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The Cantankerous Nemesis

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The Cantankerous Nemesis

by Chuck Hamaker (LSU)

The news of the past quarter is bits and pieces and it will be sometime before we know what is really afoot. For instance, for those of you who attended the NASIG meeting in June, some heard my questions about Kluwer's recent American acquisitions. What, I asked, did Elsevier make of what looked to be a dilution of profitability, if that was the final effect. The results are coming in. Elsevier, according to a recent issue of the STM newsletter wants to sell its stock in Kluwer. The stock valued at 500 million DFL in 1987 when it was purchased, Elsevier expects to sell at 700 million DFL. Nice profit if they can get it. The planned sale of course, pinpoints the problem for companies whose stock is regularly traded or sold. Make the profit or else. Those shadowy stockholders really do expect good returns on their investments.

Another acquisition that has raised concerns in the library community is last year's decision by the Library Association in the UK to sell *British Humanities Index*, *Applied Social Sciences Index and Abstracts*, *LISA*, etc. to Bowker-Saur (part of the Reed conglomerate). Criticism of the sale in the *LA Record* has been acerbic (see Frances Cox letter, p. 489, July, 1990). LA staff who worked on producing the titles sold had a very strong component of people resisting the sale. In the *LA Record* (July, 1990, p. 490) various individuals responsible for the decision responded. Most

interesting was a response by Max Broome who admits that three of the six titles in the sale made a profit, the other three, he says, did not. In June of 1989 the LA Board received a report which "for the first time apportioned the cost of overheads to the different products." Well, if this is the first time the board had seen such an accounting approach, I certainly hope they knew what they were looking at. Depending on outcomes—what you want to see and how you want to see it—overhead assessment can provide a wonderful profit picture or terrible loss figure, especially it seems, in publishing. Charleston Conference goers heard Jolanda von Hagen talk about half of Springer's list losing money. How much and for how long and why are of course the basic questions. Given British concern for the LA sale, hopefully the LA board looked at those overhead charges carefully.

The same issue of the *Record* includes a review of Toby Burrows *British University Libraries* (New York, London: Haworth Press, 1989) reviewed by the redoubtable Maurice Line. One paragraph from the review says it so well for both American and British libraries that it's worth quoting here:

In discussing the effects of acquisitions cuts, Burrows says (p. 80) that for the majority of libraries, "their ability to support potential research needs in a fairly broad range of subjects...has been all but destroyed. This shrinking

horizon will continue for most libraries in the immediate future, reducing their collections of current material to the level of undergraduate study with only a thin overlay for specific research needs." But he has already explained that the balance of acquisition budgets has shifted dramatically from books to periodicals; periodicals may have suffered but books, on which undergraduates largely depend, have suffered far worse. My guess is that researchers have suffered a good deal less than students. (p.517)

Sound familiar? This is becoming increasingly true for American libraries as well, as we face in 1991 a year in which many a serials budget would have to have doubled since 1987 to handle price increases of the last five years. Based on LSU journal lists, we are seeing publisher-specific increases from the big guys of from 35% to 25% and from UK serials of from 15%-20% (thanks for the number to Heather Steele of BHB periodicals). So the new doubling period for our serials budgets has been reduced to five years! (see this issue, page 34)

This is an absolutely unsustainable level of price increases, no matter what the cause. An analysis of the Dutch based titles on Elsevier's 1991 list at LSU shows that we are now paying an average of \$50.35 per issue! The average cost of an academic

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book according to B/NA's new cost and coverage study (1989-90) is \$44.28. So each issue of an Elsevier journal costs more than the average book. Suggesting this average book price is within European norms the July *LA Record* notes the average cost of a British book is about 23 pounds, or \$43.00 at September rates. I think this approach is economic suicide even if academic libraries continue to support it. In 1987 the average price of an issue of Elsevier's Dutch journals at LSU was \$32.70, while the average price of an academic book (again using B/NA figures) was \$39.81. (Were

we getting a bargain, or what?) So Elsevier charges more than the average cost of a book today while issues averaged less than a book for the Dutch list in 1987. Pardon my disbelief at the economic necessity of this pricing approach. I consider this a betrayal of a basic trust by the world's largest scientific journal publisher. We are continuing to analyze Pergamon and Springer journals from various perspectives and suspect that their approaches to pricing haven't varied much from the leader of the band. Since 1980, the list of Pergamon journals we are tracking at LSU has quadrupled in price. The system is out of

control and it is time, indeed past time, to apply brakes to the speeding journal juggernaut.

P.S. Congratulations to Jerry Curtis on his new permanent appoint at Springer. From consultant to employee, not bad JC. And a tip of the hat to Mrs. Diane Graves, formerly Cimbala, formerly of Faxon, recently at the Illinois Institute of Technology, now at the U of I Chicago. Hopefully this dual career couple—one foot in a vendor's shoes, one in the library—will bring the profession new insights gained from their unique split vision of the system akin to Tess Carey and Michael Boswood. 🐾

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