

# QUESTIONS OF CASH

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THERE ISN'T a single one of the more productive new houses which hasn't published some very good books in the past few years, whether poetry, drama, fiction or non-fiction. The poems of Coleman, Lee, Ondaatje, Nichol, Beissel, Jonas; the plays of Ryga, French, Reaney, Davies; the novels of Carrier, Gibson, Helwig, Engel, Godfrey, Kroetsch; and important political, social or philosophical books like *Technology and Empire*, *Shrug: Trudeau in Power*, *Working People*, *The Unjust Society*, *The Only Good Indian*, *Greenpeace and her Enemies*, *Bleeding Hearts*, *Bleeding Country*, *The Real Poverty Report*, *The Death of Hockey*, and *The Real World of City Politics* — among numerous others — have issued variously from seven houses established since centennial year (Anansi, Coach House, Hurtig, New Press, Oberon, Talonbooks, James Lewis & Samuel).

It's a safe bet that many of these titles wouldn't have been touched — or, in some cases, created through solicitation — by the long-established firms, least of all the branch plants, who would have mistrusted their political or literary radicalness, or their apparent lack of commercial potential. The new houses haven't restricted themselves to publishing along strictly ideological or literary lines, but have seen the satisfaction (not just monetary either) in producing books that are simply useful, even fun — *LawLawLaw* and *V.D.* (Anansi), *Where to Eat in Canada* (Oberon), *A Natural History of Alberta* (Hurtig), *The Gourmet's Canada*, *Champagne Is for Breakfast*, *The Parent as Teacher*, *The Guide to Family Law* (New Press). I understand that even the radical's radical, James Lorimer, has quietly put out a book on the art of preserving flowers, presumably Canadian flowers (James, Lewis & Samuel).

At the same time, I've no doubt that all of these houses, like publishers anywhere, have reason to regret some of the books they've published. I'm equally sure that they'd stand by their decision to publish many books that have lost money, on the grounds that those books deserved to be published — they were

the kinds of books the publishers had gone into business to produce in the first place.

Which leads us to the more painful question of financial viability or, in other words, survival.

Because the new houses have made a strong contribution to the literature and self-knowledge of Canadian, it's important that they survive. Not that Canadian publishing would disappear if the new houses disappeared; there would still be McClelland & Stewart, Macmillan, University of Toronto Press, General Publishing and Clarke, Irwin; the odd branch plant, notably Oxford and Doubleday, manages a few honest Canadian titles a year. But nearly a half of the best Canadian trade (i.e. non-textbook) publishing would go if the new houses went, and it's a plain fact that financial problems constantly bedevil the life of these houses. Why? Are they just mismanaged by the writers and intellectuals who, in most cases, have founded them?

Possibly, to a degree, although it's been an extraordinary, almost unholy experience to see such men and women come to grips with the occult mysteries of capitalization, cashflow, payables and receivables, unit-costing and inventory control. And still publish good poetry!

The heart of the problem is more immediately found in numbers: the country has a mere 16 million English-speaking people, but it's 4,000 miles wide. Contrast that with a country of comparable size publishing in the same language, the U.S., with about 220 million people, or the U.K., a much smaller country, with about 60 million people. Our market for books, therefore, is tiny, while the difficulty and expense of distributing and promoting to that market are huge, especially when the competition from American and British books is considered. (Imagine, from the publisher's miserably self-interested point of view, if there were only such a language as "Canadian", and the world's great literature had to be translated into it and published right here!) These mundane facts are commonplace to anyone involved in Canadian book publishing, but they are nevertheless a frequent cause for despair — how can you fight limits like that, except by imposing a ban on birth control?

Some publishers have responded by confining their publishing to a strict minority or regional base, and if they stay small enough they can make it. But that doesn't answer the need for nationally based houses helping to build a national culture, without which most Canadians will be reading only books published in New York or London.

Who's trying to build such a culture? In part, and perhaps regrettably, writers

who've had to become publishers. "Regrettably", because you can't count on writers — the trouble with them is that their job is to write, and if they're any good they'll eventually go off and do that, instead of trying to be editors, entrepreneurs, cultural middlemen. Most of these writer-publishers have by now gone through the initial stage of joyfully ignorant enthusiasm, when they coined an imprint, published a dozen or twenty books, and discovered that they hadn't gone bankrupt after all — there really were readers out there who cared. Then the problems began. There's nothing more troublesome than success. With a growing inventory, a growing bank line of credit, a growing indebtedness to all-too indulgent printers, the writer-publisher realized he was in a death-struggle, not only against the imported book and the vagaries of public taste, but against the sour realities of economics in a capitalist society.

WE ARE NOT of course so devoted to free enterprise in this country that we tell publishers (or writers) to sink or swim. There's the Canada Council; there are various types of provincial-government aid, notably in Ontario and Quebec. But these aid programmes, popularly called "handouts" and presumed to make the recipients fat and contented, are in fact inadequate to cover the shortfall between revenues and expenses for most publishers. The Canada Council's heralded operating grants, though welcome, cover on the average only ten per cent of the publisher's overheads, quite apart from his investment in book production. The Ontario government's system of bank guarantees, based on the value of inventories and receivables, is more realistic; but it's still too early to tell if this programme will guarantee the survival of *any* of the Ontario-based houses, since it may become available only to those that meet an as-yet undefined standard of financial performance. And in any case it is not available to publishers in other provinces.

Government cultural bodies are going to have to accept the fact that Canadian trade publishing is not a business like the others, but essentially a non-profit activity comparable to theatre, opera or dance. If they want to ensure stability in our industry, if we as a society want to, then the federal and provincial "handouts" will have to be much bigger — comparable, say, to the heavy subsidies that ensure the continuation of the Stratford Festival, the Canadian Opera Company, or the National Ballet, none of which displays the works of Canadian artists nearly as much as the publishers do.

There are other measures that publishers themselves can and must take to ensure financial viability. Needless to say, they must constantly reassess their operations in order to tailor expenses to revenues, to make the best possible use of their limited capital; this is an obvious consideration for any business, but worth pointing out to literary people who expect publishers to do wonders, since it may involve cutting back on the number of titles published, cutting back on staff (who are chronically overworked, underpaid and nevertheless devoted), or re-allocating funds from title output to sales and promotion. Some new publishers have designed their operations and controlled their growth shrewdly; those who haven't soon learn to operate within the narrow limits of their environment, or else face bankruptcy.

Another measure is to pay more attention to the educational market which, given the right products, can provide a bigger return than the trade market, although educational publishing also requires much more capital and expertise than most of the new publishers possess. The field is dominated by the American-based giants, but there are opportunities in the growing area of Canadian studies which the new publishers are in a unique position to grasp. This would be an especially appropriate use to which to put increased government grants, if they were forthcoming.

A third measure is to act as agent for a profitable British or American line of books, an idea that is reviled by some publishers who refuse to facilitate the entry of non-Canadian books. First, this attitude is xenophobic, and second, if those books are going to be sold here any way, why shouldn't they provide a profit base for the Canadian-owned house? This is a ripe area for government legislation, which could require, as the Quebec government has, that publicly financed institutions like schools and libraries buy their books from Canadian sources.

Finally, Canadian publishing activities need to be rationalized. Such rationalization need not take the form of corporate mergers; better that it shouldn't, because editorial diversity is an outstanding feature of the current publishing scene. But almost every publishing function except editorial decision-making can be accomplished (at least theoretically) on a co-operative basis. Sharing with other publishers the costs of office space, warehousing, shipping, invoicing, accounting and sales, even typing and typesetting, would go a long way towards rationalizing the marginal Canadian industry by cutting publishers' overheads. Production and promotion might be trickier services to share, since they are so intimately tied to editorial planning; most publishers may have to continue to afford their own personnel in these jobs, if they are to retain sufficient control

over their own programmes. But the other business functions are much less sensitive, and there are precedents for this type of cost-sharing, in the Belford Book Company (named after a nineteenth-century Canadian entrepreneur who pirated U.S. editions), which provides customer servicing for Anansi, James Lewis & Samuel, and Peter Martin Associates, and in the presence of several regional sales representatives who act jointly on behalf of many houses.

These measures are, I admit, not very startling or glamorous, but they constitute the kind of canny, practical decision that Canadian publishers, new or old, will probably have to take if we are to continue to have Canadian publishers, and therefore the dissemination of Canadian writing.

If financial viability can be attained through these or other means, we may yet witness the happy state where writer-publishers can give their best energies back to writing, and where a new breed of editor-publisher arises, possessing both literary and entrepreneurial imagination, even moving from house to secure house during his/her career. But don't count on it. The current struggle-phase could easily end in two or three years with fewer Canadian houses than when it began. At that point it may become necessary for even more writers, especially fiction writers whose books are more costly to produce than poets', to found publishing co-operatives that are avowedly non-profit, for the sake of getting published at all.