cause it "contains few provisions that would improve the law and contains several that would excessively restrict the availability of information."

One of the objections was to fee changes. The group asked for language that would "state clearly and emphatically that fees shall be waived when the requested information might benefit the general public." HOWARD FIELDS

**Judge Throws Out Suit Against Cohen**

Federal district court judge Charles E. Stewart, Jr., has granted author Herb Cohen's motion to dismiss the plagiarism suit filed against him in August 1981 by Ralph Charell and Gerard I. Nierenberg. The two charged that parts of Cohen's *You Can Negotiate Anything* (Lyle Stuart) were "substantially copied" from Charell's *How to Get the Upper Hand* (Stein and Day) and *How to Make Things Go Your Way* (Watts) and Nierenberg's *The Art of Negotiating* (Dutton), *Creative Business Negotiating* (Hawthorn), *Fundamentals of Negotiating* (Dutton), as well as his copyrighted workbook *Work Text* and other materials from his course on negotiating.

Nierenberg had told PW when the suit was filed in August 1981 that he and Charell were bringing the action together "because Cohen took the first half of his book from me and the second half from Charell."

"The decision is a complete vindication," John F. Carney, Cohen's lawyer stated. "It makes clear that the works differ in structure and sequence and that ideas are often different even if in some situations the words are the same."

In a statement issued by his Power Negotiations Institute in Northbrook, Ill., Cohen commented: "I've said from the beginning that I didn't steal my book from anybody, and now the judge has agreed. I'm very pleased by this ruling because it removes an unwarranted shadow over my book and my work."

Carney added: "It's as good an opinion as we could hope for, and it makes clear in nonfiction at least that ideas are not subject to copyright protection. The judge considered the works as a whole."

According to Charell's lawyer, Robert N. Kaplan, an appeal is "under consideration."

Judge Stewart found that "although we can understand plaintiffs' concern with a number of passages in defendant's book, we find in all cases the similarities between the defendant's and the plaintiffs' works are either insufficient, immaterial, or otherwise permissible under the copyright laws."

The judge also dismissed the plaintiffs' unfair competition claims.

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**Jeremy Tarcher, founder of the Los Angeles house J. P. Tarcher, Inc., is reported to be negotiating the repurchase of his company from Houghton Mifflin, which bought it three and a half years ago. The agreement between the two publishers, which at this writing has not been consummated, was said to have been reached amicably, with Houghton Mifflin continuing as Tarcher's distributor.**

**A $10,000 cash reward is being offered by Morrow to the reader who solves the mystery posed in *Who Killed the Robins Family?* To be published August 22, the book, replete with clues but minus a solution, was "created" by literary agent Bill Adler and written by Thomas Chastain, author of a series of suspense novels. Morrow is backing the book and the contest with an initial ad budget of $75,000 that includes network television publicity.**

**Micros for lunch:** Publishers using microcomputers in editorial, production, marketing and financial areas will be able to exchange experiences and talk with experts at a series of lunches sponsored by the AAP Education Program at the association's New York City offices. For information: Jane Lippe-Fine, (212) 689-8920.

**Nash Candelaria,** who is a descendant of one of the founding families of Albuquerque in 1706 and whose forebear Juan wrote a history of New Mexico in 1776, has won a Before Columbus Foundation American Book Award for 1983. His winning novel, *Not by the Sword*; published by Bilingual Press, is the second in a series about the Rafa family dynasty and describes the Spanish, Indian, Mexican and Anglo heritages that formed the Southwest's multiculture of today.

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**Peter Jovanovich Heads Academic Press, London**

Less than a year after his conspicuous move to San Diego to direct Harcourt Brace Jovanovich's relocated trade book department, Peter Jovanovich has been transferred abruptly to manage the London office of Academic Press, the far-living HBJ arm that publishes medical, scientific and academic books and journals. Its headquarters are presently in New York.

According to an internal memorandum signed by the chairman of HBJ, William Jovanovich, "a number of exigent circumstances" compelled his 34-year-old son's new assignment, which was being described as being temporary—though possibly for as long as two years. Peter Jovanovich, who left San Diego in April, has already moved his family to London.

William Jovanovich has assumed responsibility for the trade department and is said to be spending two days a month in San Diego directing its operations. Trade editors who had answered to the younger Jovanovich now answer to "the Chairman," as his father is invariably called, while other portions of Peter Jovanovich's staff have been given new line management. Books for Professionals and Miller Accounting Publications are now the domain of Paul McCluskey, who was shifted to San Diego from HBJ's San Francisco office, and art director Rubin Pfeffer has now assumed the additional role of director of children's books.

Peter Jovanovich's new posting, though a surprise in its timing, is widely regarded within the company as another in a series of broadening responsibilities and varying exposures leading to his eventual accession to the chairmanship. Although Jovanovich is leaving a more visible position within the trade book industry, Academic Press is a more significant corporate component of HBJ. The company's longstanding stricture against nepotism, which had required Peter Jovanovich to be employed technically as a consultant, was waived by HBJ's board of directors in order to facilitate British visa requirements for his assignment to London.

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**Feiwel Joins Scholastic As Vice-President**

Jean Feiwel has been named divisional vice-president and editorial director of Scholastic Inc.'s Arrow and TAB Book Clubs and the young people's trade publishing program.

She has been editorial director of Books for Young Readers at Avon for six years. There she was responsible for expanding the Camelot imprint and for creating Flare, Avon's young adult line. She is responsible for such Flare books as *Waiting Game* by Bruce and Carole Hart; *Marked by Fire* by Joyce Carol Thomas; *The Grounding of Group 6* by Julian Thompson; and such Camelot titles as *Irina and Jerry* by George Selden and *Basic Fun* by Susan Lipscomb and Margaret Zuanich.
CAPITOL UPDATE

Thor Resurfaces
The Thor Power Tool issue, which affects book backlists and which has languished for the past year, has been revived in the House of Representatives, with publisher support.

Rep. Ed Jenkins (D., Ga.), a member of the Ways and Means Committee, which would have to take initial action, introduced a bill that would reverse the decision by the Internal Revenue Service to tax books and other "excess inventories" at full value.

Although he did not mention books in a statement on his bill, Jenkins said it would allow "any taxpayer that can establish that a portion of his inventory will be sold or otherwise disposed of below cost, to write down that portion of his inventory to its net realizable value for tax purposes."

Efforts to get a reversal of the IRS policy followed a 1980 Supreme Court ruling upholding the policy. Publishers had been getting a number of times to getting an exclusion for books, but were not successful. The new effort has been pushed by Harcourt Brace Jovanovich. The house is not a member of the Association of American Publishers, but that group endorses the Jenkins bill.

Another change in the Jenkins bill would allow taxpayers to change from "first-in, first-out" (FIFO) accounting to "last-in, first-out" (LIFO), and spread resulting increase in income over 10 years. Congress earlier voted to allow publishers and others to more easily switch from FIFO to LIFO methods to take advantage of the increased costs of inventories resulting from inflation.

Jenkins would make the first part of his bill retroactive to the 1980 tax year and the second part would take effect next year if the bill is enacted this year.

Library Rate: Success and Defeat
After a seven-hour fight that included successful efforts to save the postal subsidy for books mailed at the library rate, the House of Representatives, June 8 rejected a bill that would have provided the funds.

The defeat, involving the controversial abortion issue, came after adoption of an amendment that would have barred use of Treasury Department, White House, independent agency and Postal Service funds to be used to finance abortions.

The defeat of the bill makes the future of the special fourth-class library rate uncertain. In the past, abortion language on appropriations bills has meant no bill at all, forcing Congress to pass a continuing resolution, under which the Postal Service already is operating this year.

The bill provided $879-million for "revenue foregone" for the Postal Service, an amount that would enable it to hold the library and other nonprofit rates at current level through the next fiscal year beginning October 1.

The bill faced a presidential veto from the beginning because it was $400-million over the administration's budget request. One effort to bring the total below the budget would have done so by reducing the revenue foregone funds by $479-million, to the $400-million the White House asked for.

Rep. Judd Gregg (R., N.H.) introduced an amendment to reduce the funds, saying that the Postal Service cannot honestly claim it is operating in the black when it is receiving an $879-million subsidy. Rep. Don Albosta (D., Mich.) had noted earlier in the debate that without the subsidy "library books would cost 50% more to mail than they do now."

The amendment was rejected and the $879-million subsidy saved, but eventually the entire bill was defeated by a 259-149 vote after the abortion language was attached.

Funding for NEA
A House of Representatives subcommittee approved June 7 a bill that would provide a 30% increase in funding for the arts and humanities endowments over what President Reagan had requested.

The action, by the House Appropriations subcommittee on the interior, chaired by Rep. Sidney Yates (D., Ill.), set funding for the National Endowment for the Arts at $165-million. Among NEA's beneficiaries are budding novelists and other writers. H.F.

Michael Dougherty Buys Edye Rome PR Firm
Michael J. Dougherty, vice-president and general manager for the past year and a half, has purchased all interest in Edye Rome Public Relations, located in Beverly Hills. Edye Rome has joined Burson-Marsteller as a senior account executive and is based in the Toronto office.

The new business entity will be known as Rome-Dougherty Public Relations and will remain at the Beverly Hills address. It will continue to handle literary, personal and corporate publicity. Among the authors whom Rome-Dougherty represents or has represented are Dr. Earl Mindell, Dr. Joyce Brothers, Ben Stein, Susan Oliver, Robert Windeler and Stirling Silliphant.
April 11, 1983...an intensive, one-day seminar—

INTRODUCTION TO ONLINE

Preceding the National Online Meeting, sponsored by the R.R. Bowker Company

Organized by and including as principal speaker—Martha E. Williams, Editor of Online Review and Program Chairman of the National Online Meeting

Co-speaker and online demonstrator—Rod Slade, Manager of Library Services, The Satzec Corporation

This intensive, one-day seminar will assist information managers, information specialists, publishers who are contemplating database publication, and anyone interested in becoming involved in the online database field to painlessly and quickly become conversant with the rudiments of online. No prior experience is required. All the basics will be explained. This day-long seminar will—

- provide an overview of the field
- introduce the concepts, terms, and principles involved
- illustrate the techniques through online demonstrations
- introduce you to the major resources and service vendors
- indicate how to manage an online service within your own organization

Hands on demonstrations of three major vendor systems will be presented on large-screen video displays using representative databases. The seminar instructors are Martha E. Williams and Rod Slade.

Time: 9:00 a.m. to 5:30 p.m. April 11, 1983

Place: Sheraton Centre, Seventh Avenue and 52nd Street, New York, NY

Fee: $125, including morning coffee, buffet lunch, and admission to the exhibit area of the National Online Meeting.

This is the third online seminar, associated with the National Online Meeting, featuring Williams and Slade as co-lecturers.

Martha Williams, an internationally-known expert on databases and online systems, is Professor of Information Science and Director of the Information Retrieval Research Laboratory at the University of Illinois. Her experience includes design and development of databases, operation of database search services, design, testing, and evaluating of online systems, as well as research in the overall database online retrieval field. Williams is a researcher and a prolific author.

Rod Slade is Manager of Library Services at The Satzec Corporation, a firm specializing in database creation and data conversion services. He spent five years as Coordinator of Computer Search Services at the University of Oregon Library and has had extensive experience in online searching. He has taught university courses in online bibliographic searching and has presented numerous workshops including vendor-specific system training and subject-specific database training.

SEMINAR OVERVIEW

ONLINE OVERVIEW
Introduction to computer handling of information/data, online systems, and databases. What is online? What organizations provide online services? Why are we so concerned with it? How fast is it growing? How many databases and data banks are there? An overview of systems, services, databases, and rationale for use of online systems.

PRINCIPLES AND TECHNIQUES OF QUERY DEVELOPMENT
What types of questions can be answered online? How do you formulate a question so that it can be processed by an online system? How do you structure a query? (Term expansion, logic, truncation, limits and other techniques will be explained.) What tools are available to aid in query development? Sample questions for the four classes of databases will be used to illustrate principles and techniques of query development.

ONLINE DATA SOURCES
What databases, data banks, library catalogues, news services, etc., are available online? What are the sources for science/technology, business/finance, social sciences/humanities, and general/news information? How do you choose which sources to start? What are the criteria for determining if a publisher should make material available online? Selection of databases for the four questions will be discussed.

SEARCH SERVICE ORGANIZATIONS
How do they differ (types and number of databases provided, command languages, database loading, services, strengths, and weaknesses)? How does an organization get started? How do charging schemes differ—upfront charging vs. pay-as-you-go? Should you use more than one service? Selection of search service organizations to be used in processing each of the four questions will be made and the reasons for each decision discussed.

ONLINE SEARCHING
What is the sequence of events in an online search? How can you maximize retrieval performance? How can you refine a query and evaluate search results? What happens after the search/data manipulation, documents, ordering? The four questions will be developed into search strategies, each tailored to a specific search system.

MANAGING AND MARKETING AN ONLINE SERVICE
How do you set up an online search service (publicity and selling location for the service within the organization, staffing and training, types of equipment, financing and following Bowker's Introduction to Online on April 11.

REGISTRATION FORM

Registration fee for Introduction to Online is $125 and includes lunch plus admission to the exhibit area of the National Online Meeting. Seating is limited, so reserve now.

Check here for additional information on the National Online Meeting following Bowker's Introduction to Online on April 11.

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MARCH 25, 1983
THE WEST WATCH
Charles Trueheart

Settling into San Diego with HBJ:
The Lunches Aren’t Missed

New York wants to know: Why did a big New York publisher like Harcourt Brace Jovanovich decamp to Southern California? San Francisco and Los Angeles want to know: Why did it choose San Diego?

Good questions, difficult questions. Some answers lie in the recesses of chairman and chief executive officer William Jovanovich’s unorthodox mind. The ones that have surfaced include the rising costs of maintaining offices in Manhattan and the pull of the growing and diversified HBJ empire itself.

Corporate headquarters are in the process of moving to Orlando, Fla.; HBJ also has major installations in Duluth and Cleveland and minor ones in San Francisco, Chicago and Atlanta. San Diego is merely another of these—a city where Sea World, an HBJ subsidiary since 1976, is a principal tourist attraction, and where HBJ owns a handsome office building, built in 1929 and converted from its former use as a men’s downtown athletic club. It now houses HBJ’s trade department, college department and two textbook and scholarly publishing operations.

These are some of the reasons why San Diego. But the reasons why not seem more to the point, so far as HBJ is concerned. They have to do with the evolving nature of doing business in late-20th century America. The telephone, the airplane and the overnight mail services have made it easier to do transcontinental business of any kind. Trade publishing is no exception—not for editing, or sales, or production, or marketing or publicity.

A House Divided

That, anyway, is the substance of the explanation offered by Peter Jovanovich, the 34-year-old son of the chairman and director of HBJ’s 72-person trade department, which completed its move to San Diego last summer—sort of. HBJ is something of a house divided: four trade editors (if you include William Jovanovich, which you should) remain in New York, and five work in San Diego. There’s another editor in Washington and two other editors with imprints of their own: Helen Wolff in Hanover, N.H., and Matthew Bruccoli in Columbia, S.C. Subsidiary rights remain in New York; HBJ’s advertising agency is in Los Angeles. Production, sales and accounting are in San Diego.

Jovanovich the younger seems bullish on his new home and on the HBJ postsettlement prospects. He is eager to dispel the notion (which he sounds like he’s heard all too often in New York) that—as he repeats it: “Oh, my God, you’re moving to San Diego; you’re going out of business.” He points out that the house is publishing 125 titles this year, up from 100 last year, and that it is very much in the business of acquiring the kinds of books that have distinguished the company during its nearly 65 years of existence, first as Harcourt and Brace, then as Harcourt, Brace and World and, since 1970, as Harcourt Brace Jovanovich. Over the years the house has published Sinclair Lewis, E.M. Forster, Virginia Woolf, Carl Sandburg, Vladimir Nabokov, Charles Lindbergh, Eudora Welty, Helen MacInnes, Günter Grass, Italo Calvino, Mary McCarthy and Diana Trilling.

This year, for instance, brings another book by HBJ’s recent bestselling author (of Free to Choose), economist Milton Friedman, a collection of essays called Bright Promises, Dismal Performance; a biography of writer William Saroyan by his son Aram, the first in a new so-called Album Biographies series; and Death March: The Survivors of Bataan by Donald Knox, a senior editor in the HBJ trade department, whose previous career was in TV documentary production and writing.

In the fall, HBJ editors are keen on Charles Beckwith’s no-holds-barred account of the failed Iran rescue attempt, Delta Force; a book of reportage on the Amazon River by Mark London and Brian Kelly; and a new novel by Mark Helprin, Winter’s Tale.

The logic of San Diego aside, Peter Jovanovich spends a great deal of time in New York—a week out of every month, at the barest minimum—and the other California-based editors make the same journey often: from four to six times a year. The term for a spell in New York that has been coined in the San Diego HBJ offices is “going in”—as in, “I’m going in next week.” The subliminal message is that every place else is “out,” which seems to confirm what some of the firm’s doubters have beenuttering: that if you’re not publishing in New York, you’re nowhere.

But Jovanovich insists that his own travels to New York have more to do with the events like the German Book Fair in early March, or with corporate business, or with editorial conferences inside HBJ, than with lollygagging among agents and other editors and publishers. “I mean, every time you get a submission from an agent, you don’t go to lunch with him,” he says. “Bob Gottlieb, who’s probably the best editor in book publishing, doesn’t go to lunch at all, so I think that’s overrated.”

Howard Sandum, who was brought to San Diego from W.B. Saunders, the Philadelphia medical publisher, to oversee HBJ’s Harvest paperback line and serve as a senior trade editor, remarks with a laugh that he’s had about four lunches in the last six months—and I don’t miss them.”

A Lot of Phoning

So much for lunch. As for sales, “You have to go to see your customers anyway, and they’re in Minneapolis, Nashville, New York City, Stamford, Conn., and Washington, D.C. So he’s traveling anyway,” Jovanovich says, referring to director of trade sales Frank McCormick. “And he’d just as soon come back to San Diego as any place else.” Sales conferences are held in San Diego, Jovanovich adds, which is a logistical plus for the company—and gives the sales reps a chance to go on to Hawaii or Mexico afterwards.


“I spend most of my time in New York with the editors,” Jovanovich goes on. “Just over the phone isn’t enough. Drena Willen [a senior trade editor who remained in New York] says she sees more of me now than when I was in New York.” Tightly scheduled weeks in the city evidently concentrate the mind and enhance the
productivity of their meetings.

Sandum has found that "the time I spent with agents and literary folk and other publishing people I now spend with my authors. They love it, and we’re not constantly distracted by the concerns of the industry."

San Diego-based editor John Woods, who won the American Book Award for translation a few years ago (for a Helen Wolff book, as it happens) and joined HBJ last year, says he doesn’t mind being, as he puts it, "outside the system, outside the carnival." He says he has had "no trouble finding things absolutely worthy of the HBJ list."

What of San Diego as a book town? Compared to San Francisco or even Los Angeles, it doesn’t stand much comparison. But it’s not a desert, either. There are a handful of small publishers, a few of them quite energetic and distinctive; a lively community of writers and agents; and perhaps more than you might expect in the way of good bookstores, including HBJ’s own retail outlet in the HBJ Building, now headed by Gloria Weiner, who ran the company’s late New York bookstore.

What’s more, the San Diego Union and its sister Tribune publish more book reviews than is the metropolitan norm.

The city itself, the nation’s eighth largest, with a population of nearly 2-million, is decidedly sleepy, given its size. Its reputation as a Navy town and a retirement community and a conservative stronghold is not far from the truth, although that’s changing as time goes on and the actuarial tables are met. The transplanted New Yorkers at HBJ seem to find it just fine—they quickly mention the agreeable weather, the breathtaking sunsets, the short commuting times and the famous zoo. There are wisecracks every now and then. Asked how the city fathers of San Diego had greeted HBJ on its arrival, one editor who later begged for anonymity responded with the phrase: "Hey, bud—let’s party!

"Most American cities are somewhat provincial," observes Woods. "San Diego is neither more so nor less so when you compare it to New York. But we run a New York office here. The pace, the way we work is not California laid-back. It’s New York."

He admits that "one of the problems is finding an intellectual climate that spurs me on as an editor. But I carried enough native wit, adaptability and sense of the culture here with me, so it hasn’t been too much of a problem so far."

HBJ has no explicit plans to draw on its surroundings for books, although this spring it is publishing Nun: A Memoir by San Diego writer Mary Gilligan Wong and last year brought out native Tom Taylor’s Get Rich on the Obvious. After offering positions in the San Diego office to "everyone over the level of secretary" in New York, the company has hired heavily from its new locale. There is a significant academic community in San Diego and environs, and it has been a real hirer’s market for Jovanovich. A recent opening for an assistant to the managing editor, he says, drew 300 applications.

The conclusion, if it is not too early to draw one, seems to be that HBJ is going about its business in San Diego much as it might anywhere outside of New York: with equanimity and certainly with economy, and with one eye always trained on the parent city of publishing. If HBJ is being watched from New York with such suspicion, it may be out of a sense of "there, but for the grace of God, go we."

Decentralization in publishing, as in almost any industry, has been going on for some time—not an entirely unhealthy trend—and the measurable vitality of publishing in places like Boston and San Francisco suggest that it is possible to publish without perishing outside of Manhattan.

The time may come when HBJ, like Little, Brown and Houghton Mifflin before it, will not be considered the exception, but merely the forerunner.

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MARCH 25, 1983

27
A Roster of Baseball Books for Spring

April is the basest month, well, the baseballest month, breeding baseball stadiums filled by fans and players on the frozen fields lately trampled by winter’s footballers. And though the first ball of the season has yet to be tossed, publishers are already on deck with baseball books to satisfy the screaming millions who thrill to every bat, ball, bunt and base-stealer the big leagues offer.

The books below range from histories to hysterical panegyrics on players and/or teams, from cartoons to catalogs, from fan notes to fiction and back again, but all are joined together in their appreciation for America’s national pastime. And as the publishing warm-up begins for the 1983 baseball season, as publishers prepare to face each other on the playing shelves of bookstores, PW cries "Sellers Up" and wishes you a long seventh-inning stretch in which to sell—and perhaps, read—your way clear through to the World Series in October.

Publication dates without a year indicate a 1983 publication, and the addresses of publishers not listed in Literary Market Place are provided after the first mention of the publisher’s name.

Teams


A Fan’s Memoir: *The Brooklyn Dodgers 1953-1957* (paper $5.95) by Bill Borst.


Once Upon a Time: *The Early Years of the New York Mets* (paper $5.95) by Leonard Shecter; illustrated by photographs. April.
Robert L. Baseman has been named executive vice-president for home field sales, a new position, for Encyclopaedia Britannica (U.S.A.), a subsidiary of Encyclopaedia Britannica, Inc. He has worked for the company more than 20 years and was most recently vice-president, field marketing.

Jean Baddeley has been named to the board of directors of the Pergamon/BPCC Group. She continues as a director of Pergamon Press, New York. Ian Maxwell has been named a director and vice-president of marketing for Pergamon Press, New York. He has worked with Pergamon's German and French companies and replaces William A. Snyder, who has been named international marketing director for the Pergamon/BPCC Group.

John Wiley & Sons has announced the following appointments:
Donald C. Ebel has been named director of operations for the professional group. He was formerly group director of business development and marketing, ITT Publishing Group.
Arlynn Greenbaum has been named director of public relations. She was formerly vice-president of Eileen Prescott Co. Before that, she was publicity director of St. Martin's Press and worked in the publicity departments of McGraw-Hill and E.P. Dutton.
Roy Giffen has been named technical editor, software, in the professional group. He was formerly systems manager for Matthew Bender.
Raymond T. O'Connell has been named editor in the social sciences/humanities program, educational group. He was formerly an editor at Prentice-Hall.
Lynn Bond has been named vice-president, merchandising, at W.H. Smith Publishers. She was formerly corporate merchandising manager at Barnes & Noble.
Sally Dedoecker has been named trade sales manager for New American Library's mass market imprints. She was formerly a sales representative at Ace Books.
François-Marie Samuelson, a representative of the French Publishers Association, has returned to France after studying the possibility of a French Book Office in New York. Beginning July 1, he may be reached at 49 rue Saint-Maur, 75011 Paris; (1) 357 11 77.

MACMILLAN has announced the following appointments in the general books division:
Patrick O. Filley has been named vice-president and director of special-interest publishing. He was formerly vice-president and director, special projects, with Times Books. Before that, he was editorial manager of Dolphin Books.

Joan Sanger has been named senior executive editor. She was formerly vice-president and editor-in-chief of NAL Books. Before that, she was senior editor at Simon & Schuster.

Wendy Sherman has been named director of subsidiary rights. She was formerly assistant director of subsidiary rights at Simon & Schuster.

Gale Osborne has been named manager of special sales for Berkley/Jove. She was formerly an assistant in the special sales department.

Stuart Harris has left Harcourt Brace Jovanovich, where he was director of advertising, publicity and promotion. He was earlier director of advertising and publicity for Harper & Row and an account executive for the Franklin Spier Advertising Agency. Harris will spend the summer in Southeast Asia and announce future plans in the fall. He may be reached at 49 W. 9th St., New York, N.Y.; (212) 982-2335.

Robin Crickmore, formerly associate director of subsidiary rights at Stein and Day, may be reached at 9 Plainview Ave., Ardsley, N.Y. 10502; (914) 693-0833.

DOUBLEDAY has announced the following appointments:
Olga Vazer has been named senior editor in the book clubs division with major responsibility for the acquisition of book club rights for the division. She was formerly a senior editor at Fawcett Books. Before that, she was senior editor at Grosset & Dunlap, director of subsidiary rights at Mason/Charter, editor at New American Library and associate editor in Doubleday's book clubs division.
Alex Hoyt has been named manager, reprint and performing rights, in the subsidiary rights department of the publishing division. He was formerly manager of book club rights.
David Buonanno has been named research analyst in the book clubs division. He was formerly assistant sampling director with National Opinion Research Center.

Ellen Joseph is now acquiring titles for the trade division of Franklin Watts in addition to doing freelance editing. Until recently she was an editor at Houghton Mifflin. She may be reached at (914) 941-0169.

Visitors

Peter Weidhaas, director of the Frankfurt Book Fair, will be in New York July 22-26 to talk with publishers about the German Book Fair in New York in March 1983. He will stay at the Sheraton Centre.

Claus Juergen Frank, general manager of Tomus Verlag, Munich, will be in New York June 12-16 for American/German coproduction negotiations. He will stay at the Waldorf-Astoria.

Janice Fishbein, president of Frieda Fishbein, Ltd., will be in London at the Regent Crest Hotel June 27-29 and in Paris at the Hotel des Saints Peres July 10-15.

Corrections

Wallace Kluberdanz has been named vice-president, finance, at Marcel Dekker. He joined the company in 1978 as assistant controller and was most recently corporate controller.
Jack Cazes has been named vice-president, marketing, at Marcel Dekker. He was formerly marketing director, international division, Waters Associates.
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18 July '82

Dear Stuart--

I've been on Montana, on the track of a novel I hope will be Son of House of Sky, and so just caught up with the Pub Wkly notice of your departure from HBJ. You're another of the gang there I feel privileged to have worked with, while it lasted. Best of luck with future endeavors, and I hope our paths will cross again.
Harcourt Brace Is Leaving New York

By FRANK J. PRIAL

Harcourt Brace Jovanovich, one of the country's largest publishing concerns, will move its headquarters and most of its operations out of New York City to Florida and California.

In a statement yesterday to the company's 2,000 employees, the chairman, said the decision to move was made after a 3-month study of alternatives. He said it was based on the costs of office space, energy and labor, and on a lack of adequate transportation.

"The cost of space was not decisive in itself," Mr. Jovanovich said. "As a national and international company, H.B.J. requires varied working hours. Such scheduling is not generally afforded in New York City. In my own view, the greatest social need of adults in New York City is a variable, reliable and safe transportation system."

"Thinks There Is More to It"

In response, Mayor Koch said later: "It's a shame. I'm sorry it happens when a company leaves, but frankly, I don't think they're giving us the real story. It is not a question of transportation. After all, some of their people are staying, and they will be using the same transportation system. They could have gotten cheaper rentals in downtown Brooklyn or in Queens; they chose to go to areas where space was cheap."

Last week Mr. Jovanovich acknowledged in an interview that he had been discussing the impending move with city officials and the New York City Chamber of Commerce for the last 10 months, but, he said, "there is a limit to what anybody can do."

Karen N. Gerard, Deputy Mayor for Economic Policy and Development, said yesterday: "It's a typical situation. The lease is up for renewal; the rent is going up; and that's always a jarring situation for a company."

Mr. Jovanovich estimated that Harcourt Brace's rent at 757 Third Avenue would jump from $10 to $35 a square foot. The publisher occupies about 300,000 square feet in the building.

Richard T. Ravitch, chairman of the Metropolitan Transportation Authority, said: "I share his view that transportation is central to the survival of New York. But I think that transportation is one of the things about which we are most optimistic. We have the tools to turn things around. Reliability of the system is increasing substantially and is on the upward swing."

Views of Other Publishers

Publishers who were asked about the Harcourt Brace move yesterday that it was possible to maintain a successful trade-book publishing operation outside metropolitan New York.

But they stressed that their remarks had to do only with trade publishing, that is, books that are sold primarily to bookstores. Harcourt Brace is a major publisher of textbooks, scientific books and technical books, for which the publishers say, presumably, could be published anywhere.

In a memorandum to Harcourt Brace employees, Mr. Jovanovich said the company would move its headquarters and "many of its operations" to San Diego and Orlando, Fla.

We are forced to make this major decision because our lease at 757 Third Avenue expires on April 30, 1984," he wrote. He added that the concern would not renew the 20-year lease.

Other Properties in Area

The Third Avenue building is at 47th Street. Mr. Jovanovich said the company would sell two buildings it owned at 111 and 112 Fifth Avenue, between 18th and 19th Streets, as well as 100 acres of land near Somerville, N.J.

Harcourt Brace will hold on to a warehouse on 20 acres it owns at Palisades Park, New Jersey, and, after its lease at 757 Third Avenue expires, will rent "at very high levels in the area." It also will use space it needs to hold the employees who will remain in the city. The company declined to indicate how many would do so.

"Before Labor Day of this year," Mr. Jovanovich said, the trade department and media systems will be wholly in San Diego. Parts of the Academic Press will move to San Diego to join others already there. All employees in these groups not invited to move will receive severance pay."

In late 1983 and early 1984, he went on, other units of the company will be moving to San Diego and Orlando. He himself will establish offices in those cities.

Harcourt Brace , which is listed among the 500 largest companies in the country by Gannett magazine, had sales of about $600 million last year, according to Mr. Jovanovich.

Harcourt Brace has been in New York since its inception in 1919. Its authors have included Sinclair Lewis, E. M. Forester, Virginia Woolf, Carl Sandburg, Mary McCarthy and Günter Grass.

"You win some and you lose some," Mayor Koch said. "I certainly would. Karen Gerard asked them if my coming up and talking to them would make any difference, but they'd already made up their minds. But listen, there are a lot more readers in New York than there are in New York City."

Publishers Assert New York Remains Center of Industry

By EDWIN McDOowell

Some of New York's major book publishers say it would be difficult to maintain a successful trade-book publishing operation outside the New York metropolitan area.

Yesterday, Harcourt Brace Jovanovich said it would move its headquarters and most operations out of New York. Its trade-book operations will be moved to San Diego.

Franklyn L. Rodgers, president of Charles Scribner's Sons and Atheneum Publishers, said yesterday that he thought it would be nearly impossible to make it big outside New York. "You just do so much business each day with the agents, authors, books clubs and magazines located here," he said.

The publishers said their remarks applied only to trade publishing - books that are sold primarily in bookstores. Harcourt Brace is a major publisher of textbooks, scientific books and books for the legal and medical professions, which, publishers say, presumably could be published anywhere.

"Loss to New York"

Brooks Thomas, president of Harper & Row, said that if it were "forced to bet" whether a trade publishing operation could succeed in San Diego, "I'd probably bet against it."

Harper & Row moved its religious books department to San Francisco in 1977.

"I think you'll either find lower Manhattan increasingly the publishing center for editorial and sales operations, and all other business functions outside the city," said Richard E. Snyder, chairman of Simon & Schuster. "Or it's possible somebody will take their editorial and sales outside the city and find they can do it just as effectively."

"That would be a big financial loss to New York," Mr. Snyder said. "But book publishers can't continue to compete for mid-Manhattan office space with banks and airlines offices."n

Roger W. Straus, president of Farrar, Straus & Giroux, said, "Houghton Mifflin and Little, Brown have managed to remain competitive although based in Boston, but they maintain New York editorial offices, and Boston has a publishing tradition."

Farrar, Straus & Giroux has had headquarters on Union Square for about 15 years. "I think we have proven that it doesn't make a difference whether you're at 57th Street or 15th," Mr. Straus said. "But I don't believe a major trade publisher can really exist anywhere outside the city except Boston."

Mr. Straus cited the example of World Publishing, which had headquarters in Cleveland. "It folded because it was too far out of the mainstream," he said.
Around New York

2 Arrested in Robbery
Are Suspects in Murder

Two Brooklyn men who were arrested Tuesday for breaking into a home in Whitestone, Queens, last week and terrorizing and assaulting an elderly couple were later identified as suspects in the murder of an elderly couple in the Richmond Hill section of the borough last November, authorities said.

Both men are also being questioned about a robbery in a nearby Richmond Hill home and the assault of an elderly man there six days after the double homicide, according to the police.

Investigators said palm prints of one of the two arrested men had been found in the home of the murder victims and that both men had been identified by a witness as having taken part in the subsequent robbery.

Deputy Inspector Roy J. Richter of the Queens Detective Area would say only that the two men were being questioned about the two earlier crimes because of "certain similarities" in all three incidents.

The two men arrested for the White stone crime were identified as Eris Blount and Daniel Hayes, both 21 years old. They live in different apartments at 988 Macou Street. It was Mr. Blount's palm prints that were reportedly found in the Alberga home.

In the double homicide on Nov. 5, John Alberga, 81, and his wife, Nettie, 78, were stabbed to death during an early-morning burglary in their home at 97-17 106th Street in Richmond Hill.

The robbery six days later, on Nov. 11, occurred three houses away.

Black Caucus Sues
Legislature on Districts

SPECIAL TO THE NEW YORK TIMES

ALBANY, Feb. 10 -- The Black and Puerto Rican Caucus of the State Legislature today sued the leaders of the Legislature to force them to agree on new Senate, Assembly and Congressional district lines.

The suit, filed in Federal District Court in Manhattan, is designed to break the impasse that exists between the Republican-led Senate and the Democratic-led Assembly over how the state should reapportion itself in line with the 1980 Census.

The suit names the Senate majority leader, Warren M. Anderson of Binghamton, and the Assembly Speaker, Stanley Fink of Brooklyn, as co-defendants. But Democratic officials said that the legal action had Mr. Fink's blessing.

Assembly leaders, including Mr. Fink, threatened earlier this week to go to court themselves, but Mr. Fink has said he preferred to join a suit brought by someone else.

"We're asking the court to order the parties both in the Senate and the Assembly to end their stalemate and to begin the drawing of a reapportionment plan for the state Assembly and the Senate by March 1," said Paul Wooten, counsel to the caucus and a spokesman for its chairman, Assemblyman Albert Vann of Brooklyn, a Liberal-Democrat.

"What we're saying," Mr. Wooten said, "is that a delay in the reapportionment process would cause the Assembly and the Senate to attempt to go to a primary and a general election on the current reapportionment lines. We believe that going ahead with the current lines would result in unfair representation of New York's black and Puerto Rican communities."

Carey, Calling PATH Fares Too Low, Vetoes Its Budget

By ARI L. GOLDMAN

Calling the 30-cent PATH fare unreasonably low, Governor Carey has vetoed the commuter system's $80 million 1982 budget.

It was the Governor's first veto of a decision by the Port Authority of New York-New Jersey, which is by most accounts clean and reliable. In comparison, the New York City fare covers about half the cost of a subway ride.

After Governor Carey's veto last week, the board of the Port Authority voted to have the fare raised, but only if an agreement could be reached with the state on a transfer between the PATH and the B & T rapid transit system.

Mr. Carey, in a budget message, said that in order to be reliable the PATH had to be "fully funded" and that a fare of 50 cents would be more equitable.

"I am deeply troubled by the inadequacy of the PATH fare." Mr. Carey said in his veto message. "I am not certain that a $15 million dividend in 1982 is not a bit too much to ask of this public service.

"I urge my colleagues to take a look at the PATH in the same way that they take a look at the rapid transit system."
**Harcourt Brace to Ban Return of Books**

**By** Daniel Machalaba

**Staff Reporter of The WALL STREET JOURNAL.**

NEW YORK—Harcourt Brace Jovanovich Inc., planning a book-buying binge to prop up the company's various nontechnical, or "trade," books, such as the fiction, nonfiction and biography titles that appeal to a general audience, proposed a move which, if bound to anger book sellers and authors, is warranted, the company insists, by the sharp rise in the return rate and the drop in publishers' profits.

Publishing is in serious trouble because of high returns, says William Jovanovich, chairman and chief executive officer of Harcourt Brace Jovanovich, in an interview with The Wall Street Journal. "But it's time someone did something." Rising returns is one of the woes afflicting trade book publishers, who also face a depressed retail climate, book buying probably represent the present liberal return privileges, eliminate return of books, which is unheard of in other businesses, encourage publishers to print excessive quantities of many books. Disposing of the surplus is both expensive and wasteful, publishers complain.

**Radical Solutions Feared**

Many book industry officials agree that return practices, which even allow books to be shipped back after years with their publication, are inefficient. But so far most publishers believe that a "package" of return policies is long overdue," says G. Royce Smith, executive director of the American Booksellers Association, a trade group for book retailers. "But we would be quite traumatic to go from current wasteful practices to the opposite extreme."

The worry is that book stores, if they were to make a greater share of the risk, would sharply curtail their orders of books having less than mass appeal. "Authors would be very unhappy if fewer copies of their books were sold," says Dominick Abel, a literary agent.

But Harcourt Brace Jovanovich says it will increase rewards along with the risks. "There will be a major incentive," Mr. Jovanovich says about the company's plan, set to be announced on Nov. 17. A possibility, which Mr. Jovanovich neither confirmed nor denied, is that retailer discounts could be boosted, and publishers pay from publisher, thereby potentially increasing book seller profit margins.

**Company's Power Questioned**

Some observers question the company's power to bring change in return procedures. Trade books will account for only about $10 million of Harcourt's estimated 1986 sales of $565 million, which rely far more on textbooks, professional magazines and its Sea World theme park. But Richard Hwang and Simon & Schuster announced a new return policy on their trade books, there would be much more impact," says Mr. Smith, of the American Booksellers Association.

Nevertheless, publishers are likely to watch closely, "I think it's a brave move," says Brooks Thomas, president of Harper & Row Publishers Inc. Several other hardcover trade publishers are understood to want to adopt a returns policy modeled after one implemented by New American Library Inc. The Times Mirror Co. unit is boosting the discount to merchants on books sold and attaching a penalty on books returned. "Our returns are less than they were," says Robert E. Diforio, executive vice president of New American Library Inc. "But sometime I find that authors are buying from us more cautiously." Motivating Harcourt Brace Jovanovich is partial to its trade book operations since 1974. Earlier this year the company dis- is issued a 2-for-1 stock split toajan its commercial trade books to about 80, down from about 150 fiction and nonfiction titles in the past. But there's still an awesome problem with returns that have soared to between 35% and 50% of books shipped to bookstores from 10%, "when I entered publishing" in the early 1960s, says Mr. Jovanovich. Some book stores, he adds, are now using returns of old books, rather than cash, to pay for new books.

Mr. Jovanovich says strong sales of some of the company's books this fall, including a novel by Helen MacInerney and "Don't Choose: A Personal Statement" by Milton and Rose Friedman, means "we're working from a position of strength. It's hardly sour grapes."

**Omark Increases Dividend, Declares 2-for-1 Stock Split**

PORTLAND, Ore. — Omark Industries Inc. raised its quarterly dividend and declared a two-for-one stock split.

The dividend was increased to 44 cents a share from 36 cents on the pre-split shares, payable Dec. 10 to stock of record Nov. 14. The stock split will be made Dec. 15 for stock of record Nov. 14. The maker of cutting tools and timber harvesting equipment currently has about 3.5 million shares outstanding.

At the annual meeting, Ted Smith, president, said Omark expects to report "no more than a 10% earnings decline in the year ending June 30. The company reported earnings in fiscal 1986 were $4.26 a share. In the first quarter ending Sept. 30, earnings dropped to $8.2 million, or $2.26 a share, from 8.2 million, or $2.26 a share, a year earlier.

At the meeting, Mr. Smith also said the company plans to acquire Hydro-Ax Co. of Owatonna, Minn., for stock. Hydro-Ax, which has annual volume of about $10 million, is less detailed in the company's income statement. Terms of the acquisition weren't disclosed.

**New Hampshire Ball Bearings Declares 2-for-1 Stock Split**

PETERBOROUGH, N.H. — New Hampshire Ball Bearings Inc. declared a two-for-one stock split, following a vote by its share- holders to increase the authorized common stock to three million shares from one million.

The split is payable Dec. 1, to stock record Nov. 13. After the split, the bearing maker will have 1,387,974 shares outstanding.

The company also declared a regular quarterly dividend of 30 cents a share on pre-split shares and an extra year-end divi- dend of 20 cents on the pre-split shares payable Nov. 26 to stock of record Nov. 13.

It said that after the split, it plans to pay quarterly dividends of 18 cents a share, the equivalent of a 20% increase from current quarterly dividends, in order to stop paying year-end extra dividends as it has done in recent years.
Joy Manufacturing '81 Outlook

PITTSBURGH—Joy Manufacturing Co., having just concluded a record fiscal year, expects to post further sales and earnings gains in fiscal 1981, said James W. Wilcock, chairman and chief executive officer.

The maker of mining and industrial equipment expects to report soon that its net income for the fiscal year ended Sept. 26 rose more than 26% to about $66 million, or $4.55 a share, from $49.7 million, or $3.92 a share, the year earlier. Revenue during the year also increased about 20%, to $835 million from $782 million, Mr. Wilcock said.

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HARCOURT Brace Jovanovich plans to institute a no-returns policy on its trade books. In an interview published November 3 in The Wall Street Journal, William Jovanovich, chairman and chief executive officer, said, “Trade publishing is in serious trouble because of high returns. Our solution is Draconian, but it’s time someone did something.”

Peter Jovanovich, who acts as a consultant overseeing the trade department, confirmed to PW that there would be changes in HBJ’s returns policy as of January 1, 1981, but stated that further details were still being worked out and would not be forthcoming until the company announced its plan on November 17.

The policy of allowing bookstores to return unsold books for credit has been criticized as costly and inefficient for many years, but most publishers have feared that a no-returns policy would meet strong opposition from retailers. The Wall Street Journal quotes William Jovanovich as saying that “there will be a major incentive” to bookstores in the company’s plan. Presumably a higher discount than the current standard of 40% would be part of the plan, but some industry observers doubt that even this would make a no-returns policy acceptable to the majority of bookstores.

“I’m against a 100% no-returns policy,” G. Roysce Smith, executive director of the American Booksellers Association told PW, “unless the discount is very, very good—say 55% or higher.” He added that the Publishers Planning Committee of ABA has suggested that backlist titles should be nonreturnable, while there should be a limit on the quantity of new titles that may be returned—somewhere in the area of 10%-15% of the total purchased. An alternative method currently employed by New American Library is to boost the discount on books sold and exact a penalty for returns—“the more you return, the less you earn,” Smith defined it.

Harcourt Brace Jovanovich’s third-quarter statement lists a more than $300 million rise in revenues for the publishing arm of the company—from $262,528,000 for the 12-month period ending September 30, 1979, to $296,986,000 for the same period ending September 30, 1980. Income from the operations of the publishing section rose by nearly $10 million, from $29,568,000 for the 12-month period ending September 30, 1979, to $39,376,000 for the same period this year. The price per share of HBJ’s common stock rose from $4.73 in the 12-month period ending September 30, 1979, to $5.85 for the same period ending September 30, 1980. Although to a certain extent these figures reflect the assertion quoted in The Wall Street Journal that the company is “working from a position of strength” in installing a no-returns policy, the trade book division’s earnings are not broken out of the total. That section of the publishing division is understood to have operated in the red since 1974. The trade book department underwent major personnel cuts in April of this year (PW, Apr. 25), when publisher and editor-in-chief Carol Hill resigned to pursue her own writing and three trade editors were told their jobs would be terminated. HBJ also announced at that time that it would drastically reduce the number of trade titles it published, aiming for an expected annual output of 40-50 titles in the trade division in 1982.

WENDY SMITH

Authors Guild Urges Reform Of ‘Satisfactory Ms.’ Clause

THE Authors Guild has mounted its first assault on the “satisfactory manuscript” clause, which it calls “one of the most dangerous provisions” in publishers’ standard contracts.

With minor variations, the standard agreement reads: “The author shall deliver a manuscript, which, in style and content, is satisfactory to the publisher.”

The Guild will propose instead an agreement that in effect reads: “The author shall deliver a manuscript which, in style and content, is professionally competent and fit for publication.”

Announcement of what the Guild calls “the first phase” in its program to reform the clause appears in the current September-October issue of the Authors Guild Bulletin along with a report from the contract committee, whose members are John Hersey, John Brooks, Roger Angell and Robert A. Caro. The second phase, according to the committee report, will be the publication in the next issue of the Bulletin of the Guild’s recommended termination clause, now being completed.

“Individual members will then ask their publishers to make the changes,” Guild counsel Irwin Karp told PW. “After that, the contract committee will consider other steps.”

In its report the committee states: “Changes in the publishers’ clause should be requested, even though publishers will refuse to make them and many authors may have to accept their publisher’s provision. Other steps to reform the publishers’ clause will be recommended in subsequent reports.”

The committee acknowledges that its proposed condition—that a manuscript be professionally competent—is not precise. But it argues that in the event of a dispute, a judge or arbitrator could make a determination of professional competence on the basis of testimony by critics, publishers and other experts. This is more equitable than “the subjective criterion” of whether a work is satisfactory to the publisher, the report says.

It contends that courts have interpreted the wording of the publishers’ clause to mean that a publisher is sole judge of whether a work is satisfactory and will not review “the correctness or reasonableness” of the publisher’s judgment, unless it acted in “bad faith.” The report holds that courts have not
SIGNET FOR 1981. A LIST OF BESTSELLERS.


Best Sellers

This Week

Fiction

1. THE KEY TO REBECCA, by Ken Follett. (Morrow, $12.95.) German espionage in Cairo during the desert campaigns of 1942.

2. FIRESTARTER, by Stephen King. (Viking, $13.95.) Eight-year-old Charlie can look at anything and turn it into flames.

3. THE FIFTH HORSEMAN, by Larry Collins and Dominique Lapierre. (Simon & Schuster, $13.95.) Libyan terrorists have planted a thermoelectric device in New York and there are only 24 hours to find it.

4. LOON LAKE, by E.L. Doctorow. (Random House, $11.95.) The strange, lyrical adventures of a young man during the Depression.

5. RAGE OF ANGELS, by Sidney Sheldon. (Morrow, $12.95.) An idealistic young woman lawyer triumphs over two vengeful men.

6. THE TENTH COMMANDMENT, by Lawrence Sanders. (Putnam's, $11.95.) The pint-sized investigator of a large law firm sets out to unravel the strange conduct of some of its most important clients.


8. THE COVENANT, by James A. Michener. (Random House, $15.95.) Fifteen thousand years of South African history.

9. THE SECOND LADY, by Irving Wallace. (New American Library, $1.95.) The American President's wife is kidnapped in Moscow and a look-alike substituted.

10. FANNY, by Estiva Jong. (New American Library, $1.95.) The adventures of a lusty 18th-century Englishwoman.


12. CRACKERS, by Roy Blount Jr. (Alfred A. Knopf, $10.95.) Highly amusing observations on Georgia and the American South.

Editors' Choice

CRACKERS, by Roy Blount Jr. (Alfred A. Knopf, $10.95.) Highly amusing observations on Georgia and the American South.

THING TO EXTREME, by Joe McGinniss. (Alfred A. Knopf, $11.95.) A chronicle of a year spent in Atlanta: observations of a society that seems to be disintegrating before it has had a chance to form.

ITALIAN POLKADES, selected and retold by Iatlo Calvino. (Harcourt Brace Jovanovich, $12.95.) Some 200 tales from every corner of Italy, narrated in colloquial, economical, sometimes stunningly lyrical style.

LECTURES ON LITERATURE, by Vladimir Nabokov. (Harcourt Brace Jovanovich, $19.95.) In talks about the works of Jane Austen, Dickens, Flaubert, Joyce, Kafka, Proust and Robert Louis Stevenson, delivered to Cornell undergraduates during the 1967-68 academic year. The great novelist describes the slow, painstaking construction of great fiction.

FAMING NAMES, by Victor S. Navasky. (Viking, $15.95.) A study of the former Communists, most of them members of the movie industry, who during the McCarthy era informed on Communists, fellow travelers, casual acquaintances or innocent bystanders they had known or thought they might have known during their Party days.

THE PANDA'S THUMB, by Stephen Jay Gould. (Norton, $12.95.) In these essays, a young Harvard paleoentologist displays an uncommon ability to turn almost any item in nature's great sprawl into a literate, joyful, refined excavation into man's history and fate.

Nonfiction

This Week

1. CRISIS INVESTING, by Douglas R. Casey. (Stratford Press/Harper, $12.95.) "Opportunities for investing in the coming Great Depression."

2. THE SKY'S THE LIMIT, by Wayne Dyer. (Simon & Schuster, $10.95.) How to achieve perfection of body and mind.

3. MUSIC FOR CHAMELEONS, by Truman Capote. (Random House, $18.95.) Reminiscences, vignettes and a long fact-crime piece.

4. SHELLEY-ROSE KNOWN AS SHIRLEY, by Shelley Winters. (Morrow, $14.95.) A Brooklyn ghetto girl's progress to three plays, two Oscars, six mirror coats and ninety-nine films.

5. CRAIG CLAIORNE'S GOURMET DIET, by Craig Claiborne with Pierre Franey. (Times Books, $16.95.) Recipes for eating well, losing weight and maintaining good health.


7. AMERICAN DREAMS, by Studs Terkel. (Pantheon, $14.95.) One hundred ordinary men and women talk about their hopes and fears.

8. MERV, by Merv Griffin with Peter Barocelli. (Simon & Schuster, $11.95.) The TV host tells his life story.


10. FREE TO CHOOSE, by Milton & Rose Friedman. (Harcourt Brace Jovanovich, $9.95.) The Nobel laureate economist and his wife discuss the relationship of personal freedom to politics, the economy, and the PBS television series "America Decides."
AAP and HBJ Ask House for Relief in Backlist Ruling

In a last-ditch but probably futile effort, publishers' representatives appealed on September 18 to the House Ways and Means Committee to give them relief from the IRS "Thor" decision they said could lead to book-burning. Testifying were Leo Albert, chairman of the Association of American Publishers, and William Brandner, senior vice-president and treasurer of Harcourt Brace Jovanovich, which is not an AAP member.

The issue involves tax depreciations for backlist. The publishing industry has convinced the Senate Finance Committee that the practice should be continued, but the issue appears doomed in this session of Congress.

The Supreme Court ruled last year that a company cannot take a tax depreciation on warehouse stock unless it reduces the price or destroys the stock. The Internal Revenue Service didn't issue regulations implementing that decision until this year and then made them retroactive for 1979 taxes. The IRS gave publishers until September 15 to comply. The two witnesses told the committee it was vital that Congress pass legislation in this session.

Brandner said that overprinting many books was necessary in the book publishing industry, but that it often led to "excess inventories."

"For a variety of reasons, including contracts with authors, state education departments and the Robinson Patman Act provisions," he said, "we are precluded from disposing of such excess inventory for periods of time which could be as much as five years."

But, he said, the IRS ruling "will result in our being forced to an immediate destruction of excess inventories of books, as opposed to waiting out contract provisions or other requirements which would permit remainder sales or donations, so that we will be able to claim a tax deduction. The tax deduction is vital to our business."

It wasn't fair for the IRS to apply the Supreme Court decision retroactively. Brandner added, because certain IRS rules preclude companies from changing accounting procedures without IRS permission, and the IRS ruling in dispute was not approved until late January. In other words, publishers who operate on a calendar year basis, or whose fiscal year ends after December 25, were stuck with 1979 taxes with no allowance for write-downs on backlists.

The IRS doesn't even allow a grace period. Brandner said, arguing that without relief, "We will not be able to make available millions of books to the so-called remainder market.... Instead, we will have to destroy several million books."

The AAP testified previously (PW, Sept. 5) that textbook publishers will be hit especially hard by the IRS ruling because their books rarely have remainder value.

Diane Rennert, who is handling the issue for the AAP, said the organization is searching for ways other than the tax bill to get relief this year. But she acknowledged she doesn't hold much hope in the waning days of this Congressional session.

One of the reasons the effort appears doomed is that the House Ways and Means Committee has declared its opposition to a tax bill this year and has successfully staved off action before the November 4 elections. The Senate was expected to press for its elections-inspired tax bill in a lame-duck session following the elections, but even in the Senate there was expected to be less enthusiasm for a tax bill then.

H.F.

Distripress, Marking Its 25th Anniversary, Confronts Censorship, Piracy and Status of Paperbacks

by Patricia Holt

Censorship, piracy and declining backlist sales of paperback books in Europe were highlighted topics at the 25th anniversary meeting of the Distripress Congress, held September 1-5 in San Francisco. Close to 1,000 publishers and distributors from 50 countries attended the meeting.

Distripress president Roland Algrant of Feffer and Simons reminded the audience that Distripress—a global association of some 700 publishers and distributors of newspapers, magazines and paperback books—was in part founded "to assist in the promotion of freedom of the press throughout the world." It is a sad thing, Algrant said, that "censorship is becoming more common around the world rather than less so. We are actually becoming accustomed to it—and if we don't watch out, it will become an accepted part of our life."

Christie Heffner, vice-president of Playboy Enterprises, mentioned such acts of censorship as a Saudi Arabian ban of a Bantam cookbook that includes wine in its recipes; prohibitions in Indonesia of a Newsweek issue covering rioting Korean students; "routinely marked-up pictures of frontal nudity at the Japanese border"; and North Vietnamese restrictions on Play-boy. Newsweek International's Howard Smith also commented, elsewhere during the meeting, that Newsweek lost 50,000 copies a year through bannings, and Sandra Freeman of New American Library said that problems with censorship of "Fear of Flying" had convinced her that "banning is nothing new—it's just more arbitrary than ever before.

Algrant proposed that a task force be
set up which would include representatives from all major organizations concerned with censorship—Distripress, the International Publishers Association, the International Press Institute, the International Federation of Newspaper Publishers and such national groups as the American Newspaper Publishers Association. Although Distripress was required by its statutes to remain nonpolitical, Algrant said, by joining such a task force it could support the principles upon which it was founded without becoming a "political" body. Another advantage of the task force, observed several publishers and distributors after the meeting, would be protection of individual members—especially those who live in countries where censorship practices are enforced—from government retaliation.

At the open meeting of the Paperback Book Committee, both publishers and distributors noted that piracy had become a "continuing problem" in India, Singapore, Hong Kong and Pakistan, but that information on specific pirated titles was, so far, sketchy and undocumented. It was decided that Distripress should act as a central gathering source of information and that members who discovered pirated publications should report their findings to Distripress immediately. Although piracy of trade paperbacks amounts to only fifty titles a year and is "not yet a major business," the problem is increasing, many publishers noted.

As to the state of the industry in 1980, in reports to the Paperback Committee and in interviews with PW, several publishers and distributors described an "uneasy but not gloomy" international marketplace for paperback books. According to Jan Kuizer of Van Ditmar BV in Holland, a distributor many Distripress members regard as a weathervane of U.S. paperback sales and trends in Europe, "Frontlists have sustained during the first seven months of 1980, but it is becoming more difficult than ever to sell backlist books. These sales have diminished considerably." Oswald Boxer of Boxer Books in Switzerland agreed: "The output of new titles from both American and British publishers this year has been incredible—but all demand space on existing shelves and racks, and when this happens, out goes the backlist."

In some countries—especially those affected by the recession—new titles are suffering as well. Cyril Aronson of Bronman's Agency, a distributor in Israel, said, "New title output is very high now: most paperback lines are publishing about 30 titles a month, and since we represent 20 publishers, that's more than 500 new titles to distribute every month. This and the recession have affected our operation in such a way that for the first time, instead of taking all new titles from every line, we are having to select only the books we think will sell." And Bantam's Alun Davies summed it up this way: "It has become obvious that the whole of 1980 is turning out to be a reasonable year, most of the world markets we operate in are reporting declining unit sales and are giving only a fair outlook for 1981. The bestseller has become more important but is selling in lower quantities than before—and the life of the backlist is shorter than it has ever been."

For some publishers, however—such as Roy Kibby of Transworld Publishers in England—the recession has had "no effect" and "the overall mood of business is quietly—not blatantly—optimistic." New markets in Africa have sparked some of that optimism, as Chris Owen of World Wide Media Service indicated: "Business in Africa has been pretty encouraging this year. There are more distributors there now—four in Nigeria, one in Kenya, one in Tanzania—where there was only one three years ago. Although the Third World is a volatile market and is affected by internal politics as well as world trends, we are seeing stabilized countries like Nigeria coming forward, and this is very healthy for the industry."

In some countries a new audience for English-language books is gradually emerging from native populations. In Italy, for example, as Gunther Lesnig of Inter-Orbis, an importer of British books in Milan, observed: "We used to sell primarily to British tourists in Italy, but now they go through the country so fast on package tours they have no time to buy or read books. But we are seeing significant increases in sales to Italians who are reading in English—10 years ago this market did not exist." And in Greece, Andrew Samouhos of the American Book & News Agency said, "Today, of the 200,000 English-language readers in our population of 9 million, 75% are Greek. This is a marked increase over past years."

Sales of English-language paperbacks in Japan have remained stable in spite of vacillations of the yen and the dollar. Although Masahiro Watanabe of Yohan, one of the largest importers of U.S. publications in Japan, lost U.S. $400,000 last year through repricing and exchange manipulations, "This year the yen has remained stable," he said. "Unlike backlist in European English-language markets our backlist is selling well and probably always will. This is because very few Japanese read English-language books for pleasure; they do so as part of their study of the English language, so back-
Western Retailers Criticize New York Publishers

Sparks flew at the Northern California Booksellers Association’s spring dinner, April 16, when Harcourt Brace Jovanovich sales director Frank McCormick attempted to answer questions from several independent booksellers who disapproved of the policies of major publishers on volume discounts, returns, freight, warehousing and foresaw the possibility of net pricing in the future. It was the second time in little more than a month that Northern California booksellers openly criticized what they called “systematic discrimination” against independent booksellers by large publishers in New York.

McCormick, who is newly based in San Diego and has just fired several HBJ sales representatives (PW, Apr. 25), stated in his opening remarks that costs of production and supplies (especially paper) have increased so much that as a consequence, “we’re going to see even more reductions” in the number of titles produced, in the people employed, in the copies made per print run, and in promotional money spent on “middle of the road” books. While the audience applauded his suggestion that these cuts would result in “fewer and better books,” there was silence among the 200 booksellers in attendance when he added that they might also mean “perhaps a full 15% reduction in the number of trade sales representatives in the U.S. within the next six months.” McCormick also predicted the emergence of “new buying options” for the bookseller, including larger discounts for nonreturnable books and “net pricing within the next two years.”

Many of the questions following McCormick’s talk were familiar: why don’t publishers alphabetize the titles listed on their invoices, consolidate warehousing in the West, tack freight on to the prices of their books, give incentives for low returns, delay invoicing Western booksellers until books have actually arrived, and give the “more efficient” independents the same discounts as those the chains are offered?

While McCormick had essentially no new answers to these questions—and was hunted at because of this—he referred several times to net pricing as a “possible answer” for independents because there would be no such thing as volume discounts since “you’d be paying the same price as the chains.” Under net pricing, publishers’ suggested retail prices would be eliminated from invoices and booksellers would be free to determine their own resale prices.

In response, several booksellers voiced loud complaint, perhaps best expressed by Andy Ross of Cody’s Books in Berkeley. “Your remarks about nonreturnable books and net pricing mean you’re looking at the business as if it’s selling shirts when structurally it’s very different. In other retail businesses you can order 1000 units in 10 varieties and it’s easy to price them; but when Cody’s gets an order from Random House we get a few copies each of 500 titles, and pricing each one of those books is not an insignificant task—it takes many hours and creates a huge burden for the bookseller.”


McCormick conceded that book clubs might still negotiate their own prices because they buy in such high volumes. “But if the ABA offered to buy 100,000 copies on a nonreturnable basis, could we negotiate like book clubs?” Yamada called back. “And how would you drop ship to all the stores?”

McCormick hesitated and was about to speak when someone in the audience stood up and said that it was unfair to make one publisher “a sacrificial lamb” at a booksellers dinner. NCBA president Larry Alperstein agreed and added that a list of 17 questions, circulated at the meeting that night, would be presented to other publishers in the near future.

Committee Suggests Five For Register of Copyrights

Five names have been submitted to the Librarian of Congress as candidates to succeed the retiring Barbara A. Ringer, Register of Copyrights, according to informed sources. But a fight may ensue before Librarian of Congress Daniel J. Boorstin can make the final selection, due by May 15.

The leading candidate chosen by a New York-based search committee was Sidney Diamond, Commissioner of Patents, the source told PW. Reportedly ranked second was David Ladd, a predecessor of Diamond’s in the U.S. Patent Office, an arm of the Commerce Department.
and to nature, insofar as nature is a voice.

Bly goes even further than reciting poems, sometimes donning fierce-looking masks, strumming a dulcimer he does not know how to play or making strange noises that sound to some like babbbling. While he admits that critics sometimes "don't review my poems but attack me for the readings instead," he insists that such props are "vehicles that cut through ego defenses" of both audience and performer—at some times with greater success than at others. Even at a "quiet" poetry reading, such as an evening of Rilke's poems in San Francisco recently, Bly will stop in the middle of a poem to burst out exuberantly, "Okay, what does he do here, listen carefully!"—causing most of the audience to smile expectantly, but some to swallow hard.

Bly believes that the multiconscious stream of poetry descending from Goethe and Rilke found its first American home among poets of the Western U.S. such as Gary Snyder, Kenneth Rexroth and Robinson Jeffers. He remarks that culture obligates women poets to write of human matters, despite their affinity to the humankind-nature union, which is stronger than that experienced by men. He does, however, de-vote many pages in the book to new women poets, and lest men forget the possibilities of multiconsciousness, Bly's next project, about which he says he has already made several successful appearances, will be "Fairy Tales for Men," for Harper & Row.

PATRICIA HOLT

CALENDAR

May 13

May 21
AJ Seminars course: "Bibliographic Information Networks." Covers the development, planning, operation and impact of automated bibliographic systems. At the Holiday Inn Downtown, 750 Garland Ave. at 8th St., Los Angeles. Fee: $75; enrollment limited to 50. Registration and information: AJ Seminars, 11205 Farmland Dr., Rockville, Md. 20852; (301) 881-4996.

May 22
Association of American Publishers College Division seminar: "Analyzing Your Markets and Developing Products That Will Sell." At the Marine World Holiday Inn, 1101 Shoreway Dr., Belmont, Calif., 8:30 A.M. Fees: members, first reservation $25, each additional one $20; nonmembers, first reservation $50, each additional one $40. Registration and information: Parker Ladd, AAP, One Park Ave., N.Y., N.Y. 10016; (212) 689-8920.

June 4
Association of American Publishers College Division workshop: "All You Need to Know About Copyright for College Publishing." At the Harvard Faculty Club, 20 Quincy St., Cambridge, Mass., 9 A.M.-2 P.M. Fees: $25 for one person, $45 for two, $60 for three; registration limited to 60. Registration and information: Susan Kitzen, AAP, One Park Ave., N.Y., N.Y. 10016; (212) 689-8920.

June 12
American Society of Journalists and Authors meeting: "What to Do This Summer? Write for These New Magazines." At the Hotel Warwick, 54th St. and 6th Ave., N.Y.C., cocktails at 6:30 P.M., dinner at 7:30 P.M. and the program at 8:30 P.M. Speakers: Bayard Hooper, editorial director, Prime Time; Elly Kossack, managing editor, Panorama; and A. J. Vogel, editor. Next Fee: $16; by 6/11. Reservations and information: Holly Redell, (212) 997-0947.

June 15-21
Committee of Small Magazine Editors and Publishers (COSMEP) simultaneous writers' and publishers' conferences. At California State College, California, Pa. Open to all writers and publishers, whether or not they are members of COSMEP. Information: COSMEP, Inc., P.O. Box 703, San Francisco, Calif. 94101, or Bill Wilkins, 331 W. Bonneville, Pasco, Wash. 99301.

COURSES

New York University's School of Continuing Education offers nine summer publishing courses. Topics include: basic book production; copyediting and proofreading; editing; printing processes and materials; and computer technology. Most courses meet in the evenings, beginning in June. Registration and information: Richard Conway, Office of Public Information, 126 Shimkin Hall, Washington Sq., N.Y., N.Y. 10003; (212) 598-2116.

EXHIBITS

Smithsonian National Museum of History and Technology exhibit: "Heralds of Science." First editions of works by Copernicus, Galileo, Darwin and Newton are among the features of the exhibit. At the National Museum of History and Technology, through 6/6. Information: Geraldine Sanderson, (202) 381-6586; or Jack Goodwin, (202) 381-5421.

LECTURES

Library of Congress. Fernand Baudin, typographer and author, will discuss various aspects of book publishing in three eras: 1830-1880 (as exemplified by Victor Hugo and Balzac); 1880-1914 (Art Nouveau and the Socialist period); and 1914 to the present. At the Library's Coolidge Auditorium, 5/29, 8 P.M. No tickets are required.

MEDIA

Dance Book Forum, a quarterly newsletter beginning publication August 1, will review books in all areas of dance as well as related fields such as gymnastics and ice skating. Review copies should be sent to: D'Elia Zuck, Dance Book Forum, 22 W. 77th St., #62, N.Y., N.Y. 10024; (212) 362-9921.

ERC Reviews, a syndicated service providing book reviews to small newspapers and in-house trade journals, covers general trade fiction, children's books, nonfiction about subjects such as economics and business. Review copies should be sent to: Editor, ERC Reviews, 1107 Lexington Ave., Dayton, Ohio 45407; (513) 275-8637.

Mail Order Product, a monthly newsletter, wishes to review books that are likely to sell well through direct mail, how-to books in particular. Review copies should be sent to: Bernard Lyons, Vice President, Goreville, Ill. 62939; (618) 995-2027.

Visual Resources, a scholarly journal published three times a year, will consider books for review if they are of a primarily visual nature or related to aspects of visual documentation (i.e., heavily illustrated art books, reference aids, etc.). Review copies should be sent to: Patricia Walsh, Managing Editor, Visual Resources, 464 Black Rock Turnpike, W. Redding, Conn. 06896; (203) 938-9548.

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On the Reorganization of
HARCOURT BRACE JOVANOVICH, INC.

May 13, 1980

Dear Shareholder:

During May of 1979 and again in August, officers of HBJ reported to the directors on a proposed reorganization of the Company. Then in January of 1980, the Chairman and the three members of the Office of the President met at length to discuss the Company's procedures and prospects. At hand were several hundred pages of data and commentary: tables showing the corporation's borrowing needs and equity structure; depictions of trends in salaries, rents, and those materials and services which bear importantly upon profit margins; projections of revenues and profits over the decade of the 1980's.

The directors recognize that our acquisition and creation of many companies over the past twenty years has brought Harcourt Brace Jovanovich, Inc. to a point where its organization into five Groups was not readily perceivable either by employees or by shareholders. During the past decade it has been necessary several times to move divisions from one Group to another; even so, there persisted an overlapping of operations, as in the instance of business periodicals and insurance. The flaw was dramatized by the SEC requirement that corporations report their revenues and profits by "segments" of business: our Groups did not match our segments.

We have determined that Harcourt Brace Jovanovich, Inc. must concentrate on achieving a better ratio of profit to sales and revenues. This will be done by increasing productivity and by skillful risk-taking, particularly, in the instance of HBJ, by acquiring other businesses. This Company is adept at acquiring companies and letting them thrive within a larger corporate context. In the light of our ambitions and needs, then, the directors on March 25th approved a reorganization of the Company. Put simply, it allows the present legal entity to act as a "holding company" or "parent company" overseeing three operating companies. Harcourt Brace Jovanovich, Inc. remains just as it is in respect to corporate assets and liabilities and shareholding, yet de facto, and internally, the operations of the Company are now separated into three companies.

The three companies are named: Harcourt Brace Jovanovich, Publishers; Sea World Enterprises, Inc.; HBJ Communications and Services, Inc. These companies are, in a familiar parlance, "the book and education company," "Sea World and related ventures," and "the magazine, insurance, and broadcasting company."

HARCOURT BRACE JOVANOVICH, PUBLISHERS is managed by Jack O. Snyder as Chief Operating Officer. Here, the Executive Vice Presidents are Keith A. Foiles (who oversees the School department and The Psychological Corporation) and Ralph D. Caulo (who oversees Beckley-Cardy and is involved in Academic Press). The Senior Vice Presidents are Dr. James Barsky (President, Academic Press); Everett M. Sims (Director, College department); Richard J. Conviser (President, HBJ Legal and Professional Publications); Edward A. Jackson (President, Beckley-Cardy); Thomas J. Fitzgibbon (President, The Psychological Corporation); and Richard C. Haines (Director of Information Systems).

The composition of HARDCOURT BRACE JOVANOVICH, PUBLISHERS is inferable from its choice of officers, as noted above and in the following: Vice Presidents: Marlowe G. Teig (School department West); Stephen A. Glasser (President, Law & Business); Sarah Blackmun Resnick (President, Media Systems); Martin A. Miller (President, Miller CPA Review); John J. McKenna (Director of Distribution); and George Fleming (President, HBJ International). As is true of the other two operating companies, financial controls are local. Paul C. Wessel is Controller with the assistance of Sal M. Leonetti.
The reconstitution of SEA WORLD ENTERPRISES, INC. is meticulously crafted, for not only is Sea World a successful and well-managed organization, but also its diversification is rapid and progressive. In consequence, we have provided incentive and opportunity for more executives to help Sea World grow. The chairman and chief executive officer is Robert R. Hillebrecht. Reporting to Mr. Hillebrecht, though acting in concert by means of existing management committees, are: the vice chairman, Milton C. Shedd (Chairman of Sea World, Inc.); the executive vice president, David M. DeMotte (President of Sea World, Inc.); the senior vice presidents, Frank A. Powell, Jr. (Executive Vice President, Sea World, Inc.); George J. Becker, Jr. (President, Sea World of Florida); and Jan E. Schultz (Vice President-Marketing, Sea World, Inc.); the vice presidents, Dr. Lanny B. Cornell (veterinary husbandry); Calvin F. Foster (restaurants); Robert P. Foster (administration and counsel); Robert K. Gault, Jr. (Sea World of Ohio); Burns B. Hovey (merchandising); J. William Rooks (food services); and Farris Wankier (architectural engineering). Leon F. Willis, Jr. is controller.

It needs to be emphasized that SEA WORLD ENTERPRISES, INC. is a multiform company, encompassing marine parks in California, Florida, and Ohio; food processing in California and Mexico; and food services both inside the parks and elsewhere. It manages land in Florida, a Shark Institute, a marina, a travel company, and a marine-life publishing staff. Given proper financing and a responsible partnership, we expect that we can one day create a marine park outside the United States.

HBJ COMMUNICATIONS AND SERVICES, INC. is comprised of business and educational magazines, farm periodicals, book clubs, and newsletters—all dependent on mail subscription and fulfillment; insurance sales, brokerage, and underwriting; television broadcasting; and “human resources” consulting. The chairman and chief executive officer is Robert L. Edgell; the vice chairman is James Milholand, Jr. (Chairman, Harvest companies). The senior vice presidents are: J. D. Tucker, Jr. (President, J. M. Riehle); Richard J. Moeller (President, HBJ Publications); Frank Befera (President, HBJ Broadcasting); Lars Fladmark (Executive Vice President, HBJ Publications); and William J. Morin (Chairman, Drake Beam Morin). The vice presidents are: Robert K. Fensler (President, Nebraska Farmer); Leanna Landsmann (President, Instructor Publications); John R. Gibb (President, HBJ Book Clubs); James C. Cabrera (President, Drake Beam Morin); and Bernard Rogers (President, HBJ Health Care Publications). The controller is Richard G. Bottjer.

To account these operating companies proportionately, it is relevant to restate here the estimated 1980 revenues as well as operating profit before corporate expense:

**HARCOURT BRACE JOVANOVIĆ, PUBLISHERS**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$301,000,000</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>35,800,000</td>
</tr>
<tr>
<td>Ratio of Operating Profit to Revenues</td>
<td>11.9%</td>
</tr>
<tr>
<td>Percentage of Operating Profit to whole of HBJ, Inc.</td>
<td>53.2%</td>
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**SEA WORLD ENTERPRISES, INC.**

<table>
<thead>
<tr>
<th>Category</th>
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<tbody>
<tr>
<td>Revenues</td>
<td>$105,000,000</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>16,800,000</td>
</tr>
<tr>
<td>Ratio of Operating Profit to Revenues</td>
<td>16.0%</td>
</tr>
<tr>
<td>Percentage of Operating Profit to whole of HBJ, Inc.</td>
<td>25.0%</td>
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**HBJ COMMUNICATIONS AND SERVICES, INC.**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$109,000,000</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>14,700,000</td>
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<tr>
<td>Ratio of Operating Profit to Revenues</td>
<td>13.5%</td>
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<tr>
<td>Percentage of Operating Profit to whole of HBJ, Inc.</td>
<td>21.8%</td>
</tr>
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</table>

These estimates conform to the 1980 Forecast of the Company published in February and in March, at which times appropriate caveats were given on the natural hazards of such forecasting.
The parent Company will devote itself to policy-making, to protection of the interests of shareholders and employees, to legal matters and public relations, to financial reporting, and to corporate planning. With the exception of the Chairman and Office of the President, the officers in the parent Company will not conduct the operating companies. These officers are: CHAIRMAN AND CHIEF EXECUTIVE OFFICER, William Jovanovich; EXECUTIVE VICE PRESIDENTS, OFFICE OF THE PRESIDENT, Robert L. Edgell, Robert R. Hillebrecht, and Jack O. Snyder; SENIOR VICE PRESIDENT AND SECRETARY, Margaret Mary McQuillan; SENIOR VICE PRESIDENT AND TREASURER, J. William Brandner; ADMINISTRATIVE VICE PRESIDENTS, Julian P. Muller and Jack B. Chertok; VICE PRESIDENT AND COUNSEL, Richard Udell; INTERNAL AUDITOR, Lazaros P. Tsakousis; ASSISTANT TREASURER, Veronnie H. Hittson; and ASSISTANT SECRETARY, Mary Giorgio.

The capitalization of the HBJ subsidiaries—now contained within the three operating companies—is structured so that income accruing to the parent Company will be sufficient to cover net interest expense, corporate overhead expense, and dividends to shareholders of the Company.

In reorganizing the Company, we make clear our intention to enlarge its scope. In our discussions of HBJ’s future, the notion of our acquiring a “fourth company” emerges repeatedly. We believe that acquisitions and mergers are not necessarily “unproductive,” a term currently used to suggest that the mere combination of balance sheets fails to create greater economic value and new jobs. Our Company knows, in respect of new partners, how to maintain their identity without denying them the advantages of size and diversity.

THE DIRECTORS

JACQUELINE DESMARAI
Vice President and Director,
La Presse, Ltée (Montreal)

ROBERT L. EDGELL
Exec. Vice Pres., Office of the President;
HBJ Communications and Services, Inc.

GRACE J. FIPPINGER
Vice President, Treasurer, and Secretary,
New York Telephone Company

PAUL GITLIN
Partner, Ernst, Cane, Berner & Gitlin,
attorneys

ROBERT R. HILLEBRECHT
Exec. Vice Pres., Office of the President;
Sea World Enterprises, Inc.

MARTA CASALS ISTOMIN
Artistic Director, John F. Kennedy Center
for the Performing Arts, Washington, D.C.

WALTER J. JOHNSON
President, Walter J. Johnson, Inc.

WILLIAM JOVANOVICH
Chairman and Chief Executive Officer

ANNE MORROW LINDBERGH
Memoirist, Essayist, and Novelist

EUGENE J. MCCARTHY
Former Senator from Minnesota
Essayist and Poet

JAMES MILHOLLAND, JR.
Chairman, Harvest Companies

DONALD A. PETRIE
General Partner, Lazard Frères & Co.,
investment bankers

PETER J. RYAN
Partner, Fried, Frank, Harris,
Shriver & Jacobson, attorneys

JACK O. SNYDER
Exec. Vice Pres., Office of the President;
Harcourt Brace Jovanovich, Publishers
## HARcourt Brace Jovanovich, Inc.

757 Third Avenue, New York, N.Y. 10017

<table>
<thead>
<tr>
<th></th>
<th>First Quarter</th>
<th>First Quarter</th>
<th>Twelve Months</th>
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<tbody>
<tr>
<td></td>
<td>Jan-Feb-Mar</td>
<td>Jan-Feb-Mar</td>
<td>April 1, 1979 to March 31, 1980</td>
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<tr>
<td><strong>Sales and Revenues:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harcourt Brace Jovanovich, Publishers</td>
<td>$48,145,000</td>
<td>$42,384,000</td>
<td>$278,341,000</td>
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<tr>
<td>Sea World Enterprises, Inc.</td>
<td>16,310,000</td>
<td>14,076,000</td>
<td>88,310,000</td>
</tr>
<tr>
<td>HBJ Communications and Services, Inc.</td>
<td>28,585,000</td>
<td>26,542,000</td>
<td>99,604,000</td>
</tr>
<tr>
<td><strong>Total Sales and Revenues:</strong></td>
<td><strong>$93,040,000</strong></td>
<td><strong>$83,002,000</strong></td>
<td><strong>$466,255,000</strong></td>
</tr>
</tbody>
</table>

| **Income (Loss) from Operations:** |               |               |               |               |
| Harcourt Brace Jovanovich, Publishers | ($6,047,000)  | ($5,833,000)  | $36,020,000   | $29,086,000   |
| Sea World Enterprises, Inc. | (648,000)     | 193,000       | 13,423,000    | 15,050,000    |
| HBJ Communications and Services, Inc. | 4,817,000     | 3,340,000     | 12,029,000    | 9,113,000     |
| **Total Income (Loss) from Operations:** | **1,962,000** | **1,755,000** | **22,201,000** | **19,181,000** |

| **Income (Loss) from Continuing Operations:** |               |               |               |               |
| Provision (Credit) for Taxes on Income | (5,592,000)   | (5,833,000)   | 45,990,000    | 38,116,000    |
| Income (Loss) from Continuing Operations | (2,586,000)   | (2,871,000)   | 22,201,000    | 19,181,000    |
| **Total Income (Loss) from Continuing Operations:** | **(3,006,000)** | **(2,962,000)** | **23,789,000** | **18,935,000** |

| **Net (Loss) from Discontinued Operations:** |               |               |               |               |
| **Net Income (Loss):** |               |               |               |               |
| Income (Loss) from Continuing Operations | ($69)         | ($68)         | $5.43         | $4.36         |
| Net Income (Loss) | ($69)         | ($68)         | $5.43         | $1.48         |

| **Per Share of Common Stock:** |               |               |               |               |
| Income (Loss) from Continuing Operations |               |               |               |               |
| Net Income (Loss) |               |               |               |               |
THE WEEK
Editor: Madalynne Reuter

HBJ Cuts Trade Editors to Six
As Carol Hill Resigns

Trade editors at Harcourt Brace Jovanovich are being reduced to six, with the resignation of Carol Hill, publisher and editor-in-chief, and the imminent departure of one senior editor and two junior editors.

Hill, who has been on a year’s leave of absence since January to write a novel, told PW that she had continued to work actively with her HBJ authors. Her decision to resign came about, she said, “because I thought I could balance two careers and found I could not.”

Peter Jovanovich, who has a one-year contract as a consultant to oversee the functioning of the trade department, said that senior editor Peggy Brooks had been notified her position will end September 1. Junior editors Eugene Stone and Brian Dumaine have been given notice their jobs will terminate July 1. Rhoda Schlamm, assistant to editor-in-chief Hill, has also been notified of a July 1 termination date.

Asserting that the trade department has been overstaffed and that the dismissals are to be “the last retrenchment,” Jovanovich said the timing of the notices had been triggered by Hill’s resignation April 8. “We had told people early in January that we would have to do some serious re-evaluation and we felt we could no longer wait to give them certainty, one way or another.”

Jovanovich said the trade division, in the red since 1974, had lost $1-million in 1979. “This year we expect to break even,” Jovanovich said. “We had a little bit of luck called Milton Friedman.” (With 250,000 copies in print, “Free to Choose” by Milton and Rose Friedman is topping bestseller lists.) Generally, double severance will be paid to those who have been given notice, Jovanovich said, since the terminations are the result of the tight trade market. “We will work very hard to find them jobs elsewhere in HBJ. After all, the company publishes over 1000 books a year.”

Jovanovich, who is the son of chairman William Jovanovich, said the management contract to direct the trade division was with his firm, Peter Jovanovich & Christopher Morris, Inc., which primarily packages books for the U.S. and international markets.

“In my relationship as consultant and in my other relationship, I can say that we are not going out of the trade business,” Jovanovich declared with emphasis.

Trade editors have always been divided between the ninth and 10th floors of the company’s New York City headquarters. Those who have been given their notices are located on the 10th floor. Asked to characterize the difference between the levels, Jovanovich said the 10th floor held senior editors and the ninth floor “very senior editors.”

Continuing on the 10th floor are Marcia Magill and John Ferrone. On the ninth floor are Julian Muller and Drena Willen. These four report to Peter Jovanovich. Also on the ninth floor.

St. Martin’s Secretly Ships Out Gordon Liddy Book

On Friday, April 11, St. Martin’s Press began shipping to its accounts nearly 82,000 copies of “Will: The Autobiography of G. Gordon Liddy,” a book that scarcely anyone outside the house, including book-sellers, knew existed. The same day, contents of Time magazine’s purchased excerpt from the book, the first public comment on Watergate by the convicted conspirator, leaked to the press, revealing that assassinations of E. Howard Hunt and reporter Jack Anderson had been seriously contemplated by the Watergate cabal.

The appearance of the $13.95 book took most industry figures and book-sellers by surprise, and many marveled at the success with which St. Martin’s had guarded its secret. By the time PW spoke with Thomas McCormack, president of St. Martin’s Press, on Monday, April 14, a second printing of 50,000 copies was on order to supplement the first of 100,000. Some 41,000 orders were received Monday, and on Tuesday the 50,000 order was increased to 75,000 copies.

“The contract for the book was signed September 19, 1978, and very few people knew about it,” McCormack told PW. “It came here because of Michael Denny.” Denny had been Liddy’s editor on “Out of Control,” the political thriller St. Martin’s published last year.

The manuscript was delivered in February, and as it moved into the publishing process, more and more people knew of its existence. “By the time it was released, 40 people in the house knew,” McCormack said. “Many had read it.”

He credits luck and stringent security measures for holding in the word. After the book was set in type, for example, the repros were retrieved from the typesetter, and the type was melted down.

When the book was ready to ship, marketing director Charles Hayward and sales director Michael Odza went over each of St. Martin’s accounts, said McCormack, “and allocated the books by a sense of what the account could handle.” All copies were shipped by United Parcel Service. St. Martin’s Press paid all freight charges. In addition, the books were billed at a discount equal to the highest discount given to a particular account last year.

A letter from McCormack accompanied each shipment, explaining that the secrecy was maintained “to preserve the news impact” of the book and also to elude any potential restraining order from anyone who might have wished to thwart shipment.

In querying bookstores and wholesalers on their reaction to the publisher’s decision to ship the book blind, PW found them generally skeptical but acquiescent. The move, after all, was not without precedent. Norton had released “In Search of Enemies” by
EVERY ONE OF STEPHANIE BLAKE'S FIVE PREVIOUS ROMANCES HAS MADE A NATIONAL BESTSELLER LIST.

HER SIXTH WILL BE NO EXCEPTION.

An August Special Release

$2.75

PLAYBOY PRESS PAPERBACKS
IDEAS AHEAD

Distributed by International Circulation Distributors
250 West 55 St., New York, N.Y. 10019

—

- National network radio advertising
- Special floor displays with full color risers
- Special counter units
- Full color easel-back window posters
- Special shipping cartons
- Foiled and embossed cover

APRIL 25, 1980
... HBJ

floor are copublisher Helen Wolff, directing Helen and Kurt Wolff Books, and William Jovanovich, who, in his editorial capacity, was responsible for the Friedman book and for Diana Trilling's "A Respectable Murder," her account of the Jean Harris-Dr. Herman Tarnower murder case, scheduled for fall publication.

Peter Jovanovich said the trade division was aiming for an annual title output of 40 to 50 hardcover books, but added that the reduction in titles would probably not be reached until 1982 because there are "something like 200 contracts outstanding." At one time HBJ released approximately 150 trade titles a year. Jovanovich said the division had a strong list for this fall, including Nabokov's literary lectures, Elia Kazan's short stories, a Helen MacInnes novel and the last Joy Adamson book.

Jovanovich acknowledged that five trade salesmen had been dismissed April 4, but he said that three would be replaced shortly "for a net loss of two." Noting that a new director of trade sales, Frank K. McCormick, had recently been appointed and is based in the firm's San Diego, Calif., offices, Jovanovich said he expected soon to name a trade editor to be based also in San Diego (PW, Feb. 29).

Hill, who joined HBJ in July 1976 as senior editor and was appointed editor-in-chief and then publisher in 1978, said, "HBJ had to accommodate itself to what's going on in the trade book industry—not exactly a boom time—but it is still committed to trade publishing. My leaving has nothing to do with that commitment."

Hill, who has bought back her contract from the publisher that released her two previous novels because "I am an old-fashioned writer and I feel held up in writing fiction when it's already sold"—she said she would miss working with "a lot of talented editors and writers." Her authors include David Fisher, Ivan Doig, Michael Malone, Diane Balson, Art Hoppe and Emma Tennant.

... St. Martin's

John Stockwell in a similar fashion in 1978.

Steve Matthews of Taylor's in Dallas was satisfied because St. Martin's was picking up the freight and shipping books at his highest discount. He was also content with the 100 copies on their way to him. Ethel Stevenson of Macy's in San Francisco was initially unhappy with the surprise of 475 unsuspected books in transit to her, but the freighters made arrangements "put matters into perspective." Tamie Middlemas from WordsWorth in Cambridge, Mass., was "a little overwhelmed with the quantity the publisher decided to ship me." Bob Hochman of Bookazine, the New York wholesaler, called St. Martin's to increase his order from 1000 to 6000 copies. While appreciating the need for secrecy, he volunteered, "I do not think the publisher has the right to usurp my function as a buyer."

John Schultz of B. Dalton said he would have liked it if St. Martin's had sold "Will" as Random House had sold "Decent Interval" by Frank Sennep. In that case, stores were informed that a book was coming and orders were solicited with a rep's advice, even though buyers were told nothing whatsoever about the book. Still, Schultz did not feel his allotment was unreasonable.

On the other hand, Stevenson of Macy's preferred this method of getting a big book out to the method that caused an imbroglio when Simon & Schuster's "The Brethren" was sold as an after-Christmas book and then published before the holiday. "If 'Will' makes it big, it will be a big plus for St. Martin's," she said.

Michael Strauss of Baker & Taylor reported that he had called St. Martin's to increase his initial order. He has found customer response to be "fantastic" and expects major sales.

McCormack explained to PW that Hayward and Odza had allotted the books "enthusiastically, but conservatively" and indicated pleasure that stores were reordering.

There was some confusion among booksellers concerning possible returns of "Will." Middlemas said, "I don't know what St. Martin's policy is about the return freight, but I think they would have to be willing to pay these costs."

In fact, St. Martin's will pick up the cost of returns if the books are sent back in their original cartons within 15 days.

Liddy's novel, "Out of Control," has just been released by Berkley—through its "instant publishing mechanism"—as a $2.75 paperback. A half-million copies were to be shipped April 18.

Robert Dahlin

Obituary Notes

Bernard A. Bergman, book editor of The Philadelphia Bulletin for the past 10 years and for all of his life a friend of literature and of many who wrote it, was found dead in his Philadelphia apartment April 12. He was 85.

Before joining the Bulletin in 1961 as editor of the Sunday magazine, Bergman had worked as an editor for a number of newspapers in New York and Philadelphia. For two years he had been managing editor of The New Yorker magazine.

Despite dimming eyesight in recent years, "Bergie" was an enthusiastic participant in all important book events.

On his 80th birthday, his colleagues on the Bulletin threw him a party, published a special section full of tributes and inaugurated an award, the Bernard A. Bergman Award for Outstanding Literary Achievement in Greater Philadelphia. Tributes came from James M. Cain, Richard Armour, Jimmy Breslin, Chaim Potok, H. Allen Smith, Frank Sullivan, Irving Wallace and John Keats, among others. Had he not outlived them, his roll call of friends would also have included James Thurber, Harold Ross, Oscar Levant and John O'Hara.

Malcolm Braly, author of books based on his prison experiences, died in an automobile accident April 17 in Baltimore. He was 54.

"On the Yard," a 1967 novel, and "Free Stunt," a 1976 memoir, both from Little, Brown, were two of Braly's best-known works. Prior to "On the Yard," he had written three novels—"Felony Tank," "Shake Him Till He Rattles" and "It's Cold Out There"—for Fawcett. Braly had spent much of his youth in juvenile homes and most of his 20s and 30s in California prisons. Recently he had been lecturing on prison reform and teaching creative writing.

Gladys Taber, author of the "Stillmeadow" journals, died March 11 in Hyannis, Mass. She was 80 years old.

Among the most popular of Taber's over 50 works, including novels, short story collections, children's books, animal books and cookbooks, were her books on country life. "Harvest at Stillmeadow" from Lippincott was the first of these. Her last book, "Still Cove Journals," will be published in April 1981 by Lippincott, her main publisher. Her first book, "'Late Climbs the Sun,'" was published by Coward, McCann in 1934.

John Collier, British novelist, short story writer and screenwriter, died April 6 in Pacific Palisades, Calif. He was 78.

Collier's earliest novels, such as "Defy the Foul Fiend" (Knopf) and "His Monkey Wife" (P. Davis), brought him critical notice for his whimsical and clever wit. His best-known work is a collection of fantastic short stories, "Fancies and Goodnights" (Doubleday), which earned Collier an Edgar award in 1952. He collaborated on the script of "The African Queen" and wrote the screenplay for "I Am a Camera."

Omission

Diane Gedymyn (New York) should have been credited for the photograph, on page 30 of the April 18 PW of Fred Graver recreating his surveillance of a book thief.
Harcourt Brace Jovanovich has appointed a new trade director of sales who will be based in the company’s San Diego, California, offices. In addition, HBJ plans to hire a trade editor who will also be based in San Diego. That editor, according to chairman William Jovanovich, will be provided with a budget for acquiring books and “won’t have to call New York for approval.”

The new director of trade sales is Frank K. McCormick, who has been associated with Macmillan Publishing Co. for 17 years, most recently as director of sales for the general books division.

The projected hiring of a senior trade editor from the West Coast, Jovanovich told PW, represents “a net increase in people and will not be taking the bread out of any mouth in New York.” The New York headquarters has 10 trade editors at the present time, including two for the Harvest trade paperback line.

Rumors that HBJ planned to cut back its trade operation became more sharply focused several weeks ago at a P.E.N. symposium attended by 500 when novelist Bernard Malamud, P.E.N.’s president, said that the HBJ trade department was to be abolished. This statement was sharply refuted from the floor by Helen Wolff, co-publisher of the Helen and Kurt Wolff Books, an imprint of HBJ (PW, Feb. 15).

Jovanovich told PW: “We have 220 contracts for books and we are not about to start cancelling them.” However, he added: “We will cut back on titles, but we don’t know yet when or how many. We have not yet arrived at a policy, but that should emerge in the fall.”

He said he had been advocating that all publishers should cut back on the titles they do not believe in wholeheartedly. “Too many books are being put out, and I have been saying that for years.”

McCormick will begin his duties as trade sales director March 3 and will move to San Diego in April. “With the advances in transportation,” Jovanovich said, “a sales director can call on major accounts anywhere from California as well as from New York.”

Jovanovich said it would be “useful” to have an executive in the trade department based on the West Coast. In addition, he said, by physically separating the sales director from the responsibilities of inventory control that are handled in New York, the sales director “can concentrate on selling books.”

Merriam Wins Ruling Against Dictionary Firm

G. & C. Merriam Co., publisher of Webster’s Third New International Dictionary of the English Language, Unabridged, won a ruling January 25 from the Federal District Court in Boston holding a mail order company in Toronto in contempt of court for violation of an injunction issued in 1977. A fine of $50,000 was assessed against the Toronto-based corporation known as Webster Publishing Company, Ltd., two of its affiliates and its president, George W. Hoskins.

The ruling was the latest step in a lawsuit begun by Merriam in 1975. Merriam charged that the Toronto company, through misleading advertisements, was attempting to pass off its cheaper dictionaries as Merriam’s. In 1977 the Boston court enjoined the Canadian firm from continuing such advertising and from using such terms as world famous, authentic, original, and genuine. It also awarded Merriam damages and lawyers’ fees totaling $75,169.19 (PW, Nov. 21, 1977).

After that ruling, Merriam says it learned that Hoskins had formed a number of new corporations that were using the name “Webster” and other misleading advertisements that described the companies and their publications as world famous, authoritative, and the like. In his recent ruling, Judge Walter Jay Skinner found Hoskins and his new corporations in contempt of court for violating the 1977 injunction.

U.S. Groups Protest Soviet News Attack on Lev Kopelev

Concerned for the safety of writer Lev Kopelev after he was attacked February 3 by a Soviet government newspaper for treasonous meetings with foreigners, members of the U.S. book world have sent protest cables to Soviet officials.

“We are concerned by the ominous character of the article about Lev Kopelev appearing in the newspaper Soviet Russia, and in the interests of sustaining the principles of the Helsinki Agreement on European Security we hope that measures will be taken to protect Mr. Kopelev’s safety and well-being,” wrote Edward L. Burlingame, publisher of Lippincott & Crowell. Burlingame had been Kopelev’s editor when Lippincott published his memoirs, “To Be Preserved Forever,” in 1977. The work, whose title is taken from the official stamp used in the Soviet Union for material on file in cases involving “crimes against the state,” has 11,000 copies in print.

It was translated from Russian into English by Anthony Austin, now joint bureau chief of The New York Times in Moscow. It contains a foreword by Lillian Hellman, who sent a protest cable, and an epilogue by Kopelev’s close friend, Nobel Prize-winner Heinrich Böll. Kopelev is a friend also of Alexander Solzhenitsyn (who used him as a model for “Lev Rubin” in “The

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On roller skates and skate board, two readers promote books for spring. The poster by Chris Conover is one of four on seasonal reading, a program of the Children’s Book Council, 67 Irving Pl., New York, N.Y. 10003
First Circle”) and of Andrei Sakharov.

Kopelev and his wife Raisa Orlova, a specialist in American literature, were among those in Moscow who spoke out against the internal banishment of Sakharov and, according to press reports, have since suffered harassment just short of arrest.

Alexander Hoffman, chairman of the Association of American Publishers, and Lawrence Hughes, chairman of the AAP's freedom to publish committee, said in their cable to Soviet authorities: "Among other things, the newspaper accused Mr. Kopelev of treasonous meetings with foreigners and of hatred for his country. We who have met Lev Kopelev know these charges to be patently untrue. That he loves his country is an indisputable fact; his meetings with foreigners, far from being treasonous, are memorable for the good will and warmth that Mr. Kopelev radiates and his belief in Russia and the immortal Russian soul. He is a credit to your country and a major force in forging good relationships between our peoples.... Any action taken against this widely respected man would have serious repercussions on Soviet-American publishing relations."

P.E.N. American Center and Harper & Row have also sent protest cables, as have writers John Updike, Edward Albee, John Hersey and Norman Mailer.

Authors Birmingham and Davis Settle Out of Court

A copyright infringement suit filed by John H. Davis against Stephen Birmingham has resulted in an out-of-court settlement. Birmingham, author of "Jacqueline Bouvier Kennedy Onassis (Grosset & Dunlap, 1978)," has acknowledged that he used portions of Davis' "The Bouviers" (Far-rar, Straus & Giroux, 1969) without permission.

According to terms of the settlement, reached January 29, neither party can discuss issues involved in the lawsuit. The complaint had been filed by Davis in New York federal court last February.

Government Learns About Pub Dates the Hard Way

The Justice Department and the CIA, with their vast intelligence networks, apparently failed to gather information on the highly overt operations of American publishers. The Justice Department had sought a preliminary injunction on February 6 to stop the publication of "Dirty Work II: The CIA in Africa," whose official publication date is March 15. Justice dropped its request as moot on February 15 when it learned that copies were already on sale in Washington bookstores.

Publisher Lyle Stuart said 4000 copies had been in bookstores for at least two weeks at that time. Stuart further noted that Philip Agee, former CIA agent, had written introductions to two sections and was not, as Justice's 100-page legal brief had stated, the book's author.

Chinese Publishers Form Publishing Association

Publishers in the People's Republic of China have established a Chinese publishers' association in which seats have been reserved for representatives from Taiwan, Hong Kong and Macao.

At the association's first meeting December 20 in Changsha, Hunan province, delegates from publishing organizations throughout the country attended. A council of 140 members was elected, with one seat reserved for Taiwan and two each for Hong Kong and Macao.

According to a constitution approved at that meeting, the publishers' association will promote all aspects of publishing, sponsor academic activities, give prizes for outstanding work, uphold the legal rights of publishers and organize welfare facilities for workers in the publishing industry. The association will also be involved with strengthening contacts with publishers in Taiwan, Hong Kong and Macao and arranging academic exchanges with publishing houses in other countries.

NEWS BRIEFS

American participation in the Bologna Children's Book Fair has grown slowly but surely over the years, and this year's fair—which runs from March 27 to 30—continues that rewarding trend.

For it is largely rewarding for U.S. publishers. Most of the editors who flock to Bologna every spring are buyers, and publishers and packagers with projects to offer sometimes feel swamped. This year, too, there is a significant new element in American participation: rights managers and agents are attending in increasing numbers.

American publishers can take a stand at the fair (Harper & Row, Grosset & Dunlap and Scholastic are among the regulars who do), can show through the Combined Book Exhibit (like Bradbury, Coward, McCann & Geoghegan, Crown, Dial, Dutton, K.S. Giniger, Harcourt Brace Jovanovich, Houghton Mifflin, Little, Brown, Lothrop, Lee & Shepard, Margaret McElderry/Ateneum, McGraw-Hill, Methuen, Morrow, Prentice-Hall, Putnam, Random House, and Viking Penguin and Viking Junior, all of which plan to send top people), or can go with Independent Publishers Services. Simon & Schuster, Schocken, Hart and King Features are among companies planning to take individual stands for the first time this year.

As usual, the fair proper, which fills its four working days to the brim with activities, will be accompanied by an Illustrators Exhibition, and will also be the occasion for the announcement of the biennial Hans Christian Andersen prize, the Nobel of children's books.

Twenty libraries for children have been sent to schools and other cultural institutions in countries in Africa, Asia and Latin America. The identical libraries consist of books containing the most significant characters in international children's literature. An exhibition of the characters was a project of last year's Bologna fair, and the ceremony marking the delivery of the libraries, which was held at the United Nations in Geneva in December, was one of the last acts of International Year of the Child.

A repository for the original art of children's books—including research notes, sketches, dummies, galley proofs and correspondence as well as illustrations—has been established at the Rutgers University Art Gallery. Gallery director P. Dennis Cate noted that the repository, to be known as the Rutgers University Collection of Children's Literature, is unique in the Northeast, and announced that the gallery will maintain a reading room and permanent exhibition area for the materials.


National Textbook Company of Skokie, Ill., has purchased Voluntad Publishers, Inc., of Austin, Tex., the U.S. subsidiary of Voluntad Editores Ltda. of Bogota, Colombia, one of South America's leading educational publishers. The American subsidiary was established in 1977 to develop materials within the United States for the bilingual educational market. As a result of
Jovanovich Ventures Forth

**Earnings Rebound at Harcourt**

<table>
<thead>
<tr>
<th>Revenues Millions of dollars</th>
<th>Net Income Millions of dollars</th>
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<tbody>
<tr>
<td>&quot;75&quot;  576  77  78  79</td>
<td>14.9  16.5  18.2  74  79</td>
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<tr>
<td>&quot;225&quot; 247.8 350.2 413.2 455.2</td>
<td>23.8</td>
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**Lines of Business**

<table>
<thead>
<tr>
<th>Percent of 1979 sales</th>
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<tbody>
<tr>
<td>Elementary and secondary school textbooks 20%</td>
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<tr>
<td>University and professional books 24%</td>
</tr>
<tr>
<td>Magazines, trade books and broadcasting 20%</td>
</tr>
<tr>
<td>Theme parks and food processing 19%</td>
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<tr>
<td>Tests and testing services 6%</td>
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William Jovanovich, chairman of Harcourt Brace Jovanovich

**Book Publisher Resumes Hunt For Expansion**

By N. R. KLEINFIELD

In late 1977, Harcourt Brace Jovanovich Inc., a book publisher that seemed to have diversified into practically everything, was waning fat. It was winding up a year that would lift its revenues to $350 million, and it was snapping up companies at shutterlike speed. William Jovanovich, the chairman, declared that his goal was a $1 billion enterprise by the end of 1981. Asked why he wanted to be that big, he replied: "Well, why do you want to live?"

Mr. Jovanovich now acknowledges that "it was probably an implausible goal when I set it." Sitting in his office in the sleek H.B.J. Building above the Harcourt bookstore on Third Avenue, he said: "I'm not setting that kind of goal anymore because I don't know enough about the money markets. Nobody does."

Rough times rocked Harcourt in 1978, and the billion-dollar dream remained a dream. Acquisitions were tabled. Mr. Jovanovich brought down the hatchet. The dismissals he ordered in the trade book department inflamed many publishing hands so greatly that some book buyers even talked of boycotting the company. Earnings for all 1978 sank to $7.4 million from $18.2 million. A few months later Jove, the company's money-losing mass-market paperback house, was sold to MCA Inc.

**Rebound for Earnings**

At the end of 1978, Mr. Jovanovich said his company had "bandaged the wounds." Indeed, the bleeding does appear to have stopped. Last year's earnings surged to a record $23.8 million, and Mr. Jovanovich predicts a profit of almost $27 million this year as the sputtering acquisition fires are rekindled.

"I think Harcourt is on the road to significant future growth," said J. Kendrick Noble Jr., a publishing analyst at Paine Webber. "I describe their strategy as trying to be a big frog in lots of little ponds."

By and large, one man has pushed the frog into all those ponds: William Jovanovich. "He is a very, very strong person," said Robert Hillebrecht, one of three members of Harcourt's office of the president. "There is no doubt that he runs this company."

A blunt, sometimes vitriolic individual who often sounds more like a mountain-top philosopher than a corporate chieftain, Mr. Jovanovich, a son of immigrants, is a self-made man who grew up in a small Colorado mining town. There were no books in his house, and he spoke no English until he was 5 years old.

**Editing Duties, Too**

He joined the Harcourt organization in 1947 as a college textbook salesman and rose to the top in just seven years. In the 26 years he has been at the helm, he has raised the company from $5 million in sales to the status of a giant that anticipates revenues of more than $315 million this year. He has accelerated the buying of companies, which now number more than 100.

Continued on Page D3
Jovanovich Resumes Its Drive For Expansion Opportunities

Continued From Page D1

million this year. In doing so, he has acquired some 40 acquisitions.

Besides his other duties, Mr. Jovanovich edits eight trade books a year, including works by Mary McCarthy, Diana Trilling and Milton Friedman. He was one of Charles Lindbergh's closest friends, and he edited the late aviator's memoirs. Anne Morrow Lindbergh sits on Jovanovich's board, as does Eugene McCarthy, whose poetry is published by the house. The 60-year-old Mr. Jovanovich also writes, and he will soon publish his second book.

One becomes aware that Mr. Jovanovich is a different breed from other heads of giant companies upon opening the annual report of Harcourt Brace Jovanovich and reading his letter to the shareholders. In stark contrast to the typically dull, colorless messages that other chief executives sign, Mr. Jovanovich writes eloquent essays sprinkled with literary references. His latest one begins: "The most famous untrue statement I know is Sartre's: 'Those who cannot remember the past are condemned to repeat it.' It is just as

Harcourt Brace Jovanovich ("Don't say Harcourt Brace," the chairman says, "I'm not dead yet.") began in 1919 as a trade book publisher. Shortly it became one of the country's premier imprints. Its authors included Sinclair Lewis, E. M. Forster, Virginia Woolf and Carl Sandburg. Before long, the company diversified into textbooks and then into a multitude of things: marine parks, a chain of fish-and-chips eateries, television stations, trade journals, newsletters, management consulting, insurance, psychological testing and school supplies.

Though Harcourt continues to publish many titles, it is more interested in the magazine and newspaper business and in the rapidly growing commercial publishing market. The company has invested heavily in these areas, and the results are beginning to pay off. The company's earnings from these activities are expected to exceed those from its traditionally strong book business.

A Topical of Little Interest

"I really don't like to talk about that," he said. "That hasn't got anything to do with society — instruction, construction of jobs. I'm more interested in the kind of work we do that is of interest to the public.


There are too many books published," he declared. "We all know that, and we all don't do anything about it. There are 36,000 books published in the United States last year, and there is no way on God's green earth that you can get that many books in the market in a rewarding way for authors and publishers."
Harcourt Brace

Three months ended
Dec. 31  1978  1977

Revenues  $109,762,000$96,039,000
Net income  2,788,000(5,970,000)
Earnings per share  $0.64

Year ended
Dec. 31  1978  1977

Revenues  $456,217,000$413,252,000
Net income  23,832,0007,353,000
Earnings per share  $5.46  $4.80

Main lines of business
Percent contribution to 1978 revenues

<table>
<thead>
<tr>
<th>Textbooks</th>
<th>28%</th>
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<tr>
<td>University and professional books</td>
<td>24%</td>
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<tr>
<td>Magazines</td>
<td>20%</td>
</tr>
<tr>
<td>Textbooks and food services</td>
<td>19%</td>
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<tr>
<td>Tests and testing services</td>
<td>6%</td>
</tr>
<tr>
<td>Insurance</td>
<td>3%</td>
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Total assets, Dec. 31, 1979  $347,607,000
Current assets                      176,962,000
Current liabilities                 82,247,000

Stock price, March 28, 1980
N.Y.S.E. consolidated close  26%
Stock price, 52-week range  41%–27
Employees, Dec. 31, 1979  7,800
Headquarters, New York City

JAPAN SET
Car Sales

(to)... Japan

Market

Kuwait Oil Sale

Cutbacks Cited

NICOISIA, Cyprus, March 30 (UPI)—Kuwait is cutting oil deliveries to its three major Western customers by more than 60 percent, the Middle East Economic Survey said today.

The newspaper said that Kuwait had signed a new contract that provided for reduced supplies with the British Petroleum Company last week and that similar new agreements with the Gulf Oil Corporation and the Shell Oil Company were expected within the week. All would replace expiring contracts.

The magazine said the cutoff was in line with Kuwait's announced decision to trim its oil production by 25 percent, to 1.5 million barrels a day from two million barrels, effective Tuesday.

Under the new contracts, the total volume of oil deliveries to the three companies will be reduced to 475,000 barrels a day, compared with 1,010,000 barrels under the old agreements, the newspaper said.

Supplementary O-T-C Listings

Week Ended March 28, 1980

The following is a supplementary weekly list of mutual funds prepared by the National Association of Securities Dealers. The range shown reflects prices at which securities could have been sold (bid) or bought (asked) last Friday.

<table>
<thead>
<tr>
<th>Fund</th>
<th>Bid</th>
<th>Ask</th>
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Japan Set

Car Sales

(to)... Japan

Market

Kuwait Oil Sale

Cutbacks Cited

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Supplementary O-T-C Listings

Week Ended March 28, 1980

The following is a supplementary weekly list of mutual funds prepared by the National Association of Securities Dealers. The range shown reflects prices at which securities could have been sold (bid) or bought (asked) last Friday.

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Japan Set

Car Sales

(to)... Japan

Market

Kuwait Oil Sale

Cutbacks Cited

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The Short, Mostly Happy Life Of Paddington Press

In its six years of existence, Paddington Press enjoyed: modest profit, at least in the first five years of its life; the creation of a respected trade list; its unusual Anglo-American orientation; the winning in 1978 of the prestigious Allen Lane publisher of the year award; its independence. It was done in, according to John Marqusee (half of the American husband-and-wife team that established the house with its main base of operation in London) by: the adverse marketplace of 1979; the “perhaps insoluble problem at this time” of U.S. distribution; its indecency.

It would be difficult in any case to start from scratch a nonspecialist general trade house without a backlist and without substantial parental corporate resources,” Marqusee said. “Last year’s adverse market made the difference for a young, medium-size, independent company with a limited capital base. And this was despite a disproportionate number of successful books, successful in terms both of sales and of the pride we took in publishing them.”

Marqusee said that over 50% of Paddington’s titles were selected by book clubs, that a larger than average number were bought for translations and that most of the titles he regarded as susceptible to paperback careers had them. Until last year, he said, the company was marginally profitable. In 1977 revenues overall were $2.7 million. In 1978 revenues overall were $3.5 million in the United States, $2 million in the United Kingdom.

Publishing for both sides of the Atlantic—and across other bodies of water as well—was a major advantage, according to Marqusee. By publishing simultaneously for the entire English-language market, the house was able to increase print runs and lower prices. Had “Musical Instruments of the World,” an encyclopedia with 4000 drawings in two colors, been published only in the U.S., the print run would have been halved and the $17.95 price would have been raised, he pointed out; it has sold 125,000 copies.

Paddington handled its own distribution in the United Kingdom with no problems. Grosset & Dunlap took care of distribution on this shore, and Marqusee emphasized his conviction that the difficulties here were not particular but general. “Distribution in the United States for smaller companies that operate on a narrow margin has become a problem for which I see no immediate solution. It’s a system in which the high cost of the distribution process—fulfillment, collections, promotion—is coupled with its inability to fulfill the true sales potential of books. It’s a system that severs the publishing process which should be integrated from conception to sales.”

Marqusee struck a far happier note when he outlined the three publishing areas in which Paddington Press took the greatest pride. “I believe we developed authority in honest popular health books,” he said and cited “The Source Book for the Disabled” as “one of the most important books we published.” With a 50,000 first printing and translations in “most” languages, the title, he added, is “a classic example of being able to print for all markets.”

As an illustration of a popular reference work, the second category in which he felt Paddington published successfully, Marqusee pointed to “Rules of the Game,” an encyclopedia of sports of the world that sold over 200,000 copies and the English. The third area was the socially responsible book—“We published with passion on certain subjects”—such as “A State of Blood” by Henry Kyemba, a paperback that sold over 1-million copies and, Marqusee believes, could have contributed to the downfall of Idris Amin.

Some 100 titles remain in inventory. Martin Greenwald, executive vice-president based in New York, is now occupied in selling both the existing rights and inventory of titles with backlist value to other publishers; the rest will be remaindered. Forty-five books were [Continues on page 24]
CHOOSING A COLLEGE MAJOR: HUMANITIES

By Leon C. Karel, Ph.D. Complete information and guidance for high school seniors, college freshmen—and their parents—concerning the broadest field of college studies: Humanities. The latest addition to McKay’s popular Choosing a College Major series.

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DAVID MCKAY COMPANY, INC.
2 Park Avenue
New York, N.Y. 10016
HBJ Reports Profit Decline; Plans to Sell Jove Paperbacks

Actions which chairman William Jovanovich calls "biting the bullet" are reflected in the third-quarter statement of Harcourt Brace Jovanovich, Inc., which shows a sharp decline in profits and reports several discontinued operations. In the accompanying note to the shareholders Jovanovich states that the figures "assume the disposal" of Jove Publications, Inc., the company's mass market paperback division, "under a plan recently authorized by the board of directors." The third-quarter statement was issued Monday, November 6. On the preceding Friday, the New York Stock Exchange suspended trading in HBJ stock soon after noontime for the remainder of the day after the company's stock had risen over five points in one hour's time. The stock opened at 277/4 and closed at 331/4, and 35,400 shares were traded. Jovanovich told PW he had informed the Exchange that he knew of no reason for the flurry other than the imminent release of the third-quarter statement that contained material that was "crucial but not critical." He pointed out that only a small number of HBJ's 4,334,000 shares were traded and the largest block was 9000.

The third-quarter statement showed revenues of $318,534,000 for the nine months ending September 30. Net income was $13,324,000, or $3.07 per share. For the nine months ending September 30, 1977, revenues were $266,261,000 and net income was $17,514,000, or $4.11 per share.

This year HBJ sold its interest in several radio stations at a loss. It also sold Guidance Associates, the sound-filmstrip production company. "Although that company earned total profits of $2,658,000 since we acquired it in 1967," Jovanovich said in his report to shareholders, "it lost money in 1978 and its projections were not favorable." The loss from these discontinued operations was reported as $5,916,000.

Jovanovich insisted that the nine-month figures do not indicate the beginning of a downward trend. "When you do not count in the figures from discontinued operations, the company is doing well. We are hitting the bullet and taking all the changes this year. Next year we will show a considerable increase in profits over not only the year 1978 but also the year 1977."

The third-quarter figures reflect an after-tax charge against continuing operations of $1,800,000 from the publishing of the new magazine Human Nature. Here, too, HBJ will start 1979 "cleanly," since developmental and operating costs have been expensed this year, Jovanovich said. The decision whether to continue publication will be made in January.

On the disposal of Jove, Jovanovich said negotiations were taking place with two publishing companies, both in the mass market paperback field. Because of the discussions, he declined further comment, but he noted that HBJ was not committed to selling the paperback division and may decide to continue operating it.

In the shareholders' report, Jovanovich noted that the trade operation was sustaining a current loss and that the number of books produced yearly would be reduced. He told PW that the reduction of the list, which carries approximately 120 titles, would not be dramatic or immediate.

Jovanovich also reported to HBJ shareholders that the trade backlist produced only 29.2% of revenues in 1977 and compared that figure to 67.2% in 1969. Returns were 18.1% of sales in 1969 as opposed to 32.5% in 1977. He concluded: "General book publishing is an arduous business to conduct profitably, but it is crucially important to our company."

Bantam Books Elects New Top Officers

To provide "continuity of leadership," the following executive changes have been made at Bantam Books, according to an announcement by the board of directors on November 6:

- Oscar Dystel was elected chairman of the board and will continue in his present capacity as chief executive officer. Dystel has served as president and chief executive officer since 1954.
- Marc Jaffe was elected to the newly created position of president and editor-in-chief. He joined Bantam in 1961 as editorial director and was elected senior vice-president and a member of the board in 1967.
- Alberto Vitale was elected to the newly created position of executive vice-president and chief operating officer. He joined Bantam in 1975 as senior vice-president, administration, and was elected to the board the same year. Since 1972 he had served as a corporate officer of IFI, a holding company controlling Fiat and several other Italian and foreign businesses.

IFI International S.A. acquired Bantam in 1974. In September 1977 the Bertelsmann Publishing Group acquired a 51% interest in Bantam, with IFI retaining the remaining 49%.

In an internal memorandum to the Bantam staff, Dystel said: "As many of you know, we have been working toward a plan which will provide continuity of leadership for Bantam to meet the tremendous challenges and opportunities facing us in the years ahead. It has been a thoughtful and thorough process, and we are now pleased to be able to announce the results of these efforts. I am especially pleased that the plan which the board of directors has endorsed draws directly on the strength, talent and dedication of the present management of this company—a plan which shares my overall publishing and management responsibilities with Marc Jaffe and Alberto Vitale."

In other appointments announced at the same time, Louis K. Satz, sales director, was elected a senior vice-president. He joined Bantam in 1962 as wholesaler sales manager and was elected vice-president and sales director in 1966.

Esther Margolis, director of promotion, advertising, publicity and public relations, was also elected a senior vice-president. She joined Bantam's promotion department in 1962 and was elected a vice-president in 1971.

Mildred Hird, director of subsidiary rights since 1966, was elected a vice-president.

Jack Romanos, who joined Bantam
THIS IS DR. GEORGE WEINBERG. HIS NATIONAL BESTSELLER, SELF CREATION, HAS SHOWN THOUSANDS THE ENORMOUS POWER THEY HAVE TO CHANGE THEIR LIVES FOR THE BETTER.

THE WASHINGTON STAR CALLED DR. GEORGE WEINBERG "GENUINELY GOOD, ARTICULATE, ENERGETIC ON THE AIR." AND ON THE AIR IS WHERE AVON IS PUTTING HIM—IN A HEAVY SCHEDULE OF 30-SECOND TV COMMERCIALS BROADCAST IN MAJOR MARKETS FROM COAST-TO-COAST!

GREAT BOOK. GREAT AUTHOR PERSONALITY. GREAT SALES.

BREAKING IN FEBRUARY ON THE AVON NETWORK. $2.50
Marvin Josephson Acquires 8.6% of HBJ Stock

"Not momentous," was the official reaction of Harcourt Brace Jovanovich, Inc., to the announcement November 16 that Marvin Josephson Associates, Inc., had acquired 8.6% of HBJ. In a filing with the Securities and Exchange Commission, Marvin Josephson said it had acquired 375,000 shares of HBJ's common stock outstanding, and said it would continue to review whether to "increase or decrease, or to hold as an investment or dispose of, its position in the company."

Marvin Josephson owns International Creative Management, one of the largest talent and literary agencies. It had revenues of $31.8-million and earnings of $4.1-million in the year ended June 30.

HBJ's official release began: "Harcourt Brace Jovanovich, Inc., is at present projecting a substantial increase in profits in 1979 over 1978 (as well as 1977). A preliminary estimate of sales and revenues for 1979 exceeds $450,000,000." It continued: "The fact that someone has bought more than eight percent of HBJ shares is not momentous. Several individuals vote a greater percentage of HBJ shares and have done so for a decade or longer." Chairman William Jovanovich declined to comment further.

As PW went to press, HBJ announced it had filed a complaint in U.S. District Court for the Southern District of New York against Josephson. The complaint alleges that the Schedule 13D filed by Josephson in connection with its purchase of HBJ stock is "incorrect and incomplete in material respects and therefore injures HBJ shareholders."

On the plan to sell Jove Publications, the mass market paperback division, announced in the recent HBJ third-quarter statement (PW, November 13), Jovanovich said that earlier discussions with two mass market paperback companies had ceased. "We are now actively dealing with 12 or 13 companies that have expressed interest. They are all publishers, but some are not in the mass market field, and some are not even in trade publishing." Jovanovich emphasized that all operations at Jove were continuing and that it was "a going business."

On the rumors that movie companies, particularly Twentieth Century-Fox, might be interested in acquiring HBJ, Jovanovich said, "I never comment on rumors. I have been hearing some rumors so wild that the people telling them to me burst out laughing."

Hoopes, Straus to Speak on Concentration for FTC

Roger W. Straus, Jr., president of Farrar, Straus & Giroux, which withdrew from the Association of American Publishers in April in protest of the association's stand on book industry mergers, and AAP president Townsend Hoopes will be two of the speakers at a symposium on media concentration to be conducted by the Federal Trade Commission.

Other speakers at the session on "Concentration and Conglomeration in Book Publishing" will be Walter W. Powell, assistant professor of sociology, State University of New York at Stony Brook; John Brooks, president of the Authors Guild; and James Dickey, poet and author.

In announcing the symposium, to be held at the Washington Hilton in the capital December 14 and 15, Michael Perschuck, commission chairman, said: "Mindful of the importance of a free press and of the significance of competitive issues in the media, we have undertaken in this instance not a law enforcement investigation, but simply a gathering of information from sources within and outside the media industry in order to shed more light on the issues."

Noting that the American Newspaper Publishers Association had indicated it is not convinced "the proceeding can be objective, fair and complete," Perschuck said he had invited representatives of ANPA to meet with him and discuss that association's participation in the forthcoming symposium.

Albert Sees "Positive" Change On Second Visit to China

"A great interest in American publishing products and a desire to acquire Western technology and know-how" are evident in China, said Leo Albert, chairman of the board of Prentice-Hall International, after a 15-day trip to four cities in the People's Republic of China. Albert, who toured Shanghai, Peking, Hangchow and Kwangchow from September 27 to October 12, observed a change taking place within the country's publishing sector which he called "truly dramatic."

Comparing this visit with an earlier trip to China last fall (PW, Oct. 17, 1977), Albert noted a marked interest in increasing trade and in cooperative ventures, such as student exchanges and publisher delegations. The attitude of Chinese officials, said Albert, was "definitely positive," as compared with their attitude during his previous visit. Chinese publishers have a general knowledge of American publishers and know a fair amount about various publishing houses, he added.

During seminars Albert conducted on American publishing practices for Chinese editors and government officials, he observed strong interest in the mechanics of Western publishing operations, particularly in such areas as manuscript acquisition, editorial promotion and distribution. Chinese publishers, said Albert, appeared to be most interested in books from the U.S. in the fields of science, technology, medicine, management and economics. English-as-a-second-language, he added, would be another important growth category because English-language skills will become increasingly important as the Chinese seek to acquire Western technical skills.

Albert also observed that trade between U.S. and Chinese publishers has increased at least tenfold in the last year and he expects the trend to continue. He pointed to the interest sparked by a tour featuring U.S. technical

Leo Albert addresses English class at Peking Teachers College

NOVEMBER 27, 1978
books in China as a favorable augury.

During Albert’s recent trip, there was general discussion of exchanges of publishing delegations between the U.S. and China, though no firm agreement has been made. The AAP has applied to the liaison office of the People’s Republic of China in Washington for permission for a delegation of American publishers to visit the country. It has not yet received a response, but if arrangements can be made, the American delegation may visit China next spring, said Albert, and a Chinese delegation to the U.S. would follow in the fall.

There was also discussion of China’s joining a copyright convention. Though he did not foresee an immediate move to do so, Albert said Chinese officials were studying such a proposal and their attitude has shown marked improvement since last year.

S.D.

Washington Star Appoints Yardley Book Editor

Jonathan Yardley, book editor of the Miami Herald, has been appointed book editor of the Washington Star. His Sunday book review column will appear regularly, beginning December 10, in the “Arts” section of the Star. At the same time, it will continue to be carried by the Herald, boosting readership to a combined circulation of almost 900,000. Yardley has been with the Herald for the past 14 years as editor of the book page and of the “Viewpoint” section. Since 1972 he has also been a contributing editor of Sports Illustrated; he writes the major share of its book reviews.

According to Yardley, his responsibilities at the Star will involve writing his Sunday column, editing the book page and contributing editorials—signed and unsigned—to the editorial page. “I welcome the opportunity to do the kind of political thinking and writing that editorial page work requires. However, if I’m given the long-term prospect of competing at a realistic level with my friends on the Washington Post Book World, that prospect would certainly hold more appeal for me.”

Of his book column he declared, “Even though I’m moving to a hyperthyroid political town, I intend to write exactly the kind of column I’ve always written...covering exceptional American writers—John Irving, John Cheever, Eudora Welty and others. He estimates that each of the Star’s Sunday book sections will feature, in addition to his column, reviews of an average of four books with an occasional roundup. “Realizing that there are many important and current events books being published,” said Yardley, “I intend to use a broad range of well-informed outside reviewers and will draw heavily upon the Washington community.”

Munro Gart, editor of the Star, stated that the paper will expand its book review section, though changes will not be made until the first half of next year. “We haven’t formulated the plan in a specific way yet, but reviews will be done differently (they are presently staff-written), and we will be enlisting the help of outside reviewers.”

With regard to his competition at the Post and other nationally circulated weekly book sections Yardley noted, “At the outset, I don’t think we can offer much more than a rather vigorous annoyance—a small dog nipping at their heels—but I hope that over the years, as the review section expands in space and we attract more revenue, we will come to be competitive in the true sense of the word.”

Prior to his association at the Herald, Yardley was editorial writer and book editor at the Greensboro (N.C.) Daily News. During that period he spent a year as a Nieman Fellow at Harvard, where he studied American literature and literary biography. At present, he is at work on a biography of Ring Lardner, and scheduled for “several years away,” is a biography of Stephen Crane.

Yardley will continue to review books for Sports Illustrated and asks that galleys and books for that magazine’s column be sent to him at his home: 233 Hawthorne Rd., Baltimore, Md. 21210. Books and galleys for review in the Star should be sent to him at the Star, 225 Virginia Avenue S.E., Washington, D.C. 20003.

Hungarian Scientific Publisher Celebrates Its 150th Anniversary

by W. Bradford Wiley

Akadémiai Kiadó, the publishing house of the Hungarian Academy of Sciences, celebrated its 150th anniversary, October 13 and 14. In 1828, Akadémiai Kiadó published “The Report of the Royal Commission Set Up to Draft the Statutes of the Academy of Sciences in Hungary,” the first of approximately 12,000 titles to date. This year it will publish about 300 books, many in Western languages, and 105 journals, also in many languages.

The celebration began the morning of Friday the 13th in the Grand Entrance Hall of the Royal Palace, which dominates the Castle District of Buda on the west bank 200 feet above the Danube. Sponsors of the event, in addition to Akadémiai Kiadó, were the Hungarian National Commission for UNESCO and Kultura, the import-export book company. Guests came from Bulgaria, Czechoslovakia, East and West Germany, England, the Netherlands, Poland, Romania, the Soviet Union and the United States. The simple ceremony, for which the participants stood at the top of a grand staircase against a background of sculptures, with an actor reciting a historic poem on the importance of the book. B. Köpeczi, deputy secretary general of the Hungarian Academy of Sciences, gave the opening address. He was followed by Moenis Taha-Hussein, speaking in behalf of UNESCO Paris. There were also brief speeches by a leading librarian, Dr. Magda Jóbóru, who is president of the Hungarian National Commission for UNESCO, and György Bernát, managing director of Akadémiai Kiadó. The gathering then moved to one of the galleries for a reception.

Before the opening ceremony, participants had an opportunity to visit the exhibit of more than 4000 scientific, technical and medical books from leading publishers in North America and Europe, East and West, with the general theme “The Scientific Book in Europe.” The exhibit area was in the large, U-shaped main floor gallery. Visitors were given a catalogue of the exhibit and, upon request, catalogues of many of the participating publishers. Well-designed small exhibit stands made all the books conveniently available.

The evening following the opening ceremony Dr. Jóbóru and Bernát entertained at an informal buffet dinner at Hungaria, a large and popular restaurant in the center of Pest. The following evening, Akadémiai Kiadó and Kultura were joint hosts at a dinner at Restaurant Alabárdsz with its small, elegant, innlike setting, its medieval rooms and Hungarian specialties. On that occasion, there were opportunities to offer congratulatory toasts and I spoke on behalf of both the AAP and my own company.

For many years, Akadémiai Kiadó has joined in copublishing ventures with leading scientific, technical and medical publishers in Eastern and Western Europe, England, and the United States. John Wiley & Sons, Ltd., in England, for example, has seven original publications in various stages of development scattered over such diverse fields as biochemistry, circuit theory, organic chemistry, struc-
of a lot longer than my 800 pages, and I deemed it deplorable that I could get published while she could not.

"I decided that I must do something about this, and one of the essays in the Library of Congress booklet indicated what I ought to do. Daniel Halpern, a poet and an editor, claimed that if he could lay his hands on $11,500 a year, he could devise a way to publish five books of poetry every year, of the highest quality, sponsored by the leading poets."

"His argument was so persuasive that on the spur of the moment I called him on the telephone and said, 'You make a world of sense. I'll underwrite you for 11 years.'"

Halpern, who serves as director of the National Poetry Series, told PW that Michener's spur of the moment call had come very early one morning, waking him up. He did not get his caller's name. Halpern said, and thinking it was a poet who wanted to submit a manuscript, arranged to call him back. When he returned the call and received an offer, not of a manuscript but of $125,000, in some confusion, Halpern recounted, he had to ask, "Who is this?"

Michener, in his statement, said he was unprepared for the quick response which his act had triggered. "Five distinguished houses volunteered to cooperate so that publication was assured. A number of our most prestigious poets agreed to serve as selectors... The Ford Foundation eagerly agreed to underwrite the editorial expenses. And a personal friend, Edward J. Piszek, a businessman from Philadelphia, stepped forward, unsolicited, to add enough funds to my gift to enable the yearly awards to be made from interest only, and to adjust the awards upward if the value of the dollar declines. With this gesture, a total of $205,000 became immediately available, which means that the awards can continue indefinitely."

To secure the publishers' participation, Halpern said that only five phone calls were necessary: to John Macrae at Dutton, Winthrop Knowlton at Harper & Row, Jason Epstein at Random House, Stewart Richardson at Doubleday and Thomas Wallace at Holt, who transferred the call to poetry editor Jennifer Josephy. Halpern, who has been teaching at Columbia University for three years and is acting chairman of the writing division of the School of the Arts this year, is editor of Antaeus and editor-in-chief of Ecco Press, which publishes, among other titles, the series Neglected Books of the 20th Century. He is the author of "Traveling on Credit," "Son of Fire," and "Life Among Others," all published by Viking Penguin.

The series expects 2000 manuscripts to be submitted the first year, Halpern said. Selection of those for publication will be made by five judges, poets from all parts of the country. To assure a wide range of tastes in addition to a broad regional representation, each year five new judges will be appointed. Judges for the first year are Donald Hall, Michael Harper, Donald Justice, Philip Levine and Ann Stanford. Four of the judges will each solicit and select one manuscript for publication. The fifth judge will be in charge of an open competition, the deadline of which is March 15, 1979. All books will be published March 15, 1980.

The address of the National Poetry Series is P.O. Box 508, Murray Hill Station, New York, N.Y. 10016.

Saul Bellow Leaves Viking, Moves to Harper & Row

Saul Bellow, who signed his first contract at Viking with Harold Guinzburg, founder of the company, and whose nine books in the 30 years since have been published by Viking, will have his 10th book published by Harper & Row.

In Harper & Row's December 12 announcement of the switch of the Nobel Prize-winning author, Erwin A. Glikes, vice-president and trade group publisher, said: "Though I have been a passionate reader of Saul Bellow's work since my school days, I first had the pleasure of meeting him five years ago and told him then that nothing I could think of would be a greater honor and pleasure than publishing him. I repeated this at every opportunity. Now that it is about to happen, all of us here at Harper's are enormously happy and excited."

Harriet Wasserman of Russell & Volkening, Bellow's agent, said, "The decision to leave Viking was a hard decision and not one made overnight."

Bellow's first book with Harper will be released in 1980. His editor will be Harvey Ginsberg, who was associated with Putnam for 15 years, and who joined Harper & Row in the fall of 1976. Among the authors with whom Ginsberg has worked at Harper are David Storey, Harry Crews and Rita Mae Brown. On his spring list will be a novel by George V. Higgins and Ella Leffland's novel "Rumors of Peace," a Literary Guild feature alternate.

Marvin Josephson Associates Denies HBJ Charges

Marvin Josephson Associates Inc., which recently acquired 8.6% of Harcourt Brace Jovanovich common stock, denied that the document it filed with the Securities and Exchange Commission in connection with the purchase contained irregularities, as charged by HBJ in a suit filed in a New York federal court (PW, Nov. 27). In its formal answer filed December 12,
MJA, the talent and literary agency, rejected HBJ’s allegations and requested that the suit be dismissed. Furthermore, MJA argued that HBJ had failed to provide a claim upon which relief could be granted and charged, in addition, that HBJ had commenced its action “in breach of the fiduciary duties of HBJ’s Board of Directors to its shareholders, including MJA."

HBJ contends in its complaint that the Schedule 13D filed by MJA November 16 is “materially false and misleading” and fails to disclose required information. Specifically, HBJ charged deficiency with regard to reporting the identity and background of MJA, the source and amount of funds used for the purchase, the purpose of the purchase; and the existence of “any contracts, arrangements, understandings or relationships MJA has with respect to HBJ’s securities.”

MJA’s 13D stated that the company paid a total of $11,667,827, including brokerage fees, for 375,000 shares of HBJ common stock from September 19 through November 15. Of that sum, declared MJA, $8 million was obtained through an unsecured bank loan (from Chase Manhattan) at the prime, or lowest available, interest rate; the remainder of the funding, $3,667,827, was obtained from “general corporate funds.” According to HBJ’s analysis of MJA’s consolidated balance sheet for the year ended June 30, 1978, the bank loan represented 48% of MJA’s net worth before the transaction, and 100% of its tangible net worth and 139% of the company’s cash, certificates of deposit and trade receivables at that time. HBJ contends that under these conditions an unsecured bank loan would normally be unobtainable, unless, said HBJ’s complaint, “there were material additional terms and understandings not disclosed.” HBJ also faulted MJA for failing to disclose the source of the $3,677,827 “general corporate funds.”

Furthermore, HBJ contended that the expense to MJA of carrying the bank loan would exceed dividend earnings on the investment, resulting in a yearly net loss.

HBJ also calculated that the $11,667,827 MJA paid for the HBJ stock constituted approximately 69% of MJA’s net worth and 145% of its tangible net worth. Argued HBJ, “Unless MJA has formed an intention to dispose of the stock or to take other steps with respect to it, MJA has committed an enormous portion of its resources to an investment which produces a negative return.” Referring to MJA’s 1977 annual report, in which the company stated that a “reasonable” return on investment would be 30%, HBJ asserted that the HBJ purchase not only failed to provide a 30% return on investment, but that “in the absence of further actions” would result in a “substantial loss” to MJA. Concluded HBJ, “Upon information and belief, the MJA 13D fails to disclose such further actions which are contemplated, and misstates MJA’s true intentions and/or arrangements with respect to its investments.”

According to the Wall Street Journal, November 21, “Without stating it explicitly, Harcourt implied in its complaint that Josephson may have secretly allied itself with other persons or entities in a possible effort to take control of Harcourt.” HBJ asked the court to enjoin MJA from effecting any transaction involving the HBJ stocks and to direct MJA to file an “accurate and sufficient amended” 13D with the SEC. HBJ also requested that damages be awarded in an amount to be determined by the court.

According to Alvin H. Schulman, president and chief operating officer of Marvin Josephson Associates Inc., the company was able to borrow funds for the HBJ stock purchase based on its otherwise debt-free condition, on earnings of more than $4 million for the 12 months ended June 30, 1978, and on a record of paying back substantial bank borrowings on or ahead of schedule. Furthermore, the company has denied HBJ’s allegation that MJA is suffering a burden from the transaction and has asserted that a “modest profit” is being realized. MJA has also contended that its interest in HBJ is not surprising when the earnings powers rather than the revenues of the two companies are compared. For the 12 months ended September 30, HBJ’s earnings of approximately $14 million “were less than three times Josephson’s earnings of approximately $4.8 million, even though Harcourt’s revenues were 11 times that of Josephson’s.” Schulman reports.

S.D.

**NBCC Nominates 25 Titles For Fourth Annual Awards**

The National Book Critics Circle, at a December 11 voting meeting of its board of directors, announced the nomination of 25 titles for the Fourth Annual NBCC Awards.

There are four categories. In three of them—poetry, fiction and criticism—there are five nominations, up to three of which are chosen by a ballot of the regular membership, which consists of some 200 book critics and book review editors around the country. The remainder are chosen by the board. In a departure from previous practice, there are 10 nominations, instead of five, in the category of general nonfiction because titles are so voluminous and wide-ranging in the field. Up to six of the nominations are chosen by a ballot of the regular membership, with the remainder chosen by the board. There will be two winners in general nonfiction, one each in fiction, poetry and criticism. The winners will be chosen by the board at its Awards voting meeting January 15.

The nominated books are:


**Poetry:** “The Dream of a Common Language: Poems, 1974-1977” by Adri-
Herman Gollob has been appointed editorial director of the book club division and editor-in-chief for the Literary Guild at Doubleday and Company. He has been vice-president and editor-in-chief of Atheneum Publishers since 1971. Before that he was editor-in-chief of Harper’s Magazine Press and senior editor at Atheneum and Little, Brown. Previously he served as a literary agent with MCA and the William Morris Agency.

Maureen Mahon Egen, assistant to the vice-president and business manager of the publishing division, has been named managing editor of the Literary Guild at Doubleday. She joined the company in 1964 and has since held a number of editorial positions including associate editorial director of Anchor Press and director of the science department.

Francis W. Heatherley, vice-president for the educational products division at Word, Inc., since 1977, has been named senior vice-president for Word Books and the educational products division. From 1969 to 1974, he was national sales manager of Word and before that was president of Vision House Publishers for two-and-a-half years. Previously, he was with David C. Cook Publishing.

William G. Gehring has been named senior vice-president for Word Direct Marketing Services at Word, Inc. He came to the company in 1974 from Meredith Corporation where he was a division vice-president in charge of book club and mail order marketing. He has also been senior vice-president of Names Unlimited.

Hank Doliner has been appointed wholesale sales manager at NAL. He joined NAL in 1967 and has been district sales manager in Colorado, metropolitan sales manager in Los Angeles, and most recently, Southwest regional sales manager.

John Geoghan has been appointed director of marketing, retail sales, for the Independent News Company. He joined Independent as city sales representative in 1971 and held positions in sales before becoming the company’s account executive for Playboy Enterprises, Inc. in 1977.

Visitors
Linda L. Rill, director of public relations and subsidiary rights for Oak Tree Publications, San Diego, will be in New York City July 20-27 to talk with publishers and book club, magazine and newspaper editors interested in reprint rights for Oak Tree titles. She will be staying at the Berkshire Hotel.

Correction
In the announcement for Lippincott’s health professions division (June 25), executive vice-president Edward Hutton, Jr., was most recently director of corporate marketing at Harper & Row. John Wehner has been and continues as vice-president and director of the medical journals division. Michael Eisler has been and continues as editor-in-chief of media. Stuart Freeman, acting editor-in-chief of the medical books department, has been named editor-in-chief.
The World of Publishing at UNESCO

ONE of the largest—certainly the most diversified—publishers in the United Nations system is now taking on some of the attributes of a genuine publishing house. The Office of the UNESCO Press, whose chief mission has always been to disseminate the results of UNESCO research, is increasing its responsibility for editorial product: the form and timing of publication, the best ways and means to market a title. As part of the new strategy, UNESCO’s editors also hope to be publishing more of the big books that in the past have been farmed out to copublishers. In a meeting with the director of UNESCO’s publishing program, Ramón Nieto, and some of his aids, PW recently had the opportunity to learn something about the dimensions of these changes.

From headquarters in the familiar house of glass in Paris, UNESCO’s publishing arm produces some 150 new titles a year, closer to 200 if different language versions are counted separately, in the organization’s three official languages. All are available in English, some 80% in French, 50% in Spanish. But a single title might be the weighty “Statistical Yearbook”—nearly 800 big pages of it—or a wafer-thin monograph. There are also a dozen house journals, and ubiquitous UNESCO Courier, itself published monthly in 300,000 copies in the official languages and, by contract with outside publishers, in 14 translations. With production and art staffs the office employs 110 persons, half of them paid not from the official budget but out of receipts from sales. “We don’t have to make money,” director Nieto told PW, “but we do have to get our money back.” Out of turnover Nieto must also maintain a reserve for salaries and an investment fund—to build a new warehouse, for example, or to computerize periodical subscriptions.

UNESCO’s Best Sellers

Since its founding UNESCO has issued over 7000 titles in 70 languages. A bibliography produced for its 25th anniversary in 1971 carried 200 subject headings, 2200 authors. Among periodicals, “New UNESCO Sourcebook for Science Teaching,” released in 1970, sold 40,000 copies in the English-language edition alone; total printings of the original and the new sourcebook, which was conceived as a do-it-yourself manual for high school classes in war-damaged areas, amount to over 1 million.

The first international study of new educational methodology, “Learning to Be,” has nearly sold out a 30,000-copy printing in English. The 30 existing language versions were published in a total of 200,000 copies. The well-known handbook “Study Abroad” sold 18,000 copies of its most recent edition, the 21st. UNESCO works through private or public sales agents; in the U.S. the office pub (Box 433, Murray Hill Station, New York, N.Y. 10016). The annual catalogue of titles in print runs to 130 pages in the latest English version.

Structurally, the Office of the UNESCO Press comes under the assistant director general for program support. For a while the logo “UNESCO Press” was favored, but this is being phased out in favor of plain “UNESCO,” while in-house the unit is referred to as UNESCO Publishing Services. Ramón Nieto is a veteran of the private publishing world, as one-time director of Ediciones Altea in Madrid’s giant Santillana group. His chief aide and troubleshooter is Edward Wegman, formerly with the organization’s book promotion and development program. Georges Provenchère heads a new editorial planning division. Marketing and copublishing are handled by Bruce Clark for English, Eduardo Sainz for Spanish, Portuguese, French, and Arabic. Allison Clayson does English-language sales promotion.

The bible of UNESCO publishing is the Draft Programme and Budget, a document the size of a telephone directory, drawn up for the biennial general conference of member states. Last fall’s general conference approved a book production budget for 1979-80 of $5.5 million and the transfer of the office of the UNESCO Press carries on from there. “We really are a service,” Clark observed, “and very much at the end of the line.”

“The Decision to Publish”

Yet what the office wishes to do now, Nieto explained, is to take more of the initiative, to assume more of “the decision to publish.” It will of course continue to produce the books that member states want to see produced. But it will also begin to exercise more editorial discretion in putting together new series, even deciding the best time of release from the publishing point of view. And instead of waiting for finished manuscripts to show up in the “in” box, UNESCO’s publishers will begin discussing a project with the appropriate sector even before an author is commissioned; editorial help will be available all along the way. “We won’t interfere with contents or viewpoints,” Nieto promised. “But we can offer professional advice on sales possibilities. The initiating sectors will continue to do the reviewing also for scientific validity, while we shall be looking at them for readability.”

Going It Alone

As UNESCO’s press acquires experience it will begin to lobby for more books in areas inadequately covered (e.g., on the condition of women, a UNESCO priority now). While copublishing has been an important part of the operation, via such major commercial imprints as Macmillan or Kadansha as well as university presses, the trend in the three official languages—English, French and Spanish—is to go it alone. “To reinforce our distribution network we must have good books to offer under UNESCO’s imprint. Otherwise we’ll get a reputation for doing only titles that can’t be published in the private sector.”

A change of major occurrence occurred in 1975, when the publishing of conference documents was turned over to a separate department. The scheme, encouraged by a study undertaken by three major universities, was to offer UNESCO publishing a degree of autonomy. “We’re a medium-sized academic press, you might say,” put in Bruce Clark. So UNESCO can deal with private enterprise as if it were a private enterprise itself, offering regular discounts. (The difference is that UNESCO also pays shipping charges, to avoid favoring nearby rich countries at the expense of distant poor ones.) A universal organization like UNESCO is expected to print everywhere, but price, quality, shipping delays, postal and language problems, all enter into the choice.

As a former publisher in the real world Nieto sees one clear advantage in publishing for governments: “I don’t have to worry about making a payroll or going to the bank for a loan. It allows me to devote all of my time to producing good books.”
Common Option Clause Ruled “Unenforceable” in HBJ Case

A widely used option clause was ruled unenforceable by the New York State Supreme Court in a decision that denied Harcourt Brace Jovanovich’s claim that it had the right under a 1971 contract to publish William Golding’s new book. The English author’s novel “Darkness Visible,” his first in 12 years, is scheduled for October publication by Farrar, Straus & Giroux.

Harcourt Brace Jovanovich alleged that when it acquired the right in 1971 from Faber & Faber Ltd. to publish Golding’s “The Scorpio God,” it got the right to publish his next book “on terms to be mutually agreed upon.” Consequently HBJ charged Faber & Faber with breach of contract when the English house gave the publication right to Farrar, Straus & Giroux without first offering it to HBJ. HBJ also charged FS&G with wrongful interference with its contractual relations with Faber & Faber and sought a preliminary injunction against the publication of the book and monetary damages.

In dismissing the suit, Justice Sidney H. Asch agreed with the FS&G contention that the option clause was “nothing more than an agreement to agree.”

HBJ’s vice-president and counsel Richard Udell said: “We will not appeal at this date because we feel it would be harmful to the author whom we have published for over 20 years. We believe the decision was incorrect in that the option we had was the same as we’ve had for the seven previous books and was usual in the trade and was intended to confer a right of first negotiation, which is enforceable.”

The disputed paragraph in HBJ’s 1971 agreement with Faber & Faber, as quoted by Justice Asch in his April 26 decision, with his emphasis added, is: “Since a continuing relationship is contemplated by the Author and the Publisher, the Author agrees to give an option to the Publisher to publish the next book. William Golding may write for which Faber & Faber Ltd. controls the rights, on terms to be mutually agreed upon.”

“The crucial factor is not what the contract says, but what it does not say,” Justice Asch observed. “The contract does not give plaintiff [HBJ] the option of purchasing the publication rights to Golding’s new book for a sum certain, nor does it provide for a mode whereby the price can be ascertained, nor does it even state that plaintiff shall have the first right to purchase the publication rights upon the same terms as may be offered by a bona fide purchaser. The clause simply states that plaintiff shall have the option to purchase the publication rights ‘on terms to be mutually agreed upon.’

Under these circumstances, the option clause is an unenforceable agreement to agree.”

What House Lawyers Are Saying

Gerard Toner, assistant general counsel, Doubleday & Co.: Pointing out that option clauses vary from house to house, Toner observed that the HBJ clause might be the type of clause found in standard form contracts but that many publishers revise the clause depending on negotiation. “There has been a general feeling in the industry that the HBJ clause as litigated contains a first-refusal position that the author could not ignore. This decision seems to eliminate that requirement.”

Gerald E. Hollingsworth, vice-president and general counsel, Random House, Inc.: “Our contracts with option clauses, which vary widely from contract to contract, are generally consciously negotiated and are substantially more detailed than the HBJ contract in question. We believe all of them are valid and enforceable. I do think this is an isolated case and involves an issue that by and large would not come up. It seems to me the kind of clause that would only be tested if an author were determined to dishonor it, and in the main authors and agents are anxious to keep their promises.”

John Diamond, vice-president and house counsel, Simon & Schuster, Inc.: “In the publishing industry, to my knowledge, there have been very few, if any, cases on option clauses. If this case has any effect, people will be more careful and more specific in their option clauses. Ours are very specific and detailed.”

Knight-Ridder Newspapers to Acquire HP Books

Knight-Ridder Newspapers, Inc., and Bill and Helen Fisher, founders and principal shareholders of HP Books, announced May 3 that they had reached an agreement in principle for Knight-Ridder’s acquisition of HP Books. No purchase price was disclosed. HP Books will operate as a wholly owned subsidiary of Knight-Ridder and will continue to be managed by the Fishers.

The Tucson-based book publisher, founded in 1964, now offers 70 titles in large format paperbacks in the consumer specialty and “how-to-do-it” fields. Since 1974 its unit sales have increased from 225,000 to 2.1 million copies in 1978; sales in fiscal 1979 are expected to exceed 2.5 million copies. Its best seller is “Crockery Cookery,” which has sold 3 million copies in the last four years, and it is the world’s second largest supplier of photography books, according to the announcement of the proposed acquisition. The company is noted for its marketing through non-bookstore channels in such outlets as photography stores, automotive stores and supermarkets.

Kirby Westheimer of Publishers Development Corporation, Princeton, N.J., represented HP Books in the transaction. Westheimer recently managed the sale of Celestial Arts to Starfield Publishing Co. Forthcoming transactions in which he will be involved, he said, include the acquisition of a commercial publisher by a university press and the divestiture be major publisher of a quality paperback imprint.

Stratemeyer and S&S Call Grosset Suit Frivolous

Reacting to Grosset & Dunlap’s $150-million suit against them, the Stratemeyer Syndicate said it was “shocking” and Simon & Schuster said it was “frivolously vindictive.”

Grosset & Dunlap announced its action involving Simon & Schuster’s contemplated publication of new titles in the Syndicate’s series—including Nancy Drew, The Hardy Boys, The Bobbsey Twins, The Dana Girls and Tom Swift, Jr.—as the May 7 issue of PW went to press. At that time neither Stratemeyer nor Simon & Schuster had received the complaint, filed in U.S. District Court. (Continues on page 129)
Direct requests for applications and information to Terry Hulley, Random House, Mail Drop 2-1, 201 E. 50th St., N.Y., N.Y. 10022; (212) 572-2614.

Folio: The Magazine for Magazine Management is sponsoring a "Magazine Publishing Week," June 25-29, at the Sheraton Centre Hotel, 52 St. & Seventh Ave., N.Y.C. Workshops cover both creative and management areas of magazine publishing: editing, design, management and finance, law, production, circulation and advertising/marketing, etc. Faculty members are experts in their respective fields. Registration fees (prior to June 15): $175/single one-day seminar session; less than $100/session for all five days. Seminars start at 9 A.M. Make checks payable to Magazine Publishing Week. Registration/information: Workshop Director, Conference Management Corporation, 500 Summer St., Stamford, Conn. 06901.

Graphic Artists Guild is offering the following seminars:

May 19: Topics: "Pricing Photography Assignments" covers current prices and the billing of expenses, editorial and journalism rates, corporate and industrial pricing, fashion and catalogue rates. The panelists are experts who have worked with "every category and level of client and talent." The programs will be given in midtown Manhattan; 10 A.M.-5:15 P.M. Tickets (for each seminar): $75; members $60. Contact: Kathleen MacLaughlin, (212) 982-9298.

Graphic Arts Technical Foundation workshops and seminars:


For brochure and registration information: William Smith, Special Programs' Dept., GATF, 4615 Forbes Ave., Pittsburgh, Pa. 15213.

Women's Voices, a feminist workshop for writers, is offering a writing workshop, June 24-July 7, on the campus of the University of California, Santa Cruz. There will be separate poetry and prose writing sections. Daily classes will be conducted by professional writers and teachers. Instructors: Karen Brodine, editor; Cynthia Lasky, author; Irene McKinney, poet. For more information: Women's Voices: A Creative Writing Workshop, c/o Marcy Alanraig, Coordinator, 1153 Camelia St., Berkeley, Calif. 94702. ☎
June 11, 1979

Mr. Ivan Doig
17021 Tenth Avenue N.W.
Seattle, WA 98177

Re: Harcourt, Brace Option Clause

Dear Ivan:

The enclosed decision from the New York Supreme Court (which in New York is not the supreme court, but only an intermediate court of appeals -- the supreme tribunal is the Court of Appeals) strikes down the standard option clause used by HBJ in your original contract on the grounds that it is "indefinite and uncertain as to price," and therefore constitutes an unenforceable "agreement to agree."

The substitute clause 22 included in the Rider to the Winter Light contract was obviously drafted with the Farrar, Straus problem in mind, but it could be argued to have the same defect. If so, this effectively solves your concern about being locked in to HBJ, no matter who takes them over.

I have to believe HBJ will appeal the decision on principle, regardless of whatever value they place on Golding's book. I'll watch it closely and keep you advised.

Very truly yours,

DAVIS, WRIGHT, TODD, RIESE & JONES

[Signature]

Marshall J. Nelson

Mjn: re
Enclosure
cc: Ann Nelson, Agent
losses an innocent third party (RICO) would have to absorb.

IV. Conclusion

The other aspects of this cause of action require but brief comment. The Supreme Court has held that Rule 10b-5 will not support a private action for damages in the absence of a showing of scienter. Ernst & Ernst v. Hochfelder, 425 U.S. 185, 96 S.Ct. 1755, 47 L.Ed.2d 668 (1976). Here, Campbell knew the material facts he failed to reveal. Moreover, the judgment of corporate directors and the controlling shareholders might well be surprised if they could expect short-swing profits in the markets for the stocks of the companies they manage. But the federal securities laws, in guarding the public from abuses, strictly circumscribe the opportunities of persons holding certain positions to profit from their inside knowledge. We hold that these laws also require a financial columnist, in recommending a security or he or she owns, to provide the public with all material information he or she has on that security, including his or her ownership, and any interest he or she may have (a) to score a quick profit on the recommendation, or (b) to allow or encourage the recommendation to be published as an advertisement in his or her own periodical.

Reversed and remanded.

ELY, Circuit Judge (Dissenting)

I respectfully dissent. I agree that causation and reliance may, in certain circumstances, be inferred from materiality. Affiliated Ute Citizens of Utah v. Aukey Creek Mining Co., 406 U.S. 128, 153-54, 92 S.Ct. 1456, 31 L.Ed.2d 741 (1972). But it is also clear that "affirmative reliance may defeat this inference." Stump v. Robinson, 437 U.S. 281, 98 S.Ct. 2418, 57 L.Ed.2d 253 (1978). The record plainly shows that the appellants' decision to acquire ASI stock, embodied in the merger agreement between ASI and RGC, predates the publication of Campbell's column by several months. Thus, it is, as I see it, impossible that a causal relationship could exist between Campbell's wrongful conduct and the appellants' decision to invest. There was not even the possibility of reliance upon Campbell's column in connection with the execution of the merger agreement by the appellants. In these circumstances, I reject the appellants' "affirmative evidence of nonreliance," evidence that should thoroughly negate any inference of causation and reliance.

While I agree that Campbell's alleged conduct was reprehensible, the District Court rightly concluded that he was not liable to the appellants in this case. The majority effectively removes the substantive content in the requirement of "in connection with" when it holds that Campbell may be liable in damages to report on the merits of worthy companies. This observation is true, but it proves too much. If brokers were permitted to make secret profits by self-dealing in the market, they too would be stimulated to find better stocks, in which they could invest personally while passing along the advice of their custo-

HARCOURT, BRACE \v\ FARRAR, STRAUS

New York Supreme Court

No. 1965256

HARCOURT, BRACE \v\ FARRAR, STRAUS & GIROUX, April 30, 1979

REGULATION OF MEDIA DISTRIBUTION

Print media distribution — In general (125.01)

Option clause, in agreement between publisher and company that controls right to defendant's books, to publish another book "on terms to be mutually agreed upon," is not an option clause to publish book for sum certain, which does not provide any method to ascertain such sum certain, and that does not give publisher right to publish book on same terms as may be offered other publishers, constitutes unenforceable agreement to agree and warrants dismissal of publisher's suit alleging breach of contract and seeking to enjoin publication of author's new book.

Action, seeking injunctive and monetary relief, charging breach of contract, tortious interference with contractual relations, conspiracy, and prima facie tort. On defendants' motion for dismissal for failure to state a cause of action. Plaintiff, in order to pursue its complaint for an order (1) pursuant to CPLR 3212, granting summary judgment against defendants; or (2) on appeal, granting plaintiff leave to take the deposition of defendant FSG.

Plaintiff alleges that on June 17, 1971, it entered into an agreement with defendant Faber & Faber Ltd. ("F&F") whereby the latter granted to plaintiff the right to publish a book entitled "The Scorpion God" written by William Golding. Paragraph 22 of the 1971 agreement provides as follows:

"Since a continuing relationship is contemplated by the Author and the Publisher, the Author agrees to give an option to the Publisher to publish the next book William Golding may write for which Faber & Faber Ltd. controls the rights, on terms to be mutually agreed upon." (emphasis added)

Plaintiff alleges that William Golding (who is not named as a party defendant) recently wrote a book entitled "Darkness Visible," and that F&F, which controls the publication rights thereto, has offered such rights to defendant FSG, without first having offered the publication rights to plaintiff. The plaintiff's complaint asserts four causes of action.

The first cause of action against which F&K, alleges breach of contract as to the option clause. The second cause of action against which F&K, alleges tortious interference with plaintiff's contractual relations with F&F. The third cause of action, which all defendants, alleges a fraudulent and wrongful conspiracy by them to deprive plaintiff of the benefits of its agreement with William Golding in a breach of contract, which action is also against both defendants, alleges prima facie tort. Both an injunctive and monetary relief is sought.

In seeking dismissal of the claim, the court granted the motion for summary judgment. The defendant F&K has mounted a frontal attack on the validity of the option clause, while F&F, contends that it is enforceable as an unqualified right of first refusal, and, as such, the option clause mandated that if F&F wishes to sell the publication rights to the book to a publisher, it must first give plaintiff the option to purchase the rights to the book on the same terms (S. J. Klein, Jr., Morris, 194 App. Div. 92, 94 [2nd Dep't., 1920].)
A succinct statement of the applicable law is as follows: 'It is a generally recognized rule that if an option agreement neither contains a provision specifying the price nor provides for a mode whereby the price can be ascertained with certainty, other than the future agreement of the parties, enforcement of the option contract should be denied on the ground that it is indefinite and uncertain to price.' ( Annotations: Requisites of Price to Be Paid in Exercise of Express Option for Purchase of Property, 2 ALR 2d 701, 708, Section 5.)

In the case at bar, the crucial factor is not what the contract says, but what it does not say. The contract does not give plaintiff the option of purchasing the publication rights to Goldberg's new book for a sum certain, nor does it provide for a mode whereby the price can be ascertained, nor does it even state that plaintiff shall have the first right to purchase the publication rights upon the same terms as may be offered by a bona fide purchaser. The clause simply states that plaintiff shall have the option to purchase the publication rights "on terms to be mutually agreed upon." Under these circumstances, the option clause is an unenforceable agreement to agree. (St. Regis Paper Co. v. Hubbs & Hastings Paper Co., supra; Ansorge v. Kane, 244 N.Y. 395, 396, In re McKay's Estate, 94 N.Y. 2d 396, 397, aff'd 276 App. Div. 1102[2nd Dept., 1950]; Brandenburg & Mayer, Inc. v. Hemburg, 54 N.Y. 2d 935, 938-9.)

Although the court is empowered to "fill in the gap," in order to effectuate the intent of the parties, there must exist some readily ascertenable objective criteria to which the court may refer in order to render the contract certain and complete (Morgan-Gonser, Inc. v. Scheider, supra, 40 N.Y. 2d 1009, 1070-1). The court may not, under the guise of interpretation, make up a contract and redraft the document (Rodditz v. Neptune Paper Products, 22 N.Y. 2d 383, 386.) In the case at bar, plaintiff would have the court disregard the unambiguous language of the contract that the exercise of the option shall be upon terms to be agreed upon, and would, instead, read into the contract provision that the exercise of the option be upon the same terms as offered by FS&G. This the court may not do.

Accordingly, that branch of defendants' motion which seeks dismissal of the first cause of action is granted.

The second cause of action alleges tortious interference by FS&G with plaintiff's contract and relations with F&F. The following elements must be pleaded to state a cause of action for tortious interference with contractual relations: (1) the existence of a valid contract; (2) defendant's knowledge of the existence thereof; (3) the intent of defendant with specific legal justification or excuse to induce a breach of such contract; and (4) damages (Israel v. Wood Dolton Co., 1 N.Y. 2d 612 [1959]; Hornstein v. Podwitz, 254 N.Y. 443, 448; Special Event Entertainment v. Rockefeller Center, Inc., 458 F.Supp. 72, 78 [S.D.N.Y. 1978].) Such a cause of action for tortious interference with contractual relations "is predicated not on the intent to injure, but on the intentional interference, without justification, with A's contractual rights, with knowledge thereof." (Campbell v. Gates, 236 N.Y. 457, 460, Williamson, Pickert, Cross, Inc. v. 400 Park Avenue Co., 63 A.2d 880.)

In the case at bar, the absence of a valid existing contract between plaintiff and F&F is fatal to plaintiff's claim against FS&G for tortious interference therewith. Accordingly, that branch of defendants' motion which seeks dismissal of the second cause of action is granted.

The third cause of action alleges that both defendants "fraudulently, wrongfully, and in disregard of plaintiff's rights under the agreement constitute and agree to deprive plaintiff of the benefits and profits therefrom." In order to plead a cause of action for fraud, a plaintiff must allege that a false material existing fact, falsity, scienter, deception, and injury (Lamou v. Brooks, 54 A.2d 1057, 1058, 43d A.2d 778; JoAnn Homes at Baltimore v. Dowerzey, 25 N.Y. 2d 112, 110.) Not only has plaintiff failed to allege these elements, it has also failed to comply with the requirement of participation by the plaintiff in CPLR 3016(b) (see M.B.L. Distributors, Inc. v. Kahn, 58 A.2d 806). Moreover, here, the only fraud alleged related to a breach of the purported contract and not to its inducement or making. The fraudulent breach of a contract does not give rise to an action for fraud (Regnell v. Page, 54 A.2d 549).

Nor do the allegations of conspiracy add anything of legal merit to the pleadings. There is no substantive tort of conspiracy (ABKCO Industries, Inc. v. Lemon, 52 A.2d 245, 441, Goldstein v. Siegel, 19 A.2d 489, 493.) Nor does plaintiff have a cause of action against another contracting party for conspiracy to breach the agreement between them (North Shore Bottling Co. v. C. Schmidt & Sons, Inc., 22 N.Y.2d 171; Associated Coal Sales Corp. v. B.H. Coal Co., 360 N.Y. 602, 563; ABKCO Industries, Inc. v. Lemon, supra; Special Event Entertainment v. Rockefeller Center, Inc., supra.)

As this court held in ATI, Inc. v. Ruder & Finn, Inc. (NYL, July 23, 1976, p. 5, col. 1, at p. 55 A.2d 454), a complaint alleging a conspiracy must be dismissed unless it is sufficient to allege the substantive offense which was the object of the conspiracy. In the case at bar, as in Block v. Chassia (36 A.2d 705), the following observation is apt: "[w]ith the underpinnings of the initiative alleged tortious conduct dismissed, the charge of conspiracy to effectuate them adds nothing and must also fall.

Accordingly, that branch of the motion which seeks dismissal of the third cause of action is granted.

The fourth cause of action alleges that the "acts of defendants were willful, without reasonable cause or legal justification, and were performed with the intent of injuring plaintiff." It would appear that plaintiff is attempting to allege a cause of action for妨害合同 is null, which has been defined as "the infliction of intentional harm, resulting in damage, without excuse for justification, by an act or series of acts which would otherwise be lawful." (ATI, Inc. v. Ruder & Finn, Inc., supra, 42 N.Y. 2d at 458, quoting Ruza v. Ruza, 286 App. Div. 767, 769.)

An essential element of a cause of action for prima facie tort is an allegation of special damages (ATI, Inc. v. Ruder & Finn, Inc., supra, 42 N.Y. 2d at 458). Not only must special damages be pleaded, but the pleadings must also contain a particularized statement of the reasonably identifiable, measurable losses suffered (Skouras v. Brut Productions, Inc., 45 A.2d 646, 648). The bare allegation of damages is insufficient in this regard.

Moreover, the complaint does not state any facts to support a claim of malice or ill will. Absent a showing of malicious intent to injure plaintiff, a cause of action for prima facie tort will not lie (John C. Supermaker, Inc. v. New York Property Insurance Underwriting Ass'n, 60 A.2d 807; Danko v. F. W. Woolworth, 29 A.2d 850).

Accordingly, that branch of the motion which seeks dismissal of the fourth cause of action is granted.

In view of the foregoing, plaintiff's cross motion for summary judgment — which in any event was premature, having been made before joinder of issue, in violation of CPLR 3212(a) — is denied. Plaintiff's separate motion for a preliminary injunction is likewise denied. Settle order.

WASHINGTON v. BIANCHI

Washington Supreme Court

THE STATE OF WASHINGTON, Petitioner, v. KENNETH BIANCHI, Petitioner, FEDERATED PUBLICATIONS, INC., Respondent, No. 40602, April 30, 1979

REGULATION OF MEDIA CONTENT
Fair trial, free press — Restrictive orders in general (§8.01)
Fair trial, free press — Judicial review §8.02

NEWSGATHERING
Access to records — Judicial (§38.15)
Restrains on access to information — Fair trial, free press (§50.17)

Washington trial court erred in permitting newspaper to intervene in criminal proceedings for purpose of contesting court order that sealed prosecuting attorney's affidavit of probable cause determination, since only purpose of criminal trial is determination of defendant's guilt or innocence and since newspaper has no direct interest in this determination that would justify its intervention; instead, newspaper's remedy must lie in separate action for declaratory judgment, mandamus, or prohibition.

Newspaper sought intervention in criminal proceeding for limited purpose of challenging Washington superior court order sealing documents in proceeding. From superior court order pending intervention, both prosecution and defense in criminal proceeding appeal. Reversed.
Harcourt Brace Jovanovich, Inc.

November 20, 1978

Dear HBJ Shareholder:

You are perhaps aware that recently a brisk trading has occurred in Harcourt Brace Jovanovich shares. As a shareholder, I welcome frequent and occasional large-block trading in our shares. An active market may make our stock more favorably priced.

On November 16th, Marvin Josephson Associates, Inc., a company whose revenues for the year ended June 30, 1978 were reported at less than $32,000,000, less than one-eleventh the size of HBJ, filed with the Securities and Exchange Commission a Schedule 13D declaring it had purchased 375,000 shares for cash in the aggregate amount of $11,667,827 (including brokerage commissions) and stating that the funds used were obtained from approximately $8,000,000 borrowed from a U. S. commercial bank, pursuant to unsecured demand loans bearing interest at the bank's prime rate in effect from time to time, and that the remainder was obtained from Marvin Josephson Associates's corporate funds.

On examining Marvin Josephson Associates's financial statements available to the public, we at HBJ find it incredible that a company of its size should spend much of its readily available cash and also borrow $8,000,000 at current high interest rates in order to buy 8.6 per cent of Harcourt Brace Jovanovich shares as an investment.
Our Directors believe that Marvin Josephson Associates has, in filing its Schedule 13D, rendered incomplete or misleading information to the SEC and in so doing MJA has deprived HBJ and its shareholders and the investing public of material facts to which all are entitled by virtue of the Securities Exchange Act of 1934. Accordingly, Harcourt Brace Jovanovich, Inc. has filed a complaint today (November 20, 1978) in the United States District Court for the Southern District of New York as plaintiff in a lawsuit against Marvin Josephson Associates, Inc. as defendant. We maintain that MJA has not disclosed relevant and material facts, and we mean to obtain them.

In a statement dated November 17, 1978, I declared that "Harcourt Brace Jovanovich (HBJ) is at present projecting a substantial increase in profits in 1979 over 1978 (as well as 1977). A preliminary estimate of sales and revenues for 1979 exceeds $450,000,000."

For the sake of all shareholders, including Mr. Josephson's company, I hope that a sensibly financed investment in HBJ proves to be profitable. Let skill and hard work enhance the nearly 3,500 owners of Harcourt Brace Jovanovich, Inc.

I send you greetings and trust that you find the Directors' actions in this instance both justified and necessary.

[Signature]
Harcourt Brace Jovanovich, Inc.

December 14, 1978

Dear HBJ Shareholder:

I must report to you on the Complaint that Harcourt Brace Jovanovich, Inc. filed on November 20, 1978 in the United States District Court for the Southern District of New York. We commenced the law suit against Marvin Josephson Associates, Inc., contending that MJA in filing a Schedule 13D with the Securities and Exchange Commission on November 16, 1978 failed to give the Commission, and the public, information that is in all respects complete and correct.

The SEC is charged to protect the shareholders of public companies. As chief executive officer of Harcourt Brace Jovanovich, I am also charged with protecting your interests. We are suing MJA because we believe that it would not have committed $3,667,827 of its own funds, plus $8,000,000 it obtained from an unsecured demand loan, to purchase 375,000 HBJ shares merely as an investment. We cannot believe that the Marvin Josephson Associates directors and shareholders (MJA is traded over-the-counter) would, for the purposes stated in their Schedule 13D, commit 145 per cent of their company's tangible net worth to purchase 8.6 per cent of another company's common shares.
The Wall Street Journal reports today (December 14th) that Marvin Josephson Associates is denying "any impropriety in its recent purchase of 8.6% of Harcourt Brace Jovanovich, Inc." MJA is ignoring the Third Quarter Statement I issued on November 6th. In The Wall Street Journal article, Marvin Josephson Associates is quoted as saying that HBJ's earnings for the twelve-months ended September 30th "were less than three times Josephson's earnings. . . ." Yet, our Third Quarter Statement clearly indicates that in 1978 we are charging against income a substantial amount of one-time losses from discontinued businesses. In 1979, it is reasonable to assume that our earnings will be about six times larger than those of MJA. I know intimately the enormous profit-making potentiality of Harcourt Brace Jovanovich, Inc.

The officers and directors of HBJ believe that Marvin Josephson Associates has not revealed all the pertinent facts in filing its Schedule 13D. That is our allegation. We expect it will be proved correct in the Federal Court. We regret that the chief officers of our Company must now spend valuable time on this law suit. It is our responsibility to make sure that no one tampers with your company. Harcourt Brace Jovanovich is a Company in which there is a delicate relation amongst the management and the 8,000 employees and the authors and others who produce HBJ's works and services.

William Jovanovich

[Signature]
Jovanovich to Direct Trade Division as Six Are Fired

Six top people in the general books department of Harcourt Brace Jovanovich were dismissed suddenly March 20 as William Jovanovich announced that he would "immediately assume direction" of the department. Those fired included Kathy P. Robbins, director of the department since September 1974 and a vice-president of the company, and Alan Kahn, whom Robbins had hired last November 1 to serve as editor-in-chief. Kahn had been vice-president and merchandise manager of B. Dalton Bookseller, and his appointment to a key editorial position was considered an exceptional action in the publishing world.

Others dismissed were Alan Kellock, marketing director since May 1976; Susan Kamil, subsidiary rights director since October 1976; Donald Breidt, general manager since March 1977; and Marion Wheeler, senior editor since September 1976.

All were told in the morning that they were to be out of their offices by 5 p.m.

On the suddenness of the dismissals, Jovanovich said there was "no point in dragging it out." He said he was "saddened" by the decision to fire the top management of the trade department, but that there was "fundamental disagreement over spending policy."

The general books department lost $1-million in 1975, made money in 1976 but lost $1.6-million in 1977, Jovanovich said. He added that 1978 "looks like a break-even year."

Jovanovich, who is chairman and chief executive officer of HBJ, said the corporate restructuring in February, in which a three-person Office of the President was created (PW, March 6), had nothing to do with reorganization of the trade department.

"Of the last eight weeks, the Office of the President and I have been conducting thorough studies and we are not satisfied with the level of income in relation to outgo. What you spend ought to come back sooner or later," Jovanovich said. "In order to reorganize in a way I thought was sensible, we had to start at the top."

Jovanovich said he was not sure whether or not the trade division would have an editor-in-chief from now on, but if so the position would probably be filled from within the company, as will the post of subsidiary rights director. Kellock, as marketing director, is not to be replaced; his responsibilities will be handled by the sales manager and the publicity and promotion departments. Nor will Breidt be replaced as general manager. That position was primarily a non-executive one, Jovanovich said, and financial decisions should properly be made by the head of the department. "The best business decisions are editorial ones," he declared.

Jovanovich, who has headed HBJ for 24 years and who briefly directed the general books department in the late 60s and again in the early 70s, pointed out that he was familiar with the editorial function. He said a group of four, consisting of himself, Julian Muller, Drenka Willen and Helen Wolff, "have never been involved in the general books department but have edited books and worked with authors on our own." Jovanovich has edited the works of Mary McCarthy, Diana Trilling, James Gould Cozzens, Eugene McCarthy, Milton Friedman, Charles Lindbergh, Hannah Arendt and John Jakes. His new novel, "Mad Men Must," will be published by Harper & Row on April 19.

The reorganization, Jovanovich said, was "a business change, and we don't expect to lose any authors."

He will oversee adult and juvenile hardcover books as well as paperback publishing, including Voyager/HBJ and Harvest/HBJ, and the mass market program of Jove/HBJ.

On the question of severance pay, Robert R. Hillebrecht, one of the three executive vice-presidents in the Office of the President, said, "Financial arrangements are personal in nature, but it is fair to say that those dismissed will be compensated by the company."

Straus Protests AAP Statement on Mergers

In a telegram to Townsend Hoopes, president of the Association of American Publishers, with copies to 50 "Fellow Independent Publishers," Roger W. Straus, Jr., president of Farrar, Straus & Giroux, protested the recent AAP statement on mergers in the book publishing industry (PW, March 20). Unless the AAP position is modified, Straus said in his telegram of March 14, "we shall have no recourse but to resign from the association."

As PW went to press, the AAP had received three letters from publishers "expressing varying degrees of concern" over the merger statement, but none had threatened to resign, according to Henry R. Kaufman, AAP counsel.

In his telegram, Straus said that the AAP's point of view about mergers "is not shared by this independent company. For one thing, acquisition of trade hardcover publishers by mass paperback houses or vice versa is distinctly detrimental to the competitive position of all independent trade houses. Furthermore I believe that it is not the prerogative of a trade association to make a statement of this kind without 100% agreement by all members."

Hoopes told PW that the AAP statement, "'Basic Facts Regarding the Allegation of Concentration in the Book Publishing Industry,'" was "a modest, considered and moderate step taken to set the record straight." He said the board of directors had approved the step because misinformation about the industry that had been appearing in the press during the last year had caused "an uneasy sense of restiveness on the part of the members, significantly among a number of independent publishers."

Hoopes pointed out that more than half of the members of the 25-person board represented publishers that could be considered to be independent and that ranged in size from large to small. These include Houghton Mifflin; Yale University Press; McGraw-Hill; Follett; W. H. Freeman; Addison-Wesley; Scott; Prentice-Hall; Stackpole Books; Doubleday; Rand McNally; Springer Publishing; Encyclopaedia Britannica; and Reader's Digest.

Hoopes said that Straus's belief that a trade association had no right to make a statement without 100% agreement by the members had "no substantial basis. We do not have a town meeting form of government. We are a corporation which elects a board of directors legally empowered to speak for the membership, presumably reflecting the membership's wishes."
Western Pacific Buys 6.7% Share in Houghton Mifflin

Western Pacific Industries Inc., owner of a railroad and a number of manufacturing operations, has purchased a 6.7% stock interest in Houghton Mifflin for $4.6-million and has become "the newest of our large shareholders," Harold Miller, Houghton's president, reports.

According to its statement filed with the Securities and Exchange Commission, Western Pacific may acquire additional shares. The statement concludes: "Although WPI may determine to do so in the future, it has no present intention to seek representation on the company's board of directors or to seek to acquire control of the business of the company."

Between October 20, 1977 and March 3 of this year, WPI has purchased 221,500 Houghton Mifflin shares in the market for an average price of $20.91 a share, according to WPI's report to the SEC. On March 16, in composite trading on the New York Stock Exchange, Houghton's common closed at $23.125, up $1.75.

Houghton Mifflin, founded in 1832, had been a privately and closely held company until it went public in 1967. Fifty per cent of the stock now outstanding is held by current or former employees, or heirs of the founders of the company, their families and trusts set up by them. The shareholders, according to Houghton's official statement on the WPI purchase, are "a true, loyal shareholder group." G. W. Breitkreuz, senior vice-president, financial and corporate services, said that no individual owns more than 10% of the outstanding common stock.

Asked if the company viewed the purchase as a friendly, neutral or hostile act, Breitkreuz said he could not comment on the question but quoted from Houghton's official statement: "We view their investment as an expression of confidence in the company's future."

Members of Boston's literary and scholarly community were reportedly dismayed by the stock purchase. John Kenneth Galbraith told PW that a joint statement was being prepared by writers representing "the principal Houghton Mifflin stable." The statement, Galbraith said, would be "an expression of concern over the development and our desire that Houghton Mifflin remain an independent Boston company."

Western Pacific Industries is based in New York and owns Western Pacific Railroad, whose headquarters are in San Francisco. Howard Newman, WPI chairman and chief executive officer, told PW that the corporation owns a number of manufacturing operations which produce measuring and indicating devices and industrial precision components. He would comment only in terms of the SEC statement.

"Western Pacific Industries has acquired shares of Houghton Mifflin stock as an investment in furtherance of its program to diversify its sources of income," the statement says. "WPI may acquire additional shares of Houghton stock in the open market or through private purchase or by inviting a tender of Houghton stock by the holders; or it may dispose of all or part of its investment if it should determine that it is to its advantage to take any of these courses."

By Massachusetts law, a tender offer cannot begin for at least a year.

Houghton Mifflin, publisher of the best selling "The Silmarillion" and "The Immigrants," has tripled its net income in the past 10 years. The company had a 1977 net of $9.8-million (or $2.93 a share) up from $7.8-million (or $2.32 a share) in 1976. Its 1977 sales increased to $124.4-million from $108.7-million in 1976.

The 29th Annual National Book Awards Brouhaha

Following is an exchange of letters—Roger W. Straus, Jr., and Aaron Asher to Herman Gollob, and Gollob's reply—preceded by portions of two relevant documents in this year's NBA controversy.

Excerpt from "Formal 'Charge' to NBA Judges":

"The Award winner should be chosen solely on its own merits and, except as noted below, without reference to the author's other work, to the fact that it may have been awarded other prizes, or to the fact that it may or may not already have received popular recognition. Unless it appears to the judges so clearly the most impressive work of its category so as to admit no other truly satisfactory choice, a book by an author who has previously won a National Book Award in that category should not be chosen."

Excerpt from a AAP press release announcing the nominees selected by the poetry judges—Daniel Halpern, Grace Schultman and Theodore Weiss—which included "A Private Signal" by Barbara Howes and "The Collected Poems" by Howard Nemerov:

"Barbara Howes' book, 'Looking Up at Leaves,' was a 1967 NBA Poetry Nominee. Howard Nemerov is the author of three previous NBA Poetry Nominees. . . ."

"The Poetry judges, in making their nominations, wish to say that they have faithfully adhered to one of the NBA rules which states that . . . Unless it appears to the judges so clearly the most impressive work of its category so as to admit no other truly satisfactory choice, a book by an author who has previously won a National Book Award in that category should not be chosen. . . ."

"While adhering to the sense of that rule, the Poetry judges at the same time wish to acknowledge the importance of those books of poetry, published in 1977, whose authors have previously been honored with a National Book Award."

Herman Gollob1

Athenaeum Publishers

122 East 42nd Street

New York, N.Y. 10017

Dear Herman:

The publication this morning of the list of fiction nominees for this year's National Book Awards and the copy of the "Formal 'Charge' to NBA Judges," which you sent us, give clear evidence of the confusion and ineptitude that has characterized the process of nomination.

There was plenty of muddle in previous years, but overall, the NBAs have been distinguished, during more than a quarter century, by nominees and winners of quality, far surpassing those of other annual awards. This year's roster of nominees, astonishing for the titles it omits, is almost all the proof one needs that something is very wrong. But going beyond the arguable of taste and opinion is the obvious contradiction between the "charge," which suggests that the eventual winner should be chosen with some reference as to whether or not a writer has won a prize previously, and the news release accompanying the poetry nominations, which says that the judges considered this factor in making their nominations. Who told them to do that? Someone, one suspects, who has difficulty understanding plain English. And so a misreading of the rules has caused the absurd absence from the list of nominees of Robert Lowell's "Day by Day," Walker Percy's "Lancelot," and Philip Roth's "The Professor of Desire." We can believe that the judges could finally have decided that each of these books by previous

1. Gollob is head of the steering committee of the National Book Awards.—Ed.
name, that it will be a separate company and that it will remain in Philadelphia. What we haven’t said is what kind of publishing it will be in. We ourselves do not know yet.” He said that Lippincott and Harper had kept apart until the merger agreement was signed, “but now we are getting to know each other and what the possibilities are. Now the important thing is to keep all options open.”

Lippincott said in the announcement of the acquisition agreement that it had been advised the Federal Trade Commission had begun a formal investigation of the merger. “Although Lippincott and Harper believe the merger does not violate the antitrust laws,” the announcement said, “the companies cannot predict what action, if any, will be taken by the commission.”

A FTC spokesperson acknowledged that an investigation was taking place but could not comment.

Scott, Foresman to Acquire Fleming H. Revell

Scott, Foresman, one of the largest elt publishers in the U.S., has announced an agreement in principle to acquire, for an undisclosed amount of cash, all of the outstanding stock of Fleming H. Revell Company, a family-owned evangelical publishing house reputed to be one of the most successful in the field. Effective May 1, Revell will become a wholly-owned subsidiary of Scott, Foresman, according to A. Herbert Swanson, vice-president, finance and treasurer. Other subsidiaries are Southwestern Publishing, William Morrow and Silver Burdett.

“It is a move toward diversification within the publishing field. We are trying to broaden our publishing base,” Swanson said. Toward this end, Scott, Foresman is also acquiring University Park Press, a medical publisher, by late August (PW, March 6). Swanson said his company is “financially strong,” and he described the acquisition of Revell as a “good financial move.”

Scott, Foresman’s net sales for 1977 were in excess of $177 million, with net earnings of $17.4 million. Revell would not disclose net figures, but its gross sales for the current fiscal year ending April, are approximately $11.5 million. About 95% of the company’s stock is owned by William R. Barbour, Jr., chairman and president, and his brother, Hugh R. Barbour, executive vice-president, who inherited the 79-year-old business from their great uncle Fleming H. Revell.

“Editorial tradition is precious to my brother and to me. We see definite benefits in being a wholly-owned subsidiary of Scott, Foresman rather than a small family company,” said William Barbour. He added that there will be no change in the management or policy of Revell and that he and his brother have “long-term contracts” to continue in their present positions. Revell will expand into the publishing of evangelical textbooks for high schools and colleges within a year, Barbour added.

Wadsworth Shareholders Approve Thomson Merger

Shareholders of Wadsworth Publishing Co. at a March 13 special meeting overwhelmingly approved the sale of their company’s assets to TEC Ltd. (U.S.) Inc., a subsidiary of Thomson Equitable Corp. (Canada)—one of a group of interlocking holding companies with a vast media empire spanning the U.S., the U.K., Canada and other countries of the Commonwealth—and controlled by the Thomson family of Toronto.

The shareholders were “very happy” with the $31.50 per share paid in cash by Thomson, for a total of nearly $32 million, according to Rudolph Scholz, treasurer of Wadsworth, publisher of college texts. “Thomson came up with a better deal and all concerned felt we should sell to them. They bought the company from under Longman,” Scholz added.

The sale was a culmination of merger talks between Wadsworth and several other companies, including Pearson Longman Limited of London, held during the past year. “Many suitors began to appear and activity was intense,” said James F. Leisy, chairman and chief executive officer. During that time the price of a Wadsworth share zoomed from $8 to $25, which Longman offered after reaching an “agreement in principle” with Wadsworth.

“We were going through a contract to sell,” said Leisy, when a group of shareholders led by former chairman Richard P. Ettinger, Jr., spearheaded the sale to Thomson by offering to sell their 32% of the company’s shares, on condition that Wadsworth agree to Thomson’s acquisition of the entire company (at $6.50 per share higher than the Longman bid). The board finally conceded to the Ettinger group.

“There were some differences at first, but everything has worked out amicably and we are all still friends,” said Leisy, alluding to the rift in the board’s membership over the sale to Thomson. He added that Wadsworth now “has the opportunity to expand in a much bigger way than we could with our own resources.” Wadsworth net sales for 1977 were $23,590,000.

The merger has brought about no change in the management of the company, Leisy said.

Earlier last year, the Thomson Organization of London, part of the Thomson family business, acquired two other U.S. publishing companies—Bowmar and Noble & Noble, now Bowmar/Noble Publishers. O.A.

Franklin Watts Inc. Starts Adult Trade Book Program

Franklin Watts, Inc., in the past primarily an institutional publisher of children’s books and higher education titles, will enter the adult trade book arena with its nonfiction fall list. Howard B. Graham, president of Watts and senior vice-president and publisher of the parent company—Grolier Incorporated—said the first five titles would be in “the how to be rich, thin, beautiful and tranquil genre.” One of the books that is already receiving media attention is “Jump into Shape: The Fast, Fun Way to Physical Fitness” by Sidney Filson and Claudia Jessup.

Graham emphasized that the adult trade program was a “natural” development. “In the last few years we did some children’s trade sales with two joint English companies and did very well,” he said. The imprints are Warwick Press (owned with Griesewood & Dempsey) and Gloucester Press (owned with Archon). It was natural, Graham continued, to concentrate the 15-member house sales force on the trade market during slack periods in the library and school markets.

“We did far better than we had anticipated, and those sales are now 15% of our total business,” Graham said. “And since we make approximately 3500 bookstore calls, it was natural to be in adult trade as well.”

He said he expected adult trade sales to account for 25% of the firm’s business, higher education for 25% and the children’s books institutional program for 50%.

There was a good possibility, he added, of tying in the marketing of adult trade books with the direct mail operations of Grolier Enterprises, “at least with the stuffing program.”

In addition to “Jump into Shape,” the other adult trade titles scheduled to appear under the Franklin Watts imprint are: “Winning Single: How to Be Your Own Person—With or Without a Partner” by Roland S. Parker; “Priorities: How to Stay Young and Keep Growing” by Dorri Jacobs; “Creative Insomnia” by Douglas Colligan; and “Living with Your New Baby: A Postpartum Guide for Mothers and Fathers” by Elly Rakowitz and Gloria S. Rubin.

HBJ Names Sondra Ordovery And Carol Hill to Key Posts

As part of the reorganization of the general books department of Harcourt Brace Jovanovich, in which six key people were fired (PW, March 27), William Jovanovich, chairman and chief executive officer, announced two top promotions March 27. Sondra Ordovery was appointed assistant publisher of Jove/HBJ paperback books,
From the bestselling Signet author of Savage Eden and Rogue's Mistress with more than 2.2 million copies in print...

Woman of Fury

Constance Gluyas

Across England flames consumed the flesh of women accused of witchcraft—a horror that drew ever closer to the young and beautiful Shalada Lorne. Yet, Shalada would defy the man who could condemn her to the stake, risking all to be with the gallant nobleman she loved...

Traffic-stopping point-of-sale materials will help you make Woman of Fury a big seller—
- 9-pocket, 36-copy Woman of Fury floor display featuring a full color, wraparound riser.
- 9-pocket, 45-copy Constance Gluyas Romance floor display containing Woman of Fury, Savage Eden, and Rogue's Mistress, with full color wraparound riser.
- 2-pocket, 12-copy counter display.
- Full color poster for in-store display.

Don't risk the wrath of disappointed customers—order your copies of Woman of Fury today!

E8075 $2.25 (250 in Canada)

From Signet 1 in June

New American Library
Order Department
P.O. Box 120
Bergenfield, N.J. 07621

New American Library of Canada Ltd.
81 Mack Avenue
Scarborough, Ontario M1L 1M8

April 3, 1978
and at the next meeting of the HBJ board of directors will be elected a vice-president of the company; she will retain her present post as editor-in-chief of Jove/HBJ books. Carol Hill, who joined the company in July 1976 as senior editor, was named editor-in-chief of trade books.

Ordover, who moved to HBJ last October as editor-in-chief for Jove/HBJ, said the most significant statement she could make about her professional life was, "Fifteen years ago I started as a proofreader at Fawcett Gold Medal"—a fact, she added, that should "give women heart." After eight years at Fawcett, during which she progressed from proofreader to managing editor, she spent several years in California, as the result of her husband's "corporate choreography," and there she developed television pilots on a freelance basis. Before going to HBJ, she served for four years at Ballantine Books, first as managing editor and then as senior editor with primary responsibility for motion picture and television book acquisitions and development.

Hill, as editor-in-chief of trade books, will not only direct those trade editors who are directly attached to the general books staff but will also serve as liaison with the other trade editors in the company—Helen Wolff, Julian Muller, Drenka Willen and Jovanovich—in connection with scheduling and allocation of publicity, promotion and advertising. Before joining HBJ, Hill had served for three years as senior editor at Morrow and for four years as both publicity and promotion manager for Random House and publicity director for Pantheon. She is the author of two novels—"Jeremiah 8:20" and "Let's Fall in Love"—a nonfiction work called "Subsistence U.S.A."

Allyn and Bacon and Local 925 Start 11th Month of Contract Negotiations

by Nancy Garden

As contract negotiations between Allyn and Bacon and Local 925 enter the 11th month, union members have intensified a publicity campaign launched early in March and aimed at teachers and members of other unions.

Attorney John D. Canoni, principal negotiator for Allyn and Bacon, said in his opinion the publicity campaign would have little or no effect on the bargaining sessions. "These have been unusually protracted labor negotiations," he said, pointing out that since unions are rare in the publishing world there are few existing contracts to draw on for guidance.

Allyn and Bacon is the second major U.S. publishing house to be unionized, following Harper & Row, whose employees affiliated with District 65 of the Distributive Workers of America in November 1974. In March 1977 Allyn and Bacon employees voted, 96-82, to join Local 925 of the Service Employees International Union, whose members include hospital workers, public employees and social workers. An employee spokesperson named hours, salaries and job postings, plus a disagreement over health insurance, as the major grievances that led to unionization. Since last June, Local 925 and employee representatives have been negotiating a contract with management to cover approximately 170 people in nonsupervisory editorial, design, advertising, secretarial and clerical positions.

More than 45 bargaining sessions have been held so far, 12 of them with the aid of a federal mediator. "We're doing everything we can at the bargaining table," Jackie Ruff, the Local 925 representative for Allyn and Bacon said. She explained that the publicity campaign was launched because of a strong feeling on the part of the union bargaining committee that management was unwilling to compromise on several major issues. "Reluctantly, we've contacted other unions and teachers," she said. "At this stage we're not asking them to boycott but to contact the company in the hope the company will listen to people who are in effect good customers."

Flies describing the union point of view and asking supporters to urge company president William B. Ansbro to "sign a fair contract" were distributed at the New England, Rocky Mountain and Midwest regional meetings of the National Council for the Social Studies; at the National Business Education Convention in Denver; and at the Midwestern Accounting Association meeting in Chicago. Articles about the negotiations have appeared in the publications of the Massachusetts Federation of Teachers and the Boston Teachers Union. According to Ruff, 10 faculty members from the University of Massachusetts who have ordered Allyn and Bacon books in the past have sent a letter to the company saying they will have to reconsider future purchases.

Canoni feels that the slowness of the negotiations is caused not only by the dearth of models for publishing contracts, but also by the "newness and inexperience" of Local 925, which was set up in September 1975. "I'd say that prospects for reaching an agreement did increase when federal mediators came into the picture," he told PW, referring to John Sullivan and Jerard Gomez of the Federal Mediation and Conciliation Service. Joseph Buckley, from the Service Employees International Union, who was called in recently to advise Local 925, has also been helpful, Canoni said. "They have made a number of suggestions. They caused the parties to come a lot closer together and made the union take a harder look at its proposals."

The lengthy negotiations have already borne some fruit. Agreement has been reached on the following points:

• the establishment of a joint committee to recommend improvements in lighting, heating and other environmental conditions;
• an additional sick day, for a total of 11, plus two paid "personal days" (there have been none);
• severance pay in case of layoff;
• treatment of pregnancy as any other disability;
• eligibility for three weeks' vacation after four (instead of five) years.

According to both employee and management spokespeople, four major areas of disagreement remain:

• union security: Both sides have agreed that current nonsupervisory employees may choose whether or not to join the union, and that once an employee has joined he or she must maintain membership for the duration of the contract. They disagree, however, on

Nancy Garden is a freelance editor and writer based in Boston, and the author of seven children's books.
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HOW TO SAVE YOUR OWN LIFE, by Erica Jong. (NAL/Signet, $2.50.) Isadora Wing tries everything—lesbianism and sexual orgies, a psychiatrist's couch and the bed of a bearded young man, writing a new novel and huckstering an old one — in this sequel to "Fear of Flying." Our reviewer, John Leonard, found some of it "hilarious" but the whole "surprisingly tiresome." A best seller in hardcover.

THE FAULKNER-COWLEY FILE: Letters and Memories, by Malcolm Cowley. (Penguin, $2.50.) SELECTED LETTERS OF WILLIAM FAULKNER, edited by Joseph Blotner. (Vintage, $4.95.) Each of these volumes succeeds in its purpose — to provide a deeper understanding of William Faulkner (1897-1962), man and writer, to show how the events of his life frequently affected his work. The first, based on a correspondence with Malcolm Cowley, one of the first literary critics to recognize his importance, extends from 1944; in a sense, it is a collaboration. The second volume is a well-edited gathering of letters Faulkner wrote to family and friends between 1918 and his death; it includes some items from the Cowley file.

VERY FAR AWAY FROM ANYWHERE ELSE, by Ursula K. Le Guin. (Bantam, $1.50.) Owen, a normal car-loving high-school boy tussling with dreams of making something of himself, finds his parents of less help than Natalie, a practical-minded, well-disciplined schoolmate. An engaging, well-written novel for teen-agers.

FORM FOLLOWS FIASCO, by Pete Blake. (Little, Brown/Atlantic Monthly Press, $6.95.) In stimulating, often sarcastic fashion, a leading architect-critic, long a celebrator of Le Corbusier, Mies van der Rohe and Frank Lloyd Wright, turns against the Modern movement, casting doubt on what it's done to our housing, cities and way of life, calling for new goals and new designs. A profusion of pictures illustrates his points.

SUSAN LENOX, by David Graham Phillips. (Popular, $2.50.) From its cover you'd think that this was just another women's historical romance. Actually, it's one of the best American realistic novels of the early 20th century. David Graham Phillips (1867-1911) follows a country girl's progress in the big cities, first as a prostitute, then as a successful actress; in so doing, he depicts woman's lot in a corrupt and tense society.

THE CONTROL OF OIL, by John M. Blair. (Vintage, $3.95.) This brief account of seven multinational oil companies — Exxon, Mobil, Standard of California, Texaco, Gulf, Royal Dutch Shell and British Petroleum — charges that they've exerted nearly complete control over the world's supply and marketing of petroleum and have used that power contrary to the public good. "An impeccable scholarly analysis," not easy to read or to rebut.

RENDEZVOUS WITH DESTINY, by Eric F. Goldman. (Little, Brown/Atlantic Monthly Press, $4.95.) A lively, provocative account of the American liberal tradition, from the aftermath of the Civil War to the aftermath of World War II, with special attention to William Jennings Bryan, Clarence Darrow and Franklin D. Roosevelt. In a new preface to this standard work, originally published in 1952, Eric Goldman notes his later thoughts on the subject and shows how the tradition has been modified by subsequent events.

SCARLETT, RHETT, AND A CAST OF THOUSANDS, by Roland Flaminio. (Macmillan/Collier, $5.95.) How Margaret Mitchell's 1936 best-selling novel "Gone With the Wind" was turned into the monumental 1939 movie. All the personality conflicts, power conflicts, cliff-hanging financing, friendships, love affairs, feuds and jealousies brought together in an abundantly illustrated book that will delight film and nostalgia buffs.

YEARS OF INFAMY, by Michi Weglyn. (Morrow, $5.95.) In 1942 110,000 West Coast residents, many of them United States citizens, were placed in concentration camps for no reason other than that they were of Japanese origin. One of them, Michi Weglyn, a teenager at the time, recounts their experience, drawing on Government documents and on her own memories of one of the camps. "An appalling story of neglect and even brutality," said our reviewer.

THROUGH THE LOOKING-Glass, by Lewis Carroll. Illustrated by John Tenniel. (St. Martin's Press, $4.95.) "What good is a book without pictures?" Alice inquired on the brink of her adventures in Wonderland. The contribution of the Punch magazine cartoonist Sir John Tenniel (1820-1914) to the magic of Lewis Carroll's fantasy is shown large and clear in this just-published "giant illustrated edition" of the 1872 classic. Both Carroll's text and 51 of Tenniel's drawings are reproduced in more than twice their original size. The picture above shows Alice's astonishment at Tweedledum's tantrum when his brother Tweedledee gets himself tangled up in an umbrella. A uniform "giant illustrated edition" of "Alice in Wonderland" is also available (St. Martin's Press, $4.95).

LIFE/SITUATIONS, by Jean-Paul Sartre. (Knopf, $2.95.) Through seven essays and interviews, the distinguished French philosopher and man of letters discloses how the world (politics, the situation of women) and his work (particularly on Flaubert) appear to him now that he's in his 70's. "There is iron in his soul yet," our reviewer observed.

Star time. For well over two years the paperback fraternity along Publishers Row has been watching the august house of Harcourt Bruce Jovanovich curiously. Shortly after purchasing Pyramid Books, a softcover line distinguished chiefly for its discovery of the Bicentennial sagas of John Jakes, HBJ renamed it Jove/HBJ and promised that it would launch fascinating new ventures in publishing. Plans for the first of these have just been unveiled.

Beginning in July, Jove/HBJ will publish at least one novelization a month based on a new movie or television show. The names of their authors won't mean much to bookbuyers — in most cases they'll be pseudonyms for journeyman writers. The pictures on their covers, however, will be catnip for the fans — photographs of such glittering celebrities as Farrah Fawcett-Majors, Chevy Chase, Goldie Hawn, Linda Rondstadt, Robert De Niro, Jack Nicholson, who will be starring in the shows on which the books' stories are based.

For Jove, this publishing strategy promises to provide two benefits. Armed every month with at least one book bearing names and faces that are familiar to every supermarket customer, its salesmen expect their whole line to receive a warm welcome from every dealer in the land. Even more important, such volumes will have particular appeal to the "television generation," the visually-minded young people who are not habitual bookbuyers.

"Heaven knows," says Sondra Ordover, Jove's recently appointed executive editor in chief, "these books aren't great literature. But they'll serve a good cause. The market for mass-market paperbacks has leveled off in the last few years. This promises to send it upward once more. And who knows, after they get used to buying books, some of the visually-minded may discover they like to read good literature."

Mrs. Ordover, the only paperback editor currently cultivating the visually-minded. During this month alone, five novelizations of movies and four of television shows are being issued by four houses. The one that will probably make the cash registers ring most often is "F.I.S.T.," based on the new Sylvester Stallone film. Dell Books paid an unprecedented high of $100,000 for the film rights.

Computer age. "The computers are coming! The computers are coming!" was the awesome prediction we made last fall in a column devoted to the books that would inevitably be published as a result of the imminent microcomputer revolution. Within the next five years, it was said, 90 percent of all American homes would have at least one. These personal, moderately priced ($500-$600) variations on the devices that have already assumed much of industry's drudgework would relieve the householder of such chores as controlling the lights, heat and air conditioner. More important, they would free him from dependence on the "boob tube" for passive entertainment and challenge him to play mind-expanding games.

At that time, it seemed likely that the first large shipments of personal computers would be reaching the electronics chain-stores before Christmas. But there were production delays, according to David Ahl of the Creative Computer Press of Morristown, N. J., one of the principal publishers in the field. Look for them later this year.

And what of the books the ordinary householder and his children need to be armed with for the computer revolution? That's next month's column. Continued on Page 42.
The gritty, glamorous milieu of the Grand Prix auto races is the setting for this sensation-filled novel of obsession, excitement, and high-speed intensity—the story of two champion drivers and their deadly duel for top honors in their field. Bursting with action, conflict, and unmistakable authenticity, brilliantly written by former N.Y. Times auto-racing reporter Robert Daley, THE FAST ONE will hurtle you into a thrilling world in which winning is everything, and "playing for keeps" is no figure of speech.
Bill Jovanovich And The Killer Whale

Is the written word dying? Was McLuhan right? One answer: It's hard to build a billion-dollar publishing house in publishing.

By JEFFERSON GRIGSBY

A GLOOMY DAY. From his book-lined mid-Manhattan office, publisher William Jovanovich looks out through the glass door across his private rooftop terrace, its flagstones gleaming with rain, to the murky skyscrapers.

"We make a great mistake when we ascribe the fate of civilization to deterministic actions by one institution or another," he says. "Civilization can't be currently perceived. We're in it, like a sardine in a can. We won't know about it until it's over."

That's the way a philosopher is supposed to talk, not a businessman, but there are a few advantages to being an editor and novelist as well as chief executive of a large corporation. The philosopher Jovanovich can answer a question Jovanovich the businessman would as soon avoid.

In talking about sardines and civilizations, the chairman and president of Harcourt Brace Jovanovich, Inc. was responding to a perfectly straightforward question, which was: What is a nice, respectable publishing house doing in the amusement park business?

The real answer is that HBJ is a $360-million corporation, listed on the New York Stock Exchange, and Jovanovich wants to make it a $1-billion company in the early 1980s. To help get there, in 1976 HBJ acquired the Sea World marine parks in California, Ohio and Florida. Shamu the killer whale? Doesn't this raise certain McLuhanesque questions? Couldn't Jovanovich make $1 billion in his own field? Apparently not. Says Jovanovich--businessman: Jovanovich--"There just isn't a lot of room in publishing to initiate or acquire wholly new businesses."

Thus the dissertation on civilization; it's not Jovanovich's fault if millions of Americans prefer amusement parks to books. He names another publisher, a famous man in the field. "He's always saying, 'Literature is at stake.' Who appointed him the guardian of literature? I'm probably the most scholarly man in American publishing, and I don't say that. Further, I don't hold with the factious assertion that a small publisher is distinguished and a big publisher is crude. I've known too many inept small publishers."

For most of its history HBJ was a small publisher itself. When Bill Jovanovich, then 34, became president in 1954, HBJ had total sales of $8 million. Since he took over, its sales have grown at a compounded annual rate of 18%, year after year after year, a great deal faster than the American reading audience.

HBJ now publishes around 2,500 titles of all kinds, ranging from newsletters and paperback romances to a limited-edition facsimile of Leonardo da Vinci's Codex Atlanticus at $10,000 a set. It publishes over 75 magazines, and it is one of the world's biggest publishers of textbooks.

In fact, textbooks, instructional materials and scholarly publications still account for nearly two-thirds of operating income. Growth by acquisition? HBJ is already so big in elementary and high school publishing that any acquisitions there could cause antitrust problems; and college publishers are expensive. Jovanovich offered close to $16 a share for Wadsworth Publishing Co. last year, when its stock was selling at around $10, but was outbid at $25 by Pearson Longman Ltd. of London; since then, Toronto's Thomson family has offered $31.50. That's 18 times 1976 earnings, compared to the 13 times HBJ paid for Sea World.

College textbooks, further, are a field where it is difficult to predict the market (enrollment projections often seem to be unreliable). And it has problems of price resistance and cut-rate used book competition.

What about general books—fiction, new nonfiction, children's books and the like—what the industry calls "trade books" and the world labels "literature"? To acquire a trade-book publisher, says Jovanovich, would be "madness." Why? He ticks off the reasons:

"Best-selleritis infects the field. You're bumping up against price resistance, and the returns on hardcover books are horrid—in the old days you got about 12% to 15% returns, and now it's starting to get to 30%. In fact, there are more hardcover books on the road these days than there are in bookstores and publishers' warehouses. Children's books have gone to pieces. I guess grandmothers don't buy books anymore. Maybe there aren't any grandmothers. Then, too, paperbacks* have cannibalized the once-

*In 1960 Jovanovich called mass-market paperbacks "a remarkable and profitable business, but . . . not our business." Times change. In 1974 HBJ bought Pyramid Publications, a paperback and magazine house, renamed it Source-HBJ and has so far put $6.5 million into it. It makes some money, but often not enough to compensate for the chronic ailments of HBJ's hardcover general books. Jovanovich now says the mass market is essential to the future of general books.
William Jovanovich once described his career as "just one of those Horatio Alger stories." But Bill Jovanovich is no cliché. He's very much for real. His father was an immigrant from the mountains of Montenegro, in what is now Yugoslavia, who became a coal miner in Colorado. His mother was recruited in Poland at the age of 13 to work in the U.S. factories of Botany Mills. Young Bill did not speak English until he went to school. He helped get himself through the University of Colorado by waiting on tables.

Many men who start that way become business successes. But Jovanovich also became a master, of the English language. "The first book I bought, at the age of 12, was by Erich Remarque," he says. "The second was by Lewis Mumford. Later, I edited both authors." His own novel, Madmen Must, to be published by Harper & Row, is a Book-of-the-Month Club alternate selection.

Jovanovich started as a $20-a-week textbook salesman with Harcourt Brace in 1947 when he ran out of money while working on a graduate dissertation on Ralph Waldo Emerson at Columbia University. Seven years later, aged 34, he became the company's president. In 1960 the company went public, then became a big publisher by merging with the World Book Co. and other acquisitions. In 1970 the immigrant name Jovanovich was incorporated in the eastern-establishment name of Harcourt Brace.

Self-assertive and outspoken, the 57-year-old Jovanovich has been a controversial man both inside and outside publishing. As a New York State school regent, he fought school busing. He once said American schools were being defeated in their purpose by social tinkering. He still feels that way, "but I'm not gloomy about it. There is going to be a renaissance of schooling in this country—I won't say a renaissance but a reeducoscence—when it's discovered that schools and employment are the only American instrumentalities for the inculcation of values. The great thing about our society is that we let people go. So everyone is doing their thing; and the only way you can make contact with them is at one end or the other."

He is fascinated by television as an educational tool, but not in the home: "You don't think all those people eat McDonald's hamburgers because they taste good, do you? They want to get out! Americans are a lonely people. They should congregate in well-lighted places."

For example, he wants to put lectures by economist Milton Friedman on videotape—"I don't want to wait for the refinement of the system, but to publish for whatever there is." This interest has led him down some remote paths. "I worked with [psychologist] B.F. Skinner on the first teaching machine," he says. "I was lecturing on Marshall McLuhan before anybody knew who he was. I'm an expert on failed educational technologies."

Not that publisher Jovanovich has given up on books: "Books were the first product of capitalism, did you know that? They were the first product that was centrally manufactured, nationally distributed and locally sold." But, of course, a modern communications corporation can't always live by books alone.

HBJ's Jovanovich: "It's a great profession, publishing," he says. "As long as you don't think you're responsible for the state of civilization, you can do anything."

Sizable "back lists" of previously published hardcover titles. All in all: "a miserable damned business." Miserable? Last year HBJ lost between $750,000 and $1 million in general books. All its profit came from elsewhere: school instructional materials, and college and professional books, mainly.

Fortunately, general books are only about 11% of total corporate revenues. But add to that dismal profit picture writeoffs for a couple of failed operations and startup costs for the company's new magazine, Human Nature, and a newly acquired office building in San Diego and you can see why the Sea World acquisition made sense. Through the first nine months of 1977 alone, it helped push gross sales to $281.7 million, from $201 million in 1976. Earnings per share last year increased about 20%, from $3.92 in 1976. It would be difficult to get that kind of gain from books for the same acquisition price.


Jovanovich's passion for growth is a matter of self-defense, in addition to internal motivation. Says HBJ's treasurer, Robert R. Hillebrecht: "I would say a $400-million company five years from now is going to be as vulnerable [to takeover] as a $100-million company is today."

To remain safe, HBJ must keep its stock price relatively high—and that means steadily rising earnings, something you can't count on from the book business. Right now HBJ sells at a premium of about 13% over book value and about six times probable 1977 earnings. Which may or may not be sufficient protection against takeover. The stock sells in the low 30s. Would the stockholders remain steadfast in the face of a $45 bid? Or $50?
Harcourt Brace Jovanovich.

They received a warm welcome. Biologist Dr. Paul F. Brandwein, the former vice chairman at HBJ, considers Sea World one of the world's finest living museums. Furthermore, it was a good property, with pretax margins of about 15%—not like Disney's theme-park margins of 20%, but pretty good—a net margin better than HBJ's and an acceptable balance sheet.

So, in late 1976 HBJ borrowed $46.7 million and, for $28.75 a share, acquired the first big theme park bought by a big publishing house.

Leisure analyst Lee Isgr of Paine Webber-Mitchell Hutchins thinks the price was too high. "An oceanarium takes massive amounts of capital to increase income," he says. "If you leave it alone it throws off cash, but never enough to build another oceanarium."

However, HBJ treasurer Hillebrecht estimates Sea World's replacement value at $80 million to $90 million, nearly twice the purchase price. And Barry Gluck of Oppenheimer & Co. believes it will pay for itself in seven years. Says Hillebrecht: "There is a financial syner-

"...People are always saying, "What if the president dies?" They ought to be asking, "What if he lives?" Maybe he'll do more harm..."

Jovanovich may differ from MCA, the suitor Sea World rejected, not so much in concept as in style and product mix. Is that bad? It's probably inevitable. Besides, intellectual though he is, Bill Jovanovich seems to enjoy the wheeling and dealing.

What will happen when Jovanovich himself passes from the scene? He came young to the top, and he won't be 65 until 1985. Or what would happen tomorrow, if he happened to step into a manhole?

"That's one of the most often-stated and conventional but illogical questions ever asked," he says scornfully. "People are always saying, 'What if the president dies?' They ought to be asking, 'What if he lives—maybe he'll do more harm.' Seventy percent of the men who are named executive vice presidents or chief operating officers never succeed to the title of CEO. They either get itchy and go off to run something else, or they don't have enough to do and lose their edge. I might name someone five years from now, but I wouldn't now. It would ruin him.

The job won't be easy. Jovanovich is a strong-willed man with a considerable ego who thoroughly dominates his company. From the Emperor Augustus to William S. Paley, such men have been hard to follow. But all this assumes that Bill Jovanovich will be able to maintain HBJ's independence that long. He—and Shamu—obviously intend to try.

"Anybody Can Buy GM"

What does that old entrepreneur Jack Massey like about ailing Genesco? The same thing he always likes when he makes an investment: the man at the top.

By PAUL STURM

JACK MASSEY, 73, has made himself something like $100 million by starting new businesses. So, what's he doing buying a big block of stock in Genesco, that ailing shoe, retailing and apparel firm with recent losses that have depleted balance-sheet equity and left its stock under water? Along with Tennessee banker friend Sam Fleming, Massey last summer laid out $4 million to buy 750,000 shares of Genesco, 6% of its common, the biggest single block.

In a way Genesco is a departure for the entrepreneur behind both Kentucky Fried Chicken and Hospital Corp. of America. In another way it isn't. Since May, Genesco has been run by ex-Brunswick Corp. boss John Hannigan, who came out of retirement to take over the $1-billion-a-year conglomerate. "I like Hannigan," Massey explains, "and I think he can turn that company around."

That's the key to Jack Massey's method: backing people, not propositions.

Jack Massey is that rare phenomenon: a late-blooming success. At 55 he ran a modestly successful Nashville medical supply business that he sold to Brunswick for $1 million. That was in 1967, and Massey went on to take over Kentucky Fried Chicken, expand it to a giant chain and then sell out to Heublein at a finger-licking $48 million profit. While he was building KFC, Massey was also building Hospital Corp., which went from scratch in 1968 to revenues of $625 million in 1977.

Two years ago FORBES wrote a short story about Jack Massey. It caught the eye of a friend of Albert Beutel, 35, the founder of a struggling maker of heart pacemakers. Beutel's friend decided that the Texas entrepreneur was the kind of man Massey should meet. They met.

"Jack didn't spend six months reading our financial statements," says Beutel. "He flew down here, talked to me and my father and made up his mind." Beutel was soon sitting across the table from Massey eyeing a check for $500,000, the first of what became a major Massey investment in Intermedics, Beutel's company. Last year it's revenues zoomed to $30 million, with 10% aftertax margins.

Officially, Jack Massey is chief executive of HCA—called back to the post he left in 1974 when its president resigned 18 months ago. But running one major business just isn't enough to keep Massey busy. A six-person staff at Massey Investment Co. on the first floor of HCA's shining new headquarters manages his personal holdings.

FORBES, JANUARY 23, 1978
Andrew Tobias, author of "The Only Investment Guide You'll Ever Need," has a passion for things that pay off. He also advocates that it's another of the themes of his best-selling book — not investing recklessly or needlessly in things you don't have to, which applies to his 1974 Toyota: "I've decided to take my own advice," he said the other day. "Between the insurance, looking for a space to park it and the rest of the hassle of keeping a car in Manhattan, it doesn't pay. I think I've got a customer — another author."

The 34-year-old writer has been in hot pursuit of the long green ever since he went to Harvard (’80) and its Business School (’72). "Theoretically," he recalled, "I majored in Slavic languages and literature, but my main activity was earning money for Harvard Student Agencies, Inc." This organization provided various services, from bartending to computer training, to help finance tuitions. "I expanded it, and by my senior year I was president. We put out such popular books as 'Let's Go: A Student's Guide to Europe' and 'How to Earn a Lot of Money in College.'"

Before entering Harvard's Business School, Mr. Tobias went to work for the National Student Marketing Corp., which flashed across the investment horizon during the go-go years on Wall Street. The idea was to serve the youth market with everything from antiwar posters to mouthwash. "At one point, on paper, I had $400,000 in stock options, but then the whole house of cards collapsed," he said. "The only thing I got out of it was a book — 'The Funny Money Game,' which Playboy Press put out in 1971."

He had sent an article on his experiences in the Pepsi generation marketing business to a dozen magazines. All but one — New York — turned him down. He then joined the magazine and remained with it for five years. Now he writes on money matters for Esquire.

Two years ago he wrote "Fire and Ice," a biography of Charles Revson, for Morrow. His editor there was Carol Hill, who is now with Harcourt Brace Jovanovich as editor in chief. Miss Hill served as his editor for "The Only Investment Guide You'll Ever Need."

Mr. Tobias was not enamored of the rather immodest title of his book, but he has come to like it more and more since it's become a best seller. Originally he thought of calling it "A Simple-Minded Investment Guide for People Who Have Gotten Burned Getting Rich Quick Before" or simply "What to Do With Your Money," but Miss Hill prevailed with the snappier title. The book is dedicated "To my broker — even if he has, from time to time, made me just that."

His pop-economics book is designed for people with savings of $1,000 to $100,000, Mr. Tobias said, and there are tens of millions of them in that wide bracket. Most investment guides of the sort you do not need, he believes, are addressed to the half-million Americans who are loaded and can afford investment counselors, tax lawyers and high-powered brokers.

"Most of my money is stashed away (tax-deferred) in the Lincoln Savings Bank," Mr. Tobias said. "It's in a retirement plan for the self-employed, but he also owns a co-op on Central Park West and has a diversified stock portfolio made up of "companies that are undervalued and generally pay high dividends."

One of the simpler investments he has made has been at local retail stores: "I've got cases of apple juice, wine, sardines, tuna and toothpaste." He figures that he's saving money by stashing away inflationary items. Occasionally, he splurges. The big thing was a $785 pinball machine, the results of profits made selling the pinball-machine company stock "short" in the stock market.

His last word? "My book," Mr. Tobias said, "is tax-deductible."
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BUSINESS

request for a $60 million loan for expansion; having already bought the Sea World amusement parks in Florida and California, the company has moved into broadcasting and insurance, as well. As Jovanoich tells it, the Robbins crew made unreasonable projections for the cash their department would need, and when asked to scale it down, they refused. "She became intransigent," says Jovanoich. "I had no choice but to ask for her resignation."

"That's a lie," retorts Kellock. "We didn't work out"

Jovanoich, Robbins:

"It didn't work out"

EXECUTIVES:
Publisher's Row

It sounds like a classic business novel: a bright young woman, handpicked by the head of an august publishing house, to head his trade-books division, rises rapidly to stardom. She takes iron-willed control of her empire, hiring and firing whom she pleases, developing bold new directions in marketing, and soon earns a reputation for being one of the industry's more ruthless executives. Then, just four years after being catapulted to the top, she is abruptly fired by the very man who launched her career.

Last week, the plot came true. In what the publishing world has dubbed "the Monday Massacre," the General Books department of Harcourt Brace Jovanovich, Inc., was turned upside down. The chief casualty was Kathy Robbins, 32, who was summarily fired from her posts as HBJ vice president and director of the department. Four of her top aides, including editor-in-chief J. Alan Kahn and marketing director Allan Kellock, were also fired, along with two contract managers, while several lesser assistants and secretaries were relieved of their duties with pledges that they might be relocated elsewhere in the firm. The victims were ordered to vacate the premises by 5 p.m. the same day. Guards appeared to supervise the exodus and stand watch at all exits and entrances; strict new office hours—8:30 a.m. to 6 p.m. only—were suddenly imposed, and the management sent round an improbable memorandum banning "torn or bizarre clothing" in the office.

'Nothing Unusual': According to the man behind the shake-up, chairman and president William Jovanoich, it was nothing unusual. "I gave Kathy Robbins a free hand running the place," he says. "It just didn't work out." The immediate cause of the house cleaning, Jovanoich explains, was that Robbins and her staff prepared an inadequate financial accounting to back up Harcourt Brace's

and her young associates. (The new dress code, he explains, was prompted by an unsuitable office attire in the General Books department—including bare feet.) For her part, Kathy Robbins is exceedingly poised and self-assured, qualities some detractors prefer to describe as cunning and dogmatic.

Last week's chaos is certain to do at least temporary damage to Harcourt Brace. "Anyone who takes a book there would have to be out of his mind," said one agent when he heard the news. But industry analysts on Wall Street are inclined to think Jovanoich made a wise move for the long term. The betting is that he will personally preside over the reorganization of General Books. And given his stated ambition to build HBJ into a billion-dollar company by the early 1980s, he certainly has motivation enough to make it work.

—MERRILL SHIELDS with PAMELA ELLIS SIMONS and DONNA M. FOOTE in New York

UNIONS:
Labor's New Muscle

Few people noticed last year when the Amalgamated Clothing and Textile Workers Union put a new organizational strategist named Ray Rogers on its payroll at a modest annual salary of $17,000. But last week, the entire labor-management world was marveling at Roger's work. The 34-year-old ex-VISTA volunteer and political consultant, who has turned around what had been a futile ACTWU struggle to organize giant J.P. Stevens & Co.—and his tactics could revolutionize the labor movement. "The movement for the first time is using its economic power," says Prof. B.J. Widick of the Columbia University Graduate School of Business. "And it will use it again.

Rogers strategy (Newsweek, March 6) is designed to isolate Stevens from the rest of the corporate world by pressuring the textile manufacturer's outside directors to quit its boards, and by forcing other companies to oust Stevens officials who sit on their boards. And the power play has worked remarkably well. Last week, Avon Products chairman David W. Mitchell resigned from the Stevens board after a rash of mail and telephone calls questioning his affiliation with a company that has long been organized labor's No. 1 pariah. Two weeks earlier, Mitchell and Stevens chairman James D. Finley stepped down as directors of Manufacturers Hanover Trust Co. after several unions threatened to pull their pension funds out of the bank.

The new muscle is working so well, in fact, that other union leaders are eager to try it. The International Association of Machinists, the United Auto Workers and other unions are considering the use of similar tactics against banks and other corporations that do business with South Africa's racist government. The AFL-CIO may draft "standards" for the
A Small Surge in Detroit

For twenty years, the pesky foreigners have been bugging Detroit—first the sturdier, utilitarian Volkswagen Beetle from Germany, then other imports from Italy, Sweden, France and, most of all, Japan. The waves of imports rose and fell, but the tide kept rising no matter what U.S. automakers did. As recently as last fall, Ford Motor chairman Henry Ford II proclaimed that Detroit was ready to push all but the luxury foreign models back “to the shores” with its own new compacts and sub-compacts. But as it turned out, foreign-car sales set a record during 1977 of 2,072,390 units, a gain of more than 500,000 over the year before. Now there are signs that the long-trumpeted Detroit counterattack may be gaining a toe hold—but the domestic models have an awesome amount of lost ground to regain.

Sales of U.S.-built cars in the ten days of mid-March climbed by 36 per cent over the same period last year. General Motors Corp., which commands more than half of the market, did even better than that; spurred by dealer incentive contests at four of its five divisions, its sales rose by a whopping 61.9 per cent to the best twenty-day total in GM history. But the March surge was the first bit of good news in three months for the U.S. automakers (chart). Detroit still has to prove that it can adjust to the era of small cars and even become leader of the worldwide trend. And the biggest obstacle the U.S. industry faces is one it long ignored: the notion among many American customers that it’s somehow hip to drive a Japanese, German or Swedish car.

Super Seller: Part of that mystique, built up over twenty years of hard winning, is sheer economy. The imports offer gas mileage superior to American cars. The VW Rabbit diesel is this year’s outstanding example: it has an Environmental Protection Agency rating for combined city-highway mileage of 44 miles per gallon, highest of any car on the American market—and there is a long line-up to buy it.

For years, price was another factor, but that has been changing of late. As the dollar has shrunk in value, the price of foreign cars has increased correspondingly. Toyota, the top foreign seller, has raised prices six times since last October for a total of $600, wiping out any price advantage it may have had over U.S. competitors. But the U.S. makers have not taken full advantage of the trend; instead, they have tried to raise domestic prices as the imports have gone up. Ford announced several price increases last week, and GM raised tags on their “fine cars and are selling at a very attractive price,” concedes William A. Niskanen Jr., chief economist at Ford.

Certainly, foreign-car owners interviewed by NEWSWEEK correspondents stressed worried prices as a principal reason for their purchases. David Barton, 28, a St. Louis businessman, used to drive a 1967 Cougar, “It was in the shop about a week,” he said. Barton now drives a VW Beetle with a 128,000 miles on its odometer—and practically no time in the repair shop. Paul Hores, a product researcher in Greenwich, Conn., has owned both Chryslers and Volkswagens in the past, but this year chose a VW Rabbit over a Chrysler Omni or Horizon, even though the Rabbit was more expensive. “I saw too many notices about recalls,” he said. “I don’t mind paying $600 to $700 more for quality engineering.”

While VW once enjoyed unchallenged leadership in both quality and sales among the foreign automakers, its place has been taken on both counts by Toyota, Datsun and Honda—in large part because of the dedication of the Japanese worker, who takes pride in getting welding seams straight, upholstery properly adjusted and paint evenly spread. A Toyota worker has the authority to stop the production line any time he spots a problem, and as many points along the line, workers don white gloves and remove their belt buckles to avoid marring the cars’ finish.

Lemons: Detroit has suffered other disadvantages in dealing with the foreign-car invasion. While the Big Three introduced the compact Corvair, Falcon and Valiant as far back as 1959, they merchandised them primarily as novelties or second cars. But when the 1974 oil crisis made smallness a necessity, the foreign makers had products ready-made for this market—while some of Detroit’s early attempts to compete, particularly GM’s Vega, were lemons. “The Vega did more to help us than anything else I can think of,” says Arthur Crow, general manager of Tysons Toyota in Vienna, Va.

Whatever its past fiascos, Detroit now seems to be on the right track. In part, the U.S. companies are simply joining a trend they can’t beat: Ford can’t import its new European-made Fiestas fast enough to satisfy demand. But they are also learning how to build successful small cars at home. After a slow start, GM’s domestically made compact Chevette is selling faster than the company can turn it out. Chrysler’s front-wheel-drive Omni and Horizon, introduced only two months ago, are off to a fast start in showrooms and should sell 200,000 units in only nine months.

With Chrysler, Ford and even ailing American Motors joining GM in recording mid-March gains, Detroit automakers are confident that the annual spring sales surge is well under way. They also are determined to drive the imports’ share of the market below 15 per cent over the next few years—and even Tom Niskanen, who agrees that for Japanese, German and other foreign sellers, the gravy days in America are coming to an end. “Small cars are going to take over the world,” he said. “It’s as simple as that.” And better late than never, Detroit now has solid hopes to be leading that parade.

TOM NICHOLSON with JAMES C. JONES in Detroit

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RIDING THE PERCENTAGES

For three months, sales of domestic cars slumped while those of imports soared. But Detroit now seems to be bouncing back.

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Source: Ward’s Automobile Reports

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Leckerin Design Associates

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Newsweek, April 3, 1978

57
HBJ, Inc., Creates Three-Man Office of the President

A new office of the President, composed of three executive vice-presidents, has been created at Harcourt Brace Jovanovich, Inc. William Jovanovich, who continues as chairman and chief executive officer, noted that HBJ is the first large publishing company to adopt the structure used by such corporations as GAF, ITT, Kodak, Borden and W. R. Grace.

The Office of the President, established at the February meeting of the board of directors, is "a neat organization," Jovanovich declared, "and it has already started to work."

The three executive vice-presidents who were elected to fill the Office are Robert L. Edgell, senior vice-president since 1976; Robert R. Hillebrecht, formerly treasurer and chief financial officer; and Jack O. Snyder, formerly senior vice-president and president of Academic Press, now chairman of Academic Press. They will act "jointly with equal powers." With the exception of Margaret Mary McQuillan, administrative vice-president and secretary, all officers and executives who manage units of the company will report to the Office in operations. The three executive vice-presidents and McQuillan are the only officers who will report directly to Jovanovich; before the reorganization 11 reported to him.

With the Office of the President to monitor operations, HBJ has also elected three administrative vice-presidents, staff officers who do not exercise line authority. The new posts were demanded by the company's expanding activities, Jovanovich said; "because we seriously needed to pay more attention to personnel, space requirements and data processing." In addition to McQuillan, the new administrative vice-presidents are Jack B. Chertok, director of corporate services, and Richard C. Haines, director of informational systems. ("Probably because computers deal with digits, data processing in most companies is placed under the financial officer, who doesn’t understand the computer’s use in selling and warehousing," Jovanovich remarked.)

HBJ is now basically organized in five groups: University and Scholarly Publishing, headed by Snyder; School Materials and Assessment, headed by Roger T. Lennon, one of the two senior vice-presidents; Periodicals and Insurance, headed by the second senior vice-president, James Milholland, Jr.; Business Publications and Broadcasting, headed by Edgell; and Popular Enterprises, headed by Hillebrecht.

This last group is built around the myriad operations of Sea World, Inc., acquired in 1976: three marine parks, research facilities, a fast-food chain of 16 outlets and fish-processing plants.

The general books department is placed outside of the group structure, Kathy P. Robbins, a HBJ vice-president and director of the department, like other officers, reports to the Office of the President.

Also outside a group are Human Nature, the company's new magazine; two printing companies and a phototypesetting plant; the New York City bookstore and the San Diego bookstore, scheduled to open in the fall.

In a recent interview Jovanovich, who has headed HBJ for 24 years as sales increased from $8 million to $400 million, expanded on the advantages of having a multi-person Office of the President—by expanding on the disadvantages of having a single designated heir to the chief executive officer. "A man bearing the title of executive vice-president or chief operating officer seldom succeeds to the post of CEO. He is a logical candidate for another company looking for a president. Or he is apt to lose his edge serving year after year as Number Two to a still young CEO," (Jovanovich will not be 65 until 1985.)

One of the advantages to an Office of the President, on the other hand, is the variety of experience its several members provide. "I am the only person in the company who, out of sheer longevity, has had experience in selling, editing, designing and as head of school, college and general books. You can’t replicate that now." Another advantage is the expandability of the Office. "In case of a merger with a corporation equal or nearly equal in size, there is always the problem of what to do with that company’s chief executive. If the Office holds three now, it can hold [Continued on page 27]
The moving love story of two unforgettable women... a mother whose happiness is shattered when her husband takes other wives... their daughter reaching out for forbidden love.

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"Elisabeth Macdonald has shown the old West, the epic landscape, as Willa Cather might have... Tender and deeply moving, it is for every woman who has ever been in love. Or who hopes to be.” —Clare Barroll

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SCRIBNERS
four.” And, finally, there are four executives (Jovanovich and the three in the Office) who can actively scout for acquisitions.

In the last 20 years, HBJ has effected 35 mergers, some relatively small. “We have learned that the small acquisition, in terms of sheer overhead, is just as costly as a large one. It is our policy to look for a company of over $100-million in sales. It could be anything except general book publishing—you can grow your own cheaper than you can buy it.”

Jovanovich speculated that possible areas of acquisition might include other forms of publishing, broadcasting and “since we’ve done so well with Sea World, popular entertainment. Not amusement parks, but perhaps an athletic team or the leasing of a stadium for concerts or light shows.”

Frankfurt Fair Organizers Urge Early Registration

March 31 is the deadline for registering for the 50th Frankfurt Book Fair, according to a reminder from the fair’s organizers, who warn that “consideration of applications received after this date cannot be guaranteed.”

The theme of the 1978 fair, to be held October 18-23, is “The Child and the Book,” and it inaugurates the International Year of the Child proclaimed by UNESCO for 1979. In addition to seminars and discussions, there will be an exhibition of international children’s books and a model library for young people. Following the fair, a convention of the International Board on Books for Young People (IBBY) will take place October 23-28 in Würzburg.

Further information may be obtained from Ausstellungs-und Messe-GmbH, Postfach 2404, Kleiner Hirschgraben 10/12, D-6000 Frankfurt am Main 1, German Federal Republic.

Printing and Publishing Mergers Decline by One

Merger announcements in the printing and publishing industry were down to 57 in 1977, from 58 in 1976, according to W. T. Grimm & Co., a Chicago-based merger consulting firm. For industry in general, the 40 categories studied showed mergers were also down—2224 in 1977, from 2276 in 1976.

Of the 57 print/publishing mergers, 21 were partial or divisional sales—sale of divisions, subsidiaries, product lines or 10% or more of the assets of a company. Publicly-held sellers accounted for 17 of the 57 transactions, compared to 23 of the 58 transactions in 1976.

Mergers in the printing and publishing field were mainly on a cash basis. Price information was available for only 29 of the 57 mergers and this showed that 17 were for cash.

The First Amendment

APPEALS COURT DISMISSES PRIVACY CLAIMS IN “DOG DAY AFTERNOON” SUIT

The New York Court of Appeals has affirmed dismissal of a privacy suit brought against producers of the motion picture “Dog Day Afternoon” and two books subsequently adopted from the film based on a real-life 1972 bank robbery.

The case represents an important issue for the publishing world: whether New York law permits individuals to bring invasion-of-privacy suits “when they claim to have been falsely depicted or described in books, plays or films that do not use their names, portraits or pictures.” The defendants were Delacorte Press, Dell Publishing Co., Inc., Warner Bros., Inc., and Artists Entertainment Complex, Inc.

The Authors League of America, in urging the appeals court to affirm a lower court ruling that such privacy claims are not valid, said that a reversal of the Appellate Division’s decision “would abrogate the test of ‘identification by name’ and impose severe restraints on authors and publishers and producers of books, plays and films dealing with social issues of contemporary importance, in violation of their First Amendment rights.”

In affirming the lower court decision on February 8, the appeals court said: “It is undisputed that plaintiffs’ names, portraits or pictures were not used in books or in the movie: thus no cause of action is stated under Sections 50 and 51 of the Civil Rights Law. . . . Whatever may be the law in other jurisdictions with respect to the right of judicial relief for invasion of privacy in consequence of unreasonable publicity, in our state thus far there has been no recognition of such right other than under Sections 50 and 51 of the Civil Rights Law.”

At the same time, the court noted that the question of defamation was not settled by its decision. The issue was not whether the plaintiffs should be denied relief for allegedly defamatory statements or portrayals, but whether a person could seek redress for allegedly false statements (whether or not defamatory) even though his or her name, portrait or photograph had not been used.

“The highly acclaimed motion picture . . . was a drama performed by actors, not a newsreel or documentary which photographed the actual persons involved in the robbery or its aftermath,” the Authors League wrote in its amicus brief. “These characters are portrayed by professional actors. The plaintiff and her children do not appear in the film. And their names, pictures or portraits are not used in the film or the book.” The plaintiff, Carmen Wojtowicz, wife of the actual robber, contended that the depiction in the film of the character “Angie Wortzik” is an unauthorized use of her name and makes the same claim with respect to her children.

“Western civilization has survived the ‘roman a clef’ for four centuries,” the League said. “From 17th Century novelists to the present, Proust, Joyce, Hemingway and many other authors and dramatists have described actual events in their novels and plays, and intentionally portrayed real people under fictitious names. Numerous novelists, playwrights and authors of motion picture and television scripts have drawn directly from life for plot and action, and have borrowed experiences, traits and foibles from living persons for the characters in their works.

“Without the test of identification by name, the restrictive threat of invasion of privacy suits would be expanded enormously. And the chilling effects would be far greater than in the case of libel. . . . Abandonment of the identification by name test would thus stimulate a pernicious self-censorship on the part of publishers, motion picture producers and television broadcasters. They would ‘steer wide’ of films and novels dealing with contemporary subjects and events when persons involved are still alive, even though these works are entitled to First Amendment protection.”

The League noted that abandonment of the identification test would also stimulate strike suits by persons whose experiences and personal traits parallel to some extent those of characters in a book, play or motion picture.

“Many of these suits would be stimulated by the hope of securing settlements from publishers or film producers desperate to avoid the financial drain of pretrial proceedings and trial, even though they would prevail if they were willing to pay the heavy price of defending their books and films against these actions.”

SUSAN WAGNER

MARCH 6, 1978
Edwin Newman to MC NBA Carnegie Hall Ceremony

Edwin Newman, NBC News broadcaster and author of two best selling books on English usage, will be master of ceremonies at the presentation of the 29th annual National Book Awards at Carnegie Hall April 12 at 5 p.m. The announcement was made by the Association of American Publishers, which has accepted full responsibility for the planning of the awards for the first time since their inception (PW, Dec. 26).

In addition, nominees in three of the seven categories were announced as PW went to press.

The History judges, Richard B. Morris, John Toland and Theodore H. White, selected the following books: "The Empire of Reason: How Europe and America Realized the Enlightenment" by Henry Steele Commager (Anchor Press/Doubleday); "Conflict and Crisis: The Presidency of Harry S Truman" by Robert J. Donovan (Vortran); "A Species of Eternity" by Joseph Kastner (Knopf); "The Path Between the Seas: The Creation of the Panama Canal, 1870-1914" by David McCullough (Simon & Schuster); and "Gold and Iron: Bismarck, Bleichröder and the Building of the German Empire" by Fritz Stern (Knopf).

The Biography and Autobiography judges, Maya Angelou, Robert Caro and Robert K. Massie, selected "Delmore" by E.L. Doctorow (Norton); "A Life of an Artistic Poet" by James Atlas (Farrar, Straus & Giroux); "Samuel Johnson" by W. Jackson Bate (Harcourt Brace Jovanovich); "Brother to a Dragonfly" by Will D. Campbell (Continuum/Seabury); "A Dual Autobiography" by Will and Ariel Durant (S&S); and "Black Jack: The Life and Times of John J. Pershing" by Frank E. Vandiver (Texas A&M Univ. Press).

The Children's Literature judges, Charlotte Brontë, Milton Meltzer and Elizabeth Gray Vining, selected: "Hew Against the Grain" by Betty Sue Cummings (Atheneum); "Mischling, Second Degree: My Childhood in Nazi Germany" by Ilse Koch (Greenwillow/Morrow); "The View from the Oak: The Private Worlds of Other Creatures" by Judith and Herbert Kohl (Sierra Club/Scribners); "One at a Time" by David McCord (Little, Brown); and "Caleb & Kate" by William Steig (FSG).

South African Justifies Ban on Bentley Play

Declaring that "a decision of the Publications Appeal Board in South Africa is final," Vere C. Stock, consul general in New York City, refused Eric Bentley's request to transmit to the government in Pretoria an appeal to reconsider the banning of his play "Are You Now Or Have You Ever Been."

In an exchange of letters made public by the International Freedom to Publish Committee of the Association of American Publishers, Bentley wrote: "It appears that the banning of my play in your country will set a precedent: you are hoping not only to control your own people directly, but also prevent their hearing from us foreigners.

"The play could be by a black author, it could be by a Communist, and we in America would still hold you should not, on that account, ban it. It doesn't mean that I am neither black nor Communist. I am one of the few races you approve of: Anglo-Saxon, and was born and bred in Great Britain. But this is all by the way."

"The real point is that you have a play here which has been found acceptable in London, Hollywood and Melbourne, not to mention Istanbul (the last hardly a model of freedom, let alone of Communist tendency)."

"In his reply of February 2, the consul general said: "Were you more closely aware of the situation in South Africa, you would no doubt comprehend the Board's action. Suffice it to say that South Africa is high on the list of Russian political targets and this fact could have influenced it. Bear in mind also that Communist agitators have been active in South Africa of late and views such as those expressed in your play could conceivably be construed as prop- ous. This sentiment we can well do without, whatever your original intention."

Scott, Foresman to Acquire University Park Press

Scott, Foresman and Company announced February 21 that it had obtained the exclusive option to acquire for an undisclosed amount cash all of the outstanding stock of University Park Press, Incorporated, of Baltimore. University Park Press, with sales of approximately $4,500,000, publishes in the fields of clinical medicine, the biosciences, speech and hearing, mental retardation, developmental and learning disabilities and special education.

Assuming exercise of the option, Scott, Foresman plans to operate University Park Press as a wholly-owned subsidiary from its Baltimore location, according to a joint statement by Gordon R. Hjalmarson, chairman, chief executive officer and president of Scott, Foresman, and T. Rowland Slighuff, Jr., chairman of University Park Press.

At the same time Scott, Foresman issued a statement on the first nine months of its 1978 fiscal year, ended January 31, that includes data from its subsidiaries, South-Western Publishing, William Morrow and Silver Burdett. The company reported net income of $4.33 per common share, an increase of 88¢ (26%) over the $3.45 figure of the prior year. Net sales totaled $86,258,000, an increase of 30% over the prior year, and net income totaled $24,976,000, an increase of $5,095,000.

Prior year amounts take into account the company's former Canadian subsidiary, Gage Educational Publishing Limited, which was sold effective May 1, 1977. After eliminating the effects of the Gage amounts from the comparison, total sales for the nine months increased by $20,846,000 (14%) and net income increased by $4,881,000 (24%).

Bologna Fair Announces Children's Book Prizes

In advance of the annual Bologna Children's Book Fair, which will take place this year from April 1 to 4 (PW, February 27), the Book Fair sponsors have announced this year's prizes. After examining 337 titles submitted from 91 publishers in 22 countries, Bologna will give the first prize for children's graphics to a small boxed set of animal stories (four 2½ x 3½ volumes). "Grainiskis Stadtmusikanten," illustrated by Janusz Grabianski and published by Vienna's Carl Ueberreiter. First prize for a young people's book went to Kodansha of Tokyo for a large format illustrated volume, whose title translates as "Anno's Unique World," by Mitsu- masu Anno.

While these prizes were voted by a jury consisting of Italian educators, another prize was awarded by a group of nine children ranging in age from six to nine, selected from classes in the Bologna school system. Their prize went to "Nicholas and the Moon Eggs" by Mark Way, a Welsh artist now living in Australia; the publisher is William Collins in Sydney. No American books were cited for a prize or honorable mention by either jury.

OBITUARY NOTES

Hal Borland, dean of American outdoor writers, died February 22 of emphysema, from which he had long suffered, in the Sharon (Connecticut) Hospital. He was 57.

Borland was the author of 30 books and 1750 editorials on nature for the New York Times, the last of which ap-


Jan Hughes has been named a vice-president of Media Systems Corporation, a subsidiary of Harcourt Brace Jovanovich. She will continue to manage the company's editorial department, a post she assumed in 1977. Hughes joined Media Systems in 1973 as product manager for nursing and allied health programs and later became responsible for programs in secretarial studies. She was formerly an executive editor with the college department of Appleton-Century-Crofts and a textbook editor at Holt, Rinehart and Winston and Prentice-Hall.

Marvin Sekler has been appointed vice-president for marketing at Jonathan David Publishers. For the past 10 years, he has been sales manager. For the time being, he will also continue to serve as sales manager.

Alan R. Dunlap has been appointed vice-president and general manager of East Coast operations for University Graphics, Inc. Since 1975 he has been president of Applied Typographic Systems and Western regional representative for York Graphic Services.

Allan W. Ferrin and Ernest C. Miller
AMERICAN MANAGEMENT ASSOCIATIONS has announced the following appointments:

Allan W. Ferrin has been appointed a corporate vice-president of American Management Associations. He was most recently president of AMACOM, the publishing-communications division of AMA. Prior to this, he was a member of the board of directors of Meredith Corporation and vice-president in charge of its educational division. He has also served as president and chief executive officer of Appleton-Century-Crofts.

Ernest C. Miller has been appointed president of AMACOM. Most recently vice-president of AMACOM, he joined AMA in 1964 in the company's management information service. In 1970 he became planning and acquisitions editor of AMACOM's book department, a position he held until 1973 when he became editor-in-chief of AMACOM periodicals.

Remo R. Duch has been named associate production manager for AMACOM. Formerly he was production manager at David McKay Company.

Neil McCaffrey III has been appointed associate publisher of Change magazine and Change Magazine Press. Previously, he was sales/subsidiary rights manager and order department supervisor with Arlington House Publishers.

Joan Wolk has been appointed editor-in-chief of Trafalgar House Publishing. She has served in several editorial and production positions at Macmillan since 1968. Her last position there was production supervisor.

JOVE/HARCOURT BRACE JOVANOVICH has announced the following appointments:

Jonathan Lazel has been appointed director of publicity. He was formerly publicity manager at Simon & Schuster and before that, held the same position at Berkley and Fawcett.

Constance Bogen has been appointed publicity associate. She was formerly articles editor for American Home and contributing articles editor for Viva.

Deborah Downing has been named publicity associate.

VIKN PENGUIN has announced the following appointments:

Mary Ann Gray has been named associate director of subsidiary rights. Prior to this she was permissions manager and motion picture agent for Harold Ober Associates, Inc.

Doren Arden has been named editor of Penguin Books. Most recently she was story editor for Palm Productions. She has also worked at Avon Books, freelanced for the Book-of-the-Month Club, Simon & Schuster and Pyramid and has been a featured book critic for Newsday.

Peter Guzzardi has been named associate editor for Penguin Books. Prior to this he worked for the marketing division of Bantam Books as sales promotion and advertising associate. Previously he was advertising manager of St. Martin's Press.

Helene Atwan has been named associate director in Viking publicity. Most recently she was a publicity assistant in the trade division of Alfred A. Knopf.

Susan Vermer, on leave for the past year, has rejoined the company as assistant managing editor of Junior Books and Puffin Books.

Steve Dorsky has been named assistant sales manager. He was formerly the Viking Penguin sales representative in San Francisco. Prior to joining Penguin Books in 1972, he was a sales representative for L. S. Distributors.

Deborah Forte has been named associate director of special sales. She joined the special sales department in 1976 as assistant to the director.

Nanci McCrackin has relocated to San Francisco where she will be covering...
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<th>EASTERN TIME ZONE</th>
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<td>KDDU-TV Hornafjordur, Iceland</td>
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<td>KBLU-TV Yuma, Ariz.</td>
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(Received Stations * Included in Station Count)
Auction Fever

With most of the pertinent information in hand at this column's deadline, it can be reported that more than $5-million was committed in reprint auctions held during the two-week period immediately preceding the annual ABA meeting that ended May 30.

As many as four auctions took place in one day—hardly the most efficient scheduling from the standpoint of gaining and holding the undivided attention of prospective purchasers. One reason for concentrating so much action in so little time would be to focus the spotlight in Atlanta on forthcoming books that had figured in big deals. Conversely, where the books being sold for softcover were already in print, it might have seemed like a good idea to dispose of the paperback rights before interest started shifting to next season's lists.

The largest amount of money for a single title appears to have gone for "Till Death Do Part: A True Murder Mystery" by Vincent Bugliosi with Ken Hurwitz. While the principals are not disclosing figures, Bantam's winning bid in the auction conducted by Jean Rosenthal of Norton is believed to have been $825,000.

Bantam placed top offers in two other auctions, buying Andrew Tobias's "The Only Investment Guide You'll Ever Need" through Irene Skolnick of Harcourt Brace Jovanovich for $290,000, and paying $330,000 for "Gates of Fire" by Elwyn M. Chamberlain, sold by agent Nat Sobel acting on behalf of Grove Press. Chamberlain, a New York artist who went to India and stayed five years, has put his experiences and observations in that country to dramatic use in this first novel.

Seventeen children's books by Beverly Cleary making up two series known after their respective hero and heroine, Henry Huggins and Ramona, brought just over $1-million from Dell in an auction orchestrated by Sherry W. Arden of Morrow. "Mommy Dear-est," an unworshipful memoir of Joan Crawford by her adopted daughter Christina, was also sold by Arden, to Jove/HBJ, for $753,500.

"Dress Gray," first novel by Lucian K. Truscott IV, was acquired by Fawcett for $800,000. Just prior to the paperback auction a movie acquisition had been conducted by Doubleday's rights director Robert Banker together with Coast agent Evarts Ziegler, in New York for the proceedings. For $200,000 plus escalators Paramount obtained the book centering on a death at West Point and the resultant exposure of corruption. There has in addition been a first-senal sale to Penthouse.

Fawcett, like Bantam, picked up three titles in the auction sweepstakes, getting one of them, Elizabeth Ashley's autobiographical "Actress" for its floor bid of $225,000. The third, "Metropolitan Life" by Fran Lebowitz, was acquired through Michael Willis of Dutton—for both trade and mass market paperback—for $150,000.

Jill Robinson's Hollywood novel "Perdido" ended up with Pocket Books, which registered a winning bid of $425,000 with Toinette R. Lippe of Knopf.

Previously tapped by the Jeppesen Aviation, Flying and Playboy Book Clubs, Robert Serling's "Wings" was auctioned by Dial's Bob Tabian to NAL for $275,000. The novel covering the rise of the airlines was also sold for an ABC television miniseries or three-hour Movie of the Week by the author's agent Aaron Priest.

Then there was "Nurse," Peggy Anderson's account of the daily routine and drama in the life of a hospital nurse, sold by Sally Richardson of St. Martin's to Berkley for slightly above $100,000.

At least one other auction was in progress, outcome still unresolved, as this roundup was being prepared.

Commenting on Fawcett's uncontested purchase of his company's "Actress," Herbert Katz of M. Evans observed: "All the reprinters said they were crazy about the book—but with so many auctions, I ran into a tight money situation." When he saw what was happening, Katz decided to accept a preemptive bid for another title he'd been planning to auction, "Money Love" by Jerry Gillies—in which the ability to make money is linked to loving oneself—went straight to Warner Books for $200,000 plus escalators.

There must be a lot of self-lovers walking around these days.

"Death Freak" Sales

Clifford Irving is back again with a work that is frankly fiction, and on which he has a collaborator, Herbert Burkholtz. Their joint effort, "The Death Freak," coming from Summit in August, spins a tale of two spies—one American, one Russian—who take it into their heads at the same time to retire and who, thwarted by their respective bureaus, team up together with the help of a woman called Chalice to outwit the intelligence Establishment.

"Playboy will run the prps in two issues prior to Summit's publication, with the French and German Playboys also serving up portions. In addition, Playboy Book Club is to offer the novel as part of a triple selection, and arrangements have been concluded with Michael Joseph and Sphere for British hard- and softcover editions.

The authors, while sharing a single pseudonym, John Luckless, have different agents. Irving is Julian Bach, who with the cooperation of Anthony Shell in London, made the English sale. John Cushman represents Burkholtz.

New Light on Presley

Last year Bach received a letter from a woman in Los Angeles identifying herself as a former nurse in a Swedish rehabilitation home. Would he care to look at something she'd written? It dealt with an orphaned, physically handicapped child and Elvis Presley.

The manuscript, which the agent promptly agreed to read, told how the nurse, Lena Canada, found the key to the girl's withdrawn personality in her secret adoration of the rock star, and how, when Presley heard about her, he brightened the last days of her life with little notes and gifts.

"To Elvis, with Love" by Lena Canada figures on the prps in two issues of Everett House as a September entry. McCall's for August will give it a sendoff with a 3500-word condensation.

Short Subjects: Knopf has set October publication for Rosellen Brown's "Tender Mercies." A sale to Viva by the Virginia Barber agency will afford readers of the October issue an advance glimpse of the study of a blighted marriage. . . . When Carolyn Anthony auctioned "Adrien Arpel's 3-Week Crash Makeover/Shaperope Beauty Program" (Rawson), she got in just ahead of the crush covered in our lead story. Pocket Books paid $275,000 for the book coauthored by Ronnie Sue Ebenstein and will bring it out as a trade paperback. . . . Popular Library is to reprint Arthur Weigarten's "The Sky Is Falling" (Grosset).
Over One Million

World Publications, publishers of Runner's World magazine is the largest publisher of running books in America. Our dozen years of phenomenal success in producing books on running and jogging have set the stage for a complete line of leisure time activity publications led by best selling authors such as Dr. George Sheehan, Dr. Joan Ullyot, Hal Higdon, Joe Henderson and many more.

World pledges to continue to deliver the best selling authors and the largest profit makers in the field of running and leisure activities.

THE COMPLETE MARATHONER
Edited by Joe Henderson

5000 ran the New York Marathon, 7000 ran the Chicago Marathon... Over 6000 ran the Boston Marathon... All over the country running fever is attracting thousands. Joe Henderson, Runner's World magazine editor, has gathered more than 50 chapters written by running leaders like Dr. George Sheehan, Dr. Joan Ullyot, Brian Maxwell and other greats. A must for every competitor.

$10.95 Cloth Just Published

DR. GEORGE SHEEHAN'S MEDICAL ADVICE FOR RUNNERS

Dr. Sheehan on Running has sold over 100,000 copies and is still going strong. His Running & Being is climbing best seller lists across the country. Dr. Sheehan's new book is the most practical and complete medical reference text yet prepared exclusively for runners. His proven sales record will "run" Medical Advice for Runners to the top of the charts.

$25,000 ad/promotion campaign
$10.95 Cloth September

THE COMPLETE WOMAN RUNNER

By the Editors of Runner's World

Women runners are entering racing and jogging in increasing numbers. Dr. Joan Ullyot's Woman's Running has passed the 100,000 mark. The Complete Woman Runner is a massive volume that includes the most up-to-date information available. Gayle Barron, women's division winner at this year's Boston Marathon says: "It's nice to have everything a woman runner needs in one volume."

$25,000 ad/promotion campaign
$10.95 Cloth October

World Publications
Mountain View, California
C. Hill, Jeremiah
Harper '70, 97
NYRB, Jl 23, '70 10
NYTBR, Jl 19, '70 25
New Yorker, My 11, '70 100
SR, My 23, '70 62

Subsistence CSM, N'7, '73 BC
NYTBR - 02, '73, 22 (Hoagland)

Let's Fall
Harper, S '74, 80
NYRB, Jl 27, '74, 24 (R. Sale)
NYTBR, Ap 14, '74, 6
New Yorker, My 13, '74, 157
Lit Jl Jl 1, '74, 1564
ROBERT MORTON has been appointed vice-president, editor-in-chief, of Harry N. Abrams. Mr. Morton entered publishing in 1958 as an assistant editor at Doubleday. In 1960 he joined Bantam, where he developed the Gallery Editions original line of illustrated paperbacks. In 1962 he became book review editor of Show magazine and later that year joined Time-Life Books, where he was associate editor of the Life Nature Library and series editor of the Time-Life Library of Art. From 1970 to 1973 Mr. Morton was editorial director of New York Graphic Society. Subsequently he became a freelance publishing consultant and series editor for the last seven volumes of Time-Life’s American Wilderness Series. Mr. Morton is the author of “Southern Antiques and Folk Art,” to be published in September by Oxmoor House.

MARGARET L. KAPLAN has been named executive editor. She joined Abrams as an editor in 1964 and subsequently became supervising editor and managing editor.

MARVIN H. HOFFMAN has been appointed executive vice-president and chief operating officer of Pinnacle Books and Corwin Books. Mr. Hoff- man, who will continue as vice-president, finance, for both publishing imprints, joined Pinnacle in 1975 and prior to that had worked in financial and administrative capacities for Arthur Andersen & Co., Schenley Industries, Inc. and other companies.

BONNIE S. AMMER has been appointed publicity director of the trade division of Bobbs-Merrill. She was previously publicity manager for Holt, Rinehart and Winston and before that worked in the publicity department at Doubleday. Ms. Ammer will work out of the trade division offices in New York.

GARY DEWALT has been appointed editor in the occupational publishing group of John Wiley, with responsibility for books on business and office occupations, architecture, and environmental, construction and agricultural technology. Mr. DeWalt was formerly West Coast regional editor.

ROBERT PIRLTE has been appointed West Coast regional editor. Previously, he was a New York City college travel- er for Wiley.

IRVING COOPER has joined the college division as a textbook marketing manager, social sciences/humanities. Since 1972 he had been a college traveler in the Mountain region.

SHIRLEY HOCHEBERG has been named promotion manager for Wiley-Science journals. Before joining Wiley she handled promotion for 17 years at Scientific American.

PAMELA BYERS has been appointed publicity coordinator. She has been a college teacher, freelance writer and publicist.

ASHAK M. RAWJII has been appointed sponsoring editor for the professional and reference division of Van Nostrand Reinhold, with responsibility for titles in environmental science and technology, energy, chemistry, biology, ecology and behavioral science. Most recently, he was supervising editor of the science and international affairs division of Funk & Wagnalls.

ANNE PIETRUPINTO has joined Neale Watson Academic Publications as associate editor. She was formerly associated with Simon and Schuster. Macmil- lan, Franklin Watts and Bantam.

CHILL LANDEGGER has been appointed editor, books for young readers, at Crane, Russak. She previously served as consulting editor and assistant editor.

MARY B. WILLIAMS has been named manager of the books for young readers department. She will continue to handle rights and permissions.

STEPHEN BEITLER has been named promotion manager. He formerly worked in the promotion departments of Behavioral Publications and Marcel Dekker.

WILLIAM BURTON has been named production-editorial manager and coordinator with overall responsibility for the production of books, journals and books for young readers. He formerly worked in the production department of Watson-Guptill.

LARRY B. SWENSON has been named national sales manager of Two Continents, with responsibility for house and commissioned sales representatives and major accounts in all 50 states. Mr. Swenson was formerly a Midwest sales representative for Two Continents, based in Chicago.

L. RONALD MCCAWHORN has been named a house sales representative. He is based in Chicago and is covering Illinois, Indiana, Iowa, Wisconsin and Minnesota.

JAMES P. GRONDIN is now a house sales representative based in Ann Arbor and covering Ohio, Michigan and Western Pennsylvania.

JOAN SIMON has been appointed a house sales representative based in San Francisco and covering Northern California.

CZESLAW JAN GRYCZ has been appointed production manager for the University of California Press. He previously worked for Stanford University Press and Lane Publishing. Mr. Gycz is a co-founder of the Oldstyle Press, a commercial lithography business in Palo Alto, Calif.

PEGGY TSUKAHIRA has been appointed associate editor of the McGraw-Hill general book division. She was formerly assistant editor in the Little, Brown trade division.

MARY JANE ROSS has been appointed director of subsidiary and foreign rights at Branden Press of Boston. She will continue to work out of her office at 85 Sunset Lane, Tenafly, N.J. 07670.
Subsistence
U.S.A.

By Carol Hill.
Photographs by Bruce Davidson.
186 pp. New York:

By EDWARD HOAGLAND

Commiserating recently with a literary chronicler and critic, I said I thought his talents deserved a time less nondescript to interpret, that we seem to lack even one writer of coherent genius, and see few books of exceptional distinction and that, even without his chronicler's bent, I was discouraged by it. He didn't disagree, but tried to put the best face on the matter by saying this is a time of transition in writing and maybe interesting for that. I said it is a time of transition in everything but writing—and could scarcely be more interesting—but that in writing it is a time of waiting.

But let's suppose for the moment that, literally, it is a transitional era. Then what's

Edward Hoagland wrote "Walking the Dead Diamond River."

"Absolutely the best book to be written in this or any other country by anyone who has taken ink to paper in the last one hundred and sixty-six years."

—Reviews For A Dollar

"The perfect gift. After you're through reading it, why, just get a couple of table legs nail them in and presto—you have a table. Or attach a smallish knob and bingo, a tiny door. Or slip it down the seat of your drawers if someone looks as if they plan to spank you."

—Around The House

"Rates a Four Fig Rating. The next to best Fig Rating you can get. The only book to get a Five Fig Rating was Moby Dick when it first came out. But Moby

would work if he had to, but a bum wouldn't on any account. Raw men; and Aunt Laura, whose house happened to stand near the railroad tracks, would bake an apple pie and set it on the windowsill fresh from the oven to cool. Along comes one of these fellows, however, swinging off a flatcar, and snatches the pie, and eats it under yonder willows, while a coffee-can of aromatic chicken stewed over a twig fire. Subsistence living was not then generally a matter of choice, and most of the rest of society was a long way from the Victorian idea, which is becoming current again, that the poor deserve to be poor.

Although most subsistence living remains painfully involuntary, part of the complexity of how we live right now is that some people are living a subsistence existence deliberately—those eucalyptus hippies bathing in the treetops, or posed triumphantly on a footbridge against the sky—just as other people choose homosexuality, or a doctor's midnight oil. So let's by all means have a look at them. But let the author who seeks authenticity be just as authentic in his own approach to what ought to be a rigorous job. Subsistence living is not the same thing as subsistence art. 

"
Ann--

Points for Carol Hill, not necessarily in this order:

--- What is their rationale for wanting to do the book only in paperback?
   (That is, why forego the library sales and the critics' reviews which
   go with hardback publication?)

--- What paperback series--Harvest Books, Harbrace, or what?--would they publish
   it in? Why would it compare with what they did with Wendell Berry's poetry
   book, Clearing, or what? That is, what is an example of such a book they've
done similarly?

--- The advance: $3500 is an unhappy figure for me, because it's what Carol
   and I got for my first book, NEWS: A CONSUMER'S GUIDE, from Prentice-Hall
six years ago. Given the inflation rate since then, I'll have lost considerable
   ground if I sign for the same amount now. Point out to her that I set you
a minimum of $5000 as the advance for this book, and portray me as fairly
   stubborn about such matters-- i.e., I've turned down contracts in the past
(with West Publishing, for example). And that I feel I have strong reasons:
that I'll have to forego magazine work, my bread-and-butter, for several
   months; that there is considerable travel and time to be spent in Montana
researching .

   There are dickering terms:
--- A bonus for meeting the deadline on the ms (it worked well on the
   Prentice-Hall book, because I'm pretty good at working toward a deadline).
   Something like $1000 advance, $300 bonus would be acceptable.
--- Travel money for this summer's research in Montana: $3500 advance and
   kick up to $1000 travel and research expenses would be acceptable.
--- If she absolutely won't budge on $3500 advance, will she give us
   a break on royalty rates, first serial rights, negotiables of that sort?
   That is, what royalty rate is she talking about with the $3500 advance?
   If it's less than 10%, with a step-up to 12%, she's really being tight.
   And of course, the royalties should be on suggested retail list price,
   rather than on the publisher's net or the wholesale price.

Some general notions: she seems to be talking to us as if the ms were a
   first novel. Stress that I do not see the book that way -- that it is an
   intricate piece of research, with much interviewing and archival work involved.
   If they see it as a novel, I'll damn well do it as fiction and relieve myself
   of all this bone-breaking research for historical accuracy.

   A prospect you could pass along to her: I've been mulling the Taylor
   Gordon material, and think I at last see how to use it -- in an article
   contrasting him and his book about White Sulphur Springs with me and my
   research for mine. The query would go to Suzanne Mantell at Harper's --
   the point to mention to Hill being that I did that article for Mantell
   just as BOOKLETTER died, she liked it a lot, and there's a chance she
   would be amenable to this query.

   Looking over the above, I'm not sure that I've been plain enough that
   the main concern is publication in paperback only. The advance has its
importance, but mainly as a negotiating tool -- i.e., they should either
give us some respectable money right off, or make it up to us elsewhere.

BE A AGENT -- THINK GREED!
Carol Hill -
Jeremiah 8:20
Let's Fall in Love
Subsistence USA
Calendar

APRIL 18-21

APRIL 21
Association of American Publishers College Division seminar, "Continuing Education: Challenges and Opportunities." Plaza Hotel, Fifth Ave. & 59th St., New York. Topics will include marketing and editorial issues with case studies of continuing education experiences. Registration: AAP members, $37.50 per person; nonmembers, $75 per person. Special rates for three or more registrations. For information and registration: Geraldine Murphy, AAP, College Division, One Park Ave., New York, N.Y. 10016; (212) 689-8920.

APRIL 21

APRIL 26-MAY 2

JULY 11-AUGUST 5
Publishing Institute, course offered by University of Denver Graduate School of Librarianship. Intensive introduction to publishing; workshops in editing, production, marketing; lecture/teaching sessions conducted by specialists, etc. Director: Elizabeth A. Geiser. Enrollment limited to 80 students, primarily recent college or library school graduates; a limited number of persons without degrees currently employed in publishing and college students who have completed their junior year will be admitted. Student housing, meal tickets available. Tuition $525; six quarter hours credit. Applications, accompanied by nonrefundable $25 fee, must be submitted by May 1. Application forms: Dean, Graduate School of Librarianship, University of Denver, Denver, Colorado 80208; (303) 753-2557.

EXHIBITS

American Institute of Graphic Arts, 1059 Third Ave., N.Y.C.; 9:30 a.m.-5 p.m.

March 8-25: "The Mental Picture III—Portraits," third exhibition of American illustration featuring portraits painted or drawn by AIGA members and nonmembers and appearing in print, film or electronic media.

Antiquarian Bookseller's Center, 630 Fifth Ave., Rockefeller Center, N.Y.C. 10020.


Society of Illustrators, 128 E. 63rd St., New York, N.Y. 10021; (212) TE 8-2560. Mon.-Fri., 10 a.m.-5 p.m.

Through Mar. 8: Annual Exhibition; first section, Editorial and Book Illustration.

Mar. 16-Apr. 13: Annual Exhibition; second section, Advertising, Institutional and TV/Film Illustration.

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By John P. Dessauer

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—College and Research Libraries

"...the chapter on publishing finances... is unquestionably the best published description to date....In choosing one book which best explains the structure and operation of the U.S. book publishing industry, one must now select the Dessauer title."

—The Journal of Academic Librarianship

"This is a basic textbook on book publishing for those who want to know how a book is selected for publication, financed, manufactured and marketed."

—St. Louis Post-Dispatch

Paper: 0-8352-0953-9, 1976, xv + 231 pp., $ 6.95
Cloth: 0-8352-0758-7, 1974, xv + 231 pp., $11.95

Order from R.R. Bowker Order Dept., Box 1807, Ann Arbor, Michigan 48106


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HBJ

GENERAL BOOKS: A NEW PUBLISHING CONFIGURATION

Publishing as a profession is neither as old, nor as fixed, as we sometimes assume. In fact, modern publishing practices date from the 1920’s, and typically they are still being examined and reexamined, defined and redefined. At HBJ we took a fresh look at general book publishing in the Fall of 1975.

What we saw then has been seen by others: by publishers, authors, agents, wholesalers, jobbers, and booksellers. We saw a dramatic shift in book distribution; we saw the difficulty of publishing many books we once readily accepted; we saw the conservatism and the resulting ineffectuality of book marketing; we saw the erosion of the traditional means of acquiring manuscripts and enlisting authors.

Late into the night at one of the sessions in 1975 we decided to merge the Trade department with Pyramid, which was then a recently acquired HBJ subsidiary company.

Such a merger defied conventional wisdom about mass market and trade publishing as being related but mutually exclusive. The merger had problems. But we saw in it some answers to current publishing dilemmas. We realized that this merger between hardcover and mass market paperback publishing would enable us to plan the life of a book in terms of format, pricing, and distribution; buy properties and develop authors jointly; afford the very best in talented people; undertake new programs that we couldn’t justify separately; and share market intelligence such as by applying mass market merchandising skills to trade and trade product creativity to mass market.

Harcourt Brace Jovanovich now has fully integrated trade and mass market paperback publishing into a single operation called General Books. It has combined their functions in contracts, production, art, advertising, promotion, publicity, subsidiary rights, finance, and premium sales. The editorial and sales divisions, while they maintain separate structures, work closely, every day.

As a warrant of this change, and as a reflection of the Company’s commitment to the kind of publishing we now perform, we are changing the name of our mass market books in September of 1977 to Jove/HBJ.

Next week: Editorial directions for Jove HBJ

IN SEPTEMBER! JOVE/HBJ
HBJ's New Jove Paperback Line Will Share Functions With Hardcover Trade Side

Last month's announcement that Harcourt Brace Jovanovich would meld most of the publishing functions of its mass market subsidiary, Pyramid, with those of the trade department (paper and hardcover) and rename the former Jove underscores HBJ's earlier commitment to create a flexible and quickly responsive General Books Department (PW, October 13, 1975).

The company will completely reorganize its paperback publishing program. Under its new Jove imprint, HBJ is competing for reprints and has already bought mass market rights for several hardcover titles in the five- and six-figure range, including its own best seller, "The Main" by Trevanian, as well as an upcoming Putnam novel, "Eroica," and James Mills's new Dutton novel, "The Seventh Power."

Beginning with the September 1977 list, the current mass market imprints, Pyramid and Pillar, will become Jove/HBJ. As backlist titles come up for reprinting, they will be repackaged under the new name. The familiar Pyramid logo will be replaced by a new one designed by Herb Lubalin of Lubalin, Smith, Carnese and Peckollick, Inc.

According to Kathy Robbins, HBJ vice-president and director of the General Books Division, the new name "emphasizes that things will be done differently in our mass market line. At the same time, we wanted Pyramid to share in the corporate identity."

Plans are also in the works to revamp HBJ's trade publishing line. The first step is consolidation of the various trade paperback lines into one imprint for adult books—Harvest/HBJ—and one juvenile imprint—Voyager/HBJ. Currently the firm publishes trade paperbacks under the Harvest, Harbrace Paperbound Library, Harbinger, Voyager, Let Me Read, Sports Stars, Prestige and other editions. Harvest's previous title output was made up of mainly academic and scholarly oriented books. Robbins told PW that under its new acquisition program, Harvest will publish more popular and consumer-oriented titles as well as HBJ's simultaneous and original trade paperbacks.

The new setup conjoins all hardcover and paperback operations except editorial and direct sales. This kind of consolidation offers a company several advantages, Robbins told PW. "It gives us the ability to look at a manuscript as a single publishing entity with the ability to publish in different formats, prices and distribution arrangements." While HBJ hopes to acquire volume rights to attractive titles, it is careful to emphasize that it doesn't want Jove or its trade lines to be insular.

By combining marketing, advertising, publicity and promotion functions in the same departments, Robbins points out that there is a sharing of market intelligence. "People involved are more aware of what's moving, of the different modes of distribution; you also avoid being self-enclosed." At the same time, the strengths of the different kinds of publishing can be applied. "Editorial hardcover skills can be adapted to original paperback publishing, and packaging and merchandising skills can be applied to hardcover."

Alan Kellock, HBJ's director of sales and marketing, and Susan Leslie, the director of advertising and promotion, explained what is involved when the various publishing functions are combined. Leslie noted that compared to other companies HBJ's marketing arm "is a great deal stronger in the total evaluation of a manuscript, from solicitation to final sales."

Plans for their upcoming hardcover book, "How to Take Charge of Your Life" by Mildred Newman and Bernard Beckowitz (authors of the big best seller, "How to Be Your Own Best Friend"), illustrated how the merging of function will be realized. According to Kellock and Leslie, the hardcover book will be marketed and advertised like a mass market title. The book will come out with different color jackets, heavy television advertising as well as lots of merchandising plans.

Kellock told PW that the firm plans to test a new form of co-op advertising in St. Louis and Cleveland. "Instead of going to each account and getting them to advertise, HBJ will take out a full page ad in each city, paying the full amount," HBJ is asking the bookstores to support the ad by buying a supply of the books and placing them in window and in-store displays; in return HBJ will include in its ad the names of all the retailers and will promote the books heavily in the cities. "This way we can control the quality of the ad as well as make it possible for all retailers to benefit from co-op advertising," said Kellock.
The Perspective from Wall Street

by J. Kendrick Noble, Jr.

For nearly 40 years, the publishing stock group has shown a typical seasonal pattern, relative to the stock market as a whole, characterized by a strong first quarter, some easing in the second quarter, a new upward move in the third quarter and a decline in the fourth quarter. Possibly because professional investors have become acutely conscious of the need to time their activities better in a market which has, overall, shown no progress in over a decade, that pattern seems to have moved backward in time during the past couple of years. Last year, for example, the group showed a modest first-quarter decline, second-quarter strength, third-quarter decline and the year’s best relative gain in the fourth quarter.

In 1978, if the market holds level or rises, the 1977 pattern may repeat itself. In any event, publishing stocks did decline in relation to the market in January, though they showed some relative improvement in February and early March. As noted in our last market report in Publishers Weekly (Feb. 20, 1978), the group had been among the very strongest in an overall flattish fourth quarter for the market last year.

Special circumstances affecting individual stocks produced the greatest changes in an overall environment in which printing stocks outperformed the market, business service publishers matched it and magazines, newspapers and books led it down.

Arcata National Corporation (NYSE:$22), a printer, was, for example, the strongest stock in the first quarter, largely for reasons unrelated to the printing business. As the quarter progressed, Congress seemed to be nearing agreement on a plan to acquire various redwood properties in California to expand Redwood National Park. These include lands and timber valued by Arcata in excess of $100-million, though carried on its books at much less. Late in 1977, just before the stock began to rise, the entire market capitalization (shares x market price) of Arcata was only slightly over that same $100-million +, and we believe that the stock was thus bid up because of a special situation, not because Arcata is a well-managed printer with good earnings prospects—which we believe it is.

At the other extreme, Harcourt Brace Jovanovich (NYSE:$27) was the weakest large stock in the group, essentially, we believe, for nonpublishing reasons. Though in fact Harcourt’s earnings gain in 1977 was restricted primarily by red ink in its general book publishing operations (trade and paperback books), the decline could probably be traced, first, to the absence of an expected first-quarter dividend hike and, second, to unexpectedly poor fourth-quarter earnings, in part because of events associated with HBJ’s Sea World acquisition. Among these was the uninsured loss of two killer whales in the fourth quarter, perhaps the most unusual significant factor ever reported by a publicly-held publisher.

Most publishers reported fourth-quarter earnings at or above the levels anticipated by analysts. And, though most categories of publishers’ revenues are generally expected to show slower growth in 1978 than in 1977, the early first-quarter weakness in the group as a whole appears to us to have been more a phenomenon of the market as a whole than of group factors. One influential factor may have been the timing mentioned above. Another may have been a trace of panic in the market as a whole as the weather, the dollar’s decline in international markets, the coal strike and bursts of inflation increased the gloom of investors.

There were bright bits of news to which the market seemed to pay little attention—among them, the continued strength in both magazine and newspaper advertising, the continued moderate growth in paper prices, the 1977 upturn in college enrollments and the expanded education budgets of the Carter administration.

We will comment on the implications of the Carter budget in our next article in this section on July 10. Obviously they are positive, but what the publishing community will want to know is, When? (probably next year); and, How much? (probably not much).

If the stock market holds near current levels and begins to rise somewhat (as we have been anticipating), we would still retain the overall optimism about publishing and printing stocks of all types noted in our most recent PW comment.

To expand a bit on this optimism, I should like to cite briefly the conclusions of two recent studies I have prepared. Respecting the college textbook area, I concluded that—contrary to government forecasts—college enrollments were likely to rise (though modestly) throughout the 1980s, as student bodies became older, more job oriented and more female. (They will also be more part-time and more nondegree-credit in character, if my projections hold, so the outlook for college textbook sales is one of moderate, not high, growth.) I also concluded that, nearer-term, the proportion of educational expenditures devoted to textbook publishing would tend to stabilize, instead of continue to fall, while overall expenditures would continue to grow at a moderate rate until the mid-1980s and then accelerate upward. Thus the gradually improving prospects for schoolbook publishing might tend to offset the gradually slowing growth of college textbook sales in the decade ahead. If these views are supported by actual sales growth over the next year or so and come to be more widely accepted, they could contribute to higher publishers’ stock multiples.
The Future of Reading

by Paul D. Doebler

As anyone in the visual arts knows, the same picture can look radically different when placed in different frames. Similarly, a set of facts in the management arts may vary in appearance with changes in the viewpoint taken and the implicit assumptions drawn. In publishing today, any number of common assumptions seem to be increasingly vulnerable to alternative interpretations.

One especially significant case in point arises from a seeming decline in reading that some media groups, educators and researchers perceive. Newspapers in particular have become alarmed because circulation of all U.S. dailies dropped in 1974 for the first time since anyone can remember (by now it has climbed again, but it still has not reached its previous high). This has spurred a wave of self-examination, and one recent result was a one-day discussion of reading habits, convened by newspaper and magazine publishing representatives, but including people from education, industry, book publishing, advertising and other reading-based fields.

The pessimists predictably saw an "erosion" of the "reading habit" in circulation declines, flat unit sales of other print media, and, especially, declining reading scores in schools. Various results were forecast, movements designed to counter the perceived trend were described, and there was a proposal to form an additional organization that would somehow do more about it.

Some at the meeting, however, questioned the notion that the reading habit was declining. Dr. Thomas Sticht, assistant director for basic skills at the National Institute of Education, noted that literacy on the whole is rising, and that what declining SAT and similar scores reveal is not lack of reading, but lack of analytical ability and skill in making effective use of information acquired by reading. He also added that print instruction materials were still most effective in most work situations and that a mass shift to visual media is unlikely.

The implications of these two viewpoints for publishers contrast sharply—one implies a static or even declining market; the other an expanding or, at the very least, a largely untapped market. Most book publishers would probably agree with the latter view, despite essentially flat industry unit sales, particularly since consumer sales have been growing again while institutional sales have been down.

The Rulership of Rights

However, this still does not answer the ultimate question for publishing management: What should we be doing about the situation? Unfortunately, in taking action publishers too often behave as if they held the pessimistic view rather than the optimistic one.

For example, the long erosion in profitability of general trade books has been generally recognized. Generally unrecognized, however, has been an implicit assumption that this situation is a normal state. Over the past 15 years, publishers' public discussions have moved from the slim "publishing profit" to the "publishing breakeven" to what was routinely called the "publishing loss" at the 1976 AAP seminar on money in publishing.

The publishing loss, of course, is compensated for by subsidiary rights income, and for a very successful book the rights income dwarfs any return earned by the original edition. This quite naturally has led to a great deal of public attention to rights dealing and to some significant misconceptions. (One newspaperman at the reading seminar believed, until he was corrected by book industry representatives, that book publishing was primarily an entertainment leisure-time industry; he was unaware that two-thirds to three-quarters of the industry's revenues are generated by practical, educational, professional and reference products.)

If outsiders receive erroneous impressions about the nature of book publishing, do those who work at the lower and middle levels of publishing share the confusion? While many publishers might argue that they don't, an incontrovertible fact of organizational life is that employees watch with hawklike attention what the boss values, and then act accordingly. How much has this affected the search for books that will earn respect and dollars of buyers in the trade book market, versus those that will command rights sales? How have the subsequent production and marketing operations been affected by the emphasis on rights? How, in fact, do publishers respond to the most basic question management of any business must answer: What is our business?

Routes to Profit

For a relatively few trade publishers, the answer could be rights dealing rather than book publishing. These houses are either already part of multimedia corporations or especially skilled in playing that market. In the opinion of a number of people in publishing, however, most trade publishers would be better advised to return to the idea of publishing books at a profit, welcoming rights deals when they materialize.

But can trade books be published at a profit? Experiences in several areas indicate that the answer is yes. Certainly other kinds of books—most notably college texts and business and professional titles—have survived for years, and even chalked up the highest profit margins in the industry, on editions smaller than those of trade titles. More important, some trade houses today make very respectable profits publishing trade books.

All this, and other evidence as well, suggests that the problem of static markets and declining profits may not lie with readers at all—that it may lie, instead, in the inaction of people in the publishing industries, in their failure to reach out and make direct contact with their potential readers, to generate the kinds of products that these people would respond to. Indeed, if the reading seminar concluded anything with unanimity, it was that if the "reading habit" is to be enlarged and enhanced, a great deal more must be discovered about how people read, and why. And some comments suggested that efforts by publishers to produce better writing, to understand more precisely what potential readers want or need to know, to adjust reading matter to fit into new patterns of interest and available reading time, all would do at least as much to build a larger reading public as the present and proposed educational efforts of others.

In short, the opportunity is there, and the future depends on how you see it and what you see yourself doing about it. If it is lost, it will be for lack of trying.