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Papa Abel Remembers -- The Tale of a Band of Booksellers, Fasicle 6: 1959 -- A Year of Uncertainty and Turmoil, Followed by Radical Change

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to ensure that all fonts and graphics files are present and correct, and then prints locally. Books for libraries in, say, Australia can be printed and delivered locally. The customer and the publisher both benefit.

Distribute and Print Services Already Exist

- **International Print Network** (www.ipnglobal.com) is a consortium of 50 companies in 189 cities around the world with a combined turnover in excess of US\$2billion. It was formed in 1993 to stimulate international business for its member printers.
- Because printing costs in the USA are high, a number of US printers have already incorporated "Distribute and Print" in their future development. Most of them are based in the USA, simply because US conventional printing costs are high. Examples include **Odyssey Press**, based in New Hampshire, and **The Sheridan Group**.

Distribute and Print may be no more than POD writ large. The foremost exponent of POD is **Lightning Source**, a subsidiary of **Ingram Industries** and a sister company of **Ingram Digital**, **Ingram Book Group** and **Coutts Information Services**. It operates digital printing facilities at two locations in the USA and one in the UK. It is examining the establishment of locations around the world. **Lightning Source** is an interesting example of how digital printing is changing the way business may be done.

First and foremost, **Lightning Source** is a digital print contractor. It receives orders direct from the publisher, prints the order from PDF files supplied by the publisher and stored by **Lightning Source**, and dispatched. At its UK plant, roughly half of its output is delivered back to the publisher, and the other half is dispatched ("drop-shipped") direct to the customer. It can print the publisher's invoice and include it with the individual order.

What makes **Lightning Source** a good example of how Distribute and Print might operate in the library market is its business model for dealing with book wholesalers and library vendors. A license agreement between **Lightning Source** and the publisher permits it to sell the publisher's titles in specific markets (for example, a US publisher might license it for sales in Europe, the Middle East and Africa, or a UK publisher licenses it to sell its titles in the USA and Canada), through agreed sales and distribution channels, e.g., online booksellers such as **Amazon** or **Barnes & Noble**, and/or wholesalers and library vendors such as **Baker & Taylor**, **Ingram Book Group**, **Gardners** or **Bertrams THE**. The selling price is set by the publisher. The books supplied are manufactured by **Lightning Source** from PDF files supplied by the publisher. But the whole transaction is handled by **Lightning Source**, with the publisher receiving the net revenue received by **Lightning**

Source after trade discount, and its print and distribution costs have been deducted — not unlike a royalty on sales.

The technology on which digital printing is based is expensive. The market is dominated by **Océ** and **Xerox**. Their equipment can print in black and white, or two colors, or full color. But the equipment is expensive to install and run. Downtime is significant, as the equipment needs a high level of servicing. At present, suppliers have to build in redundancy into their plant and equipment in order to meet the fast delivery times promised to publishers. The problem is that the technology is not yet robust enough to guarantee fault-free running. Nevertheless, the technology will improve. It is only the beginning of a transformation in scholarly and professional publishing.

The consequences for scholarly book publishing are interesting. While the cost of warehousing and distribution may diminish, the management of the supply chain from

publisher to library will become more complex to manage. Every publisher will use a mixture of offset and digital printing to produce its program, including licensing library vendors and booksellers to print locally. The choice of production method is not one of digital versus offset; it is more a question of selecting the most appropriate and effective technology to produce each title. It is a choice to be made book-by-book.

What digital printing brings to the publishing table is the opportunity to meet scholarly needs better. It makes low print runs cost-effective. It meets continuing demand for back list titles. It reduces costs by matching printing to actual sales. It provides a more rational way of meeting worldwide demand by local printing. In short, more books in print for longer, and a greener world. Not bad for a medium that pundits dismissed as obsolete. The printed book is by no means dead. It has just become modern. 🌱

Papa Abel Remembers — The Tale of A Band of Booksellers, Fasicle 6: 1959 – A Year of Uncertainty and Turmoil, Followed by Radical Change

by **Richard Abel** (Aged Independent Learner) <rabel@easystreet.net>

As 1959 approached, it appeared that all was moving forward in an orderly way, and the firm was well postured to deal with an increasing purchasing volume as well as an increasing number of West Coast academic and research library accounts. However, as the ever-changing evolution of all human affairs and the ever-unforeseeable cycles of achievement and vicissitude seem to dictate, 1959 turned into a year of uncertainty and turmoil, followed by radical change. This altered state of affairs grew out of a 1959 U.S. Court of Appeals decision (*C.F. Mueller Co. v. Commissioner*) that declared the profits of **C.F. Mueller Co.** could not be exempt from income taxes even though **Mueller** had organized as a Delaware corporation in 1947 to donate its profits to the **New York University School of Law**, an educational non-profit institution, and thus avoid taxes. As is the wont of all tax collectors, the **IRS** issued a draconian body of rules governing the kinds of income that

not-for-profits could claim as exempt from taxes. The **Reed College Board** and legal counsel assessed these new rules and concluded that **Reed College Bookstore, Inc.**, a taxpaying corporation, jeopardized the not-for-profit tax status of the College. Thus, in late summer or early

fall, a committee of the Board instructed me to close all operations and disband the corporation as quickly as possible or, at the very latest, by the end of the calendar year.

Now what? **Reed College's** name — and mine — might readily be tarred for renegeing on the mutual commitments inherent in every market exchange between the Bookstore and the libraries or publishers. I went to the committee of the Board to argue that this was not a wise decision. But my pleas and arguments could not sway the judgment that the College ran too grave a tax risk to modify or rescind its earlier decision.

I spent a long and troubled weekend mulling over the matter. On Sunday afternoon I sought out an old friend of mine, who was also a longtime friend of **Reed College**, to recommend a good attorney who could represent me and implement a strategy of resolution, which I had developed over the previous days (and nights), with the Board. He put me in touch with **Alan Hart**, who would become a long-term advisor as well as counsel to the firm over subsequent years. **Alan** agreed to help and we were off, rolling the dice once again.

My plan was the essence of simplicity but involved some delicate negotiations, which **Alan** carried through with admirable tact — and success. I offered to buy the firm for its then book value, including all inventory, receivables, payables, bookshelves, and few pieces of office furniture and equipment. I

continued on page 79

Papa Abel Remembers from page 78

would locate and train a new manager of the **Co-op**. I would change the name and move the operation off the **Reed College** campus by June 1960.

I had little in the way of savings, but my family gave me some money and **Fred Gullette** agreed to give me some accumulated savings to help piece together a down payment. I asked that **Reed College** take a substantial note for the balance, with a five-year payoff. The Board agreed to this plan and **Alan** drew up the contract.

The balance of 1959 and the first half of 1960 were spent in a kaleidoscopic fog of activities, fulfilling all the obligations incident to the terms of the agreement with the College, keeping the new firm financially viable and advising the library customers of the change in ownership. The latter required some considerable effort, as the libraries, members of educational and research institutions, had felt very comfortable with another institution (**Reed College**) backing the firm. Suddenly, they were dealing with a private firm, recently founded and lacking any kind of significant financial backing other than the commitment and intelligences of the small staff.

That academic year remains a blur in my memory, but in early June we had successfully located to a former garage about a mile away from the campus and produced a year-end statement with no profits because of moving expenses.

During the fall of 1959 I located a **Reed College** graduate presently working in Spokane. I had known him and his wife in our undergraduate years at the College. He had been the editor of the student paper and student body president, so I was certain of his long-term devotion to the well-being of the College, students, and faculty. He agreed to take the new job and arrived before the turn of the year to begin learning the ropes of the book trade.

Now, as should be evident on a college campus always populated by a small but vocal group of activist-students, who were perpetually devoted to theories of dark conspiracies motivated by various baleful objectives, we had to proceed with all the care of the proverbial **Caesar's** wife in separating the book inventories. Heretofore I simply ordered inventory to serve the collective book needs of a retail college bookstore and also as a dealer in scholarly books for libraries. As a consequence, there were hazy lines between the retail inventory and the library customers' scholarly inventory — both might be drawn on to serve either audience. Therefore, we had to distinguish with great care the books ordered for retail bookstore needs and those for libraries' needs. To aid in effecting this demarcation, I implemented a system to merge publisher orders of both entities for reasons of discount but then readily separate them upon receipt of the book shipments. Central to this system was a 3" x 5", multicopy form printed on the newly introduced NCR paper. The forms were four-part, so they could be reused up to

four times. The forms for the **Co-op** inventory were printed on one color of paper, and those for **Reed College Bookstore** on another. For library orders, if the order was OS, NYP, etc., we reported this status to the ordering library via one of the form parts. That system was used by the company for its entire life and later by the spin-off companies. **Reed College Bookstore** did all the ordering, and then billed the **Co-op** for books purchased for its inventory. The upshot of this innovation was that by May 1960 the College's auditor could certify that a clean break had been effected in the principal asset of both entities — the book inventories — per the sales agreement.

In the winter of 1959-60 it was clear that a local office in the Southern California area was a necessity because of the Southwest's sales volume. In addition, a "local" manager could take over some of the sales calls I had been making, would know their purchasing, billing, and shipping needs, and would give these libraries a contact to readily correct any problems. Based on the terms of the contract with **Reed College**, we had to obtain the permission of the Board to engineer such an office. **Alan** and I negotiated an arrangement to form a sole proprietorship firm for this purpose. Thus, **Richard Abel, Bookseller**, came into existence a few months later to serve the needs of the Southern California branch. Again, the operation of this third entity required a careful allocation of costs and inventories. Fortunately, we had a system already in place to deal with this contingency. All that was required was to print another batch of inventory forms on a paper of a third color for the new office.

Tom Martin agreed to open that office. He went to Los Angeles and in a very short time found a space we could afford. As became somewhat typical for our facilities, it was a former auto repair garage. It served our purposes despite its quite different early life. With a lease in hand, **Tom** set to work installing our cheap form of shelving and some worktables. When he advised us that he was ready to go, we sent an inventory of books all published in the previous two years. **Eunice Andrews**, who had done clerical work in the Portland office, agreed to move to Los Angeles to assist **Tom**. She knew the ropes of our internal operations and could relieve **Tom** of the clerical work there, which he had also done, in part, in the Portland office.

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Tom did a superb job of developing the Los Angeles office and provided a useful model that subsequent regional offices replicated. **Tom** and **Eunice** married within a year or thereabouts, but **Eunice** continued helping in the office. She hired additional help and trained them. So, as it fell out, a strong husband-and-wife team developed.

Meanwhile, it was necessary to bring additional staff aboard in Portland to handle the growing and increasingly complex operations. Here, **Lorene Dutch** proved her sound instincts for recruiting and training additional staff. She discovered that not far from the College was a neighborhood of women who had finished raising their children and wanted to augment their family income. They possessed no particular commercially marketable skills — their lives had been devoted to childrearing and homemaking. But they were natively bright, willing and capable of learning, and prepared to work hard. **Lorene** worked well with them and located others of the same ilk as the company grew. She hired and trained a great crew of "retread housewives."

Not far from the neighborhood in which **Lorene** had discovered this treasure trove of new employees was a commercial district comprised of a miscellany of retail businesses as well as a branch of the U.S. Post Office. In April 1960 I discovered a former automobile repair garage at one end of this district. The owner, an inventor and developer of bar mixer-dispensers, used but a corner of the front end of the building. He had not thought of renting

continued on page 80

Papa Abel Remembers from page 79

any part of it, but after reflecting on my offer he decided to let us lease the back half. At that time the book trade depended almost exclusively upon the Post Office to ship books. So, a Post Office branch within a couple of blocks made this former garage even more appealing. The building was located about a mile from the College on a main city thoroughfare, so it would not be difficult to move shelves, the book inventory, and the office furniture and equipment. In short, we had found a new home for the small enterprise.

We located a retired carpenter who installed both new and acquired shelving, and constructed a receiving/packing dock with associated worktables on which order file boxes were kept. Our carpenter also built a number of two-sided, five-shelf carts for receiving. The publishers' orders for each shipment were placed on these carts, and these went on to the pricing and billing staff, who were located under a balcony, a space built for accounting and managerial functions. Our entire inventory control — ordering, receiving, pricing, billing,

and accounting system — was as plain and straightforward as our new physical facilities, far from an imposing setup.

Now this recital of the outfitting of our new space and our major in-house routines may seem to some readers a minor indeed boring matter. But all of this was the consequence of a good deal of careful thinking and planning to yield the greatest efficiency we could engineer. Obviously, we were forced to these quarters and exercises by the fact that we no longer enjoyed free rent, utilities, and maintenance, or access to a cheap student labor pool. In short, we faced a second major real-world reality. We now had to continue to operate within the profit margins established by wholesalers to retail bookstores and newsdealers, not the margins comfortable for a specialist dealer who placed low volume orders for a multitude of titles to university and research libraries. Our future was, therefore, entirely at the hands of the cleanest most efficient operation we could design.

The final major change in our mode of operation was to obtain the keenest and most current factual analysis and accounting that would guide us in making informed decisions

with respect to the increasing complexity of the business. To solve this problem we hired an assistant who worked for our CPA and auditor.

By June 1960 we had a new space equipped and laid out for an efficient book operation. We had a dependable staff dedicated to the business of serving academic and research libraries with the specialized books they required. We had met all the terms contained in the purchase agreement with **Reed College**. We had explained the changes to our present library customers and publishers, and we had received no negative feedback. We had taken the first step to regionalize our relationship with the Southwest libraries through the formation of the Los Angeles office. A new creature was now ready to step out on its own. We completed the move in two days over a mid-June weekend thanks to a can-do staff who exerted the strengths needed to make the move without interrupting the business.

The new creature, **Richard Abel & Company, Inc.**, a name that reflects the conception of the staff as the company or band, stepped out, bent on establishing itself as a first-rate, specialist regional bookseller to serve specialist institutions. 🐾

Issues in Vendor/Library Relations — Open

Column Editor: **Bob Nardini** (Group Director, Client Integration and Head Bibliographer, Coutts Information Services) <bnardini@couttsinfo.com>

If you worked for a polling company and phoned people at dinnertime the week long to ask what they thought about open access, the ones who answered at all would probably think you were after their opinion on a kooky college admissions policy from the 1970s, were trying to sell them on the benefits of online banking, were asking about some kind of problem with the cable companies they'd vaguely heard about, or most likely, would have no idea what you meant.

Now if **Ohio State**, **LSU**, or **USC** had announced a new policy of free football tickets for all by way of acknowledging that work carried on at universities is a public good and so to a point ought to be beyond commercialization, then your average non-librarian would recognize this as big news and would fully understand the windfall value for fans, if not how the schools would put the details together without causing a riot.

But when **Harvard** announced that faculty scholarship would be free for all, naturally the news barely registered with the general public, who, as we regularly hear, read books and newspapers in declining numbers, let alone scholarly articles. Among those with whom the news did resonate, however — librarians, publishers, vendors, and a growing number of academics — there's shared recognition that we may be on the edge of paradigm shift in scholarly publishing, if not consensus on the wisdom in the shift. Nor do we have much more clarity on the details of the change than there'd be at the outset of the free tickets idea

although it's clear, in our case, there's no danger of a riot.

That may be small consolation to traditional journals publishers, whose practices over many years, beginning in the 1950s with the rise of **Robert Maxwell's Pergamon Press**, ripened in the 1970s to carry a special odor of inflation and monopoly leading to the near-perpetual "serials crisis," which in time brought about resistance on the part of librarians and others whose actions coalesced in the "open access" movement that blossomed in the 1990s with its culmination, so far, being this news from **Harvard**.

Robert Darnton, Director of **Harvard University Library**, said that the move "represents an opportunity to reshape the landscape of learning" and that it would promote the "widest possible dissemination of the faculty's work." (**Darnton**, an eminent historian of the book, knows something about the dissemination of scholarly work. A terrific writer, for an engaging account of how **Diderot's Encyclopédie** made its way across Europe, see **Darnton's The Business of Enlightenment**.)

Harvard computer science professor **Stuart Shieber**, who led the campus movement, told the *New York Times* that he doubted the move would undermine the journals industry. The undergraduates who run *The Harvard Crimson*, however, had expressed a different view after **Harvard's** Faculty Council had first proposed the measure in September. "All for Open Access: Let's Welcome the End of For-Profit Academic Publishing," the *Crimson's*

editorial was headlined. Whether or not that comes to pass, the February vote of **Harvard's** full Faculty of Arts and Sciences was unanimous for open access.

Unanimous? If they were asked to vote on how to ride into Boston on the T from Cambridge, it's difficult to see the faculty of famously fractious **Harvard** coming out 100 percent behind the Red Line. In October, after all, a professor of anthropology had been quoted as saying, "We might be shooting ourselves and our young colleagues in the foot." But unanimous it was, by February, and **Darnton's** library now will launch an Office for Scholarly Communication to oversee **Harvard's** open-access repository, while the academic world waits to see what effect the **Harvard** decision will have on the university's peers and so in the end on the structure of scholarly publishing itself.

"As far as I know," **Shieber** said to the *New York Times*, "everyone I've ever talked to is supportive of the underlying principle. Still there is a difference between an underlying principle and specific proposal." Of course that's true, and now that a specific proposal has been endorsed, it's equally true that there's a difference between someone's vote and their behavior later on. Will the **Harvard** plan actually work? The proposal does include an "opt-out" clause, whereby a **Harvard** professor can