

Tuesday
March 22, 1955

Internal Memorandum

Interview with Mr. Harry Scherman of Book-of-the-Month Club

Mr. Scherman is head of the Book-of-the-Month Club, which is not a publishing organization, as are McGraw-Hill, Harpers, etc., but a distributing center for books put out by publishers. Perhaps for this reason, and because of his long experience both in publishing and distributing books, he approached the problem from a very different point of view. He disposed of the matter of whether we would do better with a commercial publisher or a university press by brushing it aside. In either event, he was sure we would have to subsidize "directly or indirectly." He suggested that McGraw-Hill, Harpers, Harcourt-Brace, Princeton Press or Brookings could do a good job with these books.

Mr. Scherman's contribution to this problem of who should publish and how much we should subsidize came in his discussion of the "direct or indirect" subsidy. He thought we might do well by going to a book manufacturer and getting an estimate of costs and having plates made. With those in hand, we could then go to a publisher to find out how much direct subsidy would be necessary for the publisher to take the matter on with the plates in hand.

The matter of indirect subsidy, as he described it, has much more interest for us. This would take the form of a guaranteed sale of a certain number of copies, arranged and provided before the books were actually published. Any additional sales would be velvet. He said, for example, that he thought the Federal Reserve Board, through its regional banks, might very well urge on the member banks the purchase of the whole set, whether it runs to 7 or 10 volumes. He thought this was a matter of distribution and promotion and that with the Board back of this enterprise, there should be no doubt but that we could count on a sale of some 6,000 ^{Copies per item} to begin with. To this would be added whatever volumes were sold to colleges, economics departments, libraries, and so on.

This is, of course, a far better prospect than paying a commercial publisher or a university press to put out 2,000 or 3,000 copies of the history and the monographs, and then let them sit on shelves. Tackled as a distribution problem by a distribution expert, this should mean far wider distribution with less cost to us. There is, however, the possibility that the costs would be absorbed in the services of a distribution expert.

I asked Mr. Scherman on this kind of a basis which of the publishers he suggested who would probably do better by us, and his reply was that they were all experienced people and would, any one of them, be able to advise us on this matter. It was clear that he thought highly of the Brookings Institution and that his own instinctive reaction was that with Brookings cooperating with this Committee, there was no particular reason why we should not use Brookings, if Brookings chose to do the thing.

Mr. Scherman said that, of course, in order to get anything like a reasonable estimate of costs, we would have to have a list of titles and the list of authors. He thought it useless to talk to commercial publishers until that was in hand.

little objection
This has come up with several other publishers, and all it means is that after we get further along, we'll have to talk to at least some of them again.

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