

HOLT UNCENSORED #26

by Pat Holt

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1. A NIGHTMARISH "CENTURY"

Boy, what a brutal holiday season for independent booksellers THAT turned out to be, and I don't mean Columbus/Indigenous Day 1998.

Sales were slow to flat; "e-commerce" turned into the Online Fad from Hell; way too many stores closed (see below); and everybody but the chains, it seemed, played a not-so-new game called Back Order Bingo with *The Century*, co-written by ABC anchor Peter Jennings (Doubleday; 608 pages; \$60).

So many independents could not get this title yet kept seeing it at Barnes & Noble that Elizabeth Manus of the New York Observer described the situation as "Barnes & Noble's Quiet Coup."

The independent bookseller Manus visited (no name given) told her that he had a waiting list for the *The Century* of "50 names and growing . . . He said that Doubleday, the book's publisher, had released a reprint of the book two days before, and that Ingram [the nation's largest book distributor] usually delivered within 24 hours. And yet, no Peter Jennings. "The timing," Manus continues, "was particularly bad. 'These last three weeks are at least a third of my volume for the year,' said the bookseller. Meanwhile, shelves at the nearest Barnes & Noble were groaning with the book.

"If an independent bookseller had a fondness for conspiracy theories, the above scenario certainly had resonance."

Well, booksellers talked more about a nightmare-come-true than a conspiracy theory, but who's counting: Barnes & Noble last year sold half its online company, barnesandnoble.com, to German publishing conglomerate Bertelsmann, which owns Doubleday, the publisher of the Peter Jennings book. Now Barnes & Noble wants to buy Ingram in a deal that smacks of so many antitrust violations that a huge outcry has been heard by (well, sent to) the Federal Trade Commission, the agency with approval/nonapproval authority. The fear is that if the FTC approves the deal, Bertelsmann could favor its almost-owned chain by making sure that Barnes & Noble channels Ingram's sales away from independent booksellers and into its own stores. That's exactly what appears to have happened with the Peter Jennings' book even before the FTC ruling. As Manus writes, people worry now that "Barnes & Noble could muscle Ingram into inconveniencing independent booksellers on a regular basis."

Good heavens, a regular basis? That's waaaay too soon to worry about, isn't it? Yet conspiracy theory or not, everybody's worst nightmare has just been realized. So come on, FTC! Don't bobble the ball

as you did when Bertelsmann bought Random House! Take the reins and move on this one! We're rootin' for ya!

2. BLUEPRINT TO OBLIVION: "CITIZEN NEWHOUSE"

If ever a blueprint existed to show us how the publishing industry not only lost its way but served itself up like a turkey dinner to the waiting Bertelsmanns of the world, Carol Felsenthal's biography of media mogul S.I. ("Si") Newhouse, *CITIZEN NEWHOUSE* (Seven Stories; 512 pages; \$29.95), is it. Bertelsmann is the German conglomerate that owns Bantam Doubleday Dell and that last year bought Random House from Advance Publications, Si's family empire of newspapers (still run by his brother Donald Newhouse), magazines (Vogue, New Yorker, Vanity Fair, Mademoiselle, etc.) and, until last year, books.

"Random House under Si Newhouse and his chairman, Alberto Vitale, was a company fundamentally changed from the one that Bennett Cerf and Bob Bernstein ran," writes Felsenthal about the Random House that Newhouse purchased in 1980.

"The changes, masterminded by Newhouse and implemented by Vitale, have spread not only through the various Random House imprints but through New York publishing as a whole. Feeding frenzies in search of the next sure thing have become the order of the day."

Newhouse is characterized as a refined but hungry publicity hound seeking personal fame through "books that created the same sort of buzz as his hottest magazines," Felsenthal writes. It's a tragic and gut-wrenching story that describes in detail how Newhouse bought the "venerable" Random House in 1980, "stripped it of its values and its intellectual tone" and systematically sucked the character right out of it.

Every decision, every flashy new hire (Harry Evans at Random House, Tina Brown at the New Yorker, Sonny Mehta at Knopf) and every splashy deal (\$5 million for Marlon Brando! \$3 million for Nancy Reagan! \$6.5 million for Colin Powell! \$4 million for Joan Collins!) that Newhouse made not only damaged Random House as a serious publisher and shot author advances into the stratosphere, but also contributed to an overall blueprint for disaster throughout the book industry. For example:

** The idea that Newhouse could streamline publishing into an efficient machine by converting his magazines' articles into Random House books, which in turn would be promoted by the magazines, turned into so much "synergy . . . crap," as one Observer writer observed - and expensive crap at that.

** Newhouse's notion that Random House should "always win the bidding war for the high-profile title" rather than seek quality literary works for their own sake proved short-sighted, inbred and immeasurably costly. "Vitale himself told a reporter for Business Week in early 1997 that the company had won 'the publishing war' with many best-sellers, but had lost 'the business battle,'" Felsenthal writes, quoting reports that Random House had become "awash in red ink."

** Newhouse's belief in and love of creating a "buzz" around the hot-ticket books that would somehow appeal to readers outside New York was particularly dumb. "We probably take many, many, many more returns than we've ever taken," says one editor at Knopf, "because we overprint, overpromote, and overpay, so everything comes home to roost."

** Bringing in axmen like Alberto Vitale to rid the company of long-term but less-than-profitable publishers like Andre Schiffrin of Pantheon profoundly altered "the most basic philosophy of publishing," Felsenthal suggests.

"We felt we should use the profits from the profitable books to pay for the not profitable books," says Schiffrin, "which has been the way publishing has always worked. That's the ethos of publishing. That's how you kept serious books [in the marketplace], and Vitale wanted every book to make a profit, and a large profit, and those that didn't shouldn't be published."

** Deciding that every book should make a profit simply erased the potential for literary discovery and cultivation of writers that serious publishing houses had once considered at the least a parallel mission to making money. Characterizing Pantheon's annual sales of \$15 million as "[n]either a major loser or contributor" to the \$850-million Random House empire, former publisher Bob Bernstein says, "I always thought Andre [Schiffrin] was doing what I call very interesting publishing that should be done." Pantheon throughout its long history "wasn't meant to be a source of enormous money," adds Schiffrin. "It was meant to be a source of experimentation and prestige."

** The brutality with which Vitale forced the departure of Schiffrin, who was followed by a flock of editors resigning in sympathy, is matched in indifference by the way Newhouse closed HG (House & Garden) on the day he acquired its competitor, Architectural Digest. Never looking at the teary HG staff ("He looked at his shoes, hands in his pockets, he looked very awkward, very small," says one HG editor), revealing a stupendous lack of sensitivity or even interest in the plight of workers by announcing: "People from personnel will be calling each of you to discuss the people problem."

It's this Newhouse - disingenuous, transparent, ungracious - that brings us to the unexpected hilarity of the book, since the truth about Si Newhouse, according to Felsenthal, is that he's so hungry for self-aggrandizement that profits are secondary.

This was a lesson apparently learned the hard way by the New Yorker's long-beloved editor, William Shawn, who attempted to dissuade Newhouse from buying the magazine. In a meeting that must go down as publishing's own day of infamy, Shawn portrayed the New Yorker as a "fragile thing, that few owners could understand," one that "did not and could not operate like a profit-making institution.

" 'We would send a fact checker by the Concorde to London to check on a fact,' Shawn told Si. 'We would make a long-distance telephone call to an author in Los Angeles to ask his permission to change a comma.' " Instead of recoiling in at such costly extremes, Newhouse was smitten. "Every time Shawn said something like, 'Send the Concorde to England to check a fact,' " recalls an attorney who was present at the meeting, "you could see Newhouse saying, 'This is even better than I thought.' "

Newhouse's meeting with the New Yorker staff at the time of firing Bob Gottlieb (who came in as editor after Shawn) provides a few morbid chuckles as well. One can see the linguistically persnickety editors falling off their conference room chairs as Newhouse uses the words "evolution" and "evolvment" interchangeably and promises that the magazine will remain "text-driven."

Enter Tina Brown, whose systematic evisceration of the staff is as ghastly as her rejection of those lengthy and timeless articles that once so distinguished the New Yorker and her hunger for the flashy,

gossipy, timely, trendy pieces that proved expensive in so many ways (losses are now about a million dollars a month, says Felsenthal). When New Yorker publisher Tom Florio created a "sensitive advertiser list" on which some 50 companies would be warned whenever upcoming stories "might prove offensive," we have to laugh (a bit hysterically, it's true) at the wreckage Newhouse has wrought on two great publishing institutions in America - Random House and the New Yorker.

Then there is the juicy gossip even (and maybe especially) lay readers will find flabbergasting. Did you know that Pay-A-Million Harry (Evans) once tripled his own advance when there were no other bidders, just to prove himself king of the publishing hill? Or that he increased the advance for Dick Morris AFTER the Clinton advisor lost his credibility when caught with a prostitute? Or that Robert Gottlieb's golden parachute for leaving the New Yorker is \$400,000 a year for life? Or that Newhouse's attempt to buy Farrar, Straus & Giroux by outbidding the von Holtzbrinck Publishing Group by several million dollars, was declined by FSG founder Roger Straus because he "fear[ed] it would take about 20 minutes for Farrar, Straus & Giroux to lose its identity in Random House."

Newhouse sold Random House to Bertelsmann last year on a whim, suggests Felsenthal, because his brother Donald had informed him that the family's empire could afford only one money-losing venture, and Si, having rid the magazine of Spend A Bundle Tina, chose to keep the New Yorker. The new owner of Random House will not be seduced by the "buzz" of New York's rumor mill, she says. "Bertelsmann reportedly would insist on profit margins of 15 percent - 4 or 5 percent has been more like it for most publishers - taking the attitude that book publishing needn't be less profitable than any other sector."

That isn't the way Bertelsmann has been characterized by some. They say the German parent is just as interested in rebuilding a balanced publishing list as looking at the bottom line. Still, ruling by fiat can hardly be said to open up the creative juices for publishers. The order of the day at Random and BDD (and by extension, every other publisher owned by every other conglomerate or individual), Felsenthal believes, is to learn to adjust to the "bully boys" of whatever regime and hope they approach publishing with respect for the free flow of ideas the literary world owes to posterity. But gosh, something about the word "free" doesn't seem to fit with an industry that has gobbled itself into a half-dozen conglomerates.

3. CALL FOR CONTRIBUTIONS

I used to think that independent booksellers had about 5 years to sort out the ways they could compete with the chains and online book suppliers. But given the push toward "e-commerce" of recent months, I joined other book industry observers who wondered how independents could even survive the Fall season of 1998.

Next week we'll review some of the bookstore closings that were announced during the holiday period. Our focus will be on what can be learned from the closings and what might be tried anew. Ideas from former and present booksellers, customers, writers and even a few publishers have already created a building resource pool. Please send suggestions to holtpat@earthlink.com.

4. STARTING THE NEW YEAR WITH PAT SCHROEDER

I don't know why a television crew is not following Pat Schroeder across the country these days. The former congresswoman from Colorado is engaged in one of those endless fights for a good cause that can be as hilarious as it is historic.

After 24 years in Congress, Schroeder accepted the prestigious job as CEO of the *Association of American Publishers* (AAP), a group that has long been concerned with copyright protections, literacy, textbook adoption and problems of piracy in other countries.

Her own work with intellectual property issues in Congress has revealed to Schroeder that easy downloading on the Internet will lead to horrendous abuses of copyright unless international cooperation among nations results in stiff new laws.

In fact, thanks to Schroeder's efforts in matching up senators with AAP board members, Congress passed the crucial WIPO (World Intellectual Property Organization) bill just hours before adjourning from a session that saw little legislation passed because of Monica Lewinsky-scandal distractions.

The only problem is that outside New York, AAP has been roundly criticized for its old-boys-club exclusivity, its New York condescension, its heads-of-house elitism and its spoiled-brat manner of waiting to be dragged kicking and screaming into the 20th (let alone 21st) century. Over and over, as Schroeder travels throughout the country attempting to convince smaller publishers and people in related fields to join the AAP, her wonderfully expressive face falls like a collapsing cake as yet another crabby listener tells her how ignorant, how rude, how behind-the-times the AAP has been.

"Look, I'm SORRY this happened," she answers. "It's terrible that it happened. But I wasn't HERE when it happened and I can't DO anything about it now. So do you think we can move on? Don't you feel it's a good idea to join forces to create real change in the world?"

That idea - creating real change - is why people should consider AAP in a new light, Schroeder insists. After all, AAP is the only organization aggressively tackling matters of copyright protections, textbook usage (dwindling in California and other states until she made several key appearances), "distant learning" controversies (computer classrooms) and a celebrity campaign (with Whoopi Goldberg and Rosie O'Donnell so far) she insists will instill a love of reading among young people.

This is where the TV cameras would come in - to capture Schroeder's face, lit up with hope over the potential of AAP but falling like a cake again when yet another crabby publisher describes yet another perceived transgression by that once august body. "Well, I'm sorry that ALSO happened, but you see I wasn't THERE . . ."

So let's give AAP a fighting chance! "They hired ME, didn't they?" she sometimes says, alluding to her own reputation as a schtick-kicking politician. "That should count for something." It does: Click on over to <http://www.publishers.org> and take a look at the "new" AAP for 1999.

5. LETTERS ABOUT THAT MOVIE

A Letters column is soon to go up on the *Holt Uncensored* webpage and changed frequently as email comes (pours) in. Meanwhile here's a sampling of the many letters from booksellers, authors, publishers and readers who responded to comments here about the movie, *You've Got Mail!* (For the present, all letters to this column will be printed without attribution - if you are certain you want your name and/or email address to run, please let me know.)

Editor: Every point you make is valid, but I think there's something everyone's missing that is more elementally disturbing about the setup in the movie: Could the plot trajectory possibly have been the same if the independent bookstore owner were male and the chain owner female? Of course not! There is NO way this plot would've been even vaguely marketable with reversed genders, and THAT is what I find most reprehensible! Independent=weak=female=doormat; Chain=powerful=male=boxing champ. (and it doesn't help that the indie is a children's store, thereby contributing to its "minor" importance.) At least if it had been two men, the playing field might've been "level" (although that's a romantic comedy middle America's probably not yet ready for).

Editor: I quote from Pat Holt's column: "Near the end, Ryan even muses that maybe she'll be happier, now that she doesn't have that pesky store to deal with; she might even be able to pursue a writing career (as if she couldn't have before)."

Aha! There's the rub!

The chains are practicing a form of censorship or so it seems to me as they, by virtue of reducing the number of venues for selling books, are influencing publisher's decision making by declining to carry mid-list authors whose works do not sell x number of copies. Perhaps the Meg Ryan character might not feel the pinch as she has an "in" with the Tom Hanks character, but as the number of venues (or selectors thereof) diminish and the number of publishers merge, the harder it will be for a good established (or non-established) writer whose work appeals to a limited audience to be or continue to be published despite the literary merits of the writing.

Pretty soon we will be reduced to three types of work: pot boilers by Patsy Cornwell, how-to-books and inspirational works.

Editor: . . . Haven't seen the movie yet, but one Raleigh review said the Ryan/Hanks relationship was like falling in love with someone who rapes you. (!!)

Editor: I couldn't figure out why I was feeling so uncomfortable over this little romantic flick. It's so sweet that New York actually seems kind. No litter, no graffiti, no homeless, and dappled light is streaming all over the place through the charming Spring buds or the cozy Fall leaves. What the heck was bothering me? One thing, I thought, was how unrealistic it was when the children's book author character did an appearance at the chain store, shutting out her loyal independent bookstore. As a children's author, I don't personally know any other authors who would stiff an independent who has supported them through the years, only to do a signing at the local chain. Maybe offer a signing at the chain after, but to lie to the indy, say you're coming, and then snub them? No way.

I finally realized what was so wrong. It actually made me gasp out loud with the shock of it. This movie is tied up in such an appealing and sanitized package that no one I've talked to has even noticed the offensive premise. The arc of the movie goes like this: boy meets girl over Internet, boy and girl fall in love having never met, boy meets girl in person and not knowing they are the object of

the Internet love affair, hate each other for business reasons. Boy ruthlessly puts girl out of business, girl falls for boy.

The scariest thing about this is its insidiousness. The guy slams her out of her beloved family business: the charming little children's book store that her mother opened 42 years before, ...and then she falls in love with him. Sorry, but not only is that ugly, it's a stretch.

This is important stuff, and I'm not even a strident feminist, but please. Women wrote, produced and directed this movie. The person who gave it the green light at Turner is a woman. These have earned enough success and respect to make a movie with a \$60 million budget, with the biggest stars and a major studio behind it and yet all of them condoned this. What were they thinking?

I imagine that tossing in a line about the heroine starting a new career writing children's books was an attempt at illustrating that she has taken matters into her own hands, and that she'll have a career after all. But it was a bone and it felt like it.

These women who are making it in a man's business give the lead female character the cute 90's movie touch of owning her own business. But apparently it's not as important as finding a man. The scariest part of this is not even that she would fall in love with someone who deliberately destroyed her business, hid his identity as her Internet lover, and deceived her, but that it is so buried in the sweetness of the movie that it's almost unnoticeable. It seeps into our collective consciousness as acceptable.

I'm so curious. Why couldn't Nora and Delia Ephron, Lauren Shuler Donner, Julie Dirk and the other women involved have redeemed this situation? The Tom Hanks character never apologizes, he says "it's just business." He could have used his power and resources to create a symbiotic relationship between the mega-impersonality of his children's department and her charming, homey store. Couldn't he have, in movieland magic, come up with a creative way to not destroy the woman he supposedly admired? You powerful Hollywood women have a responsibility. Actually, I take that back. I hope that you would choose to recognize a responsibility. Because you're part of the underdogs. By condoning this movie, you subtly confirm that it's okay for big business to crush the little guys and for the little guys to like it..no, love it. And when the little guys are other women, maybe you ought to think twice about the attitude you are encouraging.

Editor: . . . This movie is chocolate candy with a poison center, a two-hour advertisement for "Fox Books" -- Borders and B&N -- and Starbucks and AOL. You think these filmmakers don't know and support and glamorize that money, influence, and power are being concentrated into the hands of a very few (not an admirable few, by the way)?

These few tell us that we need more stuff and they can supply it, that angst will be dissolved and one's place in life assured. Thus we line up by the millions for membership in the Church of the Deep Discount. We are literally "buying in" to the bombardment of advertising, rewarding big box corporations with our money.

What won't we give to someone who promises us 120% worth on the dollar -- even if it really turns out to be just the regular old 100% in the end? Lacking religious or community connection, we find our sense of meaning in the accumulation of more goods (at the expense of the rest of the world,

which goes without) and an internal affiliation with icons of success and meaning. Tom Hanks can easily buy Meg Ryan's groceries, flowers, croissants. No wonder he's so appealing, the epitome of today's Ideal Man, the Handsome Wallet.

The movie makes sure to position Meg Ryan as apolitical. She congenially breaks up with her nice-guy-but-who-cares columnist boyfriend, right after a fight about getting a manicure on Election Day and forgetting to vote in the last mayoral election. She doesn't even cry from sadness when she closes the beloved shop her mother opened 42 years earlier, she only cries from happiness when she gets her man. I, on the other hand, cried when she lost her shop. I think I was the only one in the theater crying.

I am incredulous that Tom Hanks would play this part. They must have given him gobs of money. Next he'll do one about the big superstar actor running the community little theater out of business -- another fun romantic comedy!! Or how about the big movie studio gleefully squashing the independent, low-budget filmmaker, who then responds gratefully and lives happily ever after?

If you've ever suffered guilt pangs for contributing to the demise of independent thought and local business through your spending habits, you'll feel better about shopping in your local Barnes & Noble after seeing *You've Got Mail* .

When I was 15, Grandmother told me that there was nothing greater in a woman's life than to find a man to love and serve. This movie is a walking ad for that socially conservative, anti- feminist statement and surmises that women need a man -- even one who represents the antithesis of what they believe -- more than they need a satisfying career. Unfortunately, Grandmother died before I could tell her that she was wrong. (Actually, I did tell her, but she told me to wait until I was older and then I'd understand. Never happened, though I am very happily married.)

Don't worry about the old-world widow who loses her job when the little shop goes under. She "bought Intel at 6" and is fabulously wealthy. The morose employee Meg Ryan once thought could be the Unabomber goes to work for Fox Books and turns the department around, making sure everybody that works there has a Ph.D. (Uh-huh, displaced independent booksellers are just flocking to chain stores for jobs.)

The poor girl who will have to move out of the West Side -- the actual you-and-me character -- is conveniently not heard from again. And the heroine finds herself munching apples just like Jo March and finding that she's -- writing a book of her own! Imagine! (For which she will undoubtedly become fabulously rich, well respected, as enchanting as her late mother, and appear at author readings in Fox Books outlets all over the world!)

If you also feel emotionally ripped off by this movie, remember, "it isn't personal, it's business," the business of big corporation propaganda disguised as entertainment.

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