also means other books bearing on various angles of the System, such, for instance, as the volume on "Benjamin Strong - Central Banker," which Lester Chandler of Princeton expects to do for us.

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Very sincerely yours,

Mildred Adams

Mr. Herbert Bailey  
Princeton University Press  
Princeton, New Jersey