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**Culture, Commerce and Ambivalence: A Study of
Australian Federal Government Intervention in
Book Publishing**

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ABSTRACT

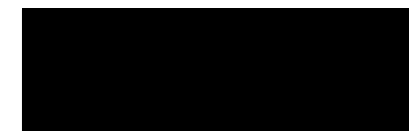
This study of Australian federal government policy intervention in book production and distribution takes as its starting point the argument that the book is at once an enduring and valued cultural artefact and a commodity for commercial exchange. In this thesis I argue that this dual nature imbues the book and its production and distribution with tensions that arise from the conflicting and often irreconcilable goals and values of culture and commerce. These tensions, some of which are particularly Australian, have not only informed related government policy, but have also shaped the history of the book in Australia.

As a context for the analysis of government involvement in book production and distribution that comprises the second section of this study, I provide an overview, in the first section, of the nature of the book, its history in Australia and of federal policy in relation to both cultural and commercial activities. My examination of a century of selected federal policy interventions in their particular historical, political and social contexts reveals a history of government policy ambivalence in relation to the book, its production and distribution. I examine the policy choices made by the federal government in this area, identify the effects of government action and inaction and suggest the possibility of alternative policy options.

This research provides an understanding of the effects on government policy of the dual nature of the book and book publishing, as well as of the role of government in the development of the book trade in Australia.

STATEMENT OF ORIGINALITY

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university or other institution, and to the best of my knowledge, this thesis contains no material previously published or written by another person, except where due reference is made in the text of the thesis.



Kathleen Ann McLean

23/10/02

Date

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ABBREVIATIONS LIST

A&R	Angus & Robertson
ABA	Australian Booksellers Association
ABPA	Australian Book Publishers Association
<i>ABR</i>	<i>Australian Book Review</i>
ABS	Australian Bureau of Statistics
ACCC	Australian Competition and Consumer Commission
AGPS	Australian Government Publishing Service
AIPA	Australian Independent Publishers Association
ALIA	Australian Library and Information Association
ALP	Australian Labor Party
APA	Australian Publishers Association
<i>ARB, The</i>	<i>The Australian's Review of Books</i>
ASA	Australian Society of Authors
BIAP	Book Industry Assistance Plan
CLF	Commonwealth Literary Fund
CLRC	Copyright Law Review Committee
CMC	Cultural Ministers' Council
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DASETT	Department of Arts, Sport, the Environment, Tourism and Territories
DCA	Department of Communications and the Arts
DCITA	Department of Communications, Information Technology and the Arts
DEA	Department of External Affairs
EEC	European Economic Community
ELR	Educational Lending Right
EPICS	Enhanced Printing Industry Competitiveness Scheme
FAW	Fellowship of Australian Writers
FIRB	Foreign Investment Review Board
GST	Goods and Services Tax
IAC	Industries Assistance Commission
IC	Industries Commission
LAA	Library Association of Australia
MP	Member of Parliament
MUP	Melbourne University Press
NAA	National Archives of Australia
NBC	National Book Council
NCCRS	National Centre for Culture and Recreation Statistics
PAGE	Publish Australia Group Enterprises
PATEFA	Printing and Allied Trades Employers Federation of Australia
PIDE	Publishing Industry Development and Export [Program]
PIES	Publishing Incentives to Export Scheme
PLR	Public Lending Right
PM	Prime Minister
PSA	Prices Surveillance Authority
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UQP	University of Queensland Press

Quite apart from their intellectual values books are manufactured commodities like footwear or crockery and are subject to many of the same rules of trading.

George Ferguson (1973), 'The Publisher and National Development' in *The Book Under Challenge*, Australian UNESCO Seminar, National Library of Australia, November 1972, Canberra, AGPS, p. 24.

Because of the book's traditional status as cultural artefact, educational tool, universal transmitter of ideas, and conduit of national identity, governments have supported the writing and publishing of books . . .

John Curtain (1993), 'Book Publishing' in Stuart Cunningham & Graeme Turner, eds, *The Media in Australia: Industries, Texts, Audiences*, Sydney, Allen & Unwin, p. 107.

The fundamental point is that 'cultural value' is impossible to define with the measure of precision necessary for it to serve as a meaningful and consistently applied criteria for government policy.

Industries Assistance Commission (1979), *The Book Publishing Industry*, No. 228, Canberra, AGPS, p. 57.

INTRODUCTION

This is a study of Australian federal government intervention in book production and distribution. It takes as its starting point the argument that the book is both an enduring and valued cultural artefact and a commodity for commercial exchange. The book's dual roles and nature imbue it with tensions that arise from the conflicting, and often irreconcilable, goals and values of culture and commerce. These tensions are present and potent in Australian book history and I argue in this thesis that they have shaped the nature of government policy involvement in book production and distribution.

Among their many policy activities, successive Australian governments have been moved by both the cultural and commercial imperatives of the book to intervene, in major and minor ways, in facilitating and regulating the production and distribution of books. Such interventions range from copyright legislation which provides the fundamental property rights protection that is the basis of commercial book publishing, to minor programs such as the provision of concessions for the transmission of books through the post. Each of these examples relates primarily to either the commercial or cultural role of books – for instance, copyright regulation provides protection that enables publishers to commercially exploit their exclusive rights to the intellectual property that make up books, while postal concessions allowed books (along with other printed matter) to be sent through the post more cheaply than other items in recognition of their cultural, including educational, functions and value. Although the primary motives for these interventions are *either* cultural or commercial, the dual nature of the book ensures that the effects of policy are *both* cultural and commercial. That is, copyright regulation also permits owners of copyrights to control the supply of books and to thereby affect the nature of books available at any given time; postal concessions provide a commercial advantage to publishers that producers of other commodities do not enjoy.

Government intervention then is not only prompted and shaped by the cultural and commercial nature of the book and its production, but government policy activities also

have cultural and commercial effects. It is the interaction between public policy and the book's cultural and commercial roles and attributes that is the subject of this thesis.

The central questions of this study are, firstly, how has Australian federal government policy in relation to the book and book publishing been affected by the dual nature of the book as both a cultural artefact and a commodity for commercial exchange? And secondly, how has government intervention affected the nature of book publishing in Australia?

This research provides an understanding of the policy choices made by Australian federal governments throughout the twentieth century in relation to book production and distribution, and of the factors and tensions that have affected those choices. The thesis exposes and explains the nature of policy in this area, and identifies the effects of government intervention, and lack of intervention, on the development of book publishing in Australia.

In examining a century of government policy involvement in book production and distribution, I demonstrate that the activities of governments in this area have been characterised by ambivalence, that is, by inaction or slow policy response, and by policies that are ad hoc, uncoordinated, minor and, at times, symbolic.

Although this history of ambivalence in public policy is due partly to the very nature of government in liberal-democratic societies and to the role of compromise in policy making, it is also the consequence of a number of tensions that emanate from the characteristics of the book and book publishing. These include, firstly, the tension in book publishing between the conflicting demands of commerce for profits, and of culture for high quality and enduring books. The maximisation of profits often involves cost-cutting with an emphasis on cheap and quick production of books with popular content, and on rapid commodity turnover. High quality publishing, on the other hand, demands careful, time-consuming and costly manuscript development and preparation, coupled with the opportunity for the slow building of audience, author reputation and cultural capital. Secondly, there is a related tension inherent in book publishing as primarily a *private* commercial enterprise producing artefacts reflecting *public* culture.

Thirdly, there is a tension between the democratic ideal of a free and unimpeded press, and the perceived need for government to ameliorate the effects of the commercial market on the cultural role of the book. Australian governments have, on one hand, been reluctant to intervene in what is essentially a private enterprise, or to interfere with the freedom of the press. On the other hand, governments have been compelled by the cultural significance of the book to play a role in book production and distribution.

While these tensions may be found in many countries, there are tensions that are particular to Australia and that have also affected Australian government policy. The dual roles of the book were prominent in colonial Australia with the book functioning as both a tool for the entrenchment of British culture, and as a commodity for British commercial profit. As a cultural artefact, the British book served to convey and help establish British cultural values, institutions and ways of life. Books contained regulations and law, poetry, manners, art, fictional and biographical stories, history, practical instructions and religious and spiritual nourishment. The book was also a profitable commodity for British commercial interests. Living in a geographically isolated land, separated from most other English-speaking countries by months of sea travel, Australians were eager for books. The British colonies (and later the Commonwealth countries) became important markets for British commodities of all kinds, and Australia was a particularly profitable market for British book exports.

At the same time, the book was also a vehicle for the expression and transmission of a developing *Australian* culture. However, the success of both the cultural and commercial missions of British publishers contributed to retarding the development of local publishing.¹ Consequently, the depiction of a serious and credible national cultural identity in locally produced books was also slow to begin, and it was not until after the Second World War that Australian publishing began to expand and develop.² Up until that time, many works by Australian authors were published in Britain with a British publisher's imprint providing the endorsement necessary to be taken seriously in Australia.

¹ This is discussed in detail in Chapter 2.

² John McLaren details the slow development of local publishing in 'Publishing in the Twentieth Century' (1988) in D.H. Borchardt & W. Kirsop, eds, *The Book in Australia: Essays Towards a Cultural and*

Australia's distance from the centres of English language publishing and of European culture provided further tension in relation to imported books and a local industry. Australians were reliant on book imports to help break down their cultural isolation and to provide a link to 'home'. Book imports were therefore, for the most part, unimpeded by tariffs or other import restrictions in both colonial and post-federation Australia. Once reliable and regular trade systems were established, the Australian market was well-supplied with books from Britain, and there was little urgency to develop a local publishing industry. Tariffs that were employed to protect other 'infant' industries from imports and allow them to develop, were not used in the case of book publishing. Impediments to book imports were strongly opposed by Australian booksellers, librarians, teachers and academics, and by British and Australian publishers,³ and facilitating access to books was a key issue in Australian public policy.⁴

These tensions, outlined above, profoundly influenced the nature of Australian public policy in relation to book production and distribution, and in this thesis, I trace the effect of the tensions on particular policies throughout the twentieth century.

Research Context and Contribution

Few analyses or descriptions of book publishing fail to note the dual cultural and commercial nature of the industry and its product, the book. That nature is often identified as a major factor which makes book publishing a unique activity and differentiates it from other industries. However, with some notable exceptions, few commentators examine in detail the cultural and commercial nature of the book and its effect on the activities of publishing.⁵ In this study, I explore the dual nature of the

Social History, Melbourne, Australian Reference Publications/Centre for Bibliographical & Textual Studies, Monash University, pp. 66-87.

³ Witnesses providing evidence to Tariff Board inquiries in 1930 and in 1946 overwhelmingly opposed the imposition of tariffs on books; this is discussed in Chapters 4 and 5.

⁴ John Curtain makes this point in a number of his works, including 'Book Publishing' (1993) in S. Cunningham & G. Turner, eds, *The Media in Australia: Industries, Texts, Audiences*, Sydney, Allen & Unwin, pp. 102-118; and 'Distance Makes the Market Fonder: The Development of Book Publishing in Australia' (1993), *Media, Culture & Society*, v15 n2 April, pp. 233-244.

⁵ Exceptions include the broad sociological study of US publishing by Lewis Coser, Charles Kadushin & Walter Powell (1982), *Books: The Culture and Commerce of Publishing*, New York, Basic Books;

book, in both a theoretical context and in its practical application to publishing. The understandings provided by this exploration inform my later overview of the book in Australia and of government policy, and my examination and analysis of selected government policy interventions.

This thesis is located in the cross-disciplinary area of academic interest known as 'history of the book' research. Contemporary history of the book scholarship differs from the narrow confines of the previously dominant bibliographic history and description in that it considers issues of production, consumption and reception, as well as the political, economic and social contexts in which these activities occur. The history of the book movement is strongly influenced by the 'Annales school' of socioeconomic history and the work of French writers Lucien Febvre and Henri-Jean Martin.⁶ Book history in this context enjoys strong contemporary interest and is represented in literature by a number of national history of the book publications and other works that focus on the production, distribution and/or reception of books in their particular social, political, economic and historical contexts.⁷

The recent publication of the first volume of the History of the Book in Australia project⁸ is clearly informed by an understanding of the cultural and commercial roles of the book and pays careful attention to publishing, printing, bookselling, reading and the role of libraries in its period. However, it provides little information on federal government intervention in those activities, except in relation to libraries, the Australian Army Education Service and to censorship.⁹

Michael Lane's British study *Books and Publishers: Commerce Against Culture* (1980), Lexington, Mass., Lexington Books; and other more theoretical works discussed in Chapter 1.

⁶ Lucien Febvre & Henri-Jean Martin (1976), *The Coming of the Book: The Impact of Printing 1450-1800*, translated by David Gerard, London, NLB (originally published 1958). This description of contemporary history of the book scholarship is derived from Robert Darnton (1983), 'What is the History of Books?' in K.E. Carpenter, ed., *Books and Society in History: Papers of the Association of College and Research Libraries Rare Books and Manuscripts Preconference 24-28 June 1980 Boston Massachusetts*, New York, Bowker, pp. 3-26.

⁷ A History of the Book in Australia project is underway and its first publication appeared in 2001: Martyn Lyons & John Arnold, eds, *A History of the Book in Australia 1891-1945: A National Culture in a Colonised Market*, St Lucia, Qld, UQP. Other national projects have been carried out or are underway in New Zealand, Britain, Ireland, the US, France, Estonia and Germany.

⁸ Lyons & Arnold, eds, op. cit..

⁹ The relevant chapters are David J. Jones (2001), 'Public Libraries: "Institutions of the Highest Educational Value"', pp. 157-175; Jim Cleary (2001), 'Books for the Troops: The Australian Army Education Service in the Second World War', pp. 199-204; and Deanna Heath (2001), 'Literary Censorship, Imperialism and the White Australia Policy', pp. 69-82, all in Lyons & Arnold, eds, op. cit..

My study of culture, commerce and government intervention in book publishing in twentieth century Australia is in accord with history of the book methodology in that it takes a contextual approach to its subject. It makes an original contribution to that body of research, in particular with its examination of selected government interventions in book production and distribution in Australia, and with its exploration of the culture-commerce dichotomy inherent in those activities.

Because of the prominent cultural role of the book and the situation of many related government interventions within the Australian cultural policy system, this thesis also contributes to the body of research that examines the history and nature of Australian arts and cultural policy. This is another area of strong contemporary academic interest, and a number of substantial Australian works have been completed in recent years, including historical surveys of Australian cultural policy by Deborah Stevenson, Lianne Gibson and Katya Johanson.¹⁰ Earlier works in this area include Tim Rowse's critical and much-cited 1985 study of arts funding in Australia,¹¹ a detailed study by Justin Macdonnell of the work of successive federal ministers responsible for the arts portfolio from 1968 until 1987¹² and a thesis by Jennifer Radbourne on the history of federal arts administration in Australia between 1945 and 1990, with an emphasis on the performing arts.¹³ The federal government has also contributed to this literature with a 1980 official view published in a UNESCO series on cultural policy in its member countries by Jean Battersby, then executive officer of the Australia Council.¹⁴ A later and more comprehensive account of Australian federal government involvement in the arts was prepared by the Parliamentary Library's research service as a background paper for members of federal parliament.¹⁵ This latter work provides not only a useful chronology, but also identifies contentious issues and summarises the debates concerning the federal government's role in cultural policy.

¹⁰ Deborah Stevenson (2000), *Art and Organisation: Making Australian Cultural Policy*, St Lucia, Qld, UQP; Lianne Gibson (2001), *The Uses of Art: Constructing Australian Identities*, St Lucia, Qld, UQP; and Katya Johanson (2000), 'The Role of Australia's Cultural Council 1945-1995', unpublished PhD thesis, Department of History & Politics, University of Melbourne.

¹¹ Tim Rowse (1985), *Arguing the Arts: The Funding of the Arts in Australia*, Ringwood, Vic., Penguin.

¹² Justin Macdonnell (1992), *Arts Minister? Government Policy and the Arts*, Sydney, Currency Press.

¹³ Jennifer Radbourne (1993), 'Commonwealth Arts Administration: An Historical Perspective 1945-1990', unpublished PhD thesis, University of Queensland.

¹⁴ Jean Battersby (1980), *Cultural Policy in Australia*, Paris, UNESCO.

¹⁵ John Gardiner-Garden (1994), *Arts Policy in Australia: A History of Commonwealth Involvement in the Arts*, Parliamentary Research Service Background Paper No. 5, Canberra, Dept of the Parliamentary Library.

Most of the research in this area examines the history of arts (and later, cultural) policy in Australia in general or with a focus on a particular art form. Little work, however, has been carried out specifically on public policy in relation to those aspects of book publishing that are considered under the rubric of arts or cultural policy, although there has been some work produced on the history of assistance to literature through the Australia Council. Thomas Shapcott, a foundation member and later director of the Literature Board of the Australia Council documented the Board's work, and that of its predecessor, the Commonwealth Literary Fund (CLF), in 1988, in an uncritical but useful monograph.¹⁶ The Board's history has recently been updated by a yet unpublished Literature Board sponsored project.¹⁷ Both of these works provide little more than a chronology and listing of specific program details, although Shapcott does include excerpts from Literature Board meeting minutes to illustrate how some decisions were made. There have been many short works of commentary, criticism and analysis of Literature Board functions; however, none provide a long-term historical view or a sustained analysis.

Since the book and book publishing have both cultural and commercial roles, related government intervention crosses policy system boundaries. Most is carried out through the arts (or cultural) policy system which has itself expanded, with the increasing perception of arts as industry, to incorporate a more commercial focus.¹⁸ Other programs, such as the Book Bounty, have been developed and implemented within industry policy systems. There has been very little research into interventions in book publishing across policy system boundaries, although a few articles have been published that provide short surveys of all government assistance provided to the industry at the time of their writing. These include two works by Kay Daniels that discuss the full range of government policy instruments directed toward the book trade,¹⁹ and an article

¹⁶ Thomas Shapcott (1988), *The Literature Board: A Brief History*, St Lucia, Qld, UQP.

¹⁷ Irene Stevens (2001), 'A Short History of the Literature Board/Fund 1986-2000', unpublished draft written for the Literature Board, Australia Council.

¹⁸ The notion of arts as industry, the change in terminology from 'arts' to 'culture' and the expansion of the parameters of arts/cultural policy are all discussed in more detail in Chapter 3 of this thesis.

¹⁹ Kay Daniels (1992), 'Book Distribution and Book Culture' in Jock Macleod & Patrick Buckridge, eds, *Books and Reading in Australian Society*, [Nathan] Qld, Institute for Cultural Policy Studies, Griffith University, pp. 99-107; and Daniels (1997), 'Balancing Objectives: The Role of the Commonwealth in Cultural Development', *Culture & Policy*, v8 n1, pp. 5-24.

published in 1988 by economist, A.J. Hagger, that examines the economics of the book industry, including the role of government.²⁰

This study then not only links history of the book scholarship with cultural policy studies, but also crosses over, by necessity, to examine aspects of other policy systems, including taxation, customs and industry policy, that affect the book, its production and its distribution. It therefore provides an extensive view of relevant public policy interventions, and demonstrates that government interest in the book and the activities of book publishing incorporates both cultural and commercial considerations.

Research Methodology

The approach taken to the research questions in this study can be described as contextual, historical and analytical. It is contextual in the sense that, in the first of two major sections, I provide a theoretical and historical context for the later examination of specific government policy interventions that comprises the second section of the thesis. The contextual chapters also establish the argument that the cultural and commercial roles and nature of the book have had a profound effect on related public policy; the second section builds and confirms that argument with empirical evidence.

The contextual material includes three separate but related subjects that together comprise background for the later study of specific government interventions. Firstly, I analyse the nature of the book as both a cultural artefact and commercial product, and identify the application of those two roles in the practice of book publishing. I examine and evaluate theoretical material on the dual nature of the book and book publishing and propose a continuum model, that demonstrates the essential cultural-commercial nature of the book. Secondly, building on this discussion and identifying some of its observations in practice, I undertake a brief historical survey of the book in Australia and the development of Australian book publishing. In this survey I consider the specific cultural and commercial roles of the book, and identify the effects of those roles

²⁰ A.J. Hagger (1988), 'The Economics of the Book Industry' in Borchardt & Kirsop, eds, op. cit., pp. 96-109.

on the development of a local book publishing industry. Thirdly, I provide a theoretical and practical examination of government intervention in general, in relation to cultural and commercial activities in Australia and of the particular nature of intervention in book production and distribution. In the course of this examination I identify and discuss specific policy systems, agendas, issues and actors, as well as identify, in the very nature of government policy activity, a source of some of the ambivalence found in my subsequent policy analysis.

The historical and analytical approach to the research problem is evident in much of the above material, but is most explicit in the detailed historical survey and analysis of selected federal government interventions in book production and distribution in the twentieth century. I examine policies in their historical, social and political contexts and, in many cases, draw on primary sources to illustrate the contemporary rationale for policies, the interests of stakeholders and the operational features of particular policy instruments. The scrutiny and analysis of selected policies enables me to identify the particular cultural and commercial influences, including both motivating factors and constraints, to analyse the effects on policies of the tensions between culture and commerce, and to identify the cultural and/or commercial intent and effects of specific interventions.

I trace particular policies that endured and developed over time through a number of chronological periods, and identify and analyse policy changes. The examination of policies over time illustrates the differing perceptions of particular governments regarding their roles, and the expansion of government policy agendas, including a developing acceptance of a legitimate and central role for the federal government in cultural activities. It also demonstrates the evolving public policy response to the inability of the commercial market to adequately cater for and represent both the cultural and commercial roles of the book.

Parameters of the Study

The central focus of this study is on Australian federal government policy in relation to the commercially produced, printed and bound book, and to the activities involved in book publishing, including both production and distribution. I differentiate between and separate book production and distribution because a number of government policies address *either* production or distribution specifically, and use of the broader term 'publishing' fails, in those instances, to provide clarity. This is particularly the case in relation to book imports and the associated policy issues of tariffs and copyright, where, for instance, British publishers do not 'publish' in Australia, but distribute books. It is therefore necessary to be clear that book production involves selecting, acquiring, editing and developing manuscripts, book design, pre-production work, proof reading, printing and binding. Book distribution, as undertaken by publishers, includes marketing, promotion, packing and shipping, supplying book stock to retail outlets and other customers, exporting and importing.

I do not include policy in relation to digital or electronic books, or to electronic publishing of any kind. This technology remains in an emergent state and is outside the scope of this thesis.

A significant feature of Australian book publishing is the large number of organisations and individuals which produce books. These include government departments and instrumentalities, churches, universities, foundations, businesses, clubs, associations, schools, libraries, self-publishers and other private individuals, as well as professional publishing companies. In this thesis, I focus exclusively on the latter – the private, professional and commercial publishing businesses that produce books for profit. It is in this private commercial publishing sector that the majority of books are produced in Australia, and that the culture-commerce dichotomy of book publishing is experienced most keenly.

The period under consideration is the twentieth century, beginning with federation in 1901 and concluding at the end of 2000. However, some policies were initiated or had

their genesis in the Australian colonies or in Britain in the years before federation and, where this is the case, relevant background information is provided.

Although the focus of this thesis is on the activities of the federal government, it should be acknowledged that state and local governments in Australia also implement policies that affect books and book publishing, and are important players in supporting both the cultural and commercial roles of the book. Although the policy activities of state and local governments in this area remain largely undocumented, space limitations and my desire to maintain a clear focus on federal policy have resulted in their deliberate omission from this thesis.

The book publishing industry is generally considered to comprise three distinct sectors, known as trade, educational and professional or reference publishing, which also includes scholarly or academic publishing.²¹ In Australia, the largest sector is educational publishing which is made up of primary, secondary and tertiary sub-sectors.²² Trade publishing, the next largest sector, encompasses the widest range of books and has the highest public profile. Trade publishing includes the broad categories of general fiction, non-fiction and children's publishing; these are often broken down further into literary publishing (fiction and non-fiction), popular fiction, children's picture books, cookery books, travel books, 'coffee table books' and so on. The professional or reference sector produces specialised books for professional or academic purposes, and includes law, medicine, science, technology, humanities, social sciences and other specialised reference and research materials. In this study I address public policy in relation to all sectors, although I do not examine the support provided to educational and professional publishing through public education policy. Those sectors enjoy public policy support through curriculum requirements, bulk purchase of textbooks and other policy instruments, much of which is provided through state

²¹ There are alternative categorisations, for instance, the Australian Bureau of Statistics (ABS) includes professional and reference publishing in their educational publishing category, and divides trade publishing, which it calls 'general', into 'general hardback', 'general paperback' and 'mass market paperback', each with sub-sectors: non-fiction, fiction and children's; from ABS (2001), *Book Publishers 1999-2000*, Catalogue No. 1363.0, Adelaide, ABS, pp. 15, 16.

²² The tertiary sub-sector is not generally considered to include scholarly or academic books, but texts and other books intended for undergraduate use.

government education departments and through educational and university library procurements.

Some federal policy initiatives focus on particular sectors or sub-sectors of book publishing, for instance, the publishing subsidy scheme, initiated by the Commonwealth Literary Fund (CLF) and continued by the Literature Board of the Australia Council, provides grants for the publication of works in specific genres, including fiction, non-fiction, poetry and drama that are considered to have literary merit. This 'literary' sub-sector of trade publishing incorporates works deemed (by publishers, critics or government-appointed assessors) to be of high literary quality, and therefore of particular cultural significance. It also tends to be the primary focus of public discussion of Australian book publishing. For these reasons, as well as for the policy attention it has received, I focus in parts of this thesis, more on this sub-sector of the Australian publishing industry than others.

A central program of federal government cultural intervention is the system of grants provided through the Literature Board of the Australia Council (and earlier, by the CLF). These grants are directed at the production and distribution (including promotion) of Australian *literature*, not necessarily through the medium of the book. Grants and professional development opportunities are provided for writers, as is support for literary magazines, organisations and events. A variety of other programs have been funded through the Literature Board for the production, promotion and development of Australian literature both within Australia and overseas, some of which are related to books and book publishing. This thesis is concerned only with those Literature Board and CLF activities that are directly related to books and book publishing in Australia. It is not always easy to clearly identify such programs since many programs have a number of goals as well as effects. The specific activities I focus on are the publishing subsidy scheme, and programs that support and promote the traditional activities of book publishing, including editing, manuscript assessment and distribution.

There are a great many government interventions that affect book publishing and it has not been possible to examine them all in this study. Although the exclusion of some

may affect the comprehensiveness of the thesis, space limitations have necessitated some choices. A major policy area I have excluded from examination is censorship and the classification of literature by government. This intervention has a long and complex history in Australia, and has been well covered by researchers.²³ Although censorship has had both cultural and commercial effects on book production and distribution (and especially on importation), it also involves moral and ideological issues and debate that are too complex and extensive to be adequately examined in this study. For similar reasons, I do not include policy in relation to defamation or libel.

Another intervention not examined in this thesis is the provision of free public libraries and their role in support for the book. The history of library provision in Australia is also long and complex, as well as relatively well documented.²⁴ There is no doubt that the public funding of libraries in Australia has also supported book publishing to some extent, and that librarians were influential in various committees and inquiries discussed in this thesis. However, I have omitted policy in relation to public libraries due, again, to limitations of space and my desire to maintain a clear focus on book publishing.

In my review and analysis of particular public policy interventions, I concentrate on those that, in spite of their often ad hoc and uncoordinated nature, have either been ongoing over time or part of broader policy systems, such as tariffs and taxes. There have been many special occasion or one-off interventions that have provided for the publication of particular books (some of which are discussed briefly in Chapter 3). In addition, the federal government has provided support for institutions, such as universities, and for foundations, such as the Australia Foundation for Culture and the Humanities, that have actively engaged in or supported book publishing projects. Although I have chosen not to examine such interventions due to their specialised and disparate nature, it should be noted that the funding of special publishing projects by the

²³ For instance, Heath, op. cit.; Patricia Holt (2000), 'The Wowser as Censor: Australian Novels 1930 to 1968', unpublished MA thesis, National Centre for Australian Studies, Monash University; Peter Coleman (2000), *Obscenity, Blasphemy, Sedition: The Rise and Fall of Literary Censorship in Australia*, Sydney, Duffy & Snellgrove (1st published in 1962); Geoffrey Dutton & Max Harris, eds (1970), *Australia's Censorship Crisis*, Melbourne, Sun Books.

²⁴ For instance, Jones, op. cit., pp. 157-175; Harrison Bryan (1988), 'Libraries' in Borchardt & Kirsop, eds, op. cit., pp. 139-171; Peter Biskup & Doreen Goodman (1982), *Australian Libraries*, 3rd ed., London, Clive Bingley; Ralph Munn & Ernest Pitt (1935), *Australian Libraries: A Survey of Conditions and*

federal government directly, and by its statutory and other authorities, has facilitated the publication in Australia of many culturally significant books.

The federal government has itself been involved in publishing through the Australian Government Publishing Service or AGPS, an instrumentality that, for many years produced official publications and information. In choosing to focus on government policy in relation to private commercial book publishing, I have not included the official government press in this study, although I acknowledge its long history and important role in publishing largely (but not exclusively) non-commercial material generated by the federal government.²⁵

Content and Organisation

In addition to its introductory and concluding chapters, this thesis comprises two sections. The first section, as mentioned above, deals with the contextual issues of the cultural and commercial nature of the book, the history of the book and the development of book publishing in Australia and the nature of government intervention. The second section comprises an examination and analysis of selected Australian public policy relating to the book and book publishing in five chronological chapters.

In the first chapter of this thesis I examine the dual nature of the book as a cultural artefact and commodity for commercial exchange, explore the tensions between the two roles and identify and discuss the effects of these tensions on the practice of book publishing. I argue that book publishing, like its product, is dual natured and involves cultural as well as commercial activities that are not always either in equal balance or accord. I discuss some of the changes in the book publishing industry and in the organisation of the global book trade that have occurred in the latter part of the twentieth century, and that have altered the balance between cultural and commercial

Suggestions for Their Improvement, Melbourne, Australian Council for Educational Research; and papers published from a series of forums on Australian library history held throughout the 1980s and 1990s.

²⁵ The Australian Government Publishing Service (AGPS) was established in 1969 and maintained responsibility for the publishing and printing of official publications from most government departments. Since the mid-1990s, much of this work has been either contracted out or taken on by publications sections of individual departments. The AGPS formally ceased to exist in 1997.

imperatives within the industry. I also review several key theories of culture and commerce in book publishing. This chapter lays the foundation for the thesis by establishing the essential cultural-commercial nature of the book and book publishing, and demonstrating that the two roles of the book are inseparable and fundamental, and that they necessarily influence the practice of book publishing and the nature of government intervention.

The historical development of the Australian book trade is the subject of the second chapter. Here I trace the origins of the conditions, issues and conflicts that characterised book production and distribution in early Australia, and that continued to influence those activities, as well as government intervention in the industry, throughout the twentieth century. I examine the issues of culture and commerce in the Australian book trade and, in particular, in relation to the participation of British publishing companies and the development of local book publishing. I chart the ebb and flow of local publishing, and the slow but steady growth in the proportion of Australian books in the local market. The chapter demonstrates that the conflicting imperatives of culture and commerce had a very particular influence on the history of the book and the development of book publishing in Australia. This chapter provides an historical context for the later examination of specific policy interventions. Its inclusion is based on the following notion articulated by Australian history of the book scholar, Wallace Kirsop:

[a]nyone setting out to describe the publishing industry in Australia in the 1990s recognizes quickly that it is indispensable to understand some of the tensions and conflicts of interests that have marked the country's book world since European settlement in 1788.²⁶

In the third contextual chapter, I examine the nature of government intervention in both theory and practice. I discuss the uncertain role of government in liberal-democratic societies, and acknowledge the importance of ideology in determining the perception of their roles by particular governments. I provide an overview of the part played by Australian federal governments since federation, and the policy systems that have developed, in both commercial and cultural activities in general and, in particular, in

²⁶ Wallace Kirsop (1992), 'Modern Australian Publishing: An Historical Perspective' in G.E. Gorman, ed., *Australian Studies: Acquisition and Collection Development for Libraries*, London, Mansell, p. 27.

relation to the book and its production and distribution. The chapter provides an understanding of the underlying ambivalence of government in relation to its legitimate role, and of its particular ambivalence in the policy area affecting the book and book publishing, an area that crosses cultural and commercial policy systems. The chapter acts as a foundation and context for the following chapters that examine specific policy interventions.

The second section comprises five chapters in which I examine selected government policy interventions in successive chronological periods. I introduce each chapter with a brief overview of particular historical, political and other factors that affected policy in each period. I examine and analyse specific policy instruments in relation to the cultural and commercial factors that influenced or informed each, and in their historical, political and policy system contexts. I identify the government rationale for each policy and provide an overall assessment of each. I also analyse the effects of intervention on subsequent book production, distribution and policy. At the conclusion of each chapter, I evaluate the nature of government policy in relation to book production and distribution in each historical period.

The chapter divisions in the second section are determined by historical, political and policy events, and by the general nature of policy in each period. The chapters necessarily become longer as government involvement increases. The first chapter of this section (Chapter 4) begins with federation in 1901 and examines the policy activities of early governments, including the enactment of copyright legislation, the introduction of postal concessions for books and the establishment of the Commonwealth Literary Fund (CLF). The first period concludes in 1940, after the expansion of the CLF and before the full effects of the Second World War were felt on Australian book supplies.

Chapter 5 begins in 1941 and covers the wartime period of severe book, paper and labour shortages, the policy responses of the government and the post-war policy activities initiated by an energetic and interventionist government. It ends with Prime Minister Menzies' response to the report of the Publishing Industry Committee that signalled the end of this active period and the beginning of 'the quiet years', the title of

the third historical chapter (Chapter 6) covering the period from 1951 to 1972. Policy activity in this period was minimal, particularly in relation to the cultural functions of the book; although toward its end, after Menzies had retired, several significant policy changes were introduced, including the enactment of new copyright legislation and the introduction of the Book Bounty. This period ends in 1972 with the election of the Whitlam Labor government and the consequent beginning of a period of significant policy development and change.

The fourth period (covered in Chapter 7) spans the years from 1973 to 1988 and includes the establishment of the Australia Council as the central arts policy and funding body, and the introduction of the Public Lending Right scheme. It was during this period that Australian publishing grew rapidly and that, although a government role in the arts finally enjoyed bipartisan support, the extent and nature of that role was the subject of a number of inquiries. The final period (Chapter 8) begins with the Prices Surveillance Authority inquiry into book prices in 1989, and includes the policy activities of both Labor and Coalition governments. It concludes at the end of 2000 with the implementation of a compensatory assistance plan for sectors of the book industry adversely affected by the introduction, in July 2000, of a broad Goods and Services Tax (GST).

The thesis concludes with a chapter in which I identify and discuss the major influences on government intervention of particular manifestations of the dual cultural and commercial nature of the book and book publishing. I review and interpret the ambivalence apparent in much government policy in this area. In this concluding chapter, I also evaluate the effects of government policy choices on the Australian book industry, and suggest some policy options that governments might consider in the future.

Section 1

The Book: Culture, Commerce, History and Policy

CHAPTER 1

CULTURE AND COMMERCE: THE DUAL NATURE OF THE BOOK

The conflict between mammon and the muses is endemic to book publishing and probably will never be resolved.¹

The book not only enjoys long-standing status as a valued cultural artefact and a medium for cultural expression, but is also, in contemporary Western culture, a product manufactured to be sold in a commercial environment for profit. The dual nature and roles of the book render it a complex object incorporating differing, and often conflicting values and meanings. These are examined in this chapter, along with their manifestation as tensions in the practice of book publishing, the central activity in the production and distribution of the dual-natured book.

This examination of the book as both cultural and commercial begins by considering the notions of culture and commerce, and establishing working definitions of the two. This is followed by a survey of the book as an object of cultural significance and as a commodity for commercial exchange. Book publishing, in the context of its position at the intersection of culture and commerce is also examined, and a number of theories regarding culture and commerce in book publishing are discussed and evaluated. The chapter provides a foundation for the thesis by establishing the book as dual-natured, and book publishing as a dichotomous activity that involves complex and contradictory cultural and commercial imperatives.

¹ Beth Luey (1997): 'The "Book" on Books – Mammon and the Muses' in E.E. Davis, C.L. La May & E.C. Pease (eds), *Publishing Books*, New Brunswick (USA), Transaction Publishers, p. 150.

Culture and Commerce

Before embarking on a discussion of the cultural and commercial nature of the book and book publishing, it is necessary to examine these terms and settle on some definitions. This is particularly important in the case of *culture* since, as Raymond Williams has written, it 'is one of the two or three most complicated words in the English language'.² Williams' own definitions are useful. He makes the point that while *culture* has different meanings in different disciplines, there are three major categories of usage: firstly *culture* that 'describes a general process of intellectual, spiritual and aesthetic development', secondly as 'the independent noun . . . which indicates a particular way of life, whether of a people, a period, a group or humanity in general' and thirdly, as the 'noun which describes the works and practices of intellectual and especially artistic activity'.³ *Culture* and its adjective *cultural* are used in all three senses throughout this thesis, and the context of their usage generally ensures that the particular meaning is clear. For instance the term 'Australian *culture*' employs the second usage category, *culture* as a way of life; 'Australian *cultural* policy' refers to the first and third categories of usage, concerning processes, practices and works of intellectual or artistic activity, and *cultural* artefact draws on the third category of usage in describing work of intellectual or artistic activity.

Williams also provides a definition of *commerce* as being associated with trade or business. Other forms of the word are more loaded in their meanings, for instance *commercialism*, Williams notes has come to mean 'a system which puts financial profit before any other consideration'.⁴ Indeed the adjective *commercial* has developed a distinctive meaning beyond the simple sense of its relating to trade or business – one that is slightly pejorative and sets it in opposition to culture, that is, *commercial* as 'interested in financial return rather than artistry'.⁵ It is this sense of the word that intrudes on the simpler meaning in this thesis and elsewhere, and which contributes to the tension between culture and commerce. *Commercial*, as I use it does mean

² Raymond Williams (1983), *Keywords: A Vocabulary of Culture and Society*, revised ed., London, Fontana, p. 87 (first published 1976).

³ *ibid.*, p. 90.

⁴ *ibid.*, p. 70.

⁵ *The New Shorter Oxford English Dictionary on Historical Principles* (1993), edited by Lesley Brown, Oxford, Oxford University Press, p. 451.

'interested in financial return'; however it does not necessarily also mean *not* interested in 'artistry' or culture. Where interest in financial return to the exclusion of other interests is meant, it will be made clear.

In an interesting reversal, Edward Said in *Culture and Imperialism* explicitly sets his definition of culture apart from (or *relatively* apart from) commerce or economics:

[a]s I use the word 'culture' means two things in particular. First of all it means all those practices, like the arts of description, communication, and representation, that have relative autonomy from the economic, social, and political realms and that often exist in aesthetic forms, one of whose principal aims is pleasure . . . Second, and almost imperceptibly, culture is a concept that includes a refining and elevating element, each society's reservoir of the best that has been known and thought, as Matthew Arnold put it in the 1860s . . . Culture in this sense is a source of identity.⁶

Said's dual definition of culture is not incongruent with Williams'; however, Said adds a qualitative dimension to culture in his latter definition and links culture in this sense to identity. This is a link that will be explored later in this chapter in relation to the role of the book as an important vehicle for the expression of national cultural identity.

Culture, in the sense of practices and works of intellectual and artistic activity, is commonly conceived of as comprising levels of aesthetic quality or worth. The notions of 'high culture' and 'low' or 'popular culture' are commonly invoked in cultural discourse, and are defined in opposition to one another. Such definition involves the application of notions of cultural legitimacy in which value is assigned to aesthetically elite practices and works considered 'high culture' and therefore culturally legitimate. Popular culture on the other hand is thought to have little value since it involves 'the production of cultural objects in a standardised fashion'⁷ for mass audiences, rather than the creation of unique items for elite consumption.

Some cultural theorists argue that such distinctions are no longer tenable since high cultural products have become commodified and,

⁶ Edward Said (1993), *Culture and Imperialism*, London, Chatto & Windus, xii-xiii.

⁷ Celia Lury (1992), 'Popular Culture and the Mass Media' in Robert Bobcock & Kenneth Thompson, eds, *Social and Cultural Forms of Modernity*, Cambridge, Polity Press, p. 385.

are now produced in exactly the same serial forms as those of low culture: the paperback book, the record or disk, film, radio, television . . . High culture is now a 'niche' cultural market along with many others.⁸

Notwithstanding this view, oppositional notions of high (legitimate) and popular (illegitimate) culture feature prominently in the discourse on the conflict between culture and commerce in book publishing. Anne Haugland's definitions of culture and commerce in relation to books reviewed in the *New York Times Book Review* are an example, she writes:

'[c]ulture' is synonymous with the arts and intellectual life. Books associated with culture are seen to have a value that is separate from and not related to their value as commodities in the marketplace.⁹

On the other hand and in clear contrast, *commerce* for Haugland:

is synonymous with the concerns of the marketplace. Commercial books are seen to have limited value outside of their status as commodities.¹⁰

That cultural books are considered to have value beyond their economic worth assigns them a legitimacy and role denied commercial books. The assigning of value is necessarily a subjective activity from which Haugland distances herself by use of the phrase 'seen to have' in relation to value. Her meaning, however, is clear: some books are cultural and others are commercial.

I argue in this thesis that books are at once cultural *and* commercial – cultural in the sense of being products of intellectual and/or artistic activity, and commercial in relation to the nature of their production, and since most are intended for exchange in a commercial market.

⁸ John Frow (1995), *Cultural Studies and Cultural Value*, Oxford, Clarendon Press, p. 23.

⁹ Ann Haugland (1994), 'Books as Culture/Books as Commerce', *Journalism Quarterly*, v71 n4, p. 791.

¹⁰ *ibid.*

The Book as a Cultural Artefact

The book, amongst its many attributes, is a repository of ideas, information, knowledge, creativity, literature, history and scholarship. It provides an enduring record of cultural expression, and is a medium for education, entertainment, information and inspiration. It conforms to a traditional and standardised physical format that is established and valued. As such it is a significant cultural artefact.

The written word allowed language, and the linguistic expression of ideas, knowledge and creativity to overcome the limitations of time. The book, and especially the printed book, overcame the limitations of space and allowed written language to travel.¹¹ The spread of literacy has magnified the significance of the written word, and has entrenched the book as a central medium for the dissemination of ideas.¹² As Michael Lane writes, 'Western societies . . . have come to be manifestly literate and European cultures unequivocally literary.' Lane goes on to comment on the importance of literacy in Britain:

[c]ertainly since the early 1900s, the necessity for functional adult literacy has been institutionally recognized in the system of compulsory public education and its absence strenuously deplored as economically burdensome, socially destructive, and politically undesirable.¹³

The same attitude to literacy can be seen in most developed Western countries where the book has been and continues to be a major tool for education, religion, information, ideas and imagination. The spread of literacy in developing countries is also an important goal in the pursuit of economic, social and political development.

Benedict Anderson identifies the book and its dissemination through the advent of print capitalism, as a major factor in the origin of national consciousness and nationalism.¹⁴ Print capitalism involves making profits by producing, distributing and selling printed

¹¹ This is discussed in Robert Escarpit (1966), *The Book Revolution*, London, Harrop/UNESCO, p.18.

¹² Lewis Coser, Charles Kadushin & Walter Powell (1982), *Books: The Culture and Commerce of Publishing*, New York, Basic Books, pp. 5-6.

¹³ Michael Lane (1980), *Books and Publishers: Commerce Against Culture*, Lexington, Mass., Lexington Books, p. 1.

¹⁴ Benedict Anderson (1991), *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, revised ed., London, Verso (first published 1983).

products, and it is the profit motive that gave impetus to the efficient dissemination of print. Book publishing, according to Anderson, 'felt all of capitalism's restless search for markets'.¹⁵ Anderson sees the book as 'the first modern-style mass-produced industrial commodity', and newspapers as a form of book, 'one-day best-sellers'.¹⁶

According to Anderson, the fact that these commodities employed language as their currency was important in the creation of print languages from the vernacular languages of Europe, and in turn these print languages provided a basis for national consciousness. Anderson believes that print capitalism did this in three ways, firstly by creating unified fields of communication below the formal and official Latin and above the spoken vernaculars. Print allowed large numbers of, say, Spanish speakers to become united through their reading, and to become aware of one another; these readers formed 'the embryo of the nationally imagined community'.¹⁷ Secondly, print gave a language a 'fixity' which 'in the long run helped to build that image of antiquity so central to the subjective idea of nation'.¹⁸ Finally, print capitalism created 'languages-of-power' by selecting certain dialects to become print languages, these were elevated above the non-print dialects and became national languages and languages of power.¹⁹ All of these factors contributed to the creation of national consciousness through language; Anderson emphasises that these were 'largely unselfconscious processes resulting from the explosive interaction between capitalism, technology and human linguistic diversity'.²⁰

Anderson cites the printing press as a tool of national consciousness in the emerging colonies of North America where newspapers linked events in the American colonies and allowed readers to imagine one another as fellow colonials.²¹ In turn the revolutions of France and America became reified by print; they were written about, published and became models.²²

¹⁵ *ibid.*, p. 38.

¹⁶ *ibid.*, pp. 34, 35.

¹⁷ *ibid.*, p. 44.

¹⁸ *ibid.*

¹⁹ *ibid.*, p. 45.

²⁰ *ibid.*

²¹ *ibid.*, chapter 4: 'Creole Pioneers'.

²² *ibid.*, pp. 80-81.

Although he identifies capitalism as the means by which print was originally disseminated efficiently, Anderson also recognises that it has become a limiting factor since print capitalists (publishers) act as gatekeepers, deciding what will and will not be disseminated through their medium. This is obviously a crucial factor in the culture-commerce dichotomy, and the role of publisher as gatekeeper will be discussed later in this chapter.

Just as print capitalism is considered central to the establishment of national consciousness, print, and the printed book in particular, is fundamental to the maintenance and survival of national cultures. I have argued in another thesis that the book, as a product of its time and place, reflects the social, cultural, political and economic context in which it is created, and in so doing becomes an enduring record of time and place.²³ National voices are expressed in literature, as former Australian publisher, Hilary McPhee notes:

[e]very culture has its own mix of voices that read the way they do because they are embedded in accent, in place, in history. The connections and dislocations of the past, the predilections and prejudices of the present filter through the voices of writers . . .²⁴

The book is therefore a critical medium for the expression and reflection of national, regional and community cultural experience and values. Michael Lane writes:

[i]n any society with an extended tradition of literacy they [books] act as one of the most important repositories of the society's culture, both in the limited sense of recording its repertory of technical skills, and in the broader sense of embodying its accumulated wisdom and values.²⁵

In countries without such tradition, books are also important, and the production and distribution of books have become significant international development issues. The United Nations Educational, Scientific and Cultural Organisation (UNESCO), established in 1946, involved itself early on in issues associated with books as cultural

²³ Kath McLean (1996), 'The Contemporary Australian Book: A Product of Its Time', unpublished MA thesis, Department of Library & Information Studies, University of Tasmania.

²⁴ Hilary McPhee (2001), *Other People's Words*, Sydney, Picador, p. 180.

²⁵ Michael Lane (1970), 'Publishing Managers, Publishing House Organisation and Role Conflict', *Sociology*, v4, p. 368.

material, and negotiated the UNESCO Agreement on the Importation of Educational, Scientific and Cultural Materials (also known as the 'Florence Agreement') in 1950. The Agreement, which currently has 91 signatories, precludes those participating countries from imposing import duties on books and other educational, scientific and cultural material in order to facilitate the free flow of such materials throughout the world and to thereby encourage international cooperation and development.²⁶

UNESCO also sponsored an International Book Year in 1972 to raise issues about the importance of books in national development and to highlight the uneven distribution of books throughout the world. The document emerging from that initiative was the *UNESCO Charter of the Book* which outlines the role of the book as a tool for achieving international peace, development and the promotion of human rights. The Charter was developed by delegates from a number of international associations representing publishers, writers, booksellers and librarians.²⁷

The development function of the book is clearly expressed by Fazle Rabbi in his examination of the role of the book in Bangladesh:

[the book] articulates a country's values; it stimulates individuals' needs and aspirations. Furthermore, a prosperous book industry contributes to the national wealth while helping to develop society. Bangladesh has lived for its short history under gloomy clouds of ignorance and illiteracy . . . To fight ignorance we need books; and more books, and perhaps only books.²⁸

The book, associated as it is with education and culture, is also a potent symbol of the now somewhat outmoded notion of 'civilisation'. In the introduction to his comprehensive history of printing and bookmaking, Douglas McMurtie asserts that 'the most cursory reflection will make it clear beyond doubt that books are a primary necessity of life in any civilized community.'²⁹ With similar rhetoric and lofty assertion, HRH the Duke of Edinburgh, in his address to an International Book Year seminar titled 'Do Books Matter?' stated, '[b]ooks are the very stuff of civilization, and

²⁶ Australia's relationship with the Florence Agreement is discussed in detail in Chapters 6 and 8.

²⁷ UNESCO (1972), *Charter of the Book*, Brussels, Support Committee for International Book Year.

²⁸ Fazle Rabbi (1992), 'The Role of Books in National Development: Bangladesh as a Case Study', *Logos*, v3 n3, p. 138.

²⁹ Douglas C. McMurtie (1980), *The Book: The Story of Printing and Bookmaking*, 3rd revised edition, Oxford, Oxford University Press, xxv (first published 1943).

it seems almost indecent to be put in the position of having to defend them.'³⁰ Such statements attest to the book's cultural power and significance. Richard Abel sees the book as 'the fundamental cultural artefact, the absolutely critical cultural tool, the central invention/creation of culture'.³¹

Rowland Lorimer expands on the significance of the book in an article in which he notes the sociopolitical nature of text and the book, and its role in the administration of power in societies. He makes the important point that books are employed in both support and opposition.³² He and Paddy Scannell point as an example to the use of the book and the printed word by colonial powers to 'entrench an educational system, a literary aesthetic and a publishing industry to maintain the dominance of the colonising language and ideology'.³³

The book is also a symbol of freedom of expression and the free circulation of ideas. The notion of a free press is a fundamental tenet of modern democracy. Books have threatened and continue to threaten various repressive political regimes as Nazi book burning in the 1930s and the recurring censorship of books in various countries attest. Ray Bradbury's 1953 novel *Fahrenheit 451*³⁴ presents a potent fictional account of a society where all books are banned and routinely burnt in an effort to control the minds of the citizens, and where people rebel by committing whole books to memory and covertly sharing them with one another. This novel and later, a popular film based on the novel, were significant reminders of the importance of the free circulation of ideas in the United States at a time when the country was in the grip of a repressive anti-Communism that was seriously affecting many US cultural producers.

In spite of technological developments and the replacement of some of its functions by the new media, the book endures and remains a central and significant medium for education, entertainment and information. The book enjoys a cultural status unshared

³⁰ HRH the Duke of Edinburgh (1973), address to 'Do Books Matter?' seminar held in London on 27 April 1972, in *Do Books Matter?*, Leeds, Working Party on Library and Book Trade Relations/Dunn & Wilson/Morley Books, p. 15.

³¹ Richard Abel (1993), 'Measuring the Value of Books: A Taxonomic Approach', *Logos*, v4 n1, p. 44.

³² Rowland Lorimer (1993), 'The Socioeconomy of Scholarly and Cultural Book Publishing' *Media, Culture & Society*, v15, p. 204.

³³ Rowland Lorimer & Paddy Scannell (1993), 'Editorial', *Media, Culture & Society*, v15, p. 164.

³⁴ Ray Bradbury (1953), *Fahrenheit 451*, New York, Ballantine Books.

by other, more ephemeral media. The longevity of the book as a format, its established and respected production process (that includes the provision of a publisher's imprimatur), its ubiquity in educational and intellectual settings, its sturdy physical construction and weight, all contribute to its central position as a respected cultural artefact. Lane makes the point that:

the book still retains a privileged position among media . . . As a cultural object, it has succeeded in retaining to an astonishing degree the power and significance it possessed in ages when it did not have to compete with films, television, and the contents of mass circulation newspapers.³⁵

The Book as a Commercial Product

Although books are of major cultural and educational significance, they are, almost without exception, produced in an entirely commercial context.³⁶

In addition to its significant cultural status, the book is also a commodity produced and designed for sale in a commercial environment. Its producers (publishers) aim to sell as many copies of individual books as possible, and to sell or make commercial use of rights associated with each book. The aim is to cover the many costs incurred in publishing and distributing, and to make profits. All players involved in the book trade – including authors, illustrators, agents, editors, designers, publishers, printers, distributors, booksellers and book buyers – have some commercial or financial interest in the book.

The commercial nature of the book is not new, a strong commercial element existed from the very beginnings of printing:

[f]rom its earliest days printing existed as an industry, governed by the same rules as any other industry; the book was a piece of merchandise which men produced before anything else to make a living.³⁷

³⁵ Lane (1980), op. cit., pp. 4-5.

³⁶ John Feather (1993), 'Book Publishing in Britain: An Overview', *Media, Culture & Society*, v15, p. 167.

³⁷ Lucien Febvre & Henri-Jean Martin (1976), *The Coming of the Book: The Impact of Printing 1450-1800*, translated by David Gerard, London, NLB, p. 109 (first published 1958).

The early book industry was financially underpinned by the religious and educational book markets, and the latter in particular has continued to be a profitable market for the book. S.H. Steinberg writes of Wynkyn de Worde, successor to Caxton in England:

[h]e excelled in quantity rather than quality . . . [and] may justly be called the first publisher who actually made the school-book department the financial basis of his business.³⁸

As mentioned previously, Benedict Anderson points out that it was not simply the book and other printed matter that contributed so significantly to the origins of nationalism, but it was the effects of *print capitalism* that ensured that the printed word was widely disseminated in order to generate profit.³⁹ Anderson notes also that book publishers were '[o]ne of the earlier forms of capitalist enterprise', and expanded rapidly throughout Europe as the demand for books increased.⁴⁰

Coser, Kadushin and Powell in their major work on culture and commerce in book publishing in the United States, demonstrate that commercialism in publishing, in its pejorative sense, has been an issue in the US from very early times. They quote concerned commentators writing in various periods, including a *Publishers Weekly* contributor who wrote in 1890:

[i]f literature and art are to be treated as commonplace merchandise . . . it will make commonplace the manners of our people and their intelligence restricted to the counting-room.⁴¹

The commercial nature of the book has remained, as have the financial concerns of those involved in the book trade. Writing of the sixteenth century, Febvre and Martin note:

[t]he marketing of books was similar to that of other products. To the manufacturers who created books – the printers – and to the business men who sold them – the booksellers and publishers – finance and costing were the key problems.⁴²

³⁸ S.H. Steinberg (1955), *Five Hundred Years of Printing*, Hammondsworth, Penguin, p. 72.

³⁹ Anderson, op. cit., pp. 37-41.

⁴⁰ *ibid.*, p. 37.

⁴¹ Quoted in Coser, Kadushin & Powell, op. cit., p. 18.

⁴² Febvre & Martin, op. cit., p. 109.

The book is a unique commodity in that each title is a different and distinct product and may have a different market, unlike most products of manufacturing. However, the book is marketed and sold like other commodities, utilising a range of commercial practices and is subject to the same laws and market regulations as other commodities. In fact, some publishers maintain that there is little or no difference between the marketing of books and other products; former editor-in-chief at Simon & Schuster, Michael Korda is quoted as saying: '[w]e sell books, other people sell shoes. What's the difference? Publishing isn't the highest art'.⁴³

The environment in which the book is produced has changed significantly in the latter part of the twentieth century and this in turn has altered the nature of the book. The major change involves the movement of publishing from being a small and intimate craft-style activity to being a large corporate enterprise through growth, and changes in industry ownership structures. In fact publishing has undergone processes of modernisation and corporatisation with consequent changes in organisation, priorities and power within publishing companies.

The corporatisation of publishing is largely the result of changes in ownership of companies through mergers, takeovers and the transformation of former family-run firms into larger private or public companies. In common with many early businesses, publishing companies were often established by individuals and operated as family businesses. Many such companies were named for their founders and developed distinctive lists based on the individual tastes and interests of their principals.⁴⁴ This pattern began to change in the mid-twentieth century as the corporate world diversified and grew, the education system expanded, more career options opened and family companies became vulnerable to reorganisation and takeover with the retirement or deaths of their principals.⁴⁵ The doctrine of economic growth with its notion that to

⁴³ Michael Korda, quoted in Walter Powell (1985), *Getting into Print: The Decision-Making Process in Scholarly Publishing*, Chicago, University of Chicago Press, p. 2.

⁴⁴ Ted Solotaroff (1987), 'The Literary-Industrial Complex', *The New Republic*, 8 June, p. 28.

⁴⁵ John Feather, op. cit., p. 70; Feather cites the Penguin and Longman companies, the deaths of Allen Lane and Mark Longman respectively and the takeover of the companies by the Pearson Group, as examples of this phenomenon. Another example is William Collins & Company, the death of Billy Collins and the company's subsequent takeover by News Corporation, as documented in Ken Wilder (1994), *The Company You Keep: A Publisher's Memoir*, Sydney, State Library of NSW Press.

remain profitable, businesses must expand and diversify influenced the publishing industry along with many others.

US publishing historian, John Tebbel paints a romantic picture of US publishing prior to the Second World War as he asserts that publishing 'was a unique kind of business. Its chief ingredient was a love of the printed page, of the book'.⁴⁶ He likens the publishing industry at that time to 'a small town where everyone knew everyone else, and felt a kinship that was not to be found in ordinary commercial enterprises.'⁴⁷ He maintains that this changed with growth and the imposition of a corporate paradigm on publishing.

Publishing companies grew as a flurry of acquisitions and mergers began to occur in the late 1960s and continued into the following decades. Ownership of publishing became increasingly concentrated as large firms took over smaller and less financially secure firms, and were able to provide the capital necessary for the smaller imprints to survive and grow. A feature of the concentrated publishing world is the continuation of publishing under the imprints of firms acquired through takeover or merger. This has resulted in large firms publishing books under a number of imprints. The British Pearson Group, for instance, publishes under more than 25 different imprints including Penguin, Pelican, Puffin, Viking, New American Library, Signet, Riverhead, Rough Guides, Michael Joseph, Ladybird, Pitman and Hamish Hamilton.⁴⁸ The large number of imprints creates an impression of an extensive and diverse industry, masking the concentration of ownership in publishing. The majority of books published in Australia, for instance, are published by the 20 largest companies.⁴⁹ Similar figures apply to the US, Britain and Canada; for instance the 1998 merger of Random House with the Bertelsmann company has resulted in that single company being responsible for 23 % of trade books published in the United States.⁵⁰

⁴⁶ John Tebbel (1987), *Between Covers: The Rise and Transformation of Book Publishing in America*, New York, Oxford University Press, p. 462.

⁴⁷ *ibid.*, p. 463.

⁴⁸ Michael Wilding (1999), 'Australian Literary and Scholarly Publishing in its International Context', *Australian Literary Studies*, v19 n1, pp. 59-60.

⁴⁹ ABS (2001), *Book Publishers 1999-2000*, Adelaide, ABS, p. 6; these figures reveal that of the 126.1 million books sold in Australia in 1999-2000, books from the 20 largest companies made up 87.3 million, or 69.2 % of the total.

⁵⁰ *Time*, 6 April 1998, cited in Michael Wilding, *op. cit.*, p. 59.

Another phenomenon of this period is the incorporation of publishing firms into conglomerate companies operating in the media industry; as Joe Moran points out in his 1997 article on multimedia conglomerates:

[t]here are currently seven main trade book publishers in the USA – Random House, Bantam Doubleday Dell, Simon and Schuster, HarperCollins, Penguin USA, Little, Brown and Putnam Berkley – which are in turn owned by seven conglomerates: the Newhouse brothers' Advance Publications, Bertelsmann, Paramount-Viacom-Blockbuster, Rupert Murdoch's News Corporation, Pearson, Time Warner and Matsushita. All these conglomerates have extensive additional interests in newspapers and magazines, satellite and cable television stations and, in some instances, movie, video and music production and distribution.⁵¹

Within such environments, book publishing operates along with other production units in producing mixed media packages comprising books, magazines, film, television, video, audio and digital media. Publishing must maintain its profitability within such companies or lose its budget to other, more profitable media production units within the same company. Moran adds that the major publishing houses within conglomerates 'function as a kind of self-contained literary establishment' determining not only what is published but which books receive public attention through the company's other media holdings.⁵²

The demand from business for large, consistent and predictable profits has led to an increased focus on the 'mass market'. Profit margins in publishing are relatively low, ranging from 5 % to 10 %, ⁵³ and total company profits comprise the cumulation of small profits from individual titles as well as income from the sale of rights. Trade publishers have the opportunity to tap very large profits by targeting what is known as the 'mass market', that is, an extensive generalist market for books of wide and non-specialist interest, such as light fiction, books by celebrity authors and topical general non-fiction. Publishers seek from this market the best-seller or 'blockbuster' book that will quickly cover costs and return large profits from book sales as well as from the sale

⁵¹ Joe Moran (1997), 'The Role of Multimedia Conglomerates in American Trade Book Publishing', *Media, Culture & Society*, v19, pp. 441-442. Since this article was written, Random House was acquired by the German-owned Bertelsmann Group.

⁵² *ibid.*, p. 453.

⁵³ Australian figures indicate that pre-tax profit margins range from 5.2 % to 9.6 %, in *Cultural Trends in Australia No. 9: Australian Book Publishing* (1999), Canberra, Department of Communications,

of subsidiary rights. Often publishers will offer authors large advances on their royalties in order to secure potentially popular works, and will commit a large proportion of the company's promotion and marketing budget to particular books aimed at the mass market. Investment of this nature is expected to be rewarded with very large sales figures and profits.

The initial production of books is an expensive undertaking with up-front costs incurred for editing, proof-reading, design, typesetting and plate-making; thereafter outlays reduce to paper and printing costs only and, after the first printing, the cost per unit drops dramatically and profits increase. Powell describes book production as 'a labor-intensive craft and a business that realizes economies of scale from high volume sales'.⁵⁴ This characteristic of book publishing is a major rationale for publishers' pursuit of mass market success, an area where very high profits are possible.

Coser, Kadushin and Powell see the focus on the mass market as 'a conservative approach to the problem of coping with uncertain market demand',⁵⁵ it also necessarily affects other publishing projects within companies, limiting the budgets and the production, promotion and marketing resources available for other books. Whiteside calls this 'all or nothing publishing' in which substantial investments are made in big projects while little or no effort is made for works by 'middle authors'.⁵⁶ In describing large-scale publishing as a 'marketing culture', US writer, Larry McMurtry observes that:

[a] marketing culture doesn't need the surprise of literature and doesn't want it. It wants products – the simpler and the less ambiguous, the better.⁵⁷

The effects of the focus on marketing and the mass market are numerous and have significantly changed the nature of publishing. Primary among the effects is the accelerated time-frame in which books are produced, marketed and withdrawn from

Information Technology and the Arts with assistance from the National Centre for Culture and Recreation Statistics of the Australian Bureau of Statistics, p. 6.

⁵⁴ Powell (1985), op. cit., xvi.

⁵⁵ Coser, Kadushin & Powell, op. cit., p. 30.

⁵⁶ Thomas Whiteside (1981), *The Blockbuster Complex: Conglomerates, Show Business and Book Publishing*, Middletown, Conn., Wesleyan University Press, p. 110.

⁵⁷ Larry McMurtry (2001), 'A Virtual Bind' [review of Jason Epstein (2000), *Book Business: Publishing, Past, Present and Future*, NY, Norton], *The Australian's Review of Books*, v6 n2 March, p. 17.

sale. It has been suggested that the shelf life of books is 'of somewhere between milk and yoghurt'⁵⁸; while this is somewhat tongue-in-cheek, books are expected to sell quickly and those that do not sell, are replaced. The effect is that books are not permitted to develop a market over time, and are allowed to go out of print, often before they are noticed by potential buyers.

A related issue is that of the 'backlist', that is a publishing company's older books that remain in print and continue to sell slowly over time. The backlist is a traditional source of slow but steady income that sustains a company's earnings at a low but consistent level. Many large corporate publishers have not maintained backlists, preferring to pursue profits from new books and subsidiary rights. This has limited access to older, out-of-print books, many of which are available only through the second-hand book market.

The book shares with other cultural products certain commercial characteristics, including an unpredictable market and consequent demand uncertainty. Sociologist Paul Hirsch maintains that such conditions result in speculative production as is common in the trade sector of the book publishing industry, and in film and recorded music production. Hirsch believes that since it is unclear what makes a best-seller, the creative agents (authors, singers, actors) are engaged on a short-term basis and are often asked to share the risk by accepting royalty-based contracts. Such cultural products are subject to fads and fashions, he believes, and are therefore expected to generate quick profits or be considered failures in the marketplace.⁵⁹

George Bernard Shaw commented on the speculative nature of publishing in his 1945 reflections on his involvement in the book trade:

[p]ublishing is not ordinary trade. It is gambling. The publisher bets the cost of manufacturing, advertising and circulating a book, plus the overhead of his establishment, against every book he publishes exactly as a turf bookmaker bets

⁵⁸ Stephanie Johnston of Wakefield Press, quoted in Louise Poland (1999), 'Survive and Succeed: Independent Australian Publishers', *Publishing Studies*, n7, Autumn, pp. 26-27.

⁵⁹ Paul Hirsch (1971), 'Processing Fads and Fashions: An Organisation-Set Analysis of Cultural Industry Systems', *American Journal of Sociology*, v77 n4, pp. 639-659.

against every horse in the race. The author, with his one book, is an owner backing his favorite at the best odds he can get from competing publishers.⁶⁰

The focus on the mass market involves publishers seeking to speculate safely by attempting to reproduce past successes and publish to a proven winning formula. The trade book market in general is a highly competitive environment and the speculative effect of publishing is exacerbated as the market is flooded with 'bets'. Many large trade publishers employ 'a shotgun principle' that involves the production and marketing of a large number of books with little or no promotion in the hope that one or more will receive attention and attract large sales.⁶¹ This is possible, particularly in the fiction market, where production costs are relatively low. Paul Hirsch describes this form of overproduction as 'a rational organizational response in an environment of low capital investments and demand uncertainty.'⁶² Failures are expected, and in 1987 it was estimated that 80 % of the 50,000 titles produced annually in the US are 'financial failures'.⁶³ This overproduction appears to be practised particularly in the publication of works of fiction by new authors. As a consequence, many new authors experience failure in the market and are not encouraged to pursue their careers or develop their skills. The potential loss to literary culture of such practices is inestimable.

The Intersection Between Culture and Commerce

Holy Bible writ divine
Bound in leather 1/9.
Satan trembles
When he sees
Bibles sold as cheap as these.⁶⁴

⁶⁰ G. B. Shaw (1945), 'Sixty Years in Business as an Author', *The Author*, n15, quoted from its appearance in *American Mercury* (1946), p. 35 by James West (1988), *American Authors and the Literary Marketplace since 1900*, Philadelphia, University of Pennsylvania Press, p. 28.

⁶¹ Lewis Coser (1976), 'Publishers as Gatekeepers of Ideas' in Philip Altbach & Sheila McVey, eds, *Perspectives on Publishing*, Lexington, Mass., Lexington, p. 23.

⁶² Hirsch (1971), op. cit., p. 652.

⁶³ Joe Moran, op. cit., p. 444, citing Tebbel, op cit., p. 465.

⁶⁴ Text of a sign placed by William Collins Ltd in a bookseller's window, 1842; cited by Anthony Blond (1985), *The Book Book*, London, Jonathan Cape, p. 49.

This nineteenth century advertising copy aptly demonstrates the intersection between culture and commerce in the book trade: the Bible, considered 'the word of God', is for sale in a commercial market, complete with advertising jingle.

The book as a commodity is subject to the demands of the market, like any other product; however, the book is also a cultural artefact, a status not necessarily recognised or valued by the commercial market.⁶⁵ The coexistence and prominence of the two roles are factors that differentiate the book from other cultural artefacts and commodities. While other cultural products may also share these roles to some extent, none are as historically and culturally embedded and revered as the book, which is also a cultural icon and symbol that carries with it associations of education, erudition and intellectual pursuits – all qualities that are highly valued in Western cultures. That the book is also a commodity results in a marked tension within the book trade.

The two roles of the book incorporate potentially antipathetic goals, values and criteria for excellence. There are dangers, for instance, for the cultural role of the book in a commercial environment that evaluates worth by the commercial criterion of profitability. It is possible that the cultural value of the book in terms of the quality of content may be compromised in the interests of marketability. The goal of producing a great number of books to generate quick profits is incongruent with the goal of producing high quality but possibly slow selling, enduring and culturally significant books. Similarly, the application of strictly cultural criteria to book selection may result in the production of books that are not commercially viable and as a consequence, are not effectively distributed.

Of all those involved in the production and distribution of books, it is the publisher whose work is most affected by the dual nature of the book and, as a consequence, whose role most manifestly incorporates cultural and commercial imperatives. It is also the publisher whose management of cultural and commercial activities and responsibilities is most keenly scrutinised.

⁶⁵ However, the cultural status of the book can also be employed to sell books.

The publisher stands between the creative act of authorship, the practical arrangements of the manufacturing process and the commercial activities of marketing and promotion. In many cases the publisher will be involved in conceiving ideas for books and will arrange for the creation of those ideas into text or images. The publisher is also responsible for book design, an activity that has both cultural and commercial goals and implications. The intention of a book's design is not only to attract buyers but also to reflect the book's content, and the design becomes an integral part of the book as a cultural artefact. The publisher is 'an editorial and economic middleman',⁶⁶ and is responsible for both cultural and commercial activities in the production and distribution of the book. It is this combination that 'preclude[s] the operation of book publishing along conventional business lines'.⁶⁷ British publishing historian John Feather is more explicit:

[p]ublishing can never quite be just another trade. In that sense, in the trade's own jargon, 'books are different'. They are different because they are a cultural product, and have a high cultural value assigned to them even by those who are not regular consumers.⁶⁸

US publisher, Albert Greco, in the preface to his study of the book publishing industry asserts that 'book publishing has to confront on a daily basis a rather complex and at times contradictory cultural *and* commercial mission'.⁶⁹ He adds that it is therefore important, in order to understand book publishing, to 'recognise and accept the industry's complex and often confusing cultural and commercial dichotomy'.⁷⁰

On one hand, publishing can be seen as a simple manufacturing and marketing enterprise like many others. On the other hand, it is the publisher's involvement in the identification and selection of material to be converted into book form and the publisher's role in that conversion – all cultural activities – as well as the nature of the product, that differentiate publishing from other manufacturing industries. There are other cultural production activities that share many of the characteristics of publishing,

⁶⁶ Malcolm Bradbury (1971), *The Social Context of Modern English Literature*, Oxford, Blackwell, p. 201.

⁶⁷ Lane (1980), *op. cit.*, p. 29.

⁶⁸ Feather, *op. cit.*, p. 180.

⁶⁹ Albert Greco (1997), *The Book Publishing Industry*, Boston, Allyn & Bacon, x. Emphasis in the original.

⁷⁰ *ibid.*

including music recording and film production and, along with publishing, have become known as 'cultural industries' in acknowledgment of their cultural as well as industrial roles and activities.

Book publishing comprises a number of activities that result in the production and distribution of multiple copies of printed and bound books. These activities, with some exceptions, can be categorised as either cultural or commercial in nature. Each group of activities requires the application of different skills and attributes by publishing personnel and/or contracted labour. In general it could be said that selecting, developing, and editing manuscripts to become books are cultural activities requiring the application of taste and judgment as well as intellectual, literary and creative skills. On the other hand, the processes of production, marketing, promotion, distribution, sub-contracting and accounting could be considered commercial and require the employment of commercial judgment, knowledge of potential markets and skills in advertising, timing, financial accounting and budgeting, negotiation and management. Some activities overlap and could be considered both cultural and commercial, the most significant of which is the acquisition or commissioning of material to become books. However, most publishing activities and processes could be considered *either* largely cultural or commercial. This has led to clear divisions within publishing companies as the diagram illustrates (Figure 1, on the following page).

This diagram obviously depicts a large contemporary publishing company with clearly differentiated roles and, while it may not represent smaller company structures, it does identify the many roles and functions involved in publishing. In smaller companies, as in earlier times, the core functions of publishing: editorial work, production, sales, marketing/publicity, distribution and accounting are carried out by a few generalist workers with multiple roles.

The publishing personnel responsible for cultural activities are clustered in this diagram on the left side, under the Publishing Director and are indicated by italics. Those positions indicated by bold type may be either cultural or commercial or both. The remainder, in standard roman type, are commercial activities. Note that **design** appears in the production, marketing and publicity departments and is in bold type in all.

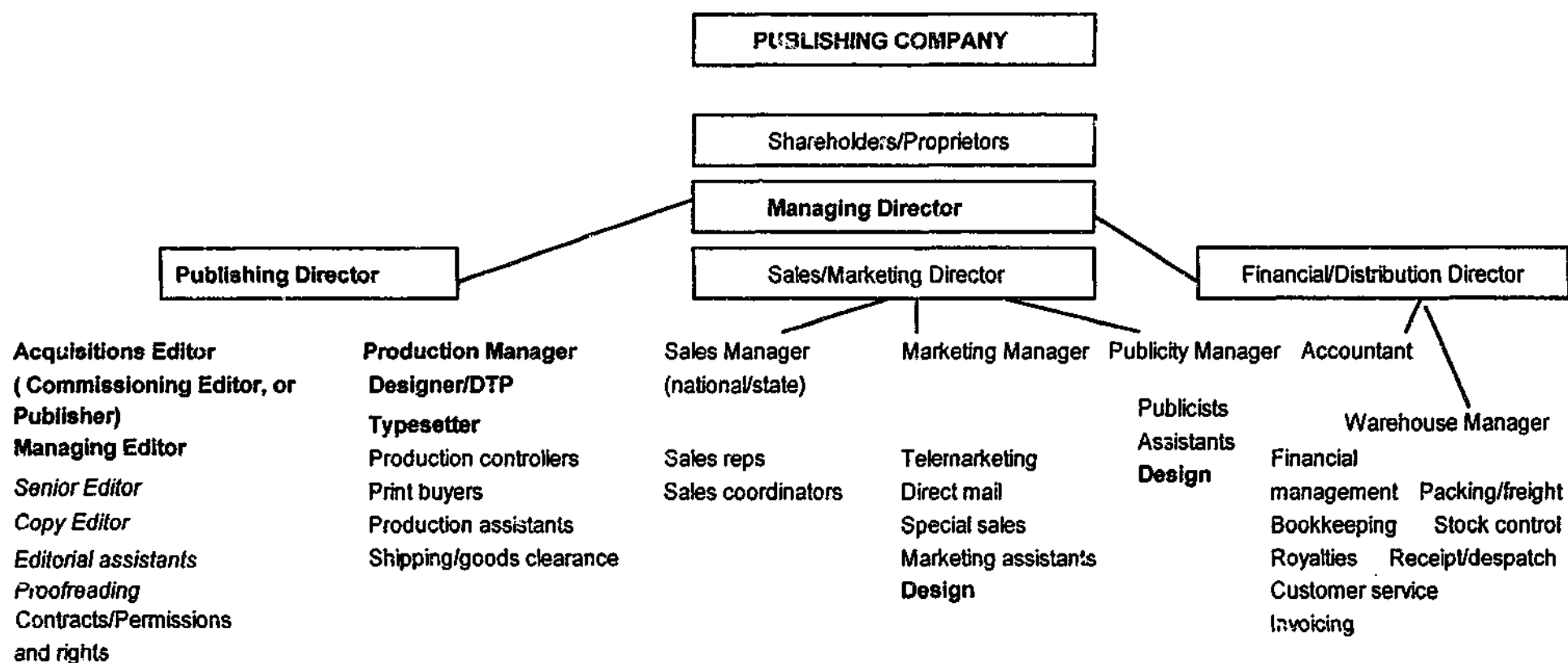


Figure 1. Publishing company diagram

[Adapted from diagram in Alison Aprhys (1997), *Careers in Publishing and Bookselling: How to Get the Job You Want*, Sydney, Hale & Iremonger, p. 8.]

The diagram highlights the clear dominance of commercial activities in publishing, at least by number of functions and personnel. That books retain their cultural significance in spite of the highly commercial nature of their production is evidence of the entrenchment and potency of the cultural role of books.

The transformation of publishing from the small, intimate organisational form to a modern business enterprise, often with the demands of shareholders and/or remote corporate management to consider, has led to changes in internal organisation, including relationships, values, priorities and goals. Most large contemporary companies employ specialist staff in highly differentiated and hierarchically defined roles, as illustrated in the diagram. The growth of companies has also resulted in the recruitment of staff from outside of the publishing and literary worlds, particularly in the non-editorial areas. Such personnel, while skilled in commercial activities, may have little experience of or concern for literary or cultural matters.

In the corporatised world of large-scale publishing, the emphasis is on efficiency with profit-making as the primary goal. Companies are required to focus on commercial rather than cultural outcomes, and manuscripts and other publishing projects are generally taken up only if they are considered to be potentially profitable. This has led to a shift in priorities in publishing and an increased focus within publishing companies on marketing, promotion and financial accountability. A number of publishing commentators have identified a shift in status and power within publishing houses from the editorial department to the marketing and sales sections.⁷¹ Michael Lane describes this phenomenon as 'the decline in editorial hegemony', and sees it as a result of increasing complexity in publishing and the consequent specialisation of tasks. In his view, editorial departments have less control than they once did over other functions, including financial decisions.⁷² Indeed, even the role of the 'editor', once the publishing generalist, has become specialised with 'commissioning editors',

⁷¹ For instance Albert Moran (1990), 'Inside Publishing: Environments of the Publishing House', *Continuum*, v4 n1, pp.118-144; Whiteside, op. cit.; Lane (1980), op. cit.; Coser, Kadushin & Powell, op. cit..

⁷² Lane (1980), op. cit., pp. 73-74.

'acquisitions editors', 'managing editors' and 'copy-editors'.⁷³ Lane suggests that editors are undergoing a 'legitimacy crisis' in which their role and status are unclear. Once the lynchpins of the publishing house, editors have found their centrality and power have been usurped by the commercial concerns of marketing, promotion and sales.⁷⁴

Editing is a central cultural function of publishing that is now often contracted out to freelance workers. Many large companies have cut back their editorial departments, finding it more profitable to shift the costs of equipment, training and the permanent employment of copy-editors to the freelance editors themselves. The physical absence of copy-editing staff from publishing companies has no doubt contributed to the diminution of both the status of editing and of budget allocation to the editing process.

Some observers refer to tension between staff performing literary or editorial functions and 'commercial workers'⁷⁵; others see the split both in terms of culture-commerce and gender, with women doing the editorial/cultural work and men managing the money, marketing and sales.⁷⁶ While these views have legitimacy, there is an interesting development in this split, and that is the changing nature and orientation of editorial staff. Coser, Kadushin and Powell identified this in the course of their survey of the US publishing industry, and noted that, with the increasing demands of commerce, editorial workers were becoming estranged from the literary world, and their cultural 'reference groups' were being replaced by business-oriented 'reference groups', comprising business executives, marketing people, agents, and lawyers.⁷⁷ Similarly, British writer, John Feather sees the 'great change' in publishing as the fact that editors are 'far more sensitive to sales and marketing than was typically the case in earlier generations.'⁷⁸

⁷³ Alison Aprhys (1997), *Careers in Publishing and Bookselling: How to Get the Job You Want*, Sydney, Hale & Iremonger, p. 9, and Powell (1985), op. cit., p. 11.

⁷⁴ Lane (1980), op. cit., pp. 73-83.

⁷⁵ Whiteside, op. cit., p. 93; Judith Brett (1988), 'Publishing, Censorship and Writers' Incomes, 1965-1988' in Laurie Hergenhan, ed., *Penguin New Literary History of Australia*, Ringwood, Vic., Penguin, p. 464.

⁷⁶ Barbara Reskin (1990), 'Culture, Commerce and Gender: The Feminization of Book Editing' in Barbara Reskin & Patricia Roos, eds, *Job Queues, Gender Queues: Explaining Women's Inroads into Male Occupations*, Philadelphia, Temple University Press, pp. 93-110; Coser, Kadushin & Powell, op. cit., Chapter 6, 'Women in Book Publishing: A Qualified Success Story' by Michelle Caplette, pp. 148-174; Albert Moran, op. cit..

⁷⁷ Coser, Kadushin & Powell, op. cit., p. 32.

⁷⁸ Feather, op. cit., p. 177.

Indeed it could be said that editorial workers have become, to a large extent, business people themselves.

The publisher's role as cultural gatekeeper is critical and the one in which this tension between culture and commerce is most clearly manifested. In this role, the publisher decides what will be published as a book and what will not. It is a role that has serious implications both culturally and commercially. The sum of publishers' choices at any given time and in any place potentially becomes an enduring record for future generations of cultural enterprise in book form at that time and of that place. Given the nature of the book as cultural artefact, publishing output necessarily reflects aspects of the culture in which books are produced. Books selected by publishers reflect the interests, fashions, activities, beliefs, knowledge, information, entertainment preferences, literary styles and tastes of their time and place – indeed books reflect the *culture*, in the sense of the particular way of life, of their time and place. Publishers' decisions are therefore important, not only to the generations that employ and enjoy books at the time of their production, but also to future generations as books become part of a record of human knowledge and culture.

Decisions about what to accept for publication are based on publishers' professional judgment, priorities, motives and values; in many, but not in all cases, these are related to commercial criteria. Publishers look for material that is likely to meet the needs of a market and will therefore sell. Such criteria are not only practical in that commercial success allows publishers to make profits and stay in business, but are also ideological in that they represent dominant interests and values through their appeal to large and profitable markets. The commercial bias in publishing decisions results in homogeneity of published books and, although there are particular genres and book types, it has been said that, 'all the commercial publishers [are] trying to publish the same kind of books for the same kind of audience'.⁷⁹

Given its vital and far-reaching implications, it is surprising that relatively little research has been carried out on the decision-making process in publishing. Exceptions include

⁷⁹ Robert L. McLaughlin (1996), 'Oppositional Aesthetics / Oppositional Ideologies: A Brief Cultural History of Alternative Publishing in the United States', *Critique*, v37 n3 Spring, p. 182.

older works by Coser, Kadushin and Powell,⁸⁰ and Michael Lane⁸¹ who studied the social and demographic characteristics of publishing editors, in the US and Britain respectively, in separate attempts to better understand publishing decisions. There has been no similar work carried out in Australia.

Both the British and US studies found homogeneity of social and educational background, as well as of career paths, and both concluded that these factors were likely to result in a particular world view being reflected in publishing decisions. These works, although dated, reveal the closed and homogenous nature of the publishing world and the consequent probability that established views, tastes and attitudes are reinforced in publishing decisions.

Both of these studies also looked closely at editorial choice; the American study finding that while factors influencing the publishing decision include editorial issues such as quality of the manuscript, it is the financial issues that take precedence: production costs, author's advance and royalties and, most importantly, the sales potential of the book. In concluding, Coser, Kadushin and Powell note, 'the principle remains that publishing is, above all, a business.'⁸² Lane examines 'the act of editorial choice' in close sociological, psychological and philosophical detail; he highlights the significance of the list, that is, those books already produced by the publisher and on which the reputation of the company rests. Lane believes that publishers seek to replicate the nature and values of their lists and make decisions with reference to previous books published. He also notes, importantly, that publishers are not 'neutral mediators between authors and audiences' but express their values and beliefs in the decisions that they make.⁸³

Other research on this aspect of publishing also dates back to the 1970s and 1980s and includes two major studies of the acquisition process in American scholarly publishing⁸⁴, and articles about book acquisition by Coser, Wendroff, and Powell.⁸⁵

⁸⁰ Coser, Kadushin & Powell, op. cit., pp. 112-115.

⁸¹ Lane (1980), op. cit., pp. 87-89.

⁸² Coser, Kadushin & Powell, op. cit., p. 146.

⁸³ Lane (1980), op. cit., p. 121.

⁸⁴ Paul Parsons (1989), *Getting Published: The Acquisition Process at University Presses*, Knoxville, University of Tennessee Press; and Powell (1985), op. cit..

⁸⁵ Coser (1976), op. cit., pp. 17-25; Michael Wendroff (1980), 'Should We Do the Book? A Study of How Publishers Handle Acquisition Decisions', *Publishers Weekly*, 15 August, pp. 24-30; and Walter

The latter articles all acknowledge the multiple factors that are considered in such decision-making, and all conclude that a book's potential profitability is a major factor. Coser believes that publishing decisions are generally idiosyncratic due to the decentralised, autonomous, unpredictable and essentially cultural nature of publishing.⁸⁶ Wendroff, while noting that sales potential is the primary consideration, identifies a phenomenon occurring from time to time that he calls the 'conscience book' – a book with literary or artistic merit but with little sales potential – published to salve the conscience of the commercially motivated publisher.⁸⁷ Powell's study revealed that the manner in which a manuscript comes to a publisher's attention and the consequent place the project takes in the publisher's 'queuing system' is a significant factor in whether or not the manuscript is taken up. Powell found that, regardless of other criteria, those highest in the queue received greater attention and were therefore more likely to be published.⁸⁸

Although most manuscripts and ideas for books are judged primarily on commercial rather than cultural criteria, the cultural implications of publishers' decisions are critical. Many industry observers focus on these dual imperatives, for instance, Coser, Kadushin and Powell make this rather lofty observation of publishing:

[t]he industry remains perilously poised between the requirements and restraints of commerce and the responsibilities and obligations that it must bear as a prime guardian of the symbolic culture of the nation.⁸⁹

Ann Haugland also highlights the publisher's ambivalent position and makes a similar point in a slightly more prosaic manner:

[a]lthough bound by the demands of commerce, many feel that publishers have a higher responsibility to their culture, a responsibility not shared by manufacturers of, say, toasters or doughnuts. The tension between commerce and culture, particularly in trade book publishing, has always intrigued, preoccupied, or dismayed both publishers and observers of the book industry.⁹⁰

Powell (1978), 'Publishers' Decision-Making: What Criteria Do They Use in Deciding Which Books to Publish?', *Social Research*, v45 n1, pp. 227-252.

⁸⁶ Coser (1976), op. cit., pp. 17-19.

⁸⁷ Wendroff, op. cit., p. 28.

⁸⁸ Powell (1978), op. cit., p. 242.

⁸⁹ Coser, Kadushin & Powell, op. cit., p. 7.

⁹⁰ Haugland, op. cit., p. 789.

In both of these quotations publishers are faced with commercial *imperatives* in the form of 'demands' and 'requirements and restraints', while cultural concerns are less compelling and are described as 'responsibilities' and 'obligations'. While this demonstrates the ambivalence of the industry, it also provides evidence of the relative dominance of commerce over culture in publishing.

There are factors that ameliorate the commercial dominance in book publishing to some extent. These include altruism and publishers with motives other than profit, as well as private, institutional and government support for non-commercial publishing. Another significant factor is that publishing is an open and easy entry industry, and has been made more accessible by technological innovations such as desk-top publishing capabilities and digital, on-demand printing. It should be noted, however, that very large, commercially oriented publishing companies dominate the market; in Australia in 1999-2000, for instance, the largest 20 companies earned 69 % of the total publishing turnover.⁹¹

Many publishing commentators believe that there is a marked imbalance between cultural and commercial interests in the industry. It is widely thought that cultural concerns have been overshadowed by commercial imperatives and, as a result, the quality of the book as cultural product has diminished.⁹² In an article which examines the cultural effects of ownership concentration in publishing, Elizabeth Long challenges this common belief that changes in publishing have led to cultural degradation.⁹³ She claims that the implication of the changes are more complex, and believes that concern expressed about the threat to culture and literary values by the commercialisation of publishing is in fact fear that the cultural authority and hegemony of a particular cultural elite is under threat as a result of expansion of the reading public and 'the commodification of the literary endeavour.' She writes:

⁹¹ ABS (2001) op. cit., p. 3.

⁹² For example Wilding (1999); Joe Moran (1997); Solartaroff (1987) and Whiteside (1981).

⁹³ Elizabeth Long (1985-86), 'The Cultural Meaning of Concentration in Publishing', *Book Research Quarterly*, v1 n4, pp. 3-27.

commercialization, and the circulation of books in wider 'circuits' raises the specter of a change in the cultural hierarchy that might entail the loss of their group's cultural authority.⁹⁴

Long sees changes in publishing and in books as symptomatic of broader cultural change in which 'high culture' is no longer *the* culture and is simply a specialised area of 'a less hierarchical and more fragmentary cultural totality.'⁹⁵ Long believes that fear of the loss of this cultural hegemony underlies much concern about the commodification of publishing.

A corollary to concentration of ownership and focus on mass market publishing, and a phenomenon that bolsters the cultural aspects of publishing, is the proliferation of small specialist publishing companies. The emergence of such companies in an environment dominated by large publishing corporations is a paradoxical feature of the contemporary publishing industry. Glenn Carroll explains this phenomenon by suggesting that concentration of ownership has led to an increase in the overall number of publishing companies, and that industry concentration actually makes room for specialist companies to meet the needs of the various specialist markets that are uncatered for by the concentrated companies' focus on the mass market.⁹⁶ The model Carroll cites to explain this phenomenon is known as 'resource-partitioning' and demonstrates that a total environment in which the large players gravitate toward the centre in an effort to appeal to as many people as possible, leaves the margins wide and unserved. In addition, Carroll notes that the more concentration there is in an environment, the more areas are uncatered for and open for exploitation by specialists.⁹⁷

The emergence of small specialist companies is abetted by the fact that publishing is, as mentioned above, an easy entry industry and requires little capital or infrastructure investment. The following quote from an early US publishing industry observer aptly describes this aspect of book publishing:

⁹⁴ *ibid.*, p. 16.

⁹⁵ *ibid.*, p. 8; this view is also articulated by John Frow (1995), and is quoted above in this chapter.

⁹⁶ Glenn Carroll (1984), 'The Specialist Strategy', *California Management Review*, v26 n3, pp. 131-132.

⁹⁷ Glenn Carroll (1985), 'Concentration and Specialization: Dynamics of Niche Width in Populations of Organisations', *American Journal of Sociology*, v90 n6, pp. 1262-1283.

[f]or every house which would be 'eliminated' through merger, several new ones could – and would – easily spring up, because the capital need is so small and the 'publishing urge' so great. The rate of increase in the number of houses by fission seems always to be at least equal to the rate of decrease by fusion.⁹⁸

Small specialist publishers make a significant contribution toward maintaining diversity in book publishing, and are likely to apply cultural as well as commercial criteria to publishing decisions. Andrew Riemer notes this phenomenon in Australian publishing:

[t]he cultural vacuum created by the emergence of excessively market-driven publishing conglomerates has encouraged the attempt to establish smaller independent publishing houses to cater for a more discerning public and allow for certain types of books, particularly literary fiction, to reach print.⁹⁹

Robert McLaughlin, writing of the US publishing industry, notes the parallel growth of 'alternative publishing' alongside commercial publishing in an effort 'to redress the failures of the commercial publishing industry'.¹⁰⁰ McLaughlin sees the role of alternative publishers as vital to a healthy and diverse book culture, and maintains that 'alternative publishing movements have been self-consciously grounded in rebellions against both the limited aesthetic visions and the economic ideologies of the commercial publishing industry'.¹⁰¹ John Huenefeld, also writing of the US industry, lists three major contributions of small publishing companies: firstly, he maintains they sustain 'a healthy intellectual pluralism' which large publishers do little to contribute to in their pursuit of safe and profitable publishing.¹⁰² Secondly, small publishers have the capacity and willingness to react more quickly to changing market needs than do the large companies, and finally, Huenefeld believes that small publishers are more creative, more prepared to take risks and to seek new talent than their larger counterparts. For these reasons, he believes 'we all have a substantial cultural stake in the survival of small publishers amidst the centralizing forces at work on contemporary society'.¹⁰³

⁹⁸ O.H. Cheney, quoted in J. Kendrick Noble Jr (1979), 'Books' in Benjamin Compaine, ed., *Who Owns the Media? Concentration of Ownership in the Mass Communications Industry*, White Plains, N.J., Knowledge Industry Publications, p. 258.

⁹⁹ Andrew Riemer (1999), 'In Other Words', *AQ: Journal of Contemporary Analysis*, v71 n4, p. 5.

¹⁰⁰ McLaughlin, op. cit., p. 172.

¹⁰¹ *ibid.*, p. 184.

¹⁰² John Huenefeld (1985-86), 'Can Small Publishers Survive . . . And Who Cares?', *Book Research Quarterly*, v1 n4, p. 73.

¹⁰³ *ibid.*, p. 74.

The coexistence of very large national and international companies with small, local independent companies is a feature of contemporary publishing and one which illustrates the dual nature of publishing. While the large companies dominate English language publishing output and continue to acquire successful small publishing firms, the industry remains a dynamic site for participation of both large and small publishers. Paul Hirsch explains this by pointing out:

the market for ideas remains unpredictable, ideas are difficult to pre-judge, and the cost of printing, offsetting, or photocopying a manuscript remains low enough that virtually anyone can 'publish' anything.¹⁰⁴

Theories of Culture and Commerce

A number of theorists, researchers and publishing industry observers have sought to explain and explore the changes, and the ongoing tension between culture and commerce in publishing by identifying and analysing theoretical models of publishing. Most identify the bifurcation of publishing along the lines of culture and commerce. These theories provide a number of useful insights – some consider the changes in publishing in an historical context and make important links between various publishing periods, others identify two distinct approaches to publishing, while others interrogate established notions of culture. All contribute to an enhanced understanding of the changes in publishing and the nature of the dichotomy between culture and commerce in publishing.

A well known study, although more empirical than theoretical, is *Books: The Culture and Commerce of Book Publishing* by US sociologists Coser, Kadushin and Powell.¹⁰⁵ The three authors, assisted by a team of researchers, produced a comprehensive survey of the people, structures, conditions and issues that comprise the US book publishing

¹⁰⁴ Paul Hirsch (1985), 'US Cultural Productions: The Impact of Ownership', *Journal of Communication*, v35 n3, p. 116. It could be added that advances in digital technology, including desk-top publishing and the internet have further enhanced access to publishing.

¹⁰⁵ Coser, Kadushin & Powell, op. cit..

industry. The study examines the relative influences of culture and commerce in book publishing, and concludes that industry changes in the later part of the twentieth century have resulted in the increasing ascendancy of commercial imperatives in publishing. The study is valuable for the breadth of its description of the industry and for several of its insights, but its value is limited by a lack of structural and intellectual cohesion resulting from failure to integrate the work of its various authors, and from the absence of a central and guiding argument.

Michael Lane in his major work, *Books and Publishers*, proposes two distinct historical models of publishing: the traditional and the modern.¹⁰⁶ The two are distinguished from one another by their conception of culture, their role in it and their relationship to the commercial world. The traditional publisher sees a single homogenous body of culture to which texts and artefacts either belong or do not belong (those that do not belong are not art). The central aim of culture is seen as the moral and ethical improvement of its audience. Cultural artefacts, according to the traditional view, are the product of a naturally occurring individual creativity that can be nurtured but not invoked. It is the role of traditional publishers to identify culture, by virtue of their taste and judgment – and to make selected texts available to the public as cultural artefacts. The traditionalist is strongly anti-commercial and sees the profession as ‘an end in itself and of itself’.¹⁰⁷

The modern publisher, on the other hand, acknowledges the existence of *cultures*, with differing sources of legitimacy, tastes and resources. The modernist pays close attention to the market that reflects various cultures, and sees a role for the publisher as an active agent in cultural production, stimulating and generating cultural artefacts through commissioning and packaging. The modernist also sees that the role of the publisher is to exercise judgment, but to do so in a cultural landscape made up of different tastes and needs, and not necessarily on the basis of the moral rectitude of a text. The commercial role of the modernist is clear: ‘[m]odern values are unequivocal in their definitions of publishers as entrepreneurs, albeit of an unusual kind’.¹⁰⁸

¹⁰⁶ Lane (1980), op. cit..

¹⁰⁷ *ibid.*, p. 60; Lane draws heavily in his explication of the traditionalist on Frederic Warburg (1959), *An Occupation for Gentlemen*, Boston, Houghton Mifflin.

¹⁰⁸ *ibid.*, p. 45.

Lane acknowledges that contemporary publishing is carried out largely by modernists who are rational and take a business-like approach to their work; however he sees the modern publisher as 'revising traditional beliefs and patterns, not as revolting against them'.¹⁰⁹ Cultural issues are still important and the modernist seeks to balance 'the potentially conflicting demands of cultural as opposed to economic goals'.¹¹⁰ In Lane's view, it is the presence of the shadow of the traditionalist that differentiates publishing from other modern manufacturing industries.

Lane's models are cited by many later writers, including John Curtain in his work on twentieth century Australian publishing.¹¹¹ Curtain maintains that the modernist period began in the 1960s in Australia and was characterised by a rise in the influence of accountants and by other changes in publishing, including an increase in the power of outside investors demanding greater accountability and profits. Curtain romanticises the traditional publisher as a rather noble being whose concerns lie above the artless world of commerce, and in so doing, he provides a less critical analysis of the later development of Australian publishing than he might have otherwise.

Nicholas Abercrombie's analysis of the commodification of publishing also takes an historical perspective as he seeks to demonstrate that change in publishing is 'partly a cultural, rather than solely an economic transformation'.¹¹² Abercrombie argues that book publishing has been a primarily commercial enterprise except for a period from the mid-nineteenth to the mid-twentieth centuries when publishing became self-consciously cultural. Prior to this, publishing in earlier centuries was dominated by commercially oriented printer-publishers and bookseller-publishers. The results of the spread of education in the mid-nineteenth century included the elevation of the author, the editorial function and cultural values and a conscious movement away from the 'shopkeeper-publisher' of earlier times. Abercrombie believes that this period of cultural publishing in turn gave way to a return to commodification with the post-

¹⁰⁹ *ibid.*, p. 66.

¹¹⁰ *ibid.*

¹¹¹ John Curtain (1997), 'The Development of Book Publishing in Australia', unpublished MA thesis, NCAS, Monash University.

¹¹² Nicholas Abercrombie (1996), 'Cultural Values and Commodification: The Case of the Publishing Industry' in Andrew Godley & Oliver Westall, eds, *Business History and Business Culture*, Manchester, Manchester University Press, p. 99.

Second World War breakdown in the distinctions between high and popular culture. He concludes that publishing is necessarily and historically a commercial enterprise, and that, 'cultural considerations can be important in determining the pace and direction of the commodification of products',¹¹³ as well as the organisation of publishing businesses.

French sociologist Robert Escarpit was an early commentator on culture and commerce in book publishing in his work *Sociology of Literature*, first published in 1958.¹¹⁴ Escarpit was one of the first to draw the distinction between cultural and commercial publishers, and to identify two 'circuits of distribution' in publishing that coexist but do not compete since, he believes, they serve separate and particular audiences. The 'cultivated or cultural circuit' is a closed system in which literature is written, published and read; it is the province of those involved in the book world including authors, editors, publishers, critics and cultured readers, all of whom, according to Escarpit, share a culture and way of life, and are active participants in cultural production and consumption. The 'popular circuit', on the other hand, is maintained for 'readers . . . whose upbringing endows them with an intuitive literary taste, but not with an explicit or reasoned power of judgment'.¹¹⁵ Readers in this circuit are passive consumers and have no input into writing or publishing which are carried out by members of the 'cultured circuit' who interpret the interests and tastes of the 'popular circuit'.

The bifurcation is determined along the lines of culture and commerce, with each circuit fulfilling a distinct role. The circuits can be breached, for instance by the production of cheap paperback 'classics' and by high quality literary 'genre' novels; however, in general, the circuits continue as discrete literary systems. While Escarpit's circuits provide a model with which to examine the dichotomy between culture and commerce in book publishing, the separation of the cultured from the commercial ignores the significant factor that the 'cultured circuit' also functions in a commercial environment and that books must meet commercial as well as cultural requirements.

¹¹³ *ibid.*, p. 115.

¹¹⁴ Robert Escarpit (1971), *Sociology of Literature*, 2nd ed., translated by Ernest Pick, London, Frank Cass & Co. (first published 1958).

¹¹⁵ *ibid.*, p. 59.

Pierre Bourdieu, a French sociologist who has written extensively on cultural issues, also addresses the issue of commerce and culture in book publishing by identifying two different approaches to publishing.¹¹⁶ Publishing may be cultural or commercial, although he recognises that both may ultimately be economically profitable. The major differentiating factor in these approaches is *time*; the commercial publishing firm has short-term goals with identifiable product demand and short production cycles. Such firms employ 'presentational devices' such as attractive covers, and focus on promotion and advertising and short-term profits. The cultural publisher, in contrast, has long-term goals and is 'future-oriented'. Cultural publishers aim to build potentially profitable backlists, function on long production cycles and take considerable risks since there may be no identifiable market for their books in the present. Cultural publishers rely on the accumulation of what Bourdieu terms 'symbolic capital', that is 'a capital of consecration implying a power to consecrate objects (with a trademark or signature) . . . and therefore to give value.'¹¹⁷ Bourdieu sums up these two approaches:

the opposition between 'genuine' art and 'commercial' art corresponds to the opposition between ordinary entrepreneurs seeking immediate economic profit and the cultural entrepreneurs struggling to accumulate specifically cultural capital, albeit at the cost of temporarily renouncing economic profit.¹¹⁸

Bourdieu further differentiates between *economic* power and *cultural* power, and sees both as significant factors in the 'political battlefield' that is cultural production and consumption. Cultural power involves the accumulation of 'symbolic capital' (or 'cultural capital') and status, and does not necessarily involve economic success; it vies for power with the commercial or those with economic power but little 'cultural wealth'.¹¹⁹

By identifying 'symbolic (or cultural) capital' and cultural power as significant factors in the culture-commerce dichotomy, Bourdieu provides a mechanism to challenge the primacy of the economic paradigm and of economic determinants in book publishing. This gives culture a legitimacy often denied in economic analyses of publishing.

¹¹⁶ Pierre Bourdieu (1980), 'The Production of Belief: Contribution to an Economy of Symbolic Goods', *Media, Culture & Society*, n2, pp. 261-293.

¹¹⁷ *ibid.*, p. 262.

¹¹⁸ *ibid.*, p. 268.

¹¹⁹ *ibid.*, p. 285.

A number of writers draw the distinction between cultural and commercial publishers, and see the industry as clearly divided between the two approaches. Walter Powell suggests that as a result of modernisation and commercialisation, publishing has emerged as a 'two-tiered' industry with 'core' firms involved in commercial, large-scale and mass market publishing, and 'peripheral' firms working in the small and specialist market segments. In this way, Powell believes cultural publishing has continued in 'peripheral firms', in spite of major changes in publishing.¹²⁰ Paul Hirsch also identifies two approaches to cultural production that have different relationships to issues of art and commerce – production orientation and distribution orientation. The former emphasises the artistic production of cultural goods, and companies with such orientation are the innovators. Companies with a distribution orientation focus on the mass distribution of standardised cultural forms. It could be said that the production orientation is concerned with culture, while the distribution orientation is more commercial.¹²¹

Canadian Rowland Lorimer identifies cultural publishing as a distinct form, and a 'considerable cultural force', but with an often precarious financial existence. He sees such publishing as a vital and an inevitable consequence of the nature of the book:

to allow market dynamics to be a major arbiter of what writing is made public is to fail to appreciate the nature of the generation and dissemination of text and ideas and their full importance to society.¹²²

Not only does he argue for an independent scholarly and cultural publishing sector, free of the imperatives and constraints of the market, but he also believes it exists: '[c]ultural publishing carries on in every country in the world because ideas are more important than money'.¹²³

¹²⁰ Walter Powell (1979), 'Control and Conflict in Publishing', *Society*, v17 n1, pp. 48-53; and Walter Powell (1982), 'From Craft to Corporation: The Impact of Outside Ownership on Book Publishing' in James S. Ettema & Charles Whitney, eds, *Individuals in Mass Media Organizations: Creativity and Constraint*, Beverly Hills, Sage, pp. 33-52. These ideas are also expressed in Coser, Kadushin & Powell, op. cit..

¹²¹ Paul Hirsch (1978), 'Production and Distribution Among Cultural Organizations: On the Division of Labor Across Intellectual Disciplines', *Social Research*, v45 n2, pp. 315-330.

¹²² Lorimer (1993), op. cit., p. 215.

¹²³ *ibid.*

The division of publishing into discrete commercial and cultural activities is a useful theoretical undertaking and contributes to enhancing understanding of the nature of publishing; however in such undertakings, consideration must be given to the essential cultural *and* commercial nature of the book in Western societies. While many publishers might be considered purely commercial in terms of their goals, methods, priorities and company structure, their products are necessarily cultural. Those publishers whose orientation is largely cultural must also participate to some extent in the commercial world. It is useful therefore to see cultural and commercial orientations to book publishing as a continuum along which particular types of publishing may be placed. The construction of such a continuum acknowledges the dual nature of publishing and can be employed to demonstrate the relative bias of particular companies and types of publishing.

CULTURE-COMMERCE CONTINUUM

LARGELY CULTURAL

LARGELY COMMERCIAL

Publishers can be situated along the continuum depending on their orientation, major goals and relationships to the market. Publishers whose only goal is profit would be placed at the far right of the continuum and would be considered 'largely commercial'; such companies are not 'solely commercial' due to the innate cultural nature of the book. Those publishers whose goals are cultural in the main, most often offer their books for sale in a commercial market and, in so doing, participate in certain commercial activities. Publishers who do not offer their books for sale at all (for instance, evangelical religious organisations), must still participate in the commercial activities involved in book production, and would therefore be considered as 'largely cultural' publishers.

While theories of bifurcation are useful in identifying and interrogating the different orientations and goals of publishing, they remain theories which present oppositional

extremes. The position of all publishers in reality encompasses both cultural and commercial activities regardless of publishers' individual goals or orientation.

Conclusion

The dual nature of the book is a major source of tension in book publishing, and this cultural and commercial dichotomy not only provides much of the dynamism that drives the industry, but also results in conflicts and threats to each element of the dichotomy. It is the cultural imperative that provides the context, rationale and content for book publishing, and the commercial imperative that packages, produces, promotes and distributes the cultural artefact that is the book. The two imperatives obviously function in tandem in book publishing, and are interdependent -- for instance, the cultural practices of reading, book buying and borrowing contribute to the creation of demand for books and commercial processes produce and distribute books in accessible formats.

The balance between the two, however, is not equal. In the twentieth century, the period of this study, there can be little doubt that the commercial imperatives of publishing have increased in dominance at the expense of the cultural aspects of publishing. This imbalance has caused shifts in publishing priorities and practices. Large scale book publishing has become incorporated in the world of big business and has adopted its values and methods which focus principally on the commercial activities of marketing and sales.

The dominance of the commercial imperative necessarily affects the cultural aspects of publishing in a number of ways. Firstly, in order to be published, manuscripts must be considered by publishers to be commercially viable and able to provide adequate returns for investments made. Works that may have cultural significance but not an identified and potentially viable market will not be published. Secondly, the focus of publishing on marketing and selling attractive products in a competitive market ensures that much emphasis is placed on the packaging and design of books, often at the expense of the content. Less priority is given to the development and preparation of manuscripts, and

less resources are allocated to editorial functions. The text or other content may therefore not be as carefully prepared for publication as it might be, given adequate resources. Finally, disproportionate amounts of money and effort are allocated to the promotion of commercially successful books, while less popular works, which may have cultural significance, can remain unadvertised, unsold and undistributed. Publishers focusing on commercial imperatives therefore not only potentially affect the quality of the content of books, but can also deny access to particular books.

The result is that, with the industry dominated by commercial concerns, the cultural material conveyed by books is determined by its commercial potential. This is clearly a concern since, as Rowland Lorimer points out, 'a market orientation is no less controlling than allowing political or religious ideas to determine publishing.'¹²⁴ It is fortunate, therefore that there are factors that ameliorate, at least to some extent, the dominance of the commercial imperative in book publishing. These include the participation in publishing of organisations, companies (including some publishing companies) and individuals with motives other than financial, and the fact that publishing is an accessible activity that does not require large amounts of capital to enter into. Amelioration is also provided by governments which, either directly through policy assistance or through publicly funded institutions such as universities, foundations and museums, support the cultural role of book publishing. These factors contribute to a book publishing environment in which cultural imperatives are better represented than they might otherwise be.

¹²⁴ *ibid.*

CHAPTER 2

THE BOOK IN AUSTRALIA

Culture and commerce represent the duality at the heart of any country's book industry.¹

The history of the book in Australia is a history of tension between culture and commerce, between dependence and independence and between colonialism and emerging nationalism. The book has served multiple purposes in Australia since its introduction with white settlement – it has had particular and dichotomous cultural roles with the British book as a tool for colonisation and a link with the culture of 'home', and the Australian book as a vehicle for the expression of an emerging national culture. It has also been, and remains, a significant commodity for commercial trade.

The colonisation of Australia by the British in the late eighteenth century not only involved the wholesale imposition of British culture on the country, but also the establishment of an extended market for British goods. In this latter role, Australia became particularly important to the British book trade as the colonies developed into a major book export market.

The development of local book publishing in Australia was retarded by the domination of both the Australian market and psyche by British commercial and cultural hegemony. A local book publishing industry was slow to emerge in Australia, and began to do so slowly in the latter part of the nineteenth century. This chapter provides an overview of the role of the book, the development of the Australian book trade, its early domination by Britain, the conditions under which a local book publishing industry was established, its vulnerability and the current nature of book publishing in Australia. It demonstrates

¹ Roy McSkimming (1993), 'Culture, Commerce and the National Interest: The Precarious Life of Canadian Publishing', *Logos*, v4 n1, p. 12.

a book trade history in which the central and defining feature has been the ongoing and changing interplay between commerce and culture.

Culture, Commerce and the Book in Australia

The settlement of Australia by the British occurred at a time when literacy was spreading rapidly throughout Britain and other parts of Europe. British settlers brought their literate culture to Australia and, among the luggage of those traveling on the First Fleet, were books. Most were for personal use, although a number were intended for the moral education of the convict passengers.² The book was an important medium by which British culture was entrenched in the new colonies – it conveyed and reinforced British notions of religion, authority, morality and education, as well as other aspects of life. The British book was also a link to the culture of 'home', and kept settlers in touch with both their heritage and contemporary cultural developments in Britain through religious, educational and recreational reading.

In addition to these functions, the book in Australia later became a medium for the expression of the developing culture of the Australian colonies, conveying Australian perspectives, literary works and reflections on life in the 'new land'. The book therefore served dual cultural functions for the British and Australian cultures represented in the Australian colonies.

A printing press also came with the First Fleet, and was eventually employed in the production of government orders and declarations. The bulk of printing and publishing in the early years of the Australian colonies was carried out in Britain and included accounts of early settlement, travel and exploration.³ It was not until the end of the second decade of the nineteenth century that the first few literary books were published

² Colin Steele & Michael Richards (1988), *Bound for Botany Bay: What Books Did the First Fleeters Read and Where Are They Now?*, Canberra, Friends of the ANU Library.

³ Grahame Johnston (1970), *Annals of Australian Literature*, Melbourne, OUP, pp. 1-4.

in the colonies,⁴ and it was even later, towards the end of the nineteenth century, that local companies began publishing books in Australia for the commercial book trade.

The early book business in Australia consisted of private trade involving auctions, sales, loans and private subscription libraries. Books were scarce and prices high, and such conditions led to the speculative importation of books from Britain. Elizabeth Webby writes that this practice began in 1821 with the purveyors hoping to make 'a quick profit on the colonial market.'⁵ Wallace Kirsop describes the 'consignment trade' as a form of 'dumping' in which unwanted, remaindered and other books that 'it was thought colonials would want to read' were dumped on the Australian market.⁶ Kirsop sees this as an early indication of indifference to Australian tastes from British booksellers in pursuit of profits in a lucrative and largely unknown market. Consignments, Kirsop believes, suited 'the wants and needs . . . of the London bookseller not the Australian or New Zealand buyer and reader.'⁷ In documenting nineteenth century book trade practices, Kirsop reminds his readers:

we should not forget the truism that the trade is precisely that, a commercial activity which is simultaneously a vehicle for the transmission of useful information and lofty thoughts, and therefore more subject to the laws of the marketplace than to the dictates of conscience or the stimuli of poetic inspiration.⁸

Early Australian booksellers were importers who organised supplies directly from the trade in Britain. Some, as Michael Richards suggests, established their own buying offices in London against the 'vagaries of the consignment trade'.⁹ As the Australian market became more profitable – indeed, according to Kirsop, 'the largest and most lucrative for British publishers'¹⁰ – British publishing firms began, in the late nineteenth

⁴ Elizabeth Webby (1988), 'Writers, Printers, Readers: The Production of Australian Literature Before 1855' in Laurie Hergenhan, ed., *The Penguin New Literary History of Australia*, Ringwood, Vic., Penguin, p. 116.

⁵ Elizabeth Webby (1967), 'English Literature in Early Australia 1820-1829', *Southerly*, n27, p. 269.

⁶ Wallace Kirsop (1982-83), 'The Book Trade: Conservative Force or Agent of Change?', *Australian Cultural History*, n2, pp. 93-94.

⁷ Wallace Kirsop (1977), 'Consignment Sales and Britain's Nineteenth Century Colonial Booktrade', *Library Association of Australia Proceedings of the 19th Biennial Conference*, Hobart, LAA, p. 104.

⁸ Kirsop (1982-83), op. cit., p. 90.

⁹ Michael Richards (1988), *People, Print and Paper: A Catalogue of a Travelling Exhibition Celebrating the Books of Australia 1788-1988*, Canberra, National Library of Australia, p. 2.

¹⁰ Kirsop (1982-83), op. cit., p. 96.

century, to establish warehouses and branch offices in Sydney and Melbourne in order to better distribute their books and control the supply of books to Australian booksellers. Such firms included William Collins, Ward Lock and Casell & Company¹¹ and others, including Macmillan and Oxford University Press, joined them in the early twentieth century.

The Development of Local Publishing

Australian publishing began in earnest in the late nineteenth century when an upsurge of Australian nationalism manifested itself in several serious book publishing ventures. Angus & Robertson was the most significant and came to dominate local publishing in the late nineteenth and for much of the twentieth century. It was established in 1884 by two Scots, David Angus and George Robertson, initially as a bookselling business with an interest in publishing. The company's publishing activities grew as Australia grew, and Angus & Robertson became the major educational and trade book publisher in the country.¹² The New South Wales (NSW) Bookstall Company was established in 1879 and was also involved in bookselling as well as publishing. The company franchised a chain of railway and ferry terminal bookstalls and, after first selling fiction printed in Britain under the Bookstall imprint, launched its successful locally produced Bookstall Series in 1904, 'the first mass-market paperback venture in Australia.'¹³ Another book publisher in this period was the Bulletin Newspaper Company, publisher of the *Bulletin* magazine. The company produced a number of books of verse, fiction and non-fiction sporadically over the years.

The early work of these companies largely comprised popular verse and tales of bush life, the exploits of bushrangers and locally set romance stories for the Australian

¹¹ Joyce Nicholson & D.W. Thorpe (2000), *A Life of Books: The Story of DW Thorpe Pty Ltd 1921-1987*, Middle Park, Vic., Courtyard Press, p. 12.

¹² Jennifer Alison (2001), 'Publishers and Editors: Angus & Robertson, 1888-1945' in Martyn Lyons & John Arnold, eds, *A History of the Book in Australia 1891-1945: A National Culture in a Colonised Market*, St Lucia, Qld, UQP, pp. 27-36

¹³ Carol Mills (2001), 'Case Study: The New South Wales Bookstall Company: Paperback Phenomenon' in Lyons & Arnold, eds, op. cit., p. 37. More detailed information of the company is found in Carol Mills (1992), 'The Bookstall Novel: An Australian Paperback Revolution, 1904-1946', *Australian Cultural*

market. 'Serious' publishing, even of Australian authors, continued to be carried out in Britain. This was partly the result of the vernacular nature of local publishing in this period and, more significantly, of a notion:

that great literature was about the eternal themes of life and destiny, and could only be discovered in the life of a nation which was at the centre of the sweep of history. Australian writing was accepted for either its instrumental or its entertainment value . . .¹⁴

According to this belief, which endured well into the twentieth century, 'culture' happened elsewhere, and British books were therefore considered superior in cultural value to local books. This was one of a number of factors that contributed to the slow growth of Australian publishing, and to the concentration of early Australian publishers on popular and commercial publishing.

By the early twentieth century, the importation of books to Australia had become well-established and regular, and imported books could be offered relatively cheaply to the Australian market. Michael Zifcak, a later Australian bookseller, noted of this period: '[t]he ease with which imported titles could be obtained undoubtedly retarded the development of Australian publishing'.¹⁵ Richard Nile shares this view and expands on it in his examination of the Australian book trade of this period.

One effect of the ability to ship books to Australia has been the discouragement of 'national' publishers with any thought of producing nationally inspired books for the local market. For much of the twentieth century, but particularly in the years before the second world war, Australian publishers were intimidated by the ability of the British cartel to land books at cheap prices in a trade where a single ship load of stock was enough to sink even the most enthusiastic of local or nationalist sentiment.¹⁶

Another factor in the slow growth of a local industry was that Australian publishers tended to combine their publishing with bookselling, the latter being a much more

History, n11, pp. 87-99, and Carol Mills (1991), *The NSW Bookstall Company as Publisher*, Canberra, Mulini Press; the latter includes a full bibliography of all titles published by the company.

¹⁴ John McLaren (1988), 'Publishing in the Twentieth Century' in D.H. Borchardt & W. Kirsop, eds, *The Book in Australia: Essays Towards a Cultural and Social History*, Melbourne, Australia Reference Publications/Centre for Bibliographical & Textual Studies, Monash University, pp. 74-75.

¹⁵ Michael Zifcak (1990), 'The Evolution of Australian Publishing', *Logos*, v1 n3, p. 19.

¹⁶ Richard Nile (1990), 'Cartels, Capitalism and the Australian Booktrade', *Continuum*, v4 n1, p. 78.

profitable undertaking. Such publishers included Angus & Robertson, the NSW Bookstall Company, Rigby Ltd and, later, F.W. Cheshire and a number of the university presses. In their discussion of the early Australian book trade, Richard Nile and David Walker note that:

the dominance of the British publishing cartel meant that it was simpler and more economical for the local trade to organise itself to be importers and retailers rather than publishers with an eye for local literary talent and new forms of literary expression.¹⁷

This congruence of bookselling and publishing had a profound effect on the development of Australian publishing. The priority for such companies was the commercial business of bookselling rather than the less profitable activity of publishing. There is no doubt that the growth of local publishing was stunted by the concentration of its practitioners on bookselling and by the fact that, for many years, imported books could be sold more profitably than locally published books. As a result of the latter factor, local booksellers colluded with British publishers in certain restrictive trade practices that discouraged the production of local books; these practices are discussed in detail later in this chapter.

In addition, the Australian industry's long-standing concentration on the commercial activity of selling imported books affected the nature of Australian publishing. According to Lee White, because of the historical commercial rather than cultural base of the Australian book trade, publishing in Australia did not develop a strong editorial focus as it had in Britain and the US. She writes:

editorial function is seen traditionally in Australia as a fringe activity, orbiting round the business of selling books . . .¹⁸

She goes on to argue that in particular:

¹⁷ Richard Nile & David Walker (2001), 'The "Paternoster Row Machine" and the Australian Book Trade, 1890-1945' in Lyons & Arnold, eds, op. cit., p. 8.

¹⁸ Lee White (1986), 'The Role and Status of Book Editors in Australia', unpublished MA thesis, Department of Literature and Communication, Murdoch University, p. 9.

[t]he dominance of imported product has meant that Australian book publishing has developed without the crucial author-nurturing role which is so much part of many established overseas publishing houses.¹⁹

These points are discussed in more detail in subsequent chapters of this thesis.

The early twentieth century saw the establishment of several more Australian publishing firms, including Lothian, established in 1905 by Thomas Lothian who had followed his father as the Australian sales representative for a number of British publishing firms.²⁰ Also set up in this period were Horwitz in 1921 and the publishing activities of F.W. Cheshire in 1925. The early years of the century also saw the publication of what was to be Australia's long-standing book trade journal, the *Australian Stationery and Fancy Goods Journal*. First published by D.W. Thorpe in 1921, the journal eventually became the monthly *Australian Bookseller & Publisher* that continues to provide a focal point for discussion of issues of interest to the Australian book trade as well as for advertising within the trade.²¹

In spite of the slow increase in local publishing activity prior to the Second World War, the vast majority of books on the Australian market were imported from Britain. British publishing relied heavily on exports, and Australia became commercially significant as a major export market for British books, taking about 25 % of British book exports between 1900 and 1939.²² Many of these arrived in the form of 'colonial editions', cheap editions of British books published in London or Edinburgh specifically for colonial (and 'dominion') markets in Australia, Canada, New Zealand, India and South Africa. The 'colonial editions' were generally produced as run-ons from the printing of British editions, but on cheaper paper and with cheaper bindings and new title pages. Most were produced in series such as *Macmillan's 'Colonial Library'* and *Kegan Paul's Indian and Colonial Series*. Beginning in the nineteenth century, the 'colonial edition' phenomenon continued well into the twentieth century.²³

¹⁹ *ibid.*, p. 10.

²⁰ Stuart Sayers provides a history of the Lothian company in his 1988 publication, *The Company of Books: A Short History of the Lothian Book Companies 1888-1988*, Melbourne, Lothian.

²¹ The history of the journal and the company that produced it is found in Nicholson & Thorpe, *op. cit.*

²² Martyn Lyons (2001), 'Britain's Largest Export Market' in Lyons & Arnold, eds, *op. cit.*, p. 19.

²³ Graeme Johanson (2000), *Colonial Editions for Australia, 1843-1972*, Wellington, NZ, Elibank Press; also Graeme Johanson (1986), "'Cultural Cringe' or Colonial Fringe? British Books in Australia", *Australasian College Libraries*, v4 n2 June, pp. 91-95.

In many ways, there was little differentiation made between the interests of Australia and of Britain in the early part of the twentieth century. The two countries were linked by what Stuart Ward calls 'British race patriotism', that is, 'the idea that all British peoples, despite their particular regional problems and perspectives, ultimately comprised a single indissoluble community through the ties of blood, language, history and culture.'²⁴ Ward, in fact, suggests that:

for much of the twentieth century Australian economic interests were imagined as a mere facet of a wider network of trade, financial and business links with the British Empire.²⁵

This may further explain the apparent lack of concern in Australia for the development of a culturally and economically independent Australian publishing industry in the early twentieth century.

Most early twentieth century Australian publishers tended to concentrate on producing books cheaply and quickly for short-term profit and, as discussed above, many sold as well as published books. These firms, in most cases, were not future-oriented and did not seek to accumulate 'cultural (or symbolic) capital' in Bourdieu's terms.²⁶ Rather, they were largely commercial firms with short production cycles intended to meet short-term goals. Such firms could also be described in Hirsch's terms as having a 'distribution orientation', rather than a 'production orientation', that is, focusing on the mass distribution of standardised cultural forms, rather than on production.²⁷ Lee White's comments, above, regarding the lack of a strong editorial focus in Australian publishing would support such a view. The established British companies were considered the 'largely cultural' publishers of this period, and enjoyed significant 'cultural capital' in Australia, especially in relation to their power to consecrate Australian literature with a British imprint. This is in spite of many British publishers also producing and exporting light and popular reading material.

²⁴ Stuart Ward (2001), 'Sentiment and Self-Interest: The Imperial Ideal in Anglo-Australian Commercial Culture', *Australian Historical Studies*, n116 April, p. 92.

²⁵ *ibid.*

²⁶ As discussed in Chapter 1; Pierre Bourdieu (1980), 'The Production of Belief: Contribution to an Economy of Symbolic Goods', *Media, Culture & Society*, n2, pp. 261-293.

²⁷ Paul Hirsch (1978), 'Production and Distribution Among Cultural Organizations: On the Division of Labor Across Intellectual Disciplines', *Social Research*, v45 n2, p. 316.

British books were not only cheaper than locally published books but were generally considered qualitatively superior to local books, as mentioned above. This was a common view that was countered by a small number of vocal Australian authors and critics who became known as 'literary (or cultural) nationalists', and who were particularly active in the inter-war period. The group that exerted the most influence on Australian book publishing was the Fellowship of Australian Writers (FAW) that was established in Sydney in 1928 and became politically active when it 'came under the sway of the progressive faction with Flora Eldershaw as President in 1935 and Frank Davison in 1936.'²⁸ A Victorian branch was established in 1938 with Nettie Palmer, Vance Palmer and Frank Wilmot, among others, as active members. The FAW, along with many of its individual members, strongly advocated for the expression of Australian national cultural identity through book publication and the promotion of Australian literature.²⁹ The group was also instrumental in achieving the expansion, in 1939, of the Commonwealth Literary Fund (CLF); this is discussed in detail in Chapter 4.

The Effects of the Second World War

The Second World War disrupted British domination of the Australian book trade and provided an opportunity for local book publishers and printers to expand and fill the gaps left by the dramatic decline in British imports. The British book trade suffered badly in the War, and in particular from the bombing of London – it is estimated that 20 million books were destroyed in the bombing, with the greatest damage occurring in December 1940 when London's Paternoster Row was targeted, and the offices and warehouses of more than 20 publishing firms were destroyed.³⁰ The British trade also suffered from severe paper rationing and the loss of labour to the armed services.

²⁸ Drusilla Modjeska (1991), *Exiles at Home: Australian Women Writers 1925-1945*, Sydney, A&R, p. 102 (first published 1981).

²⁹ A history of the FAW and details of its activities is found in Len Fox (1989), *Dream at a Graveside: The History of the Fellowship of Australian Writers 1928-1988*, Sydney, FAW.

³⁰ Robert Hewison (1977), *Under Siege: Literary Life in London 1939-1945*, London, Weidenfeld & Nicolson, p. 32; and John Feather (1988), *A History of British Publishing*, London, Croom Helm, p. 216.

Shipping was also disrupted by the War and contributed to the sharp decline in imports to Australia in this period. In the years preceding the War, it is estimated more than 90 % of books sold in Australia were imported ³¹, and Tariff Board figures indicate that over 80 % of printed books imported in 1937-38 were from Britain.³² In the War years, the value of British book imports fell by 36 %, from a pre-war value of £888,419 in 1937-38 to £568,236 in 1942-43.³³ At the same time, the demand for books was 'unprecedented', according to James Cleary who saw the need for books in Australia as 'exacerbated by the requirements of the Army Education Service, the influx of American servicemen, increased living standards and the tendency of the public to give coupon-free goods [such as books] as gifts.'³⁴

The decline in the supply of books and the increase in demand led to an expansion of local publishing activity. Australian book production was also hampered by paper and labour shortages, and the federal government intervened with rationing, attempts to re-deploy skilled workers from the armed services back into the book trade and the sponsorship of the Australian Pocket Library. The Australian government recognised the cultural importance of books for their contribution to maintaining morale and national cohesion, and for the continuing education of children and adults alike. Wartime government intervention in the industry was significant and is examined in detail in Chapter 5.

Notwithstanding the constraints, Australian publishing flourished during the War years, with established firms increasing production and new Australian-owned companies emerging to meet increased demand. Pre-war and mid-war figures illustrate both the increase in participation in book publishing and in publishing activity – in 1938, for instance, 50 publishers produced 462 books in Australia; six years later, in 1944, 973

³¹ George Ferguson (1975), 'Changes in the Australian Book Trade 1935-1974' in *The Australian Book Trade: The Report of the Australian Book Trade Working Party 1975*, Melbourne, The Australian Book Trade Working Party, p. 87.

³² Tariff Board (1946), Tariff Board's Report on the Publishing Industry 7th November 1946, *Parliamentary Papers II 1946-47-48*, p. 5/869.

³³ *ibid.*

³⁴ James Cleary (1985), 'Books for the Troops: The Role of Libraries and Librarians in World War II' in P. Biskup & M.K. Rochester, eds, *Australian Library History: Papers from the Second Forum on Australian Library History, Canberra 19-20 July 1985*, Canberra, CCAE, p. 37.

books were produced by 83 publishers.³⁵ Not only did local firms publish new Australian works and reprints, they also published British titles under license for British publishers. Lothian, for instance, reprinted 71 Penguin titles during this period, re-setting the type from original copies available in Australia; the Melbourne bookseller-publisher, Robertson & Mullens also reprinted several Penguin titles in 1940-41.³⁶

Members of the Australian book trade, like many Australians, actively supported Britain and the British war effort and in 1941, the trade established a 'Spitfire Fighting Fund' with the aim of raising money to buy a warplane for Britain.³⁷ While the project was thwarted by 'foreign exchange re-valuations', its intention demonstrates the degree of support for Britain within the trade and presages the equanimity with which the Australian book trade accepted the post-war re-establishment of British control over many of its activities.

The War certainly accelerated and expanded Australian publishing activity. Some commentators see the period as a 'high point for local publishing'³⁸ and as a period of Australian intellectual confidence,³⁹ others see the wartime publishing boom as an aberration, artificial growth that later subsided as the British trade re-entered the Australian market and re-established its control.⁴⁰ Local publishing activity during the War certainly demonstrated that books were important to Australians, and that the local trade had the capacity to rise to the occasion and produce books to meet many of the needs of the domestic market.

³⁵ *Annual Catalogue of Australian Publications*, Canberra, National Library, volume 3: 1938 & volume 9: 1944.

³⁶ Geoffrey Dutton (1996), *A Rare Bird: Penguin Books in Australia 1946-96*, Ringwood, Vic., Penguin, pp. 4-5.

³⁷ Nicholson & Thorpe, op. cit., p. 98.

³⁸ Richard Nile & David Walker (1988), 'Marketing the Literary Imagination: Production of Australian Literature 1915-1965' in Hergenhan, ed., op. cit., p. 292.

³⁹ McLaren, op. cit., p. 79.

⁴⁰ John Curtain (1997), 'The Development of Book Publishing in Australia', unpublished MA thesis, NCAS, Monash University, p. 31.

The Post-War Period and the Re-entry of the British

The immediate post-war period in Australian publishing history was characterised by both a decline in the participation of local firms, and the structural entrenchment of British domination of the Australian book trade. Book exports to Australia rapidly returned to pre-war levels and increased, and British firms continued to establish branch offices in Australia in the immediate post-war period. Australia remained an important market for British publishers, taking 24 % of all British book exports in 1953.⁴¹ At the same time, the number of books published in Australia and the number of locally active publishers began to decline. By 1949, only 666 books were published by 54 publishers, and in 1955, 624 books were published in Australia by only 47 publishers, including several British publishers with Australian branches.⁴²

Post-war British control of the Australian trade was supported by formal agreements that ensured British publishers a dominant role. The Traditional Market Agreement was instituted in 1947 and provided for the control of Australian territorial copyright by British publishers. The Agreement effectively divided the world's English language book markets between Britain and the United States, with Britain controlling territorial copyright for its former colonies, the US controlling a smaller number of territories, and the remainder being unassigned. This meant that Australian copyright could not be separated from British or Commonwealth copyright; that is, the holder of the British copyright of a book also enjoyed copyright for the same book in the Australian and other Commonwealth markets.

This had profound implications for Australian publishers, booksellers, the reading public and for Australian cultural life. Australian publishers were excluded from participating in the lucrative international publishing market -- they could not buy local rights for overseas books since these were tied to British and Commonwealth rights. Gael Cresp, in her study of the Traditional Market Agreement, notes that because Australian publishers did not buy rights from US publishers, it was also difficult for Australians to *sell* rights to US publishers since there were no established contacts or

⁴¹ McLaren, *op. cit.*, p. 80.

⁴² *Annual Catalogue of Australian Publications*, *op. cit.*, volume 14: 1949; volume 20: 1955; volume 23: 1958.

commercial infrastructure. She adds that Australia was seen as 'Britain's patch' by US publishers.⁴³ Australian publishers were confined therefore to publishing original works emanating from Australia for the local market. This constraint on their participation in the international rights market severely limited local publishers' ability to grow and prosper, and limited the growth of an independent Australian publishing industry.

Booksellers were also affected – until new copyright legislation was introduced in 1968, Australian booksellers were free to indent books from any source, although most relied on British publishers for their supplies. The importation provisions of the 1968 copyright law buttressed the Traditional Market Agreement by banning parallel imports. This prohibited booksellers from buying in copies of titles for which Commonwealth rights were held, even if those rights had not been exercised by the copyright holder. Local readers were denied access to many books through this monopoly of Australian rights. British publishers who owned Australian rights could choose whether or not, and when to exercise those rights. In many cases, books first published in the US did not appear in Australia for six months or more after their initial publication, and some did not appear at all. Australian readers were disadvantaged by this, and were forced either to place special orders for overseas editions at increased cost or import titles privately from the original publisher, or to do without. This obviously affected Australian cultural life through the denial or delay of access to intellectual, educational and cultural material originating in countries other than Britain.

The other agreement that supported British domination was the 'Statement of Terms', a written accord between Australian retail booksellers and publishers' groups, which included the British Publishers' Association. The 'Statement' ensured that trade in books remained profitable for both publishers and booksellers. It determined selling prices, restricted discounting, and prescribed penalties for non-compliance. It ensured that booksellers adhered to the 'Schedule of Prices', a table that set Australian retail prices for imported British books with a generous allowance for foreign exchange and

⁴³ Gael Cresp (1976), 'The British Publishers' Traditional Market Agreement: A Study', unpublished paper, Department of Librarianship, RMIT, pp. 12-14.

freight. The 'schedule price' was artificially high and allowed booksellers to make higher profits on imported books than on locally produced books.

The 'Statement of Terms' was policed by a series of committees over time; in 1964, it was overseen by the Australian Book Trade Advisory Committee (ABTAC) comprising representatives from the Publishers' Association of Great Britain and Ireland, the Association of British Book Publishers' Representatives in Australia, the Australian Booksellers Association, the Australian Book Publishers Association, and the Wholesale Booksellers' Association of Australia.⁴⁴ Booksellers were listed on a 'trade register', and those who did not adhere to the 'Statement of Terms' were denied supplies on trade terms and were thereby forced out of the business. The stated intention of this tight control was to ensure the development and maintenance of high standards in bookselling.⁴⁵ John Curtain describes the operation of the Australian retail book trade in the years during which the 'Statement' was current as a 'cartel' designed to 'protect the booksellers' profit margins and their monopoly on distribution.'⁴⁶

Australian publisher, George Ferguson commented on the 'Statement' and its policing mechanisms:

[t]he whole system implied a continuation of the belief, natural enough long ago, that the Australian book trade was only an extension of the British book trade, separated by a lot of water.⁴⁷

There is no doubt that Australian booksellers and British publishers colluded to maintain high profits for both groups in an agreement that benefited business rather than consumers. Australian book buyers, as a result, paid high prices and had limited access to non-British titles. Australian publishing also suffered from the arrangements, as John Curtain notes:

⁴⁴ 'The Australian Book Trade Advisory Committee, Statement of Terms and Conditions of Supply of Books Published in Australia and in Great Britain and Ireland', December 1964; reprinted in 'The Book Trade' (1966), *Current Affairs Bulletin*, v37 n6, 7 February, pp. 88-89.

⁴⁵ Roger Page (1970), *Australian Bookselling*, Melbourne, Hill of Content; Page provides a contemporary account of the organisation of Australian bookselling and the operation of and rationale for the 'Statement of Terms'.

⁴⁶ John Curtain (1998), 'How Australian Publishing Won its Way Against the Odds', *Logos*, v9 n3, p. 142.

⁴⁷ Ferguson, op. cit., p. 94.

[b]ooks published in Australia, sold at domestic discounts similar to those prevailing within the British book market, were unpopular with some Australian booksellers, who could see no financial benefit to themselves in the development of an Australian publishing industry.⁴⁸

The irony of this situation lies in the fact that many local publishers continued to be involved in retail bookselling as well as in publishing. While benefiting from collusion in restrictive trade practices as booksellers, these Australian bookseller-publishers were also participating in practices that restricted the development of their publishing activities. The profits available from commercial bookselling were obviously greater than those possible from publishing into the small and restricted Australian book market.

A number of Australian publishers also had links with printing businesses, for instance Angus & Robertson owned and operated Halstead Press, F.W. Cheshire was purchased in part by printers Wilke & Company in 1964 and Rigby was part-owned by Griffin Press in Adelaide.⁴⁹ Australian publisher Andrew Fabinyi, writing anonymously in a *Current Affairs Bulletin* in 1966, believed that the reason for this vertical integration lay less in monopoly ambitions and more in participants seeking to maximise profits in the very profitable educational market as publishers, booksellers and printers. Since publishers did not sell directly to schools or education departments but supplied books through the retail trade, they managed to have access to two sources of profit as publisher *and* bookseller.⁵⁰

British publishers were key players in the formation of the Australian Book Publishers Association (ABPA) in 1949. Oxford University Press publisher, Frank Eyre notes of the early ABPA:

[m]ost of its original members were either Australian booksellers or representatives of British firms, who rarely published but justified their membership by having at sometime printed a book in Australia.⁵¹

⁴⁸ Curtain (1998), op. cit., p. 142.

⁴⁹ 'The Book Trade' (1966), op. cit., p. 86.

⁵⁰ *ibid.*

⁵¹ Frank Eyre (1978), *Oxford in Australia 1890-1978*, Melbourne, OUP, p. 41.

The ABPA enshrined a broad definition of 'Australian publisher' as any publisher operating in Australia, regardless of nationality. British publishers, as influential members of the ABPA, were able to use that organisation to promote their own commercial interests. Indeed the ABPA did not seek to promote the interests of its locally-owned members above any others. In supporting both the Traditional Market Agreement and the 'Statement of Terms', the ABPA in fact participated in maintaining structures that discouraged the development of locally-owned publishing. Ken Wilder, a former managing director of the Australian branch of British publishing company, Collins, and a former active ABPA member, wrote in his memoirs that '[t]he publishers', referring to Angus & Robertson, Rigby and others, 'appeared to accept their parochial role'.⁵² Wilder noted later in his book that: 'it suited British publishers to see restrictions on the development of independent Australian publishing'.⁵³

Support for British publishers in Australia was clearly widespread; in fact, John Curtain described the Australian book trade as 'an institution which represented transplanted British culture more enthusiastically than any other'.⁵⁴ However, support for British domination was not universal. Labor Party MP Gough Whitlam, for instance, spoke out against the Traditional Market Agreement at the opening of Australian Book Week in 1964, and concluded with the unambiguous remark, '[w]e are a captive British market, a subject people'.⁵⁵ Andrew Fabinyi, publisher at F.W. Cheshire (which at the time was Australian-owned) described Australia in this way: '[s]he is no longer ruled from London *except* in book publishing where a core of British publishers regard her as their own colonial dependency'.⁵⁶

Notwithstanding this, publishing and bookselling in Australia prospered in the later post-war period, particularly in the educational sector. The value of Australian

⁵² Ken Wilder (1994), *The Company You Keep: A Publisher's Memoir*, Sydney, State Library of NSW Press, p. 72.

⁵³ *ibid.*, p. 201.

⁵⁴ John Curtain (1993), 'Distance Makes the Market Fonder: The Development of Book Publishing in Australia', *Media, Culture & Society*, v15 n2, p. 235.

⁵⁵ Gough Whitlam, quoted in 'The Marketing Scene. Laws Restrict Our Book Trade' (1964), *The Australian*, 26 October, p. 10.

⁵⁶ Andrew Fabinyi (1962), 'The Australian Book', *The Texas Quarterly* ('A Special Issue: Image of Australia'), Summer, p. 78.

publishing rose by well over 200 % in the ten years between 1957 and 1967.⁵⁷ The post-war years saw an increase in population and in participation in education, accompanied by a demand for locally relevant educational materials. This latter factor propelled many publishers into the Australian education market, and a number of British publishers began their local publishing efforts in earnest. Australian-owned companies also participated in this sector, and a number of companies were established in the 1950s and 1960s, including Jacaranda Press and Lansdowne Press, to take advantage of the profitable and burgeoning educational book market. Penguin Books, although not primarily an educational publisher, began its Australian publishing activities in the 1960s and went on to play a major role in the publishing of Australian books. Other British firms active in local publishing, and particularly in the educational sector, in this period included Collins, Macmillan, Oxford University Press and Longman.

While British publishers were able to re-establish their dominance of the Australian book market in the immediate post-war period, they could no longer rely simply on colonial obeisance for control. The changing cultural and economic environment required structural mechanisms such as the Traditional Market Agreement and the 'Statement of Terms' to ensure that the Australian market remained profitable for British publishers. However, neither of these agreements were to survive the 1970s, and British dominance of the Australian book trade was to diminish.

The Erosion of British Control

Both commercial and cultural factors contributed to the gradual erosion of British domination of the Australian book market. Major among the commercial factors were changes in the international publishing environment that involved increased profitability and the consequent demand that markets be opened to competition. In addition, the Australian government, acting in the interests of consumers, introduced legislation that outlawed restrictive trade practices that were once considered the norm. Moves by

⁵⁷ Nicholson & Thorpe, op. cit., p 175. Australian publishing was valued at 'nearly \$2 million in 1957' and \$7.5 million in 1967.

Britain to join the European Economic Community (EEC) in the 1960s had a profound effect on economic relations between Australia and Britain. The gradual re-orientation of Britain towards Europe broke the traditional Commonwealth trade nexus and forced Australia to look for new trading partners.

Cultural factors also contributed to the erosion of British control. These included Australia's increasing nationalism and cultural confidence, and the participation of Australia as an independent nation in world affairs. In addition, changes in economic relations had cultural effects, as Stuart Ward points out:

the disentangling of Australian and British cultural identities was directly informed by the disentangling of their political and economic interests.⁵⁸

As market conditions changed and more books were published in Australia by both British and Australian companies, the interests of publishers and booksellers began to diverge. Publishers 'closed the market' by insisting that booksellers buy from their local branches and not indent from overseas; this resulted in higher prices and lower profits for booksellers since the prices for books held locally often included a contribution to the overhead expenses of publishers' maintaining local warehouses. Publishers continued to set retail prices and, according to John McLaren, 'British publishers took profits from sales to their branches as well as final sales'.⁵⁹

This was to change, and in the first blow to the tightly controlled retail book market, the ABPA withdrew its support from the 'Statement of Terms' in 1970.⁶⁰ In the following year, the federal government introduced trade practices legislation which outlawed some of the restrictive practices set down in the 'Statement of Terms'. On the day that the new Act came into operation, publishers A.H. & A.W. Reed, applied for exemption from the resale price maintenance provisions of the Act in respect of books. The publishers lost the case, and the 'Statement of Terms' and its price setting agenda were soon abandoned. Details of the case are discussed in Chapter 6.

⁵⁸ Ward, *op. cit.*, p. 107.

⁵⁹ McLaren, *op. cit.*, p. 81.

⁶⁰ Curtain (1997), *op. cit.*, pp. 72-73.

Another and more direct blow to British domination was the official end to the Traditional Market Agreement. In 1972, Max Harris and Rosemary Wighton launched a campaign against the Agreement in the pages of the *Australian Book Review* which they co-edited.⁶¹ The ABPA joined the campaign in the following year and lobbied the British Publishers' Association to end the Agreement and its practices. However, it was not until the US Justice Department investigated the Traditional Market Agreement in 1976 and found it to be illegal under US anti-trust legislation that things began to change. A number of US publishers were required to sign a 'consent decree' stating that they would no longer automatically assign Australian and New Zealand rights to British publishers along with British rights. This effectively opened the way for Australian publishers to buy local territorial rights to non-Australian copyright material. While it took many years for long-established practices to change, this decision was a watershed in the development of an Australian publishing industry independent of British control.

Other changes were taking place within Australia and in its relationship with the rest of the world, as the country became less focused on Britain. Post-war growth altered the nature of the population as migrants were accepted from other European countries and, eventually, from non-European countries, and Britain was no longer considered 'home' for many Australians. A defence alliance, the ANZUS Treaty, was established in 1951 between Australia, New Zealand and the US, and Australia participated in the Korean War as part of the United Nations forces and in the Vietnam War as a US ally. The election of a Labor Party government in 1972, after 23 years of conservative rule, saw further erosion of Australia's formal and informal links with Britain. One of the most significant actions was the ending of Australian appeal rights to the British Privy Council, a move that made the High Court of Australia the country's highest court of appeal, severed ties with the British legal system and established Australia's legal independence from its former colonial master. The Whitlam Labor government also ended the practice, at a federal level, of Australians receiving British Empire awards from British royalty, instituting instead a similar system of Australian awards. Both actions were significant as declarations of Australian independence from Britain.

⁶¹ Max Harris & Rosemary Wighton (1972), 'Ending the British-American Book Monopoly Racket', *Australian Book Review*, v11 December, p. 31.

The US became an increasingly important ally and trading partner throughout this period, and US publishers slowly developed an interest in the Australian book market, and in the educational book market in particular. US publishing firms began establishing Australian branches in the 1960s and some merged with or acquired Australian firms. Like the British, US involvement in Australian publishing began with the establishment of distribution centres for US books, later these began producing books (mostly educational) for the local market, and later expanded into trade publishing. US companies operating in the Australian market in the 1970s included Harper-Row, Wiley (which merged with the Australian firm, Jacaranda), Doubleday, Harcourt Brace Jovanovich, and McGraw-Hill.⁶²

Major changes occurring in the international publishing industry further eroded British domination of Australian publishing. In common with many other industries in the latter part of the twentieth century, book publishing was influenced by business doctrines of rationalisation and growth, and underwent significant changes in industry structure and patterns of ownership. Since the 1960s, the publishing industry in Australia has seen numerous company takeovers and mergers, as well as the growth of multinational publishing and the participation of conglomerate companies. Not only have major US publishing companies become involved in the Australian market, but so too have large German and Canadian-owned companies. Of the twenty largest book publishers in Australia in 1997, five were Australian-owned, three British-owned, six US-owned, two Canadian, two German, and two in joint ownership (Australian-US and British-Dutch).⁶³

The Growth of the Australian Market

The Australian book market has expanded over the years and has continued to involve both foreign and locally-owned publishers. It is a competitive environment in which locally-produced books compete with imports in all publishing sectors. The proportion of locally-produced books to imported books has grown steadily, and most foreign-

⁶² Patricia Holt (1978), 'Publishing in Australia: A *PW* Special Report', *Publishers Weekly*, v214 n10, 4 September, pp. 72-73.

⁶³ 'Australia's Top 20 Book Publishers' (1997), *Australian Bookseller & Publisher*, March, p. 6.

owned publishers operating in Australia, in addition to selling from their lists, publish books for the local market.

The growth in local publishing can be demonstrated by a comparison of sales statistics over time. In 1948, Australian produced books represented 15 % of the total Australian book market,⁶⁴ this increased to 20 % in 1953,⁶⁵ and this figure increased incrementally over the decades. By 1991, Australian books made up 52 % of total books sales,⁶⁶ and in 1999-2000, that percentage had increased to 61.4 %.⁶⁷ The increases in the percentage of Australian book sales over the decades represent the development of a cultural confidence in Australia, a confidence that no longer relegates the local product to an inferior position in relation to imported books. Australians have developed an interest in their own perspectives that manifests itself in a preference for Australian books. Foreign-owned publishers have recognised this and actively participate in publishing Australian titles.

The locally-owned Australian publishing sector has also grown since the 1960s, not only in the educational sector, but also in the trade, professional and academic sectors. The significant expansion of government assistance to writing and publishing with the establishment of the Australia Council and its funding programs in 1973 has been credited with igniting an explosion of Australian publishing.⁶⁸ However, the increase in local publishing began before this, and other factors were also at play, including a burgeoning sense of nationalism and independence, an increased interest in Australian history and literature and the formation of small independent publishing companies in reaction to the failure of the large companies to meet the needs of Australian writers.⁶⁹ Independent Australian publishing companies established between 1965 and 1976 include Sun Books, Hyland House, Outback Press, Currency Press, Hill of Content, Wild & Woolley, McPhee Gribble, Greenhouse Publications and Lonely Planet. All

⁶⁴ John Curtain (1993), 'Book Publishing' in Stuart Cunningham & Graeme Turner, eds, *The Media in Australia: Industries, Texts, Audiences*, Sydney, Allen & Unwin, p. 110

⁶⁵ McLaren, op. cit., p. 80.

⁶⁶ 1991 *Book Industry Statistics* (1994), n.p., Australian Book Publishers Association, p. 5.

⁶⁷ ABS (2001), *Book Publishers 1999-2000*, Cat. No. 1363.0, Adelaide, ABS, p. 14.

⁶⁸ For instance, this opinion is expressed in Judith Brett (1988), 'Publishing, Censorship and Writers' Incomes, 1965-1988' in Hergenhan, ed., op. cit., p. 457.

⁶⁹ This latter point is made by Michael Denholm (1979), *Small Press Publishing in Australia: The Early 1970s*, North Sydney, Second Back Row Press, p. 1. Denholm also notes the 'important part' played by the Literature Board in the 'emergence of small publishers', *ibid.*, p. 2.

were active in publishing Australian works and, although a number of these firms were taken over by foreign-owned companies and some closed, others remain independent and functioning in 2001.

The growth of independent Australian publishing in the 1970s represented the assertion of local culture, and led to dissatisfaction with the representative role played by the ABPA. In 1975, the Australian Independent Publishers' Association (AIPA) was formed to represent the particular interests of independent publishers. The ABPA was seen to be dominated by its foreign-owned membership, and not to be serving the interests of *Australian* publishing through the promotion of Australian books, publishers and markets.⁷⁰ From its inception, the ABPA enthusiastically included, firstly British-owned companies, and later multinationals and other foreign-owned companies. Although, Australian-owned companies make up the numerical majority of members, the foreign-owned companies, due to their size and market share, have played a major role in determining ABPA policy and priorities. The ABPA has never involved itself in lobbying for the development and support of a viable *locally-owned* industry, and has confined itself largely to commercial and other industry development issues.

The AIPA was formed by a small group of locally-owned Australian publishers, and the major criteria for membership was local ownership. Its membership grew and included small independent publishers as well as the larger companies such as Angus & Robertson and Rigby.⁷¹ Many AIPA members were also members of the ABPA, although the two organisations were not always in accord. The AIPA involved itself in both local and international promotion of Australian books and publishers, submitted successfully to the Foreign Investment Review Board against the British takeover of Rigby⁷² and competed with the ABPA for the funds to represent the Australian book market at international trade fairs.⁷³ These activities are discussed in detail in Chapter 7.

⁷⁰ Holt (1978), op. cit., p. 56.

⁷¹ Denholm, op. cit., p. 4.

⁷² Curtain (1993), 'Distance Makes the Market Fonder', op. cit., p. 240.

⁷³ Holt (1978), op. cit., p. 56.

The issue of foreign ownership of Australian publishing was hotly debated in the 1970s and 1980s, and was the subject of much industry commentary.⁷⁴ The arguments against foreign ownership centred on the concern that non-Australian companies did not have the necessary commitment to Australian culture to publish a range of quality Australian works. There was a belief that foreign companies pursued commercial success at the expense of cultural concerns. In addition, some argued that Australia was a 'virtual dumping ground for foreign publications.'⁷⁵ In support of this view, Humphrey McQueen quoted the vice-president of US-owned McGraw-Hill Investment International: '[t]he prime objective of a foreign subsidiary is not its own publishing but the sale of the US product.'⁷⁶ The entry of US publishers into the Australian market was considered by some critics to be particularly undesirable, as the following excerpt from a 1969 review of Australian publishing illustrates:

the Americans are sniffing around the Australian market with the beady look of imperialist predators . . . It is the American principle, in publishing anyway, to invade a country in force, to work a hard sell at little or no investment cost; to make a huge rake-off for the old homeland if the pickings are easy; to get out when long range planning and investment are called for.⁷⁷

In 1981, a research project was completed by Valerie Haye at La Trobe University that examined the impact of foreign ownership on Australian publishing.⁷⁸ Haye notes that the mid-1970s was 'a period of heightened nationalism when the operations of all multinational companies were regarded with suspicion.'⁷⁹ She took as her premise that the argument against foreign ownership focused on an assumption that foreign-owned companies would confine their activities to the profitable publishing areas of educational books and 'popular' trade books, and thereby not contribute to the production of quality Australian literature. To test the validity of this view, Haye

⁷⁴ For instance, Holt (1978), op. cit.; Glenda Korporaal, (1990), *Project Octopus: The Publishing and Distribution Structure in the Book Industry in Australia and Internationally. Implications for Australian Authors*, Redfern, NSW, ASA; Humphrey McQueen (1977), *Australia's Media Monopolies*, Melbourne, Widescope; Geoffrey Dutton (1984), *Snow on the Saltbush: The Australian Literary Experience*, Ringwood, Vic., Penguin/Viking; and Michael Wilding (1975), 'A Random House: The Parlous State of Australian Publishing', *Meanjin*, v34 n1, pp. 106-111.

⁷⁵ McQueen, op. cit., p.159.

⁷⁶ *ibid.*, quoted from S.M. Crean (1976), *Who's Afraid of Canadian Culture*, Toronto, General Publishing, p. 215.

⁷⁷ 'Australian Publishing Today' (1969), *Australian Book Review*, November, p. 7.

⁷⁸ Valerie Haye (1981), 'The Impact of Foreign Ownership on Australian Publishing in the 1970s', unpublished MA thesis, Department of Politics, La Trobe University.

⁷⁹ *ibid.*, p. 95.

examined annual listings of publishers' output and publishers' own lists to ascertain the types of books being produced by the foreign-owned companies active in Australian publishing. She also compared the relative performance of books published by Australian-owned companies and by foreign-owned companies in Australian literary awards. She refuted the argument when she found that not only did locally published books by foreign-owned companies do very well in literary awards, but these companies were also producing serious literary titles.

Geoffrey Dutton in *Snow on the Saltbush* quotes extensively from Haye's thesis and argues:

[i]t is vitally important, in order to combat divisiveness and to rebut some false statements, to emphasize the contribution to Australian publishing made by publishing firms owned overseas. The Australian branches of Nelson, Collins, Macmillan, Penguin, Heinemann, to name a few, have made a tremendous contribution to the publication and distribution of Australian books.⁸⁰

There was certainly a boom in trade publishing in Australia in the mid-to-late 1970s, as Australian books became increasingly popular and therefore more commercially attractive. As a consequence, a number of foreign-owned companies took a leading role and developed strong Australian trade lists. Haye's thesis examines publishing activity in this period of change and growth, and is able to refute a number of arguments against foreign ownership. Many of these arguments, however, were formulated in the 1960s, when foreign companies concentrated on importing and promoting their companies' books, as well as employing restrictive trade practices to maintain their control of the Australian market. By the time Haye carried out her research, many foreign-owned publishers *were* making a positive contribution to Australian trade publishing. This is not to say, however, that their earlier activities in the Australian book trade did not contribute to the retardation of the development of the locally-owned publishing sector.

⁸⁰ Dutton (1984), *op. cit.*, p. 233.

The Vulnerability of Independent Australian Publishers

Publishing for many small independent companies can be an economically marginal business, and many are vulnerable to failure and/or acquisition by more financially secure companies, often foreign-owned or multinational companies. The major problems facing Australian-owned publishers are the limited size of the domestic market, coupled with competition from other producers of English language books who enjoy greater economies of scale. Australian books have a relatively high unit cost due to small print runs, and must therefore be priced higher, in many cases, than comparable imported books. In addition, there are no impediments to book imports which are penalised only through unfavourable currency exchange rates (but are also advantaged by favourable rates of exchange). Competition in the domestic market is intense with books from Australian-owned publishers competing with imports from the US, Britain and other countries, as well as with books produced locally by foreign-owned companies.

Opportunities for Australian-owned publishers to expand their products and markets have been circumscribed in the past by restrictive trade practices such as the Traditional Market Agreement, discussed above. In spite of its official demise in 1976, established practices continued – for instance, Hilary McPhee, in her memoir *Other People's Words*, details the difficulties she experienced trying to buy separate Australian rights from US publishers well into the 1980s.⁸¹ Australian-owned publishers were restricted to publishing only Australian derived books for a very long time, and many are inexperienced in dealing in the international rights trade, although this is changing.⁸² In addition, the development of export markets for Australian books is a difficult and highly competitive undertaking, and many Australian-owned publishers have concentrated instead on selling overseas rights. McPhee highlights the differences between foreign-owned and Australian-owned publishers in this regard when she writes:

[t]he incentive to develop overseas markets for books made in Australia was never really there for the overseas-owned publishers whose parent companies

⁸¹ Hilary McPhee (2001), *Other People's Words*, Sydney, Picador, pp. 171-198.

⁸² *ibid.*

took the view that export was better done out of London – as it always had been, along the routes of Empire.⁸³

The presence of large and active foreign-owned and multinational publishing companies in Australia further disadvantages independent locally-owned companies. Many successful Australian authors begin their careers with independent local companies which are often willing to take risks with unproved authors. However, many such authors end up being published by Australian branches of foreign-owned or multinational companies either as a result of the enticement of enhanced status and of broader promotion and distribution made possible by large company networks, or as a result of company takeover or merger. In some cases, authors have followed their editors to new positions in large companies. The loss of authors to major companies is a common phenomenon in Australian independent publishing and demonstrates the differing roles of independents and the larger, often foreign-owned players. Independents are more likely to take risks with new authors and literary forms, while the larger firms, concerned with maintaining success in the market, often limit their publishing to those authors and books with proven commercial success.

Distribution of books within Australia is another challenge to the profitability of independent Australian publishing. Distribution is complex, and costs are high in a large country with a relatively small and dispersed population. Some independents enter into distribution arrangements with larger, often foreign-owned, companies; this can place the smaller companies in the disadvantageous position of having their books distributed by a competitor. In some cases, as with McPhee Gribble and Penguin, such relationships have led to acquisition by the larger company.⁸⁴

The phenomenon of Australian-owned companies being acquired by foreign-owned and multinational companies operating in Australia is not rare. The success of many locally-owned companies has made them attractive targets for acquisition by foreign-owned companies keen to increase their local market share. In addition, many Australian-owned companies, particularly trade publishers with little capital, have

⁸³ *ibid.*, p. 170.

⁸⁴ Hilary McPhee details the relationship between the two companies in McPhee (2001), *op. cit.*, Chapters 6 and 7.

difficulty surviving independently in the small domestic market. Among those Australian companies acquired by foreign-owned or multinational companies are Jacaranda, Lansdowne Press, F.W. Cheshire, Rigby, Sun Books, Angus & Robertson, McPhee Gribble, D.W. Thorpe, Omnibus, ANU Press and Sydney University Press. The phenomenon has been so common in the history of Australian publishing that it might be assumed as an almost expected outcome for successful independent Australian firms.

Australian Publishing at the End of the Century

The contemporary Australian book publishing industry is dominated by a small number of large companies, most of which are foreign-owned businesses with multinational operations. The industry is characterised by its concentration of ownership: the largest twenty companies account for almost 70 % of the total income of Australian publishing.⁸⁵ Smaller companies, both Australian and foreign-owned, continue to play a significant role in Australian publishing, and contribute to the great diversity of the industry.

It is difficult to accurately estimate the number of book publishers operating in Australia since there is no standard definition, and many organisations and individuals publish books and reports in book form. The *Directory of Australian Publishers 1999/2000*, for instance, lists over 3,000 Australian publishers; however, this figure includes government departments, organisations and individuals who have produced books but do not do so as their major or core activity.⁸⁶ The Australian Publishers' Association (APA) has 'around 140 members', representing, according to the APA, 'approximately 88 % of annual Australian publishing turnover'.⁸⁷ The Australian Bureau of Statistics (ABS) drew its 1999-2000 book publishing industry statistics from 207 businesses. The ABS figure provides a good indication of the number of full-time public and private businesses that 'either had book publishing as their main activity . . . or generated \$2m

⁸⁵ ABS (2001), op. cit., p. 6.

⁸⁶ *Directory of Australian Publishers 1999/2000* (1999), Port Melbourne, D.W. Thorpe.

⁸⁷ Australian Publishers Association (2001), website: www.publishers.asn.au/about; accessed March 2001.

or more in income from book publishing'⁸⁸ and, unless otherwise stated, the statistics that appear in this thesis are drawn from this source.

According to the ABS, in 1999-2000 the Australian book publishing industry generated income through book sales of \$1,199.6 million and sold 126.1 million books. It employed close to 4,000 permanent full-time staff, and around 900 part-time and non-permanent staff; 65 % of all staff were female.⁸⁹ Operating profit for the industry before tax was \$102.6 million, representing an average profit margin of 7.9 %.⁹⁰ This margin is not high by Australian business standards, and it indicates that the industry operates under tight financial conditions. The Australian book publishing industry produces the majority of its books for local consumption (86.6 % of sales) and has a relatively small export program (13.4 %).⁹¹

Australia is an integral part of a global publishing industry, and most major international publishing companies operate branch offices in Australia. Since Australia continues to import nearly 40 % of its books, it is a significant market for English language books from the US and Britain in particular.

Although a number of Australian-owned companies have been acquired by larger firms, many locally-owned publishers remain independent, and new publishers continue to emerge. The industry is diverse and includes the very large general companies that operate across publishing sectors, as well as small and medium-sized specialist publishers such as university presses, educational, Aboriginal, feminist, religious, academic, art, poetry, drama and business publishers. These specialist publishers play a significant role in Australian publishing and, as previously mentioned, are often the innovators and risk-takers. Some rely on government assistance to maintain their activities, and most survive on very low profit margins. The number and variety of specialist publishers in the industry ensure that various aspects of Australian culture are represented, at least to some extent, in publishing output. While the large companies may discontinue, for instance, their poetry lists for commercial reasons, Australian

⁸⁸ ABS (2001), op. cit. p. 3.

⁸⁹ *ibid.*, pp. 6, 11.

⁹⁰ *ibid.*, p. 3. The profit margin for the largest twenty companies was 8.9 % while other book publishers had a margin of 7.0 %.

⁹¹ *ibid.*, p. 12.

poetry continues to be published by small, specialist publishers. The existence of Aboriginal publishing companies ensures that indigenous works are developed, edited and published within an Aboriginal cultural framework.

It could be said of the Australian industry that, in general, the large publishing companies pursue profits in the educational, popular and mass markets, and may be considered largely commercially oriented. The smaller, specialist companies, on the other hand, operate on the margins in the markets unserved by the large companies, and could be seen as more culturally oriented. Both groups of publishers, however, must remain commercially viable in order to continue to publish.

Conclusion

This brief survey of the book in Australia demonstrates the prominence and complexity of issues of culture and commerce in the Australian book trade. The book served dual cultural roles, as well as dual commercial roles, being a vehicle for British culture and for Australian culture, and a commodity for British commercial profit and for Australian profit. It is not surprising then that tensions developed between and across these multiple roles.

Control of the Australian book trade by British publishers involved restrictive and, at times, ethically questionable trade practices. These remained unchallenged for many years since the outcome was the delivery of much-wanted books to Australian readers. However, the price paid for regular and secure access to British books included not only limited access to other English language books, but also the retardation of the development of locally-owned publishing. For many years while British culture remained central to most Australians, this appeared a small and insignificant price to pay.

However, as Australian and British interests diverged in the late 1960s and early 1970s, Australian culture began to assert itself and this was manifested in both increased demand for and production of Australian books. The locally-owned book publishing

sector prospered and grew under these favourable conditions, and foreign-owned publishers, including British companies, became involved in local publishing. The production of Australian culture in book form had become commercially profitable, and therefore of interest to foreign-owned companies operating in Australia. The acquisition of successful locally-owned companies also became an attractive commercial proposition, and a number of prominent Australian firms were taken over by large foreign-owned publishing companies.

At the end of the century, Australian publishing is part of a global industry. Local production has grown, as has participation in the industry by Australian-owned, as well as multinational companies. Many Australian publishers now look beyond Australia for markets and actively participate in international publishing and rights trade. However, the domestic market remains central to most locally-owned publishers, and its small size and dispersed nature, as well as the presence of large, well-financed foreign-owned and multinational companies, continue to threaten the existence and independence of Australian-owned companies.

Culture and commerce remain important issues in the Australian book trade, and are central in the complex history of colonisation, dependence and independence, increasing cultural confidence, development and growth, nationalism and globalism.

CHAPTER 3

GOVERNMENT POLICY, CULTURE, COMMERCE AND THE BOOK

The role of the modern state has always been a massively contested one.¹

Australian federal governments have a long history of involvement in matters concerning the book, and like all public policy, intervention in this area is the result of contest and compromise between competing interests. Central among the many interests in book production and distribution in Australia are those related to the commercial and cultural roles of the book.

The federal government has involved itself, to varying degrees, in the commercial and cultural life of the nation since federation. The nature and extent of its intervention have been determined by the particular ideology of the government of the day, and by the political and social context in which policy decisions are made. Distinct policy systems have developed to initiate, contest and deliver both commercial and cultural policy.

The government has regulated and offered support to the book trade through both policy systems with industry development and economic policies, and with arts-related, and later, cultural policy. It has also intervened *between* culture and commerce, by implementing policies that aim to bolster the cultural aspects of publishing in an environment that is driven largely by commercial imperatives. This has been moderated by a reluctance on the part of government to become too involved in the activities of private enterprise or in the shaping of cultural products.

¹ Jim McGuigan (1996), *Culture and the Public Sphere*, London, Routledge, p. 54.

Government intervention is also informed by historical factors, as discussed in Chapter 2, related to the particular history of the book in Australia. That the book trade was established and dominated by British publishers for many years is a major factor that has influenced the nature of policy. In addition, policy has been shaped by the ongoing and changing relationship between Australia and Britain, as well as by physical factors such as Australia's location, geographical characteristics and small and dispersed population.

Less obviously, public policy involvement in book production and distribution in Australia has been affected by an ambivalent perception of the book that is held by many Australians, including those in government. As discussed in Chapter 1, in understandings inherited from the British and other European cultures, the book is respected for its essential cultural value, and therefore is seen as different from other products. As such, it has enjoyed a favoured status in public policy, remaining, for instance, free from tariffs and taxes for most of the twentieth century. On the other hand, governments have also seen the book as a commodity like any other, and therefore subject to standard commercial policies, including trade practices regulations and, at the end of the century, a retail sales tax. This shifting perception of the book, coupled with uncertainty about the role of government, has led to inconsistent, ad hoc and often contradictory policy-making in relation to the book in Australia.

In this chapter, I provide an overview of the role of the federal government in commercial matters and in the arts and cultural activities, and examine the policy systems that have developed in these areas, with a particular emphasis on the growth of a government policy agenda in the arts. I also examine the rationale for government intervention in both the cultural and commercial aspects of book production and distribution, the particular characteristics of the major systems that deliver policy, the participants in those systems and the general nature of federal government activity in this area. As a means of comparison I consider briefly the similarities and differences in Canadian and Australian conditions and explore, as policy options, Canadian federal government responses to particular issues of culture and commerce in book publishing.

This examination provides an introduction to and context for the study of specific policy interventions in book production and distribution that makes up the second section of this thesis. This chapter provides a link between the earlier discussion of the book as culture and as commerce (Chapter 1), the history of the book in Australia (Chapter 2) and the historical examination of actual government intervention in Australian book production and distribution (Chapters 4-8).

Commerce, Culture and Government

Underlying any consideration of public policy is uncertainty about the legitimate role of government. Beyond legal and constitutional frameworks, the role of government remains a matter of opinion based on political ideology, and Australian federal governments have shifted in the nature and extent of their policy activities according to the ideological stance of the ruling party or parties. This has not occurred without contest, and the nature and parameters of public policy are constantly negotiated. The precise role of government in modern democracies is fundamentally uncertain and, in some areas, could be described as ambivalent.

In addition, the policy process itself is neither clear-cut nor consistent, involving as it does negotiation and compromise. Policy is often employed by governments to win the support of particular interest groups or industry sectors, to impose sanctions or provide rewards or to ameliorate the effects of other policies. It is often reactive and made without long-term planning. Media analyst Henry Mayer wrote of the policy process:

[i]f we expected political behaviour to conform to coherent logic, let alone to one of the main analytic decision-making models which rest on some notion of ends and means, some constant search for alternatives and optimising efforts, then politics and government actions in most fields would not qualify. The ad hoc is the norm.²

² Henry Mayer (1979), *Dilemmas in Mass Media Policies*, Annual Lecture of the Academy of the Social Sciences in Australia, delivered at ANU 6 November 1979, Canberra, Academy of Social Sciences in Australia, p. 5. Emphasis is in the original.

Notwithstanding this, the activities of the federal government have expanded throughout the twentieth century, and in particular, since the Second World War. The two major policy systems that affect book production and distribution in Australia, that is, the industry (commercial) and arts (cultural) policy systems, have very different histories in Australian political life. Industry policy was on the government's agenda from the time of federation, whereas arts or cultural policy was slow to become a concern of the federal government. However, each has developed a unique policy system that comprises particular types of policy instruments; relevant government departments and other bodies (such as the Australia Council and boards or commissions of inquiry) with defined policy roles; legislation, practices or regulations that support those roles; political and delegated decision-makers and stake-holders who articulate their interests, provide information and advice and make demands on the system. The components and nature of these systems change with shifting economic, political, social and industrial conditions, priorities and objectives.

The federal government has long been involved in policy intervention in commercial activities through the regulation of markets and labour; programs of industry assistance such as tariff protection, bounties, subsidies and taxation concessions and through consumer protection measures. Such intervention is integral to the economic management role which is considered a legitimate, indeed, core role of government in Australia.³ A substantial framework has been established which incorporates a number of overlapping policy systems, such as taxation, industrial relations, consumer protection and industry assistance. Many of these systems were established very early in Australia's history as an independent nation. In fact, issues of industry assistance and protection were central to the purpose of federation of the Australian colonies, and have since played a central role in Australian politics and government.

The major instrument of early industry policy was tariff protection, and that policy system was centred, for much of the twentieth century, on the Customs and Trade ministry with the Tariff Board as its central investigating and advisory body. The Second World War marked a high point in government intervention in industry due to wartime exigencies and the consequent need to ration goods and to marshal industrial

³ G. Davis et al (1993), *Public Policy in Australia*, 2nd ed., Sydney, Allen & Unwin, p. 44.

production to the war effort. Through its Departments of War Organisation of Industry and later, of Post-War Reconstruction, the federal government took a leading hand in industrial matters. The industry policy system later broadened and moved away from its primary focus on the protection of industry through tariffs and bounties, and other ministries, such as Industry, Commerce and later, Primary Industry and Trade and Industry, assumed more responsibility.⁴ The Tariff Board, established in 1921, was replaced in 1973 by the Industries Assistance Commission (IAC),⁵ which later became known as the Industries Commission.

Industry and commerce in Australia has also been affected and regulated by the well-established monetary policies of the federal Treasury and the Reserve Bank, taxation and industrial relations policies and later, by trade practices and consumer protection policies.

The arts or cultural policy system in Australia was slower to develop and to be accorded legitimacy. The federal government's first direct and ongoing involvement in cultural matters was with the Commonwealth Literary Fund (CLF), established in 1908. The CLF first simply provided pensions to impecunious authors and their families, but its brief was later expanded (and is discussed in detail in Chapter 4). In a second early initiative, the Commonwealth Arts Advisory Board was established in 1912 to advise the government on the acquisition of visual art works for a national collection.

The following decades, until the late 1960s, saw very little cultural policy involvement by the federal government, and there was no separate structure within government for the consideration of cultural issues. However, several major cultural institutions were established or planned in this period, including the Australian Broadcasting Commission (ABC) which was set up in 1932, and a national library, plans for which were enacted in the *National Library Act 1960*.⁶ Several non-government arts

⁴ Australia. Parliament (2002), Parliamentary Library website:

<http://www.aph.gov.au/library/parl/history/ministries.htm>; accessed 5 June 2002.

⁵ National Archives of Australia (NAA): Agency Notes for Agency CA 103: Tariff Board.

⁶ The Commonwealth National Library had been in existence since 1901 under the auspices of the Commonwealth Parliamentary Library; this Act formerly established the National Library of Australia (NLA) as a separate entity. See *Remarkable Occurrences: The National Library of Australia's First 100 Years: 1901-2001* (2001), edited by Peter Cochrane, Canberra, NLA.

organisations were also established, and received both federal and state government grants; these included the Arts Council of Australia (1946) and the Australian Elizabethan Theatre Trust (1954).⁷ In addition, gifts to the latter organisation were deemed tax deductible by the federal government to encourage private and corporate support.⁸

In 1967, the Coalition government, led by Prime Minister (PM) Harold Holt, took some initiatives that heralded the beginnings of a more substantial federal government engagement with cultural policy. Holt's most significant action was to announce the government's intention to establish an Australian Council for the Arts. He did this in November, 1967 and, while the Council was to initially limit its focus to the performing arts, Holt foreshadowed the possibility of it eventually becoming broader.⁹ The Council was established under PM John Gorton in 1968 and was administered through the Prime Minister's (PM's) Department. It did not replace any existing government arts structures, but did replace the Australian Elizabethan Theatre Trust as the government's link with the performing arts industry.

The federal government approved the establishment of the Australian National Gallery in 1971, and appointed its first director.¹⁰ In the same year, the Australian Council for the Arts was shifted from the PM's Department to the Department of Environment, Aborigines and the Arts. This moved responsibility for cultural matters away from the prime minister and to a separate, though shared, ministerial portfolio. However, this change was short-lived since Gough Whitlam reclaimed prime ministerial responsibility for the arts in the following year, and the PM's Department maintained that responsibility until 1977.

The Australian Council for the Arts was re-structured and augmented by the Labor government which was elected in 1972. It became the Australia Council, a statutory

⁷ John Gardiner-Garden (1994), *Arts Policy in Australia: A History of Commonwealth Involvement in the Arts*, Parliamentary Research Background Paper No. 5, Canberra, Dept of the Parliamentary Library, pp. 4-5.

⁸ Jean Battersby (1980), *Cultural Policy in Australia*, Paris, UNESCO, p. 20.

⁹ Justin Macdonnell (1992) *Arts Minister? Government Policy and the Arts*, Sydney, Currency Press, p. 13.

¹⁰ The Gallery later became known as the National Gallery of Australia or NGA.

authority, in 1973, and was enshrined in legislation by the *Australia Council Act 1975*. It subsumed the functions of the other federal government arts programs, including the CLF, and coordinated cultural funding through specific artform boards. According to Jean Battersby, the Council's first executive officer, its establishment as a statutory authority rather than as part of an arts or cultural ministry was significant and:

reflected the view that the arts are singularly vulnerable to political pressures and control and that there should be no government or bureaucratic intervention in their direction, expression or forms.¹¹

The form of the Australia Council was not an Australian innovation, but followed the structures of the British Council and the Canada Council, established in the 1940s and 1950s respectively. It introduced the principle of maintaining arts funding at arms-length from the political institutions of government.

Battersby sees the late 1960s and early 1970s as a 'watershed' for Australian government cultural policy during which there was a 'recognition of a legitimate and indeed indispensable role for government in cultural planning . . .'.¹²

While this is one view, it can also be argued that the legitimacy of government involvement in the arts took longer to establish. Almost as soon as the Australia Council was set up and for many years to follow, it and several of the artforms it represented, became the subjects of a number of reviews and inquiries. Andrea Hull notes that throughout the 1970s and 1980s, 'there were approximately a dozen different inquiries into the Australia Council or public funding / administration of the arts.'¹³ These focused on both the legitimacy of government assistance to the arts, and on the methods used to deliver assistance. The question of legitimacy was pursued through inquiries conducted by the Industries Assistance Commission, and the methods were investigated by, among others, management consultants,¹⁴ and later, by the 1986 Inquiry into Commonwealth Assistance to the Arts by the House of Representative Standing Committee on Expenditure (the 'McLeay inquiry').

¹¹ Battersby, op. cit., p. 21.

¹² *ibid.*, p. 79.

¹³ Andrea Hull (1998), 'Inside the Machine: The Development of Cultural Policy by Federal, State and Local Government in Australia' in A. Beale & A. Van Den Bosch, (eds), *Ghosts in the Machine: Women and Cultural Development in Canada & Australia*, Toronto, Garamond Press, p. 27.

¹⁴ An early review of Australia Council administration was conducted in 1975 by the management consultant firm, McKinsey & Co..

The most significant inquiry for the future of cultural policy in Australia was the 1976 Industries Assistance Commission (IAC) inquiry into the performing arts.¹⁵ The inquiry was initiated by the Whitlam government in 1974 partly as a result of pressure from commercial theatrical managers who felt they were competing unfairly with subsidised theatre,¹⁶ and 'partly in response to questions about the level of government funding the arts were receiving under the Whitlam administration.'¹⁷ The significance of the inquiry lies in its application of economic logic to the funding of cultural activities, and the effect that has had on cultural policy discourse in Australia. Its recommendation for the phasing out of funding to the 'flagship' performing arts companies was rejected by then Prime Minister Malcolm Fraser who was unequivocal about the non-economic value of the arts.¹⁸ However, and in spite of this, the economic paradigm that the inquiry applied to the arts became and remains a dominant feature of Australian cultural policy discourse.

Tim Rowse argues that after the 1976 IAC inquiry:

[t]hings were never quite the same . . . [the Australia Council] commissioned a series of research projects to demonstrate the reality and the extent of the external benefits of the arts and to demonstrate that government assistance was likely to bring to light a much larger number of consumers of the arts than had been evident at the inquiry.¹⁹

This period saw the beginnings of the notion of arts as industry, and the use of the economic benefits of the arts as an argument for government support.²⁰ This, and its effects are discussed in more detail below.

Although the Australia Council became the central site within the arts policy system, an arts ministry was re-established later, and a dual ministry-council system operated for the latter part of the twentieth century.²¹ The arts ministry has allowed governments to

¹⁵ Industries Assistance Commission (1976), *Assistance to the Performing Arts*, No. 112, Canberra, AGPS.

¹⁶ Macdonnell, op. cit., p. 144.

¹⁷ Deborah Stevenson (2000), *Art and Organisation: Making Australian Cultural Policy*, St Lucia, Qld, UQP, p. 58.

¹⁸ This is discussed in more detail in Chapter 7.

¹⁹ Tim Rowse (1985), *Arguing the Arts: The Funding of the Arts in Australia*, Ringwood, Vic., Penguin, p. 40.

²⁰ The development and trajectory of this notion is presented in Lianne Gibson (1999), 'The Arts as Industry', *Media International Australia*, n90, pp. 107-122.

²¹ The federal arts portfolio was always in a shared ministry, and its title changed a number of times. For instance, the Departments of Environment, Aborigines and the Arts (1971-1972), Arts, Heritage and the

by-pass the Australia Council, with its arms-length and peer decision-making principles, and to directly initiate and fund cultural programs, organisations and individuals. Although there is some blurring of roles and administrative responsibilities, the Australia Council and the arts ministry remain the major cultural policy instrumentalities within the federal government.

Notwithstanding the inquiries mentioned above, once established, the structures comprising the cultural policy system enjoyed bipartisan support from successive federal governments, although some were more generous than others in their financial allocations.

Another major development came in 1994 with the release, by Labor PM Paul Keating, of Australia's first formal cultural policy statement, *Creative Nation*.²² The statement outlined the federal government's role in cultural development and made explicit the link between cultural and economic development. This is discussed in further detail in Chapter 8. It was also in the early 1990s that both government and industry terminology changed from 'arts' to 'cultural' in relation to industries and policies. However, it was not simply a linguistic change, the notion of what constituted 'cultural activities' included, as well as 'the arts', television, film, radio, local history, public recreation and entertainment activities.

The convergence of industry and cultural policy systems began to occur in the latter part of the century as a result of the increasing centrality of economic values in the cultural policy arena. The emergence of the notion of arts as industry in Australia in the late 1970s, as mentioned above, was the beginning of the convergence, and was a result of a broader movement in liberal-democratic countries towards a 'pervasive market reasoning',²³ in which the central legitimising factor for much human activity is economic profitability. This is characterised in public policy, according to Jim

Environment (1984-1987), Arts, Sport, the Environment, Tourism and Territories (1987-1994), Communications and the Arts (1994-1997), and Communications, Information Technology and the Arts (1997-).

²² *Creative Nation: Commonwealth Cultural Policy October 1994* (1994), Canberra, Commonwealth of Australia.

²³ McGuigan, op. cit., pp. 52-53.

McGuigan, by 'a shift from rhetorics of state intervention and public provision to rhetorics of market forces and consumer sovereignty'.²⁴

In Australia, this has meant an increasing emphasis on the economic development of cultural industries, and the prominence of an economic rationale for government intervention in cultural activities.²⁵ It has also meant that components of the cultural policy system deliver programs with economic or commercial intent. These include export market and industry development programs for the book publishing industry administered by the Department of Communications, Information Technology and the Arts, and by the Australia Council's Audience and Market Development Division.²⁶ Although cultural rationale for intervention in book production and distribution has continued, it has become increasingly marginal in terms of both priority and funding. This is demonstrated in Chapters 7 and 8.

The role of the federal government in commercial policy was well-established from the outset in Australia, while its involvement in cultural policy has become more accepted and legitimate throughout the century. However, with the exception of the *Creative Nation* policy statement and as demonstrated in Section 2 of this study, Australian cultural policy has tended to be unplanned and comprised of ad hoc reactions to external circumstances, such as community and industry lobbying, bouts of nationalism and changes in market conditions. As a result, cultural policy at a federal level continues to be pursue a mix of sometimes conflicting policy goals. This mix contributes to an ongoing tension between the subjectivity of the cultural goals of excellence, quality and national identity, and the supposed objectivity of economic benefits of the arts – indeed, a tension between culture and commerce.

²⁴ *ibid.*, p. 53.

²⁵ This point is made by a number of Australian policy commentators including Rowse, *op. cit.*; Andrea Hull, *op. cit.*; David Throsby (1997), 'The Relationship Between Cultural and Economic Policy', *Culture & Policy*, v8 n1, pp. 25-36; Gibson (1999), *op. cit.*; and Stevenson, *op. cit.*

²⁶ These are examined in detail in Chapter 8.

Government Interest in the Book

Reasons for government interest in the book are varied and, as mentioned above, relate to both the cultural role of the book in Australian life, and to the commercial viability of book production and distribution enterprises. In order to understand and appreciate the role and nature of government intervention in the book trade, it is important to examine the rationale for government involvement.

Government support for the production and distribution of the book as a cultural artefact has been motivated by several related factors. Firstly, the publication of books of a literary nature, including high quality fiction and non-fiction, poetry and drama, are supported for their aesthetic or artistic qualities. The goal of such support is excellence as an end in itself. The federal government formally articulated its intent to promote excellence in the arts as one of the functions of the Australia Council in the *Australia Council Act 1975*.²⁷ The Council, primarily through programs administered by the Literature Board (and by the CLF before it), directed financial assistance to authors and publishers for that purpose.

Secondly, the production and distribution of books are assisted by government for their contribution to the public good. Australian governments have facilitated access to both locally-produced and imported books for their perceived positive cultural and educational value. In addition, the government intervenes to subsidise the production of particular books due to the failure of the commercial market to adequately provide non-commercial and culturally significant books. Such books are considered a public good for their cultural value. Again, the programs of the CLF and the Literature Board contribute to this notion of books as a public good, as does the provision of free public and educational libraries, and the long-standing government practice of maintaining the tariff-free entry of imported books.

The status of books as a public good is closely related to a third reason for government intervention in the interests of culture, that is to ensure that Australian voices are published in book form, regardless of their commercial potential. Governments have

²⁷ *Australia Council Act 1975*, s. 5(a) (i).

supported the publication of books by local authors for their presentation of Australian stories, and their expression of Australian creativity and perspectives. Such books are considered essential to building and maintaining national cultural identity and to facilitating national cohesion. This is related to Benedict Anderson's notion, discussed in Chapter 1, of the book's role in creating an 'imagined community' with its nation building function,²⁸ and was a rationale, particularly, for early government assistance to literature and book publishing. This cultural nationalism argument for government intervention in publishing continues, and Australian books are valued for their place in the permanent store of national cultural materials.

Book publishing has also received government support for its commercial or economic role. In order to be a viable commercial business, book publishing requires legislative protection of the rights in which it deals, that is, copyright protection. This is the fundamental basis of commercial publishing and is provided for by government. As an industry, book publishing produces economic benefits through its commercial transactions, as well as by employing staff. In so doing it contributes, like other industries, to the gross domestic product and to national economic development. It is therefore in the economic interests of the government to support the continued development and economic well-being of the book industry.

Although little direct infrastructure support has been provided to the industry, policies that ameliorate the damaging effects of other government actions have been implemented. Examples include the Public and Educational Lending Right schemes that compensate for the free provision of books through public and educational libraries.

Another significant rationale for government intervention in the commercial role of book production is related to economic nationalism, that is, the desire of government to maintain a level of economic independence within Australia. The Book Bounty and later, the Enhanced Printing Industry Competitiveness Scheme (EPICS) are examples of policies supported by economic nationalist rationale. With Australian book production threatened by the availability of cheaper pre-press work and printing in Asian countries,

²⁸ Benedict Anderson (1991), *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, revised ed., London, Verso (first published 1983).

the federal government intervened by providing a bounty on books produced in Australia. This ensured the continuation of the local book printing industry and thereby also ensured a degree of economic independence in relation to book printing. For reasons of economic nationalism, governments are reluctant to see industries disappear from Australian shores, regardless of whether or not they are Australian-owned. This is particularly true of the printing industry which has a cultural as well as political role as an essential element of a democratic state.

Governments have also directly supported export market development in the book publishing industry, both to assist publishers to expand their markets, and as part of a broader policy agenda to increase exports of all kinds in order to create a healthier national balance of payments.

Although arguments for government intervention in book publishing may have either a cultural or commercial rationale, the dual nature of the book ensures that the outcomes of policies are likely to have both cultural and commercial effects. This is highlighted, in particular by the 'externalities' argument that suggests that governments should support cultural activities because of the indirect economic benefits that accrue to other industries such as tourism and trade.²⁹ In the case of book publishing, the existence of an active and high quality publishing industry indicates a culturally dynamic and creative country that might, for those reasons, attract investment, trade and tourism.

Since the publishing industry produces books that are cultural artefacts, any policy that supports the industry will necessarily have cultural effects. Export market development for book publishing, for instance, not only increases markets, profits and export figures, but it also promotes Australian culture by distributing Australian cultural products abroad. In a similar way, assistance that is culturally motivated, such as the publishing subsidy scheme for the publication of books of cultural significance, may also have commercial consequences if unexpected profits are made from publishing risks that would not have been taken without subsidy.

²⁹ Stuart Molloy (1994), 'Arguing with Economists: Winning the Cultural Industries Debate', *Media Information Australia*, n73, pp. 26-28.

It is clear that the reasons for government intervention in the book industry are not only both cultural and commercial, but are also, due to the dichotomous nature of the book, strongly inter-related and often difficult to separate. They also involve conflicting objectives. Most fundamentally, culturally-based policies aim to increase access to high quality products, while commercial policies support the efficient functioning of a free market in which producers seek to maximise profits, often with little regard to quality. Even within the cultural policy sphere, there are conflicting goals in relation to the book, for instance, the aim to maximise access to books as a public good has led, in Australia, to conditions that have constrained the cultural nationalism-related goal of the development of an independent locally-owned publishing sector. Conflicting objectives between and within policy systems have led to uncertainty and ambivalence in much public policy intervention in this area.

The Book: The Nature of Policy

Public policy in relation to the book not only crosses two policy systems, but also, like most policy, involves the interplay of a number of competing interests. In addition to mediating the interests of culture and commerce, the policy process has also been called on to address the competing interests of producers and consumers, and of local and offshore producers.

Commercial policy in this area is protective, regulatory, ameliorative and developmental, and has been provided by specific programs and legislation overseen by the federal departments administering trade, industry, commerce, finance, the media and the arts. Book production and distribution in Australia is subject to standard business, industrial, labour, trade practices and taxation laws, as well as to legislation concerning copyright, defamation and the classification of literature. As an industry, book publishing and its component activities have been referred to the Tariff Board and its successors, the IAC and Industries Commission, for inquiry into industry conditions and the role and extent of government assistance.

Cultural policy in relation to the book aims to enable and promote excellence, enhance and expand access and promote Australian books and authors. These goals have been pursued through programs of the CLF, Literature Board, Australia Council and the federal arts ministry, as well as through postal concessions for books and the maintenance of tariff-free entry of books into Australia. Until the formation of the Australia Council in the early 1970s, literature was one of the very few artforms that received any attention from the federal government. In that sense, the book enjoyed a status that was later extended to other arts and cultural activities.

The notion that 'books are different' was inherited from Britain and has informed both cultural and commercial policy in relation to the book in Australia. That notion, however, was not upheld in law in Australia as it was in Britain when publishers in both countries sought exemptions from trade practices legislation on the grounds of the book's status as a valued cultural artefact. The Australian case is discussed in Chapter 6. The 'books are different' argument nonetheless persists in Australia, and remains central to related policy discourse.

The involvement of two policy systems in the regulation and support of book production and distribution has meant that those activities may have received more policy attention than many other industries that do not cross policy system boundaries. This is not to say that book production and distribution has received *more assistance* from the government than other industries. In fact, the 1979 IAC inquiry into the publishing industry found that:

[i]n comparison with many industries in Australia, publishing as a whole is affected in a relatively minor way by direct government intervention.³⁰

Indeed, the dual nature of the industry may have inhibited government intervention through a desire to limit its interference in private commercial enterprise, in the free press and in the production of cultural products. The IAC report quoted from above also found that government programs of assistance to book publishing resulted in what

³⁰ Industries Assistance Commission (1979), *The Publishing Industry*, No. 228, Canberra, AGPS, p. 54.

the IAC saw as unwarranted interference and cultural and commercial market distortion.³¹

In the later years of the twentieth century, much of the federal administration of arts policy took place within a broader ministry covering communications (and later, information technology), as well as the 'cultural industries', and 'media industries', such as radio and television broadcasting and newspaper and magazine publishing. Book publishing has, at times, been included among the media industries, but as media technology has developed, the production of books has been considered more a cultural industry than a media industry.³² Book publishing differs from the media mentioned above in that its products are generally less immediate, ephemeral and pervasive, and tend not to convey 'the news' or current events. In addition, only particular types of books are intended for the mass market. Although significant, these differences are not substantial enough to completely exclude book publishing from consideration as a media industry.

In comparison with the other media industries, book publishing is relatively unregulated, with no foreign or cross media ownership laws, and no local content regulations. The arguments for such regulation that have been applied to radio and television have not been applied to book publishing; these include, for instance, the argument that radio and television:

have a responsibility to utilise local creative talent, be under predominantly Australian ownership and control, 'represent Australia to Australians', and assist in the development of national culture.³³

The absence of ownership and local content regulations in book publishing is historical, as is demonstrated in subsequent chapters of this thesis, and has resulted in the long-

³¹ *ibid.*, p. 70 and *passim*.

³² The tenuous position of book publishing as media is exemplified by the dropping of a chapter by John Curtain on Australian book publishing from the second and third editions of a book on the media industries in Australia, that is, Stuart Cunningham & Graeme Turner (eds), *The Media in Australia: Texts, Industries, Audiences*, Sydney, Allen & Unwin (1st ed. 1993; 2nd ed. 1997; 3rd ed. titled *The Media and Communication in Australia*, 2001). This typifies the situation in which book publishing has become largely absent from media and communications discourse.

³³ Terry Flew (1995), 'Images of Nation: Economic and Cultural Aspects of Australian Content Regulations for Commercial Television' in Jennifer Craik, Julie James Bailey & Albert Moran, eds, *Public Voices, Private Interests: Australia's Media Policy*, Sydney, Allen & Unwin, p. 73.

standing domination of Australian book publishing by foreign-owned companies. It is an example of policy through inaction. That is, decisions by governments *not* to act are in fact decisions to maintain the status quo and to allow market forces to determine the nature of Australian book publishing. There has been some but relatively little intervention by Australian federal governments in the interests of Australian content in, and ownership of book publishing, and this is also demonstrated in subsequent chapters of this thesis.

Governments have, however, provided assistance for the publication of particular books in recognition of their cultural role as enduring records of national achievement. In addition to the publishing subsidy scheme of the CLF and Literature Board, Australian federal governments through their various instrumentalities, have underwritten a number of book publishing projects throughout the twentieth century. These include official histories of the First and Second World Wars produced by Angus & Robertson and the Australian Government Printer, and by the Australian War Memorial respectively.³⁴ Other publishing projects have been funded to commemorate events such as the bicentenary of European settlement in 1988, and other anniversaries and public events. Governments have also supported academic publishing through the funding of universities, the Australian Research Council and various foundations. Support, in most of these cases, has been for *books* rather than for *book publishers*.

In an overview of government intervention in the book industry, Kay Daniels writes:

while book publishing is primarily a commercial industry receiving relatively minor direct or indirect subsidy, almost the full range of the government strategic repertoire is used in relation to it in order to support government objectives – portfolio-run programs which provide direct grants, industry assistance, compensation payments, tax assistance and regulation through copyright.³⁵

The 'government objectives' mentioned by Daniels are obviously key factors in the analysis of policy in this area. Indeed, it is the lack of clarity of government policy

³⁴ *Official History of Australia in the War of 1914-1918*, volumes 1-12, by C.E.W. Bean et al, published by Angus & Robertson and printed by the Australian Government Printer; and *Australia in the War of 1939-1945*, Series 1: Army v1-7; Series 2: Navy v1-2; Series 3: Air Force v1-4; Series 4: Civil v1-5; and Series 5: Medical v1-4, by various authors, published by the Australian War Memorial, Canberra.

³⁵ Kay Daniels (1997), 'Balancing Objectives: The Role of the Commonwealth in Cultural Development', *Culture & Policy*, v8 n1, p. 10.

objectives that contribute to the ambivalence of government intervention in book production and distribution. Conflicting objectives in relation to the book have also led to contradictory policy outcomes that require compensatory or ameliorative interventions.

The shifting balance between cultural and commercial imperatives in book production and distribution in Australia is a dynamic element in the policy process. It has been present since the government first intervened in matters concerning literature and the book, and has been affected by changing political, social and economic conditions. In the later years of the twentieth century, with the increased focus on economic factors in cultural policy, that balance shifted once again, and more emphasis was placed on industry development in book production and distribution than on its cultural role. Although long-accepted cultural arguments for assistance retained their currency, they became more marginal in the later years of the century.

Policy Participants

The policy systems outlined above are made up not only of government policy instruments and structures, but also of people and organisations with competing interests. In addition to government political and administrative officials, book trade stakeholders also play a vital role in these policy systems. Most are represented by organisations that are either called upon or choose to inform, advise, lobby and make demands on government. In relation to book production and distribution in Australia, such groups have been relatively stable over time, and have played a significant and continuing role in policy development, implementation and evaluation. Their contributions to the policy process are examined in the subsequent chapters of this thesis and, for that reason, it is important to understand their development, nature and interests.

Australian authors were one of the first groups to directly seek to influence policy. The Fellowship of Australian Writers (FAW) played a major role in the expansion of the CLF in 1939 and, after successful additional lobbying, for many years was represented

on the CLF Advisory Board.³⁶ The Australian Journalists Association (AJA), also representing authors, lobbied at Tariff Board inquiries in 1930 and 1946 for import restrictions on cheap overseas books, magazines and syndicated materials which authors saw as threatening to their livelihood. The AJA later represented book editors in their 1976 claims on the publishing industry for improved pay and conditions.³⁷

The Australian Society of Authors (ASA), established in 1963, replaced the FAW as the major body representing the interests of Australian writers to government. The ASA has been involved in campaigns for the establishment of the Public and Educational Lending Right schemes, against sales tax on books and on issues related to foreign ownership of publishing companies and copyright protection.³⁸ It has also received federal government funding to run programs of support for emerging authors.

Probably the most influential players in this policy area are book publishers who were represented in the early years of the century by the British Publishers' Association and the Association of British Publishers' Representatives in Australia. State-based publishers' organisations were set up in the 1930s and 1940s in NSW, Victoria and South Australia; however, it was not until 1949 that the Australian Book Publishers Association (ABPA) was formally established from an amalgamation of the state associations. Its founding members were British publishers operating in Australia, Australian-owned publishers and bookseller-publishers. The ABPA had a close relationship with the federal government from the outset, and is demonstrated by Prime Minister Robert Menzies' attendance as a guest at its first official dinner held in Canberra in 1949.³⁹

The ABPA was consulted by government regarding relevant policy initiatives and changes, and the government sought to work closely with it in delivering programs of assistance. As the peak industry body, it lobbied strongly in the interests of its members

³⁶ The history of the FAW to 1988 is documented in Len Fox (1989), *Dream at a Graveside: The History of the Fellowship of Australian Writers 1928-1988*, Sydney, FAW.

³⁷ Joyce Nicholson & D.W. Thorpe (2001), *A Life of Books: The Story of DW Thorpe Pty Ltd 1921-1987*, Middle Park, Vic., Courtyard Press, pp. 245-246.

³⁸ The history of the ASA to 1983 is documented in Deirdre Hill (1983), *A Writer's Rights: The Story of the Australian Society of Authors 1963-1983*, Sydney, ANZ Book Company.

³⁹ Nicholson & Thorpe, op. cit., p. 113.

against the imposition of tariffs and taxes on books, and on copyright issues. It also played a major role in controlling the Australian book trade through its close involvement in ensuring industry adherence to the 'Statement of Terms' (as discussed in Chapters 2 and 6). Although Australian-owned publishers were numerically dominant in the organisation, the ABPA had no interest in promoting their particular needs above those of its foreign-owned members. British publishers, through their market power and traditional influence within the Australian trade, ensured that their interests were well-represented by the ABPA. In addition, the fact that Australian bookseller-publishers and British publishers shared interests for many years facilitated consensus within the ABPA on policy issues.

Not all Australian-owned publishers were happy to be represented by the ABPA – some did not join or resigned and, as mentioned in Chapter 2, others formed a rival organisation, the Australian Independent Publishers Association (AIPA) in 1975.⁴⁰ The AIPA operated for 6 years and challenged the ABPA's right to be the sole representative of the Australian publishing industry. The AIPA was self-consciously independent and strongly nationalistic, and lobbied, with little success, for policies of support exclusively for the independent, Australian-owned publishing industry. The activities of the AIPA are discussed in more detail in Chapters 2 and 6.

The ABPA dropped the 'Book' from its name and became the Australian Publishers Association (APA) in 1995 in an effort to broaden its membership and encompass new publishing technology.⁴¹

Australian booksellers organised themselves earlier than publishers, and established the group, Associated Booksellers of Australia and New Zealand (ABANZ) in 1924, initially to lobby British publishers for better trade terms.⁴² This organisation later became the Australian Booksellers Association (ABA), and was also active in lobbying government against the imposition of taxes and tariffs, and on copyright matters that affected book imports. The ABA and ABPA have been closely aligned over the years and have participated in many joint book trade campaigns. They have also co-

⁴⁰ The AIPA was also known as the Association of Independent Publishers of Australia, also the AIPA, for instance, in Nicholson & Thorpe, *op. cit.*, pp. 242, 246-247, 262; and as the IPA in Humphrey McQueen (1977), *Australia's Media Monopolies*, Melbourne, Widescope, p. 158.

⁴¹ 'ABPA to Become APA' (1995), *Australian Bookseller & Publisher*, December, p. 7.

⁴² Some of the early activities of the ABANZ are detailed in Nicholson & Thorpe, *op. cit.*, pp. 60-64.

sponsored the Australia Book Fair which has been held annually to coincide with their respective Annual General Meetings. The interests of the two groups have diverged from time to time, particularly in relation to the importation provisions of the *Copyright Act* (which is discussed in Chapters 6, 7 and 8).

Other organisations active in the policy process include printing trade unions and employer associations, many of which sought industry protection through tariffs on books or through bounties. The Printing and Allied Trades Employers Federation of Australia (PATEFA) was instrumental in lobbying for the introduction of the Book Bounty in 1969 (this is discussed in detail in Chapter 6). Librarians have also been active and well-organised lobbyists, and participated in various book industry committees, inquiries and campaigns, both as individuals and through the Library Association of Australia (LAA) and later, the Australian Library and Information Association (ALIA). The National Book Council (NBC) was also an active player in book trade issues. It was established in 1973 with assistance from the federal government through the Literature Board, and acted as a peak representative body for readers, librarians, authors, publishers and others with an interest in promoting books and reading. Among its many activities prior to its demise in 1999, the NBC initiated an Australian Book Week, established the NBC 'Banjo' Book Awards, coordinated a major campaign against a sales tax on books in the early 1980s and published, for a time, the *Australian Book Review*.⁴³ Other individuals and organisations have also contributed to the policy process from time to time, including academics, teachers and students, as well as education unions and organisations.

The various organisations described above have played an important role in the policy process through their provision of information and advice, and their representation of the various interests to the government. Many have been cooperative partners with government, while others have been confrontational and antipathetic in their lobbying efforts. Between them, both the cultural and commercial interests of the book world have been well-represented in the policy process.

⁴³ Thomas Shapcott (1988), *The Literature Board: A Brief History*, St Lucia, Qld, UQP, pp. 269-270; and National Book Council (c1992), 'NBC Membership Subscription Form', Carlton, Vic., NBC.

A Comparative Perspective

Australian federal governments are not the only national governments to address the issues of culture and commerce in book publishing in the twentieth century. It is useful to consider briefly some of the policy approaches of a similar country in order to expose policy options in this area. The country most comparable to Australia in this regard is Canada which shares many historical, geographical and population characteristics with Australia, and which has significant government intervention in book production and distribution.

Canada, also a former colony of Britain, is a federation governed, like Australia, by provincial / state governments and a federal government based on the British Westminster system. Although Canada has a total population of 30 million (in 1998), its English-speaking population of some 20 million is roughly equivalent to population of 18 million English speakers in Australia.⁴⁴ The countries are similar geographically as well – both comprise vast, sparsely populated land masses with the majority of the population concentrated in urban areas.⁴⁵ The major differences between the two countries are the presence in Canada of a large French-speaking population (estimated at 24 %),⁴⁶ and their dissimilar geographical locations. Canada shares a '5,000 mile open border'⁴⁷ with the US and is relatively close to Britain, while Australia is an island nation geographically isolated from the large English-speaking nations of the US and Britain.

Canadian book publishing, like that of Australia, was long dominated by the British, and Canadian accounts of the history of the book are strikingly similar to the Australian story. For instance, writing of the British in relation to copyright regulation, Canadians Lorimer and Scannell state:

⁴⁴ *SBS World Guide* (1999), 7th ed., Melbourne, Hardie Grant Books, pp. 37, 38, 133.

⁴⁵ 77 % of Canadians and 85 % of Australians live in urban areas, *ibid.*, pp. 37, 133.

⁴⁶ *ibid.*, p. 133.

⁴⁷ Roy McSkimming (1993), 'Culture, Commerce and the National Interest: The Precarious Life of Canadian Publishing', *Logos*, v4 n1, p. 13.

[b]eing colcaisers and thus in control of the legal system of the colony, they were able to use copyright to ensure markets for home producers and prevent the development of indigenous publishing.⁴⁸

Canada experienced the additional factor of US publishers ignoring copyright regulations and selling pirate copies of British books into Canada. This 'double jeopardy' seriously undermined the development of a locally-owned publishing sector in Canada.⁴⁹

Apart from enacting its own copyright legislation, the Canadian federal government did little to intervene in book publishing for much of the twentieth century, allowing instead market forces to determine the nature of books available in Canada. However, in the late 1960s the government was moved to become involved when the US domination of the Canadian market was finally identified as a serious problem, and concerns were felt about the increasing involvement of French publishers in Quebec.⁵⁰ In what has been described as 'a crisis atmosphere',⁵¹ the Ontario government initiated a Royal Commission into book publishing which found that local ownership of book publishing capacity was vital to the national interest and should be supported by government. The Commission cited two major reasons for its decisions, firstly that locally-owned companies showed the strongest commitment to local writers, and secondly that it was unlikely that multinationals would support local cultural expression, 'given their more exclusively commercial orientation'.⁵² The provincial Ontario government acted on the Royal Commission's findings and provided funds to support the ailing local company, McClelland & Stewart, as well as initiating several other policies in support of local publishing.

According to Roy McSkimming, the Ontario Royal Commission 'generated enough political momentum to affirm the legitimacy of public support for Canadian-owned publishing at the national level too'.⁵³ Programs of support for publishing by locally-

⁴⁸ Rowland Lorimer & Paddy Scannell (1994), *Mass Communication: A Comparative Introduction*, Manchester, Manchester University Press, p. 69.

⁴⁹ *ibid.*

⁵⁰ Rowland Lorimer (c1999), 'Book Publishing in Canada', Canadian Centre for Studies in Publishing, Simon Fraser University, CCSP website: www.harbour.sfu.ca/ccsp/; accessed 25 January 2000, p. 15.

⁵¹ *ibid.*

⁵² McSkimming, *op. cit.*, p. 15.

⁵³ *ibid.*, p. 16.

owned companies considered 'culturally significant' were introduced by the Canada Council,⁵⁴ as was assistance for book exports by Canadian-owned firms. A book purchasing program was also introduced to support Canadian book production. In 1979, a further program was introduced which, while still cultural in intent, had a more business development focus and aimed to 'address the financial and economic base of the Canadian-controlled sector'.⁵⁵ The Canadian Book Publishing Development Program was developed and implemented outside of the cultural policy arena and provided the capital essential to stave off failure for a number of locally-owned companies.

Also in the 1970s, a Foreign Investment Review Act was introduced which required the review of all proposed foreign takeovers of Canadian-owned companies. Although later government commitment to this Act was mixed, its existence highlighted the issue of foreign investment in Canada and permitted the negotiation of the Baie Commeau Agreement in 1985. This agreement not only prohibited the direct purchase of Canadian book publishing companies by foreign investors, but also required that foreigners who acquired interests in Canadian book publishing indirectly (for instance, through the acquisition of larger conglomerate companies of which book publishing was part) divest, to Canadians, at least 51 % interest of such companies within two years. Agreed by a conservative government without full commitment to its intentions, the Baie Commeau Agreement served largely as a symbolic principle rather than a fully implemented policy. Its importance lies in the recognition that foreign investment in Canadian publishing was a potential threat to Canadian cultural integrity.

Linked to this are the issues of protection and free trade which have long been central to Canadian public policy, and particularly to cultural policy with arguments for the exemption of cultural products from free trade agreements with the US undoubtedly influencing Canadian policy in relation to books. For instance, the negotiation of the Canada-US Free Trade Agreement in 1988 necessitated a close examination of the role of Canadian cultural industries in articulating the distinctiveness of Canadian voices and

⁵⁴ *ibid.*

⁵⁵ Lorimer (c1999), *op. cit.*, p. 15.

in maintaining the uniqueness of Canadian culture.⁵⁶ It seems likely that this process would influence public policy in many related areas, including other trade agreements, such as the North American Free Trade Agreement.

Throughout the 1980s and 1990s policies aimed at developing the independence and capacity of the Canadian-owned publishing sector were refined with Book Publishing Industry Development Program, and the Canada Council's continued commitment to provide support for individual titles of cultural significance and to promote Canadian books and writers. Export programs were also supported, as well as a program that subsidised the distribution of publications. Foreign investment regulations were redeveloped and their goals made more explicit with a proviso that foreign investments in book production and distribution must 'be compatible with national cultural policies and be of net benefit to Canada and to the Canadian-controlled sector'.⁵⁷

Assistance to book publishing in Canada, according to the department now responsible for many of the programs, the Department of Canadian Heritage, 'is premised on the belief that Canadians must have access to Canadian voices and Canadian stories.'⁵⁸ The realisation in the late 1960s prompting government action in relation to book publishing, was that opportunities to articulate the unique Canadian cultural voice were diminishing with the overwhelming and increasing presence of US cultural producers in an unrestricted Canadian domestic market. Policy became, and remains focused on the development, support and protection of the Canadian-owned book publishing sector.

This is in contrast to Australian federal government policy which involves similar kinds of programs, but does not restrict access to assistance to Australian-owned companies. In Australia, as is illustrated in subsequent chapters of this thesis, most public policy support, both cultural and commercial in intent, has been and remains available to large multinational publishing companies as well as to Australian-owned firms. This lack of differentiation is obviously not based on an assessment of financial need for assistance

⁵⁶ William L. Northcote (1991), 'The Treatment of Culture and Cultural Industries Under the Canada-US Free Trade Agreement and in the European Community', *Media and Communications Law Review*, n2, pp. 27-55.

⁵⁷ Canadian Heritage website: www.pch.gc.ca/culture/cult_ind/pol/books.htm; accessed 10 February 2000, p. 1.

⁵⁸ *ibid.*

by particular companies. Australian publisher, Craig Munro writes of the Australian book trade in relation to that of Canada:

[a]lthough Australia faces a similarly unequal struggle against cultural and economic domination by the US, our geographic distance and physical isolation have led to a curious mixture of complacency, anxiety and compulsive consumption.⁵⁹

The option to limit public assistance to the locally-owned publishing sector has not found a prominent place on the Australian policy agenda. Although some lobbyists have advocated it, including the AIPA in the 1970s and individuals such as Craig Munro quoted above, this option has never been favoured by either government or 'arms-length' policy-makers. This is likely due to a less urgently felt need to protect Australian cultural integrity from foreign domination, and to an historical emphasis in policy on maximising access to books. A major factor must also be the long-standing power of foreign publishing interests in Australia; not only did British publishers long dominate the ABPA which advised government on publishing issues, but they also controlled Australian book supply for more than half of the twentieth century. Foreign-owned publishers continue to dominate the Australian book trade and many are now active publishers and distributors of Australian books. In fact, in 1990 the Literature Board made explicit its policy to continue to assist 'non-Australian owned companies' in order to ensure 'wide dissemination of Australian writing'.⁶⁰ This is discussed further in Chapter 8.

John Curtain argues that this policy difference between Canada and Australia is based on *distance*. He writes:

[b]ecause of its proximity to the US, Canada's intellectual life requires protection from a dominant culture. In Australia, because of its distance from its historical dominant culture, readers have insisted that their government legislate

⁵⁹ Craig Munro (1992), 'Lessons from Canadian Publishing', *Australian Scholarly Review of Books*, n4 June, p. 1.

⁶⁰ Literature Board decision taken at a Strategic Planning Retreat at Leura, NSW, 26-28 July 1990, noted in Australia Council. Literature Board (1992), 'Review of the Literature Board's Book Publishing Subsidies Programs 1988/1992', unpublished internal document, p. 1.

for access to those cultures instead of offering encouragement of or protection to their own publishing industry.⁶¹

Although Curtain probably overstates the influence of Australian readers, it is obvious from the examination of selected policies in the chapters that follow that Australian policy has been largely informed by a desire to overcome the limitations of the country's geographical isolation.

Conclusion

The public policy process in Australia is characterised and fundamentally shaped by underlying tensions about the legitimate role of government. That there is little consensus regarding the parameters and appropriate degree of government intervention in Australian life ensures that these issues are open to contest. The policy process, therefore, involves not only an uncertain government mandate, but also a requirement that government use that mandate to mediate between competing interests. Policy is the result of compromise between interests and, for that reason, may be a protracted process, ineffective or ambivalent.

The question of the proper role of government, as mentioned previously, is a matter on which governments have differed, and is determined largely by ideology. However, there are activities that have more legitimacy than others as sites of government intervention. Economic management and the regulation of trade and commerce, for instance, are well-established as core functions of government. Arts policy involvement was slower to develop as a legitimate role but, by the 1970s, became an accepted function of government. Its nature and extent, however, continues to be contested, and has increasingly been encroached upon by economic policy objectives.

Federal government policy in relation to the book has been informed, not only by the general characteristics of government in Australia, but also by the nature of the book and of book production and distribution. The dual nature of the book, as both cultural

⁶¹ John Curtain (1998), 'How Australian Publishing Won its Way Against the Odds', *Logos*, v9 n3, p. 145.

and commercial, has resulted in interest in the book crossing policy systems with differing, and often conflicting policy goals. This too has contributed to uncertainty and ambivalence in policy, and to contradictory policies requiring additional compensatory or ameliorative measures.

Although the dual nature of the book has offered more opportunities and avenues for government assistance, it has also provided more constraints. Government caution regarding intervention in commercial markets and in cultural production has affected its policy relationship with the book and with publishers. In addition, the democratic ideal of a free press has constrained Australian governments in this area.

The Australian book trade has remained largely unregulated in relation to ownership and local content requirements, particularly in comparison with Canada in the case of the ownership, and with other media industries such as television, newspapers and radio. As a result, the book trade was, for many years, the cultural and commercial preserve of British publishing companies. Government policy inaction buttressed British control as successive governments chose not to intervene, but to implement policy by default, a common practice in this policy area, as is demonstrated in the following chapters.

Like many other aspects of Australian life, policy in relation to the book was affected in the later years of the century by the dominant influence of economic logic. In the case of book production and distribution, this tipped the balance in favour of its commercial role and imperatives at the expense of its cultural functions. However, recognition of the cultural role of the book has endured in public policy as a result of entrenched attitudes to and respect for the book. A major feature of public policy in relation to the book, and a thread that runs through its history, is the dynamic interaction between government perceptions of the book as culture and the book as commerce.

The chapters in the second section of this thesis examine specific policy interventions in book production and distribution in a chronological sequence from federation in 1901 to the end of the century in 2000. The analysis of individual policy instruments in their historical and political context provides a clearer picture of the nature of policy in this area, and highlights the particular influence of cultural and commercial factors on the role of government.

Section 2

A Century of Federal Policy

CHAPTER 4

THE BEGINNINGS – 1901-1940

...we must appraise and cultivate our own heritage, and, because of our youth and virility, encourage to the maximum the cultural possibilities of our own native land.¹

The first years of Australian nationhood were fundamental in establishing the nature of federal government involvement in book production and distribution. In this period the book was seen culturally as a significant nation-defining instrument, a vital educational tool and a link to established European culture. As such, it was subject to policies that facilitated its publication and distribution. It was also seen as a commodity for commercial trade, and attracted the interest of the major industry regulator of the time, the Tariff Board. The government's perception of the dual roles of the book is evident in the uncoordinated policy initiatives that are examined in this chapter.

Australia was established as an independent nation in 1901 with a newly formed federal government responsible for early nation-defining activities, and for establishing and maintaining a workable federation of states. Although Australia was a sovereign nation, it remained closely connected to Britain politically, legally, commercially and culturally, and this was reflected in much public policy.

In this early period, the Australian government faced the challenges, not only of nation-building, but also of the First World War, an economic Depression and the beginnings of the Second World War. The government changed hands more than a dozen times in these thirty-nine years as the Australian political party system established itself at a federal level. The political environment was dynamic, and although policy in relation to books and book publishing was a very minor concern of government, initiatives of this time provided the foundations for future policy.

¹ J.H. Scullin (1937), 'Australian Literature: A Plea for Government Support', *Australian National Review*, v1 n1 January, p. 44.

A principle established in these years was the notion of the book as a cultural tool worthy of government support and protection. This notion, inherited from Britain along with many other cultural understandings, informed Australian government attitudes and policies. Another principle established in this period was the lack of differentiation, in policy, between locally-owned and British-owned publishing companies operating in Australia. This was the product of a time when Australia was physically and culturally isolated from the English-speaking world, had not yet developed a strong and independent local publishing industry and was reliant on British publishers to provide books. Even after these conditions changed, this lack of differentiation continued to be a major feature of Australian government policy in relation to books.

In this chapter I examine selected federal government interventions in literature and in book production and distribution, and analyse each in terms of policy goals, operations, efficacy and outcomes. I identify and assess the influence of the cultural and commercial roles of the book on each intervention and conclude with an assessment of the nature and effects of government policy in this period.

Copyright

The oldest and most fundamental government intervention in book publishing is the regulation of copyright. In Britain, government involvement in copyright dates back to the invention of printing with the original rationale involving the control of printing in the interests of the church and state.² Only later was the protection of the copyright owner the central concern of regulation. Modern legislation establishes copyright as a form of property, and protects its owners (usually authors, in the first instance) from the unauthorised use of their property. In so doing, it provides the basis for commercial trade in copyright materials, including books.

Australia inherited its notion of copyright, as well as its early legislation, from Britain.

² F.E. Skone James & E.P. Skone James (1965), *Copinger and Skone James on Copyright*, 10th ed., London, Sweet & Maxwell, pp. 7-9.

The Australian colonies were subject to British laws that protected the copyright of British authors and works first published in Britain.³ Works first published in the colonies were not protected under British law until the introduction of the International Copyright Act 1886 (UK); this act allowed works produced in a 'British possession' to be treated under the law the same as works produced in Britain.⁴ In addition, in order to protect locally produced works, most Australian colonies enacted their own copyright legislation after becoming self-governing.⁵ The Australian colonies all became subject to the International Convention for the Protection of Literary and Artistic Works (the Berne Convention) with Britain's accession to the Convention in 1886. This international agreement ensured mutual copyright protection for all member states. Australia became a signatory to the Berne Convention in its own right in 1928.⁶

In the Australian Constitution, the federal (Commonwealth) government was granted power in Section 51 (xviii) to make laws in relation to '[c]opyrights, patents of inventions and designs, and trademarks'.⁷ This is a concurrent power and, like many in the Constitution, allows the states to also make laws on these matters. However, under Section 109 of the Constitution, Commonwealth law prevails in the case of conflict, and it has been the practice that the federal government is responsible for enacting copyright legislation that is uniform throughout Australia.

The federal government passed its first copyright legislation in 1905. It was replaced by the *Copyright Act 1912*, an act that remained in place for 56 years. The Act of 1912 stipulated that the Copyright Act 1911 (UK) should apply throughout Australia 'with necessary modifications'.⁸ The adoption of British legislation demonstrates the continuing colonial mindset of early Australian governments. It contrasts with Canada

³ These laws included the Copyright Act 1842 (UK) and the Colonial Copyright Act 1847 (UK).

⁴ Skone James & Skone James, op. cit., p. 439.

⁵ *The Australian Encyclopaedia* (1958), 2nd ed., v3, Sydney, A&R, p. 59. The Australian colonies that enacted copyright legislation were South Australia (1878), NSW (1879), Queensland (1887), Victoria (1869) and WA (1895).

⁶ Sam Ricketson (1994), 'International Protection of Copyright Under the Berne Convention: A Brief Overview' in *Planning for Action: The Book in an Era of Change* (papers from the First National Book Summit), Melbourne, National Book Council, p. 24.

⁷ Australian Constitution, s. 51 (xviii), *Australian Constitution (Annotated)* (2000), 3rd ed., Carlton, Vic., Constitutional Centenary Foundation, p. 53.

⁸ J.C. Lahore & P.B.C. Griffith (1974), *Copyright and the Arts in Australia*, Melbourne, MUP, p. 11; also *The Australian Encyclopaedia* (1958), op. cit., p. 58; and Skone James & Skone James, op. cit., p. 441; and J.A.L. Sterling & G.E. Hart (1981), *Copyright Law in Australia*, Sydney, Legal Books, p. 34.

and New Zealand, both of which had autonomous legislation in this period.⁹ According to the first edition of *The Australian Encyclopaedia* (1925-26), the Act adopted by the Australian government was not entirely in the interests of Australians and was:

primarily devised to meet British needs and conditions, and conditions in Australia are in some respects so different as to impose on publication within the Commonwealth hardships . . . ¹⁰

The hardships included the effects of the copyright relationship with the US which was not a signatory to the Berne Convention. Under the British Act of 1911 as applied in Australia, US publications could secure copyright in countries covered by the Act simply by being registered and offered for sale in any of those countries. Australian publications, however, could not be protected by copyright in the US unless they conformed to US law and were typeset, printed and bound in that country. Australia's copyright law did nothing to remedy this obvious inequity.

By adopting British copyright legislation as its own, the Australian government ensured a seamless copyright environment for British publishers both as importers and as local publishers. This situation suited Australian interests that sought to ensure unimpeded access to British books, but it also created a framework for the long-term British domination of the Australian book trade.

The fact that British legislation remained in place for so long in Australia reflects the perception, held by successive federal governments, of the book as a cultural product inextricably linked with Britain. In its role as copyright regulator, the federal government made no move to separate Australian cultural and commercial interests from those of the British; in fact, the two appeared synonymous for much of the early twentieth century. Australian governments did little, through copyright regulation, to encourage the development of an independent local publishing industry, or to establish a notion of Australian territorial copyright that was separate from the British. Copyright legislation not only protected British interests and provided Australians with easy access to British books, it also created a commercial environment in which British publishers

⁹ Skone James & Skone James, op. cit., p. 441.

¹⁰ *The Australian Encyclopaedia* (1925-26), 1st ed., v1, Sydney, A&R, p. 311.

could prosper. Australian consumers were not provided with access to the full range of English language publishing, but only to those books that were considered profitable for British publishers and Australian booksellers.

The Commonwealth Literary Fund

The Commonwealth Literary Fund (CLF) was one of the earliest Australian policy interventions in literature and the arts. Established in 1908, the CLF was an early acknowledgment of the significance of books and literature in the development of Australian cultural and national identity. Initially conceived as 'the Australian Men of Letters Fund',¹¹ the CLF provided 'literary pensions' to impoverished Australian authors and their families in recognition of their contribution to Australian literature and culture.

The establishment of the CLF marked the modest beginning of the Australian government's ongoing involvement in cultural funding, and the acknowledgment of a role for government in cultural matters. It was contentious from the beginning with opponents questioning the singling out of literary culture for special treatment. One MP argued that, 'literary merit is not the only merit which benefits the community. What about the efforts of our inventors, our pioneers and explorers?'¹² It appears that parliamentarians were aware of the tension between culture and commerce at this early stage of the nation's history, and were conscious of a materialistic bias in Australian life which they sought to counter, albeit in a minor way. In the debate on its establishment, Richard Crouch, MP described the CLF as:

a small attempt to acknowledge the obligations of the community to a very deserving class, the work of whose brains, in this country, where material wealth seems to absorb the attention of the public, receives very little attention.¹³

James Ronald, MP was more explicit, and prescient, with his comments. He said, 'one can foresee in this proposal the beginning of what may yet be of very great importance

¹¹ Alfred Deakin, PM (1906), *Commonwealth Parliamentary Debates (CPD)*, v35, p. 5457.

¹² Dugald Thompson, MP (1906), *CPD*, v35, p. 5459.

¹³ Richard Crouch, MP (1906), *CPD*, v35, p. 5459.

to Australian character and nationality', and '[t]he proposal shows that we are not governed solely by considerations of pounds, shillings, and pence'.¹⁴ The establishment of CLF eventually received majority support and was announced in May, 1908, with an initial budget of £525.¹⁵

Although the provisions of the CLF allowed for assistance to working authors – 'literary men doing good work, but unable on account of poverty to persist in that work'¹⁶ – the limited budget resulted in priority being given to support for aged and sick authors and their dependents.¹⁷ The fact that authors were not encouraged to apply for CLF pensions but were recommended attests to the discretionary and paternalistic nature of the scheme, and to its function as a reward for services rendered to the national culture. CLF pensions were paid at a higher rate than aged pensions and the recipients, whose identities remained confidential, were clearly considered to be among the 'deserving poor'.

The establishment of the CLF so early in Australia's history as a sovereign nation suggests that creative writing and literature were seen as nation-defining activities. Public policy analyst Richard Rose, in his study of 32 'western-type' nations, identifies a pattern of priority for the sequential development of government activity.¹⁸ According to Rose, first came 'nation-defining' activities such as the establishment of defence, justice, finance and external affairs systems. Second were activities associated with the 'mobilisation of resources' such as agriculture, infrastructure (roads, railways), industry, transport and postal services. Finally, nations developed activities that provided 'social benefits' for their populations such as education, health services, social security, culture and the regulation of safety and labour relations. Seen in this context, the introduction of the CLF in the very early period of federal government activity in Australia demonstrates an official acknowledgment of the nation-defining role of writers and their work. The CLF was implemented, for instance, before uniform postal rates, an activity

¹⁴ James Ronald, MP (1906), *CPD*, v35, p. 5464.

¹⁵ Australia (1908), *Commonwealth of Australia Gazette*, n24, 16 May, p. 883.

¹⁶ Australia. Parliament (1908), 'Commonwealth Literary Fund. Resolutions as to Distribution, etc.', *Commonwealth Parliamentary Papers*, v2 1907-08, p. 1201.

¹⁷ Barry Andrews (1982), 'The Federal Government as Literary Patron', *Meanjin*, v41 n1, p. 6.

¹⁸ Richard Rose (1976), 'On the Priorities of Government: A Developmental Analysis of Public Policies', *European Journal of Political Research*, n4, pp. 247-289.

located in Rose's second phase of government activity. Although government provision for 'culture' is seen as a 'social benefit' in the third phase, the nation-defining function of literature in this case, sees it firmly in the first phase of government activity. It is interesting to note that the first CLF appropriation was included in the estimates of the Department of External Affairs,¹⁹ the minister for which was also the Prime Minister, Alfred Deakin. It was later transferred, perhaps more appropriately, to the Department of Home Affairs.

Although the CLF was introduced early in the development of the Australian federal government, it was a minor program with limited functions and a small budget. The establishment of the CLF can be seen as 'symbolic policy'²⁰ in the sense that few resources and little administrative support were allocated to it, yet it was a significant acknowledgment of the role of authors in developing and maintaining a national culture. The rhetoric associated with its establishment suggests that it symbolised, on a broader level, a government concern for the non-material, that is, for the value of cultural pursuits alongside the economic and political development of the newly independent country.

The early CLF is a clear example of policy ambivalence – its function was considered important enough to introduce within the first decade of federation, yet not important enough to be allocated adequate resources. It is significant because it was the first cultural program of the Australian federal government, yet it remained for many years a minor program in terms of its scope and budget. It set a precedent, not only for later federal cultural policy interventions, but also for policy ambivalence, particularly in relation to cultural activities.

¹⁹ Senator McGregor (1908), *CPD*, v48, p. 3025.

²⁰ The notion of 'symbolic policy' is examined by Murray Edelman (1977), *Political Language: Words That Succeed and Policies That Fail*, New York, Academic Press, p. 8ff; and also in Stuart Cunningham (1992), *Framing Culture: Criticism and Policy in Australia*, Sydney, Allen & Unwin, pp. 32-33.

Postal Concessions

A relatively minor, but nonetheless significant assistance measure provided by the federal government was the system of concessions for the distribution of books through the postal service. The notion of a concessional 'book post' was introduced in Britain in 1847 and became an established principle in acknowledgment of the cultural value of books, and in particular, of their educational role.²¹ This principle was inherited by the Australian colonies and later, by the federal government.

Prior to federation in 1901, the Australian colonies were responsible for their individual postal services and, although the Constitution transferred this responsibility to the newly formed federal government, it was not until 1911 that uniform postage was introduced throughout Australia. The colonies based their postage rates on the British system and most included a concessional rate for books and 'book packets'.²² The federal *Postal Rates Act 1910* that became operable in 1911 introduced a 'book rate' as part of uniform postal rates.²³

The concessional book rate was a small recognition by government of the importance of books and their distribution, and remained a standard feature of the Australian postal system until it was discontinued in 1973 (see Chapter 7). It was the cultural role of books that differentiated them from other commodities and justified such concessions. Additional support was provided, for a period, to the Australian printing industry with lower rates being offered to books printed in Australia.²⁴

No major changes were made to the book rate until 1922 when the rate was increased and a requirement for 'registration for transmission as a book' was introduced. Books

²¹ David Warlock (1972), *Post Haste! The Post Office from 1500 to the Present Day*, London, Nelson/The Post Office, p. 32; and National Book Council (1976), 'A Submission to the Postal Commission by the NBC Requesting the Re-establishment of a Book Post for Australia', Melbourne, May 1976, p. 2.

²² For instance, Tasmania, in 1888 had a special rate for 'book packets' containing 'printed or plain books, magazines, reviews, music and pamphlets'. The rate was half that of the postal rate for ordinary packets. John Avery et al (1975), *Tasmania: The Postal History and Postal Markings*, Part II, Melbourne, The Royal Philatelic Society of Victoria, p. 177.

²³ *The Australian Post Office: A Brief History: 1809-1975* (1975), Melbourne, The Australian Post Office, p. 11.

²⁴ Australia Post (c1994), 'Books', unpublished listing of changes to postage rates for books 1911-1973, Postal Guide/Legal Services Unit, Australia Post, Melbourne, pp. 1-2. Differential rates for books printed in Australia disappeared from postal rate schedules in 1930.

not registered were sent as 'printed papers' at a higher rate.²⁵ The system of registration allowed the Post Office to exercise control over the distribution of books, periodicals and newspapers. The Postmaster-General was permitted to deny registration to books, newspapers and other printed matter and thereby restrict access to discounted postal rates. In addition, material could be classified as 'Prohibited Matter' and be denied any transmission by post. These powers were used from time to time to censor and restrict the distribution of material considered obscene, seditious or blasphemous.²⁶ The provision of concessional postage rates for books, therefore, came at a price and individual books were subject to approval by Post Office authorities.

Although postal concessions recognised the cultural importance of books and supported their distribution, they too were an ambivalent policy instrument in that the concessions remained minor and underwent little change throughout this period. Concessions were not used as they might have been to support particular book industry sectors, with the single exception of the local printing industry for a short period. The registration requirement introduced a mechanism for control of book distribution by post, and concessional rates came at the expense of privacy and freedom. Postal concessions for books were another symbolic policy that acknowledged government concern for the cultural role of books, but that allocated meagre resources with strict controls.

Tariffs

The imposition of tariffs on imported goods has historically been a major industry protection mechanism in Australia, and has been employed to encourage the development and competitiveness of Australian industries. Tariffs have been applied to many products over the years, but rarely to books. Australia's dependence on imported books from Britain and its distance from major English language publishing centres are factors that have resulted in policies that have sought to enhance rather than limit access to imported books, and particularly to British books. It is also relevant that Australia

²⁵ *ibid.*, p. 1.

²⁶ Peter Coleman (2000) *Obscenity, Blasphemy, Sedition: The Rise and Fall of Literary Censorship in Australia*, Sydney, Duffy & Snellgrove (1st published 1962).

was a significant export market for British books, and that the British book trade relied on Australia's open markets for the continued success of its export program.

Import duties were imposed on books for a brief period between 1930 and 1932 as part of broad revenue raising and industry protection measures introduced by the Scullin government at the height of the Depression. A common 'primage duty' of 2½ % was imposed on all imports in July 1930 and was increased to 4 % later in the year.²⁷ This measure was intended to alter the balance of payments and encourage import replacement activities, and, although considered somewhat successful,²⁸ this policy did not result in any major or long-lasting change for Australian publishers whose businesses suffered along with most others in the Depression years.²⁹

Ironically, just prior to this imposition of import duty on books for the first time, a Tariff Board inquiry was held to consider a proposal to introduce a tariff duty on books, along with magazines and fashion plates. Just days before 'primage duty' was placed on books, the Tariff Board tabled its Report from this inquiry which concluded:

[t]he Board is emphatically of the opinion that to place a duty upon books or periodicals would be seriously detrimental to the best interests of Australia . . .³⁰

Obviously the Tariff Board continued its investigative and consultative functions while the government was overriding these and employing tariffs as an emergency measure to address the ill effects of the Depression. Schedvin describes government policies in relation to tariffs at this time as 'rough and unselective', and believes that they demonstrated the inflexibility of the Labor government's economic policies.³¹ It could also be argued that this is a further example of policy ambivalence in relation to books,

²⁷ C.B. Schedvin (1970), *Australia and the Great Depression: A Study of Economic Development and Policy in the 1920s and 1930s*, Sydney, Sydney University Press, p. 143.

²⁸ *ibid.*, pp. 145, 157ff.

²⁹ Joyce Nicholson & D.W. Thorpe (2000), *A Life of Books: The Story of DW Thorpe Pty Ltd 1921-1987*, Middle Park, Vic., Courtyard Press, p. 59; and John McLaren (1988), 'Publishing in the Twentieth Century' in D.H. Borchardt & W. Kirsop, eds, *The Book in Australia: Essays Towards a Cultural and Social History*, Melbourne, Australian Reference Publications/Centre for Bibliographical & Textual Studies, Monash University, pp. 75-76.

³⁰ Tariff Board (1930), Tariff Board's Report and Recommendation. Tariff Revision - Fashion Plates and Books; Books, Magazines N.E.I. and Printed Matter, N.E.I. - Request for Increased Duties, 26 June 1930, *Parliamentary Papers - General*, Session 1929-30-31, Vol. III, p. 11/1777.

³¹ Schedvin, *op. cit.*, pp. 143-144.

with the government using tariffs as a pragmatic revenue raising and industry protection mechanism while having before it evidence from the Tariff Board inquiry of the detrimental commercial and cultural effects of import duty on books.

Evidence given at the Tariff Board inquiry of 1930 and the Board's Report provide valuable insight into the nature of the book trade at the time, and into Australian attitudes to books. These sources also illustrate the range of individuals and organisations concerned with the book trade, and the nature of their concerns. The proposal for the imposition of tariffs on books and other printed matter came from the Combined Printing and Allied Trades Tariff Committee which was also the single witness appearing before the inquiry in support of tariffs. The printing trades were not united in their desire for protection, and the proposal was opposed by the remaining 35 witnesses which included representatives from the NSW Master Printers and Connected Trades Association and the Printing and Allied Trades Employers' Federation. The Tariff Board Report notes that, although opposition was strong from booksellers and 'importing firms' 'safeguarding their interests'³²:

[t]he opposition . . . came chiefly from those entirely disinterested in the production or sale of books, the various learned societies being represented in a remarkable manner.³³

These 'learned societies' included universities, public libraries, the Workers Educational Association, schools of arts, library associations and the Australian Federation of University Women. Evidence from witnesses representing these organisations focused largely on the significant cultural and educational role of books, and the consequent importance of ensuring access to books. The Tariff Board, in its comments on the evidence, noted that duty 'would actually be a tax on the acquisition of knowledge',³⁴ and stated unequivocally:

Australia is a comparatively isolated country, crude in its youthfulness, but greatly blessed in that it shares in the privileges of possessing a mother tongue

³² Tariff Board (1930), op. cit., p. 7/1773.

³³ *ibid.*

³⁴ *ibid.*, p. 9/1775.

which gives it access to the world's best literature. To check the flow of literature to Australia would be disastrous.³⁵

Another concern of the Board, and one reason given for its decision that a tariff on books would be detrimental to Australian interests was the possible effects on Britain. The report states:

[s]carcelly any single action that the Commonwealth could take in connexion with the Tariff would cause more resentment and misunderstanding in the United Kingdom.³⁶

This demonstrates a desire not to offend or impede British commercial interests that enjoyed free access to the profitable Australian market. That this consideration was included as one of five reasons for denial of the proposal to impose a tariff on books is evidence of the subservient Australian attitude to the British in this period – an attitude that allowed, indeed, encouraged without question, British domination of the Australian book trade.

Primage duty was removed from books in 1932. Its imposition was an aberration, part of an emergency response to what were considered dire national economic conditions. Books were not particularly targeted, but were made subject to duty along with other imports. After 1932, the status quo was re-established and books continued to enter the country free of any import duty.

Certainly the findings of the 1930 Tariff Board inquiry were influential in shaping government policy, and thereafter the duty-free entry of books into Australia once again became the norm. The later decision not to impose tariffs on books was an unambivalent policy position. It was heavily influenced by the fact of Australia's almost total reliance on imported books in this period; these included books by Australian authors that were published in Britain. The decision was based on a desire to support the cultural, and particularly, the educational role of books, as well as on an awareness of the commercial importance of Australia as a market for British publishers and Australian booksellers. Imports were unequivocally encouraged, and policy support

³⁵ *ibid.*

³⁶ *ibid.*, p. 11/1777.

for the development of the local book publishing industry was not pursued until wartime conditions made it necessary. The imposition of import duties on books was never seriously reconsidered, and eventually became subject to an international agreement (see Chapter 6).

Sales Tax

Another policy resulting from the poor economic conditions brought about by the Depression was the imposition of sales tax on books. In 1930, the Scullin government introduced a selective sales tax on goods at an initial rate of 2½ % as another revenue raising measure.³⁷ Although many consumer products were exempted, in particular food and some locally manufactured goods, the majority of books were made subject to the tax. Some books were exempted, including Bibles and 'Scripture portions',³⁸ books published by tourist authorities, and exchange publications between libraries, government departments and other organisations.³⁹

The imposition of sales tax on books in Australia for the first time was an unpopular policy initiative for both commercial and cultural reasons, and the government was subject to intense lobbying from the publishing industry and representatives of the 'learned societies' mentioned above. Frank Eyre provides details of the lobbying efforts of the publishing industry against the tax, and describes a meeting held in the Melbourne Town Hall at which a formal statement of the book trade's case was drafted for presentation to the federal government.⁴⁰ Further lobbying was reported in the press at the time, with the *Sydney Morning Herald* noting that 'a deputation representing the universities, learned societies and libraries of the Commonwealth' approached the

³⁷ Julie P. Smith (1999), *Is the Only Good Tax an Old Tax? A Historical Perspective on the GST Debate*, Canberra, Centre for Economic Policy Research, ANU. The rate was increased to 6 % in 1931.

³⁸ A.J. Baldwin & J.A.L. Gunn (1932), *Commonwealth Sales Tax Acts 1930-31*, Sydney, Accounting & Commerce Publication, p. 79.

³⁹ Commonwealth of Australia (1939), *The Sales Tax Law 1930-1938*, Canberra, Commonwealth Government Printer, p. 38.

⁴⁰ Frank Eyre (1978), *Oxford in Australia 1890-1978*, Melbourne, Oxford University Press.

Prime Minister to protest against both the sales tax and primage duty on books.⁴¹ The arguments put forward against sales tax centred on the cultural significance of books, as an editorial in the *Sydney Morning Herald* demonstrates:

[i]n the absence of closer contact [to 'the great centres of learning'] we depend upon the printed word to preserve our perspective and maintain a standard of values. A measure which leads to fewer books being read is harmful. It is a fundamental principle of political science that anything in the shape of a tax on knowledge is reactionary and mischievous.⁴²

The lobbying efforts against the tax were eventually successful, and sales tax was removed from 'books of a literary or educational nature, magazines, periodicals and printed music' on 11 November 1932.⁴³ The remainder of this sales tax regime was later largely dismantled but left as a legacy, an uncoordinated system of wholesale sales tax that was periodically tinkered with by subsequent governments.

The imposition of sales tax on books in the Depression years was also a policy aberration, like the temporary imposition on books of the import primage duty. Both were responses to adverse economic conditions and were short-lived. Both were also the subject of lobbying that focused on the cultural role of books and the importance of unimpeded access. The removal of both imposts demonstrates an acknowledgment by government of this significant cultural role. Subsequent government opinions on the imposition of sales tax on books, however, have differed, and the issue has re-emerged on a number of occasions, as the following chapters in this thesis demonstrate (see Chapters 7 and 8).

The Expansion of the CLF

For the thirty years from its inception, the CLF provided a small token of support to literary culture, and it was not until the late 1930s that the federal government

⁴¹ 'Taxes on Knowledge' (1932), *Sydney Morning Herald*, 6 February 1932, reprinted in NBC (1981), *Please Don't Tax Books: The Case Against an Australian Tax on Books*, Carlton, Vic., NBC, Please Don't Tax Books Committee, pp. 94-95.

⁴² *ibid.*, pp. 94-95.

⁴³ *The Sales Tax Law 1930-1938*, op. cit., p. 454.

reconsidered the role of the CLF. This was prompted by the lobbying efforts of the Fellowship of Australian Writers (FAW), an organisation that, shortly after its establishment in 1928, adopted the goal of improving and expanding the CLF in the interests of Australian writers and literary culture.⁴⁴ The FAW lobbied for ten years for an expansion of the Fund's activities, and was eventually successful after enlisting the support of former Labor prime minister and self-styled elder statesman, J.H. Scullin.

Scullin's arguments for the extension of CLF activities were strongly nationalistic, highly rhetorical and, not surprisingly for their time, linked to patriotism and national defence:

[w]e should cultivate a good sound Australian sentiment, and I know of no better way of doing it than through good Australian literature . . . Literature, then, has an immense influence on the cultural side of life, and in the development of genuine patriotism . . . National sentiment created by literature – prose, poems, ballads and songs – has inspired people to great endeavours for the defence, progress and development of their country.⁴⁵

In May 1938, Scullin introduced a deputation from the FAW, comprising Flora Eldershaw, Frank Dalby Davison, Bartlett Adamson and Will Lawson, to the Prime Minister, Joseph Lyons.⁴⁶ The FAW sought, as well as the maintenance of the pension scheme, an expansion of the functions of the CLF to include assistance for the publication of Australian books, subsidies to working writers, the establishment of a Commonwealth Chair of Australian literature and a public literary award. A Cabinet document of the time summarised the deputation's view of the difficulties then facing Australian authors that would be addressed with the expansion of the CLF:

1. The richness and wealth of English and American literature militates against a development of Australian writing.
2. Owing to Australia's limited population there are not sufficient publishing firms to satisfy the growing needs of Australian authors.
3. Australian publishers are not keen on certain types of books such as those containing poetry and plays.

⁴⁴ Len Fox (1989), *Dream at a Graveside: The History of the Fellowship of Australian Writers 1928-1988*, Sydney, FAW, p. 26.

⁴⁵ J.H. Scullin, MP (1936), *CPD*, v151, pp. 693-4.

⁴⁶ Fox, *op. cit.*, p. 82.

4. An author who seeks publication abroad had to conform to American and English approach to literature and submerge any individual Australian approach.⁴⁷

These conditions highlight the constraints facing the development of Australian literary culture in an environment dominated by British publishers and by imported books. The climate, no doubt affected by pre-war nationalism, was obviously conducive to the FAW proposals, and the expansion of the CLF was announced in June 1939.⁴⁸

Not all of the FAW's suggestions were implemented however, and nor was their proposed budget of £16,000 allocated. The expanded CLF was granted a budget increase of £5,000,⁴⁹ and its functions, according to a departmental memo, were to include:

1. The award of Fellowships to writers of proven literary ability to enable them to devote their time for a period to working on a project they specified.
2. Assistance to publish manuscripts of literary merit which, without financial assistance, would probably remain unprinted.
3. Assistance to reprint standard Australian works out of print.
4. Grants to universities to encourage the study of Australian literature.
5. Pensions.⁵⁰

The decision to expand the CLF received bipartisan support and was made during the government of the conservative United Australia Party led by Robert Menzies who had followed Lyons as Prime Minister.

With the expansion of the CLF came a restructuring of the Fund that not only reflected its increased status, but also placed it in a highly political context. Its administration was transferred from the Department of Interior (formerly Home Affairs) to the Prime Minister's Department in late 1938, and a new structure was introduced comprising both an Advisory Board and a Committee. The Advisory Board was made up of several members of the previous CLF Committee and, after additional lobbying, two

⁴⁷ NAA: A461/8, B344/1/17: Commonwealth Literary Fund (CLF): Subsidy for Australian Literature, 1 February 1939, p. 1.

⁴⁸ Australia (1939), *Commonwealth of Australia Gazette*, n37, 15 June, p. 1081.

⁴⁹ NAA: A461/8, B344/1/17, CLF: Subsidy for Australian Literature, 1 February 1939.

⁵⁰ NAA: A3753/12, 72/1380, Scope and Functions of the Fund - CLF Background Material in CLF.

representatives of the FAW.⁵¹ The role of the Board was to consider applications to the Fund and to advise the Committee, which had the power of final approval, on their literary merit.

The CLF Committee, also referred to as the 'political committee',⁵² comprised the Prime Minister, the leaders of the Country Party and the opposition, and J.H. Scullin. While the configuration of politicians on the Committee changed over the years, it tended to include the leaders of the three parliamentary parties (or their representatives) and Scullin, until his retirement in 1949. The involvement of the country's political leaders in the CLF certainly elevated its status, but it also exposed it to political influences, delays and, at times, neglect. Still one of the few federal government interventions in cultural activities at the time, the expansion of the CLF began a period of direct political control of assistance to literature and publishing.

Although the Advisory Board was put in place to provide 'expert' literary opinion to the Committee, the Committee did not simply rubber-stamp the Board's recommendations, but applied its own criteria that often went beyond consideration of literary merit. This was a source of conflict between the Committee and Advisory Board. Another source of conflict was the perceived lack of efficiency of the dual committee structure – as early as 1940, the Board sought increased power to approve small amounts of expenditure (under £100) in order to avoid the delays involved in having all decisions approved by the Committee. The Advisory Board members argued that the politicians were busy with the war effort and other matters of state, and should delegate minor matters to the Board. This request was denied by the Committee who preferred to maintain their control of decision-making.⁵³ There was to be continuing conflict between the two groups, due in part to these factors, as well as to ideological differences between the politicians on the Committee and the more progressive

⁵¹ Fox, *op. cit.*, pp. 82-83; and Drusilla Modjeska (1991), *Exiles at Home: Australian Women Writers 1925-1945*, Sydney, A&R, p. 105 (first published 1981). The first two FAW representatives were Flora Eldershaw and Frank Wilmot, who joined Dr George Mackaness, Professor W.A. Osborne, and Sydney Talbot Smith (Chairman) on the Advisory Board.

⁵² For instance, John McLaren (1996), *Writing in Hope and Fear: Literature as Politics in Postwar Australia*, Melbourne, Cambridge University Press, p. 112; and Geoffrey Blainey (1973), 'Government Patronage and Literature', *Overland*, n57, p. 40.

⁵³ NAA: A463, 1963/2925, CLF – Powers of the Advisory Board.

representatives of the FAW on the Advisory Board. Further conflicts are discussed in Chapters 5 and 6 of this thesis.

One of the new functions of the CLF was the provision of assistance for the publication of culturally significant books. This was the beginning of a publishing subsidy scheme that provided direct subsidies to book publishers for the production of books thought to be of literary merit but not commercially viable. It was intended not only to increase the number and quality of Australian books produced, but also to lower the retail price of supported books in an effort to enhance access to Australian literature. The scheme acknowledged the limitations of a strictly commercial approach to literature and books, and recognised a cultural imperative in publishing that was important enough for government intervention and the involvement of political leaders. The expansion of the CLF took cultural funding in Australia into new territory, and the publishing subsidy scheme involved the provision of a government imprimatur to selected literary works.

Although the failure of the market was acknowledged, the CLF did not intend to become a publisher itself and was careful not to interfere with the work of commercial publishers. Shortly after its expansion was announced, a conference with publishers and booksellers was held in Melbourne to discuss the new functions of the CLF. The conference was attended by members of the Advisory Board, Menzies (who was then Prime Minister), Scullin and six Australian publishers and booksellers. Publishers attending were those producing the majority of Australian books at the time and included representatives from Melbourne University Press, Robertson and Mullens, Angus and Robertson, and Lothian. Menzies assured the conference that the CLF did not want to engage in publishing, but sought to assist publishers financially to 'undertake full responsibility for printing manuscripts recommended by the Literary Fund and for arranging their distribution to booksellers'.⁵⁴ Details of the proposed scheme were discussed and approved by the meeting. It was agreed that manuscripts would be submitted by authors for approval to the CLF which would then call for quotations from registered publishers. The CLF would provide publishers with subsidies in the form of guarantees against loss. Most aspects of the publishing process

⁵⁴ NAA: A463/58, 1958/3450, CLF – Conference with Australian Publishers, Report of Conference held 23 February 1940 at Commonwealth Offices, Treasury Gardens, Melbourne.

were to be approved by the CLF, including print-run, format, royalty paid to authors and both the wholesale and retail price of books. Printing was to be carried out by Australian printers whose names and addresses were to be provided to the CLF.⁵⁵ This requirement for the use of Australian printers was obviously intended to offer some support to the local printing industry.

There was much discussion at both Advisory Board and Committee meetings about the nature of works to be assisted; the standard seemed to be that government assistance would be given only to literature considered to be 'of a permanent value rather than that of an ephemeral character'.⁵⁶ Authors were invited to apply for assistance 'for the printing of manuscripts which, for commercial reasons, they had been unable to publish'; such manuscripts should be 'of outstanding literary value, universal appeal and, in the case of fiction, of exceptional merit'.⁵⁷ At this stage, publishers were not permitted to apply for assistance, but were to tender for the right to publish approved books. Early in the scheme it was a requirement that manuscripts should have been rejected by three publishers before being submitted for CLF assistance;⁵⁸ this limited both the number and quality of eligible manuscripts and was later dropped as a requirement.

In 1940, the first year of its expanded operation, the CLF provided publishing subsidies for three titles, and writing fellowships to six authors.⁵⁹ It also funded the first public lectures intended to promote Australian literature in the universities, and it continued to provide its literary pensions. Although the expansion of the CLF was welcomed by the literary community, its early activities had very little impact on the extent and nature of Australian literature.

Indeed, at the time many considered Australian literature to be greatly inferior. This is demonstrated in a well-known quote from one of the first CLF-funded lectures in 1940,

⁵⁵ *ibid.*

⁵⁶ NAA: A463, 1967/5102, Report to CLF Committee by H.S. Tenby, Secretary, 21 November 1939.

⁵⁷ NAA: A3753, 1972/2766, CLF - Minutes of Meetings of Advisory Board, 26 May 1939.

⁵⁸ NAA: A463, 1967/5102, CLF Committee - Minutes of Meetings, 4 April 1946, p. 2.

⁵⁹ Thomas Shapcott (1988), *The Literature Board: A Brief History*, St Lucia, Qld, UQP, pp. 24, 169, 172, 175.

given by British academic and then Professor of English at Adelaide University, J.I.M. Stewart. His lecture began:

I am grateful to the CLF for providing the funds to give these lectures in Australian literature, but unfortunately they have neglected to provide any literature – I will therefore lecture on D.H. Lawrence's *Kangaroo*.⁶⁰

This attitude demonstrates the need that existed for assistance to Australian literature, for both its production and promotion.

The expansion of the CLF as a government policy initiative, although innovative, was also ambivalent. On one hand, its expanded functions marked an unprecedented government involvement in cultural activities, and established a legitimate role for government in supporting the production and appreciation of Australian cultural products. On the other hand, its impact was largely symbolic due to the small scale of its activities and the meagre resources allocated to it. It appears that while the federal government wanted to assist the development of Australian literature for national cultural reasons, it did not want to interfere either with the commercial operations of the publishing industry or with the freedom of the press. The early administrators of the CLF worked closely with commercial publishers and took care not to usurp or unduly influence their roles. Although government intervention in publishing was considered necessary, it sought to maintain a balance between cultural and commercial imperatives.

Conclusion

The first years of Australian federal government policy involvement in book production and distribution were characterised by a recognition of both the cultural significance of books to Australians and their commercial significance to British publishers. The dual concerns of culture and commerce influenced policy in conflicting ways, and resulted in policy ambivalence. Although a number of initiatives were introduced that acknowledged the cultural importance of literature and books, and of Australian books

⁶⁰ Quoted in Geoffrey Dutton (1984), *Snow on the Salibush: The Australian Literary Experience*, Ringwood, Vic., Penguin/Viking, p. 18. Dutton examines this attitude to Australian literature in detail in a chapter in this book titled 'The Credibility of Australian Literature', pp. 3-20.

in particular, these were minor, some short-term, and most were largely symbolic. Opportunities to shape and support the development of an independent Australian publishing industry were by-passed and, instead, government policies safeguarded the commercial interests of British publishers and assisted their dominance of the Australian book trade.

It is likely that early federal governments considered that British and Australian interests coincided, with British publishers profiting financially from importing books to Australia, and Australians profiting culturally by enjoying an abundance of British books at relatively low cost. However, government policies that supported this mutual cultural-commercial arrangement, such as copyright legislation and freedom from tariffs, also contributed to marginalising the locally-owned publishing sector and its production of Australian cultural materials.

The adoption of British copyright legislation in Australia provided the foundation for the development of the Australian book trade in the twentieth century. In this early period, since the local publishing industry was small and Australians relied on imports from Britain, policies were intended to facilitate access to British books. Through the application of British copyright law in Australia, British publishers were provided with a commercial environment as close to their own as possible. This allowed them not only to thrive in Australia, but also to maintain control over Australian book supplies.

The early establishment of the CLF was clear acknowledgment of the nation-building function of literature, albeit a minor one. The government acted to honour and reward Australian writers for their contributions to national culture; however, for thirty years the CLF remained a small, tokenistic pension scheme. Its eventual expansion in the months preceding the Second World War signalled renewed government interest in literature – an interest that was related to the upsurge in nationalism associated with the impending war. The expanded activities of the Fund recognised the failure of the commercial market to produce books of local cultural significance, and to adequately reward writers for their efforts. Support provided by the CLF was directed toward the development of Australian *literature*, that is, to particular books and authors and to the promotion of literature, not to the development of a local book publishing industry. The

government's desire to facilitate cultural production was tempered by its unwillingness to interfere in the commercial activities of book publishing. The government demonstrated its ambivalence by intervening in the production and promotion of Australian literature in a small and symbolic way with a minor program of assistance.

Other government policy activities relating to book production and distribution in this period were also ambivalent. For instance, following British practice, postal concessions for books were introduced in Australia and for a short period, a further discounted rate was available to locally printed books. This small additional concession was early encouragement for the local printing industry, although that was the full extent of the use of postal concessions to target particular sectors of the book industry. Concessional rates might have been offered to books *published*, as well as *printed* in Australia to encourage both the production and distribution of Australian books.

Postal rates were relatively static and postal regulations allowed for government control of the distribution of books through the registration process. Therefore, a system that on one hand facilitated the distribution of books, on the other provided a mechanism to censor and thereby limit their distribution.

The government had no shortage of information about the cultural value of books to Australians in this period, with evidence from a Tariff Board inquiry and the campaign against sales tax. A number of national and state book trade lobby groups had formed by 1930, and printers, publishers, authors, and booksellers were well represented at the Tariff Board inquiry, as were librarians, educationalists, and others interested in the use of books. The Tariff Board's recommendations demonstrated the high cultural value placed on books in a developing and isolated nation, and the most unambivalent policy decision of this period was the maintenance of the tariff-free entry of books into Australia (except, of course, for the brief period in the 1930s, as discussed earlier in this chapter). This was both a cultural and commercial decision taken in the interests of ensuring affordable access to books for cultural reasons, and in the interests of British publishers who relied on the Australian market for export earnings. The major drawback of this policy was that government facilitation of access occurred at the expense of development of a viable locally-owned publishing industry. Indeed, the

policy environment well-suited British publishers who not only dominated the supply of imported books, but also began to establish branch offices in Australia.

This first period of Australian federal government involvement in book production and distribution established the nature of subsequent intervention by setting policy precedents. While the government respected the cultural significance of the book, it also respected the commercial nature of the book industry and the necessity to maintain a free press and a free market. The government was reluctant to involve itself to any significant extent in what it saw as the commercial business of publishing. However, the failure of the market to meet cultural needs was a dilemma that successive federal governments continued to face. This, and other tensions inherent in the Australian book trade and cultural life, including the tension between access and protection, led to the ambivalence that characterised policy in this first period.

CHAPTER 5

CRISIS AND OPPORTUNITY – 1941-1950

Australian demand for reading matter increased greatly and supplies from former overseas sources were curtailed; the industry expanded, in spite of difficulties, to fill the gap to a large extent.¹

The Second World War had a major impact on the Australian book trade and presented the federal government with both a crisis and an opportunity. The shortage of books, materials and labour caused by the war was not fully felt in Australia until the early 1940s when the situation had become so grave that the government was compelled to intervene. Policy activity stimulated by wartime exigencies and nurtured in a post-war environment of energetic re-construction, continued for a period of about five years after the war as the government took the opportunity to become a key player in the development of the local publishing industry.

The war caused major disruption to the flow of books into Australia from Britain and, given the very low levels of local book production, resulted in a serious shortage of books of all kinds. This situation highlighted the cultural importance of books and in particular, their role in maintaining a sense of national cultural identity and morale in a time of crisis. It also highlighted the under-developed nature of the local book publishing industry and Australia's almost total dependence on Britain for reading material. Wartime policy in relation to books involved emergency measures of setting priorities and rationing materials that were in short supply. In the immediate post-war period, the reconstruction agenda of the Labor government included the continuation of government concern for and intervention in the local book publishing industry. This impetus was checked by the election of a conservative government led by Robert

¹ Tariff Board (1946), Tariff Board. Report on the Publishing Industry 7 November 1946, *Parliamentary Papers II 1946-47-48*, p. 43/907

Menzies in 1949, and the federal government retreated from increased involvement in local book production and distribution.

In this chapter I examine policy interventions both in wartime and in the early post-war period. These include the committees established to oversee the publishing industry, set priorities for book production and ration paper; the continuing and increased activities of the CLF; the 1946 Tariff Board inquiry into the publishing industry and the Publishing Industry Committee. I identify the cultural and commercial influences on policy in this period, and the influence of policy on the culture and commerce of book production and distribution.

The Book in War –Wartime Policy

The disruptions caused by the war to both the importation of books and local book production obliged the federal government to take action. Prior to the war, the Australian printing and publishing industries were heavily reliant on imported materials for book manufacture, and in particular, on imported paper. Their output was limited and state educational authorities, universities, booksellers, libraries and the reading public relied for the majority of their books on imports, primarily from Britain. As discussed in Chapter 2, the Second World War caused serious disruption to shipping and the movement of cargo, including paper supplies and books. Although some paper was manufactured locally,² it was not enough to meet the demand. Nor were enough books published – Australian books accounted for less than 10 % of the total number of books sold in pre-war Australia³ and, while there was a minor local publishing boom in

² The Associated Pulp and Paper Mill was established in Burnie, Tasmania by Australian Paper Manufacturers Ltd in 1938, and pre-war paper supplies came largely from Britain, Scandinavia and Canada, according to Joyce Nicholson & D.W. Thorpe (2000), *A Life of Books: The Story of DW Thorpe Pty Ltd 1921-1987*, Middle Park, Vic., Courtyard Press, pp. 84-85.

³ James Cleary (1985), 'Books for the Troops: The Role of Libraries and Librarians in World War II' in P. Biskup & M.K. Rochester, eds, *Australian Library History: Papers from the Second Forum on Australian Library History, Canberra 19-20 July 1985*, Canberra, CCAE, p. 37.

the early war years that made use of existing imported paper supplies,⁴ Australia's book stocks began to diminish.

As the effects of the war were felt, various organisations, including the Army Education Service and representatives of the universities, expressed their concerns about book shortages and, in particular, shortages of 'essential educational, scientific and literary works'.⁵ In response to these concerns, and after departmental investigations of the problem, the Minister for War Organisation of Industry, John Dedman, established the Book Publication Committee in May 1943. Book publishing became one of many industries overseen by the government throughout the war to ensure that priorities were established, scarce materials rationed wisely, needs met and goods distributed equitably. This move demonstrated the high value placed on the educational and cultural role of books in Australia at this time.

The government, however, was careful in its brief to the Book Publication Committee to minimise the impact of its intervention on the commercial aspects book publishing. As James Cleary points out in his detailed paper on book availability in this period, the Committee was organised to ensure 'an outcome consistent with departmental objectives: minimum publicity, restricted terms of reference and minimal intervention in the marketplace'.⁶ The minutes of its first meeting reveal the intention to maintain a discreet tone to the Committee's activities, and note that it should 'make enquiries quietly and report without publicity'.⁷ The government was obviously keen to avoid any debate and controversy that might result from its intervention in the cultural and commercial aspects of book publishing.

The Book Publication Committee was to carry out investigations into the particular need for books and into industry requirements, and to advise the Department on:

⁴ James Cleary (1988), 'Australian Publishing and Book Importation 1939-1945', *Australian Library History in Context: Papers from the Third Forum on Australian Library History*, University of NSW 17-18 July 1987, Sydney, UNSW School of Librarianship, pp. 100-101.

⁵ NAA: Agency Notes for Agency CA 308: Book Publication Committee.

⁶ Cleary (1988), op. cit., p. 103.

⁷ NAA: CP16/1 Bundle, Post-War Reconstruction Records of the Book Publication Committee, minutes 19 June 1943.

- the priority to be given to publication of education[al] and other books essential to the conduct of the war, both in the services and in the non-military sector;
- the extent to which Australia could rely on importation and on Australian production; and
- ensuring that books whether imported or locally produced, were distributed to the best advantage to the needs of the whole community through ordinary trade channels and libraries (including libraries of universities and similar institutions, as well as libraries which were to be specifically created for this purpose).⁸

The Committee consisted of representatives appointed from industry and educational organisations, and included:

- J.W. Metcalfe, Chairman (New South Wales [State] Librarian)
- Lieutenant Colonel R.B. Madgwick (Director of Army Education)
- Dr K.S. Cunningham (Director of the Australian Council of [Education] Research)
- E.C. Magrath (Federal Secretary, Printing Industry Employees Union of Australia)
- W.C. Anderson (master printer), and
- W.C. Cousens (master bookseller [Managing Director, Angus & Robertson])⁹

At its first meeting, the Committee noted that book production in Australia was 'in a very serious situation' and that immediate steps must be taken to ensure the production of essential books.¹⁰ In deciding on its future course of action, the Committee agreed that the highest priority for supply of books of all kinds was the armed forces. Local book production firms were to be surveyed in relation to their pre-war and current output and labour needs, and deficiencies in materials and labour were to be addressed by the Committee. In addition, universities, educational authorities and religious publications boards were to be surveyed regarding their book requirements and problems in fulfilling those.¹¹

The Book Publication Committee functioned as a central clearinghouse for book industry and book access problems, and it addressed the many concerns presented to it

⁸ NAA: Agency Notes for Agency CA 308: Book Publication Committee.

⁹ *ibid.*, 'W.C. Cousens' was in fact W.G. Cousins, a publisher at A & R as well as a 'master bookseller'.

¹⁰ NAA: CP16/1 Bundle, Post-War Reconstruction Records of the Book Publication Committee, minutes 19 June 1943.

¹¹ *ibid.*

through active intervention. For instance, the Committee worked with unions and printers to seek the recall of skilled workers from the armed forces to the printing and book binding trades which were experiencing severe labour shortages. It also sought to expedite the importation of books and materials, other than paper, for book production, and maintained contact with industry representative bodies, including the Publishers' Association of NSW, the Association of British Book Publishers' Representatives of Australia and New Zealand and the British Publishers' Association.

Some of the activities of the Committee are illustrated in its report of June 1944, in which the following issues were reported on:

- Manpower – an acute labour shortage in the printing and book binding industries was identified and the Committee had been negotiating the return to industry from the services of book manufacturing specialists, in particular book binders.
- Materials – the Division of Import Procurement issued import licenses but shipping space was in short supply.
- Typographical standards – the Australian book trade adopted typographical standards set out in the UK Book Production War Economy Agreement with local amendments approved by the Committee. These standards aimed to create material savings in book production and included the deletion of blank end-papers, the careful use of blank space in page layout, and the tightening up of typographical design to achieve economies of paper and ink.
- Importation – it was noted that importers were heeding the Division of Import Procurement's 'Certificates of Essentiality' for scientific, technical and educational books. It was found that the supply of university textbooks was unsatisfactory due to the difficulty in getting books from Britain; the Committee recommended that universities reconsider methods of prescribing texts.¹²

The decision to ration Australia's meagre paper supplies led to the Committee recommending the establishment of a Book Sponsorship Committee 'to consider applications from publishers for the sponsorship of books of national importance for which the publisher is unable to secure paper through ordinary trade channels.'¹³ The Production Executive of Cabinet agreed, and the Book Sponsorship Committee was established and met for the first time in January 1944. Its first task was an urgent one – it was to assist the Division of Import Procurement of the Department of Trade and

¹² NAA: CP16/6 Bundle 1/5/63/3, Book Publication Committee, Formation of Committee, Report to Production Executive by Book Production Committee for period ending 5 June 1944.

¹³ NAA: CP16/5 Bundle 1, Records of the Book Sponsorship Committee 1944-1946.

Customs to ensure the publication of sufficient school textbooks for use in the coming school year.

The two committees, whose membership largely overlapped,¹⁴ worked side by side, with the Sponsorship Committee focusing on paper rationing and the Book Publication Committee concerning itself with broader industry issues.

The primary task of the Book Sponsorship Committee was to make recommendations for the supply of paper to publishers for the publication of books considered to be of national significance. Control of the nation's limited paper stocks was held by the Division of Import Procurement and, prior to the establishment of the Book Sponsorship Committee, decisions of 'essentiality' were made by the Department of War Organisation of Industry. James Cleary believes that the Minister John Dedman did not want paper rationing to continue to be administered solely by his department, but to be the responsibility of a committee with representative members since, according to Dedman, rationing 'would in effect entail considerable control over educational policy, as well as over the rationalisation of the printing industry.'¹⁵ The Minister was obviously aware of the sensitivity of the issues and, by establishing the Committee, sought to alleviate any fears that might result from overt government intervention in commercial activities, and from his department's influence on the work of other departments.

Most locally made writing, printing and commercial paper was produced by Associated Pulp and Paper Mills in Burnie, Tasmania. This company produced about 19,000 tons of paper in 1943 – of this, 13,000 tons was allocated to the Commonwealth government and US Army, leaving '6,000 tons to take care of a pre-war demand of approximately 40,000 tons'.¹⁶ When the obviously essential task of paper rationing became the

¹⁴ The Book Sponsorship Committee included Madgwick, Magrath, Metcalfe and Cunningham from the Book Publication Committee, as well as the Chairman, G.T. Chippindall (Director-General, Department of War Organisation of Industry), Kenneth Binns (Librarian, Commonwealth National Library), and A.C. Moore (Director, Division of Import Procurement, Department of the War Organisation of Industry); NAA: Agency Notes for Agency CA 309: Book Sponsorship Committee.

¹⁵ Cleary (1988), op. cit., quoted on p. 104, from NAA: CP16/5, Bundle 1, John Dedman, Draft Submission for Production Executive – Book Publication.

¹⁶ NAA: CP16/5, Bundle 1, Records of the Book Sponsorship Committee, State of Australian Paper Industry, 1943.

responsibility of the Book Sponsorship Committee, paper was initially allocated to publishers on a percentage basis calculated on the amount each used before the war. This system proved to be unsatisfactory since some publishers no longer required paper, and their allotments were often sold on or traded. In addition, it was considered that some paper was being used for non-essential purposes.¹⁷

Although the Book Sponsorship Committee developed its own principles for decision-making in its allocation of paper for 'books of national significance', in general it followed the priorities set by the Minister for War Organisation of Industry in 1943. These were, in order of priority:

- textbooks, technical and reference books for universities, technical colleges, teachers' colleges, research organisations, learned societies, and industry; and missals, prayer books etc. prescribed by religious bodies;
- school books;
- 'general literature' (other than fiction), travel, biography, current affairs, etc., with special consideration for books about Australia and by Australian authors;
- fiction, with special consideration for books about Australia and by Australian authors; and
- children's books, with special consideration for books about Australia and by Australian authors.¹⁸

This list demonstrates the priority given to the cultural role of books, including educational and spiritual purposes, and for the representation of Australian culture by Australian writers.

Although children's books were ranked fifth in priority in this list, they rated second in actual sponsorship, after textbooks of all kinds. In fact, Australian-produced children's literature benefited greatly from being considered a priority for paper supplies since, prior to the war, most children's books were imported from Britain. In a wartime radio broadcast series titled 'Dispatches from the Home Front', Rex Warren from the Department of War Organisation of Industry, discussed the issue of book publication in wartime. In outlining the work of the Book Publication and the Book Sponsorship

¹⁷ *ibid.*

¹⁸ NAA: CP16/6, Bundle 1/5/63/128, Book Sponsorship Committee Reports and Minutes, memo from Minister, John Dedman 1943.

Committees, Warren highlighted the priority given to children's literature and commented:

[a]n interesting point about children's and infant's books is that the demand for them has increased in wartime because of the shortage of toys. And so the committees have sponsored paper supplies for animal stories, fairy tales, children's verse and songs, tales based on Australian natural life, and the like. Incidentally to this sponsorship of paper for juvenile literature the committee[s] are also accomplishing another thing at which they were not aiming. The fact that their recommendations lead to provision of paper for children's books has acted as a fillip to writers who, in the past, have been discouraged by the refusal of publishers to print many children's works. Now, however, when paper can be obtained for that specific purpose on the recommendation of the committees, publishers are prepared, of course, to undertake the printing because paper is so scarce. It is considered that as a result the juvenile literature of Australia is being considerably enriched. That is important for our child development.¹⁹

Applications to the Book Sponsorship Committee for paper supplies were required to include a rationale for the publication (for instance, that it was on a school syllabus, or was out of print), and were often accompanied by testimonials and references regarding the proposed publication. Letters of notification were sent to applicants, most giving no reason for acceptance or refusal. The criteria for sponsorship were clearly associated with the national interest and the war effort and, beyond that, the Committee did not assess or comment on the works received for consideration. The Committee took care not to intervene too much in commercial matters or in the freedom of the press, and included in their letters of refusal a note assuring the applicant that refusal did not preclude their finding other paper sources and publishing the work without sponsorship.²⁰

As well as demonstrating the government's sensitivity to book publishing as a commercial enterprise, the records of the Book Sponsorship Committee provide a rich source of evidence for the awareness of the cultural role of books. In March 1944, for instance, the Prime Minister John Curtin wrote to the Committee requesting that its

¹⁹ NAA: CP16/5, Bundle 1, Records of the Book Sponsorship Committee 1944-1946: Department of War Organisation of Industry document, 'Dispatches from the Home Front', No. 12 'Book Production in Wartime'.

²⁰ NAA: CP16/5, Bundle 1, Records of the Book Sponsorship Committee 1944-1946, report 21 January 1946.

scope be broadened to include the sponsorship of books recommended by the CLF. Curtin argued:

[t]he production of good literary work, either in prose or verse, which gives an insight into the life of this country is, I regard, a matter of national significance and one deserving of every encouragement.²¹

The Committee sought to strike a balance between allowing the book publishing industry to remain independent and commercially oriented, and ensuring that it provided the books that would meet Australian educational and cultural needs in wartime. There was little room for policy ambivalence at this time, and achieving the balance was assisted not only by the representative nature of the Committee, but also by its reliance on the advice of outside educational and other authorities. Cleary believes that such reliance obviated the 'risk [of] criticism from the marketplace.'²²

In its final report, the Book Sponsorship Committee reflected on its activities, noting the details of its work – in its 12 meetings, it had considered 844 titles and selected 316 for sponsorship; this amounted to 2,755,500 volumes of sponsored books.²³ The report also noted the Committee's consideration in decision-making of:

national needs not only from the viewpoint of the direct war effort but also as to the essential requirements of the civilian population both in terms of morale and dissemination of information and education in a general sense.²⁴

The major category of sponsored books was textbooks, followed, as mentioned above, by children's books, indicating that a clear priority was given to education and other needs of young Australians.

Both the Book Publication Committee and the Book Sponsorship Committee were abolished in June 1946 on the recommendation of the Committees themselves which reported that the publishing and printing industries had returned to peacetime

²¹ NAA: CP16/5, Bundle 1, Records of the Book Sponsorship Committee 1944-1946, letter from John Curtin, PM, 22 March 1944.

²² Cleary (1988), op. cit., p. 105.

²³ NAA: CP16/5, Bundle 1, Records of the Book Sponsorship Committee 1944-1946, Final Report of the Book Sponsorship Committee, 1946.

²⁴ *ibid.*

production conditions. The war period saw a dramatic change in the ratio of Australian to imported books in the local market, and raised awareness within government of the cultural and economic significance of a healthy local publishing industry. Australia's dependence in relation to printing and publishing was highlighted by wartime shortages, a factor that also pointed to the need for an independent Australian industry. As a result, shortly after the war ended, the Minister for Trade and Customs referred the publishing industry to the Tariff Board for an inquiry into its needs and the possible ways the government might provide support for it. This inquiry is examined in detail later in this chapter.

The Commonwealth Literary Fund

The CLF was also active during the war years and, in early 1944 extended its brief to assist with the reprinting of 'standard Australian works' by embarking on a project that was to be known as the Australian Pocket Library. In response to the book shortage, the CLF decided to produce, in conjunction with local publishers, 'a small representative library of Australian works . . . to be published in Penguin style and sold at approximately 1/- per copy.'²⁵ The intention was to make the reprints available cheaply to Australian armed services personnel, allied troops, prisoners of war and the civilian population.

Since the paper shortage was so severe it was decided to print the Australian Pocket Library editions on newsprint. This could be obtained without difficulty by the CLF, and would permit the large print-runs of 25,000 envisaged for the project. The CLF intended to control the choice of titles, format, design, price and royalties. Publishers would have the books printed on the paper provided and be responsible for distribution and marketing, and would retain any profits after author royalties were paid. Most publishers approached were keen to participate since their normal activities were greatly curtailed due to paper and labour shortages, and the Pocket Library allowed them an opportunity to publish cheaply into an eager market.

²⁵ NAA: A3753/12, 1972/2766, CLF - Minutes of Meetings of the Advisory Board 1939-1950, minutes 11 February 1944.

Twenty-five titles, all previously published works, were selected by the CLF Advisory Board, and included novels, short stories, poetry, 'descriptive writing', history and natural history. Not surprisingly, the bias was nationalistic and, as Neil James comments: '[t]he list sets up literary values, social values, and national-historical values as interchangeable . . . it sat comfortably with the government's war-time agenda.'²⁶

The first titles were published in November 1944 and the series continued to be produced until 1947. The timing was poor since the war ended in 1945 in the middle of the Pocket Library's publishing schedule. Market conditions changed quickly and the cheaply made and poor quality paperbacks were soon considered inappropriate for the post-war market. The Australian Pocket Library project, in its immediate aftermath, was considered to be a failure – thousands of copies were left unsold and feedback from publishers referred to the 'unattractive appearance' of the books, the cheap paper and the poor production quality. In light of such negative assessments and the cessation of the need, the CLF Advisory Board agreed to discontinue the project.²⁷

Although the Australian Pocket Library involved local publishers, it was controlled almost entirely by the CLF. This was the first direct government foray into literary publishing, and was generally considered as an unsuccessful exercise. It was prompted by wartime exigencies that were reflected in the low physical quality and design of the books. Delays were caused by the necessity to consult among CLF Advisory Board and Committee members, as well as the publishers involved. However, had the War continued longer than it did, the project may have been seen in a different light.

The Pocket Library nonetheless further demonstrated the concern held by government for the literary needs of Australian service personnel and civilians in wartime. It was considered that Australian literature provided a cultural and nationalistic fillip necessary in difficult times. The cultural role of books was unequivocally acknowledged by this project. The government intervened directly to ensure that books were available to meet the cultural needs of the population. Respect was also paid to the commercial nature of

²⁶ Neil James (2000), 'A Paperback Canon: The Australian Pocket Library', *Australian Literary Studies*, v19 n3, pp. 298, 299.

²⁷ NAA: A3753/12, 1972/2766, CLF – Minutes of Meetings of the Advisory Board 1939-1950, minutes 2 August 1946.

books as established publishers were involved in the physical production, marketing and distribution of the Pocket Library editions, and publishers were entitled to profits for their efforts. Although there was major government intervention in book publishing, it was undertaken within the existing commercial environment, and government did not seek to permanently usurp the role of commercial publishers. In this sense, a balance between cultural and commercial imperatives was maintained, even in wartime.

Although the CLF continued its other functions throughout the war and afterwards; the conflict between the Advisory Board and the Committee intensified in this period. In 1945, as a result of the Committee not supporting a number of the Board's recommendations, the Board expressed its dissatisfaction with the Committee's apparent lack of confidence in its literary expertise, and sought clarification of the relationship between the two groups. The Board also proposed that a joint meeting of the two might facilitate better understanding, and the first such meeting was held in early 1946. Joint meetings became an annual event in the following years, and the relationship between the two groups appeared to improve as a result.

As mentioned in the previous chapter, an underlying source of the conflict between the groups was ideology. The Board saw the CLF as an active participant in Australian literary culture and therefore proposed for it diversified and expanded activities, including the commissioning of works, translations and the encouragement of libraries to stock Australian literature.²⁸ The Committee, on the other hand, was more cautious. Nettie Palmer, whose husband Vance Palmer was the chairman of the Advisory Board, provided insight into the conservative nature of the CLF Committee in a letter quoted by John McLaren in his work on literature and politics in post-war Australia.²⁹ She wrote that Ben Chifley (who was then Prime Minister) 'ties the purse-strings tight', Menzies 'besides having literary opinions, mostly disapproving, is professionally averse from all interference with private enterprise' and Scullin 'is a tired oldish man . . . [and is now] largely a watchdog on behalf of decency'.³⁰ These portraits suggest a limited commitment to the CLF's role of supporting Australian books and literature. The

²⁸ *ibid.*, minutes 2 November 1945.

²⁹ John McLaren (1996), *Writing in Hope and Fear: Literature as Politics in Postwar Australia*, Melbourne, Cambridge University Press, p. 113.

³⁰ *ibid.*, quoted from Hartley Grattan papers, letter from Nettie Palmer to Grattan, 29 May 1946, on p. 113.

Committee's approach was certainly at odds with the cultural activist role envisaged for the Fund by its Advisory Board, and in particular by Board members who were also members of the FAW.

The CLF was also involved in external conflict in the immediate post-war period when one of its decisions came under attack in parliament. Earle Page, a former Country Party leader, criticised the CLF for providing a fellowship to John Normington Rawling to write a biography of the Australian poet, Charles Harpur. Page's major concern was that Rawling had once been a member of the Communist Party and was therefore unsuitable as a recipient of government assistance. In an early example of Australian Cold War discourse, Page called for a discussion in parliament on:

[t]he extent to which the CLF is being used to subsidise Communists and former Communists in the production of Australian literature.³¹

A lively debate ensued and, in one of his last contributions before his illness and retirement, Scullin strongly defended the CLF decision and maintained that the political convictions of applicants were irrelevant.³² This issue was to re-emerge in the 1950s as the effects of the Cold War became increasingly apparent in Australia, and is discussed in the following chapter of this thesis.

In spite of the increased wartime production of books, local trade publishing activity was low in this period, and the CLF assisted the publication of only 27 books between 1940 and 1950.³³ All but two of its publishing subsidies in this decade were made to Australian-owned companies. This was not a policy decision, but a reflection of the nature of the firms publishing Australian trade books in this period. Although some British companies were active in Australia, most confined their activities to distributing imported books and to the more profitable educational market. The subsidy scheme guidelines did not differentiate between Australian and foreign-owned publishing companies, but accepted tenders from any publisher registered with the Fund. It did little to assist publishing companies *per se*, but provided support instead for particular

³¹ Earle Page, MP (1947), *CPD*, v191, 8 May, p. 2099.

³² John Robertson (1974), *J.H. Scullin: A Political Biography*, Perth, UWA Press, p. 476; also *CPD* (1947), v191, 8 May, pp. 2099-2121.

³³ Thomas Shapcott (1988), *The Literature Board: A Brief History*, St Lucia, Qld, UQP, pp. 169-176.

books it deemed culturally significant. In this way, it did not interfere with the commercial status quo within the industry.

As well as continuing to provide publishing subsidies, writing fellowships and funds for the promotion of Australian literature, the CLF also began its support of literary magazines in this period. In general, however, the assistance provided by the CLF was minor and, although it supported some Australian writing and literature, it had little impact on overall book production and distribution. The most significant activity of the CLF in this period was its sponsorship of the Australian Pocket Library, a one-off excursion into publishing in the interests of national culture and in response to wartime privation.

Tariff Board Inquiry 1946

The years immediately following the war in Australia saw the Labor government energetically take up the task of post-war reconstruction and also expand the role of the federal government. The scarcity of imported goods in wartime revealed the extent of Australia's dependence and the inability of its manufacturing industries to provide for local needs. The government, in its reconstruction efforts, sought to develop the country's industrial capacity in a number of key areas, and thereby to enhance Australia's economic independence. In the case of book production, the severe wartime book shortage highlighted both the cultural importance of books and the under-developed state of the local industry. This prompted the federal government to consider how it might support the development an Australian publishing industry. The Minister for Trade and Customs referred the issue to the Tariff Board for investigation in September 1945, directly after the end of the war. The minister's referral memo outlined his requirements:

I desire that the inquiries by the Board include an investigation of the particular factors operating to impede the development of the publishing industry in Australia, and of possible methods of assisting the development of the industry, and that on completion of its investigations the Board should submit

recommendations in relation to the matters which arise in the course of the Board's inquiries and investigations.³⁴

This inquiry was significant for its focus on local industry development rather than on books and their availability. However, alongside this was a concern for the industry's major product, Australian *literature*. This was a thread that ran through the evidence presented to the inquiry and was the focus of the inquiry's major conclusions. The conjunction of these two concerns in the evidence illustrated the cultural and commercial nature of the book industry, as well as the fact that the majority of Australian literature was, at the time, being produced by a small locally-owned publishing sector.

The Tariff Board heard evidence from witnesses representing the various sectors of the publishing industry which it described as covering 'a chain of activities commencing with writers and artists and finishing with the public'.³⁵ Evidence given at the inquiry 'covered the whole chain of activities described, not only the section of publishing proper'.³⁶ Witnesses provided their views of industry conditions and needs, as well as suggestions for government assistance. Many focused their attention on the CLF as an appropriate mechanism for increased government involvement, and suggested expansion of the Fund's activities to support further industry development, or to better serve the interests of particular groups of witnesses. The Board agreed and, in regard to the CLF, concluded:

the Tariff Board considers the widening of the uses of the fund and the provision of adequate finance for those uses would give further impetus to the publishing industry generally and Australian literature in particular.³⁷

Other suggestions involved both cultural and commercial policy activities and included removing tariff duties on paper and other book production materials, imposing quotas on Australian libraries and booksellers to ensure that they stock a minimum percentage of books written and produced in Australia, promoting the teaching of Australian

³⁴ Tariff Board (1946), op. cit., p. 5/869.

³⁵ *ibid.*, p. 43/907.

³⁶ *ibid.*

³⁷ *ibid.*, p. 41/905.

literature in schools and universities and the establishment of a national book council or league based on the British model.

Prompted by both commercial and cultural concerns, local authors and publishers raised the issue of the 'dumping' on the Australian market of back-dated magazines from the US and of cheap 'colonial editions', and called for their restriction. In response, G.C. Kingscott, speaking on behalf of the Association of British Publishers Representatives in Australia and New Zealand, objected to the suggestion that 'colonial editions' were 'dumped' on the local market and argued that such editions simply offered Australians access to cheap editions of successful British books. He went on to warn:

[n]ational culture cannot be developed by legislation . . . more can be achieved for the local industry by free and open competition than any scheme of coddling or restriction.³⁸

Like most witnesses, Kingscott was representing the interests of his organisation. Many publishers appearing before the inquiry sought little government intervention other than the lifting of import duties on materials and publisher representation on the CLF Advisory Board. British publishers were well represented at the inquiry, in fact, the NSW Publishers' Association witness was the Sydney manager of Cassell & Co. (London). These British publishers, along with some locally-owned companies, were keen to remain unimpeded in a post-war environment in which the commercial market for books of all kinds was strong.

Australian nationalists were also represented at the inquiry, and put forward an alternative view which was prompted by cultural concerns. Author, Katharine Susannah (Prichard) Throssell, for instance, called for the establishment of a parliamentary select committee to inquire into the publishing industry as 'a matter of urgent national importance'. Her evidence expressed a nationalism common to many witnesses; she continued:

[i]n Australia, the development of national consciousness, a national culture and our international significance have been retarded by the failure to give adequate opportunity for expression to Australian writers of all types of literature.³⁹

³⁸ *ibid.*, p. 19/883.

³⁹ *ibid.*, p.12/876.

One Australian publisher suggested that priority in assistance (for bookbinding and other activities) be given to those companies publishing Australian works.⁴⁰ This was closest any witness came to suggesting a policy that might differentiate between local and British publishers operating in Australia. However, even this suggestion focused on products rather than ownership, although, as mentioned above, most Australian works at this time were published by locally-owned companies. Although the Australian publishing industry had grown in the war years, none of the witnesses suggested that Australia could do without imports or without the participation of British publishers in Australia.

In evidence that considered both the cultural and commercial roles of the publishing industry, H.L. White, the Assistant Librarian of the Commonwealth National Library, strongly advocated the development of an *independent* Australian publishing industry, and noted that such development must fulfill two conditions:

- that a publisher should continue to enjoy the greatest freedom in the choice of what he publishes. Nothing is so essential to democracy as the means for the free communication of ideas; and
- that the free flow of books from all sources should not be impeded.⁴¹

White published an article based on his evidence to the Tariff Board in which he stressed not only the importance of freedom for the publishing industry in a democracy, but also the necessity for *variety* within the industry.⁴² There was clearly a role for government to facilitate variety in publishing, as well as White's conditions outlined above.

The inquiry concluded that to place duty on books 'would be seriously detrimental to the best interests of Australia'.⁴³ It also rejected suggestions that exclusions be placed on low-cost, low quality magazine and book imports – it considered that such a move would be an unnecessary and arbitrary extension of censorship based on the subjective assessment of 'cultural value'.⁴⁴ The Board concluded that the only assistance measure

⁴⁰ *ibid.*, p 14/878, this was L.L. Woolacott from the Australian-owned Currawong Publishing Company.

⁴¹ *ibid.*, p. 8/872.

⁴² H.L. White (1946), 'The Future of Australian Publishing', *Australian Quarterly*, v18 March, p. 63.

⁴³ Tariff Board (1946), *op. cit.*, p. 43/907.

⁴⁴ *ibid.*

available to the Department of Trade and Customs was the removal of tariffs on materials essential to book production, and that this would be considered on a case-by-case basis. However, the Board believed that the industry and its product, Australian literature, could and should be assisted by other government means. It outlined what it saw as appropriate goals of such assistance.

It is desirable to take all steps likely to be effective to provide simultaneously –

- (1) greater public demand for Australian literature;
- (2) increased production in Australia of first-class literature;
- (3) improved channels of distribution.⁴⁵

In conclusion, the report recommended the establishment of a 'special authority' to 'explore all means to the desired ends and to administer such means as may be judged necessary'.⁴⁶ This resulted in the formation, two years later, of the Publishing Industry Committee, discussed below.

The 1946 Tariff Board inquiry was instrumental in highlighting the issues confronting the Australian book trade, and in demonstrating not only the interrelationship between the cultural and commercial roles of book publishing, but also the conflicts inherent therein. However, since the Board had limited jurisdiction over industry assistance, it could only recommend that another government body with broader scope and authority be established to inquire further into the needs of the industry and 'non-Customs' assistance measures.

The Publishing Industry Committee

The Publishing Industry Committee, established in 1948, was the result of the Tariff Board's recommendations and of the continuing impetus for change brought about by the wartime experience of book shortages. The Committee's life span was relatively short, although active, and it functioned until its final report was produced and tabled in 1950.

⁴⁵ *ibid.*

⁴⁶ *ibid.*

The process of the Committee's establishment demonstrated that conditions and priorities were changing, and foreshadowed its ambivalent outcomes. Federal Cabinet considered the Tariff Board report in late 1946, and moved immediately to establish a Cabinet sub-committee to further investigate possible non-Customs assistance to the publishing industry, as recommended in the report. The sub-committee comprised three ministers: those for Post-War Reconstruction, Information and Health. This group in turn appointed a committee of departmental officers to assist them. The departmental committee, moved by the Tariff Board's recommendations and by industry conditions, recommended that a parliamentary standing committee be established to deal with the problems of the Australian publishing industry. The Cabinet sub-committee appears to have taken nearly a year to reject this suggestion, and in March 1948, instead appointed a committee of departmental officers to carry out further investigations and to report to Cabinet through the Minister for Post-War Reconstruction. This final group became the Publishing Industry Committee and held its initial meeting in July 1948.

The halting nature of the Committee's establishment and its downgrading from a parliamentary to a departmental committee demonstrates that the concern for Australian books and publishing that was generated by wartime need and nationalism had begun to subside. The machinery of government was focused on post-war reconstruction and, although the problems of the publishing industry were considered under this rubric, the importance of local book publishing diminished as conditions returned to normal. There were also more urgent issues, such as housing and labour, that took precedence. Although the Publishing Industry Committee carried out its brief industriously, it failed to display the enthusiasm or to have the impact of either the wartime Book Publishing Committee or the Tariff Board inquiry. The urgent cultural imperatives of wartime faded as the commercial arrangements of Australian publishing were re-established and book imports returned to normal in the post-war years.

The Publishing Industry Committee was made up of its chairman, Professor R.C. Mills from the Commonwealth Office of Education (COE), A.J. Day from the Department of Commerce and Agriculture (who was formerly the Paper Controller of the Department of Trade and Customs) and H.L. White, who had by then been appointed Librarian of

the Commonwealth National Library. N.M. Parr from the Department of Trade and Customs was appointed the Committee's Executive Officer.⁴⁷

The Minister for Post-War Reconstruction determined the nature of the Committee's work by requiring from it a single comprehensive report rather than periodic progress reports. The Committee therefore embarked on a systematic investigation of the Australian publishing industry. In so doing, it consciously sought to consider the cultural *and* commercial aspects of the industry as it stated in its report:

[i]n our examination of Australian publishing, we have been concerned as much with the educational and social effects of books and periodicals as with the economics of their production and distribution.⁴⁸

This approach is clear in Parr's outline of the role of the Committee in the minutes of its third meeting:

to assist the publishing industry in Australia to plan itself on a sound basis with emphasis on the technical, vocational, informative and socially significant literary and artistic works and on encouragement of Australian literature and art.⁴⁹

The Committee recognised that the varied interests that contributed to Australian publishing were related but not the same, and identified '[a]uthor, artist, publisher, printer, bookseller, librarian and the public' as the individuals and 'wider groups involved'.⁵⁰ The Committee made itself available to all interested parties, and representations were made to it by groups such as the Australian Journalists Association (AJA), the Federation of Parents & Citizens Associations, the Freelance Writers' Federation, the NSW Teachers' Federation, the NSW Wholesale Paper Trade Association, the Australian Book Trade Council, and companies such as Fatty Finn Publications, K.G. Murray Publishing and Angus & Robertson. It is probably no

⁴⁷ NAA: SP430/4/4, Publishing Industry Committee Meeting Minutes, 15 July 1948 to 4 May 1950, Assistance to the Publishing Industry, Report and Recommendations of the Publishing Industry Committee 12 July 1950, p. 2.

⁴⁸ *ibid.*, p. 3.

⁴⁹ NAA: SP430/4/4, Publishing Industry Committee Meeting Minutes, *op. cit.*, minutes 21 December 1948.

⁵⁰ NAA: SP430/4/4, Publishing Industry Committee Meeting Minutes, *op. cit.*, Report and Recommendations of the Publishing Industry Committee (1950), *op. cit.*, p.3.

coincidence that the national peak publishing industry body, the ABPA was established in 1949 from the amalgamation of the NSW, Victorian and South Australian state publishers' associations. The ABPA was also an active contributor to the Committee.

The Committee was not simply a collator of information, but also acted as an advocate for issues affecting the industry. These included requests for exemption from tariffs on particular items and for increased postal concessions for books, as well as broader issues such as import restrictions imposed by Britain, New Zealand and South Africa; fears of the flooding of Australian markets by cheap overseas material; the shortage of textbooks and the taxation of authors' incomes. In each case, these issues were addressed by the Committee with research and, in some cases, representations were made to the appropriate authorities including the Postmaster-General's Department, the Minister for Trade and Customs and the United Kingdom Board of Trade. This latter organisation was responsible for restrictions on book imports to Britain that were imposed in January 1947 in an attempt to prevent the flooding of a war-damaged British book trade with cheap imports from the US. A non-discrimination clause in the UK-US Financial Agreement meant that import restrictions must apply to all importers, including Australia.⁵¹ The Publishing Industry Committee sought exemptions for Australian books in order to assist the developing export market.

The conflict between the cultural and commercial roles of the book industry and of the Committee became an issue in the course of the Committee's work. An example is a situation that arose from the Committee's concern with the promotion of Australian literature; the situation demonstrated that not all groups within the book industry shared that concern. Committee member, H.L. White, proposed the establishment of a national book council or league modeled on Britain's to be funded jointly by government and industry, and to undertake activities to promote Australian literature and thereby create an increased demand for local books. The Committee met with the ABPA and the Australian Book Trade Council to discuss White's proposal and, while both bodies were enthusiastic about the creation of such a body, neither was prepared to share the costs, insisting that it should be wholly funded by government. The underlying factor exposed by this proposal was the divergent interests that resulted from the fact that many

⁵¹ *ibid.*, pp. 5-6.

members of the ABPA and the Australian Book Trade Council were representatives of British publishing companies, most of which published little local literature at that time. Australian literature was, therefore, not necessarily a priority or major concern of many 'Australian publishers'. George Ferguson, representing the ABPA on the Book Trade Council, made this clear when he reminded the Publishing Industry Committee that its role was to further the interests of *Australian publishing*, not just literature and art.⁵²

Indeed, many publishers making representations to the Committee were not keen on an expansion of government intervention in the industry, except for the removal of tariffs on production materials and minor increases in existing interventions. The Committee summed up publishers' attitudes in its report:

[t]he publishing industry in Australia is essentially an individualistic enterprise, jealous of its traditional freedom from controls and ready to accept the risks and responsibilities which are an integral part of its relationship with the reading public.⁵³

In fact, the pre-war status quo suited many publishers operating in Australia since these included British companies, several of which had opened Australian branch offices by then. A few British companies were publishing books locally, mainly in the educational market. They were wary of any government intervention that might limit their activities in favour of those of Australian-owned publishers. The British representatives were active in the ABPA and other local book trade organisations, and were keen and effective lobbyists. In addition, Australian-owned publishers who were also booksellers made more money selling imported books than local books, and therefore sought a return to pre-war conditions.

Australian authors, on the other hand, called for vigorous intervention. They sought import restrictions on cheap books, magazines and syndicated material which they saw as unfair competition. They also sought tax relief for their profession and, although the Committee examined both proposals, neither was recommended. Authors were more successful with their call for increased assistance with the publication of high quality

⁵² NAA: SP430/4/4, Publishing Industry Committee Meeting Minutes, op. cit., minutes 31 January 1950.

⁵³ NAA: SP430/4/4, Publishing Industry Committee Meeting Minutes, op. cit., Report and Recommendations of the Publishing Industry Committee (1950), op. cit., p. 7.

Australian work. They complained to the Committee of the difficulties they experienced in having their serious work accepted by publishers, implying that Australian publishers favoured light and popular works for their commercial value. In response, the Committee recommended a widening of the criteria for the book sponsorship (publishing subsidy) scheme administered by the CLF to include 'not only works of literary merit but a wider range of works of high quality'.⁵⁴ The Committee recognised the cultural value of supporting the publication of quality Australian writing:

while the Australian publishing industry is still at an early stage of development, Government sponsorship of marginal books is even more necessary to our cultural development than it is in older more populous countries.⁵⁵

It is clear that the Committee placed much hope in book sponsorship, as the following statement from its final report demonstrates.

Sponsorship would, in our opinion, do more than any other single form of assistance to book production, to assist the publishing industry, to advance its prestige both in Australia and overseas, to encourage scholarly and creative writing and to enlarge the available sum of knowledge, especially about Australian life and development.⁵⁶

It is likely that the Publishing Industry Committee was influenced by the cautious approach of publishers as major players in the industry, and by a change of government in December 1949. The Committee's final recommendations were conservative and, with the exception of recommending the establishment of an ongoing committee, its suggested assistance measures were confined to the expansion of the resources and activities of existing agencies. In addition to its plans for the CLF, for instance, it recommended that public and school libraries receive increased resources to buy Australian books, and that the Department of Trade and Customs hear sympathetically industry requests for tariff reductions on book production equipment and materials.

Its major recommendation was for the establishment of an ongoing government committee to investigate and address the needs of the publishing industry. It

⁵⁴ *ibid.*, p. 9.

⁵⁵ *ibid.*

⁵⁶ *ibid.*, p. 10.

recommended that the new committee have 'four members from the Departments of Prime Minister, Commerce and Agriculture, National Library and Office of Education',⁵⁷ and fulfill similar functions to its own. In addition, its functions should include liaison with publishers regarding the publication of CLF sponsored titles and, in conjunction with the industry and government, the promotion of books, especially Australian books, and of the wider distribution of Australian books overseas.⁵⁸

The Committee had been initiated by a Labor government, but tabled its report to a conservative Liberal-Country Party Coalition Cabinet in July 1950, after which it was officially disbanded. The first and only public response to the report from the government came when Prime Minister Menzies replied to a question asked in Parliament in November of that year. Asked whether any action had been taken on the report, Menzies stated:

[t]he Government will continue to give consideration, through its existing agencies, to the needs of the Australian publishing industry as they arise from time to time.⁵⁹

The government did not establish an ongoing committee as recommended, nor did it implement any of the Publishing Industry Committee's other recommendations. Menzies' statement marked government withdrawal from active policy involvement with the industry (except for the minor role of the CLF), and a return to a laissez-faire approach. Wartime concerns of government for the cultural role of the Australian book industry were laid aside and publishers were left, relatively unimpeded, to produce and distribute books as the market demanded. This allowed for the re-establishment and entrenchment of British control of the Australian book trade, and the locally-owned sector that had expanded during the war years, diminished to below its pre-war size.⁶⁰

⁵⁷ *ibid.*, p. 16.

⁵⁸ *ibid.*, pp. 16-17.

⁵⁹ Robert Menzies, PM (1950), *CPD*, v210, 14 November, p. 2314.

⁶⁰ John Curtain (1997), 'The Development of Book Publishing in Australia', unpublished MA thesis, NCAS, Monash University, pp. 31-32.; figures indicate that from 1952 to 1959 there were less active local publishers in Australia than there were in 1936, from *Annual Catalogue of Australian Publications* vols 1-25, 1936-1960, Canberra, National Library. The number of books published also declined, as mentioned in Chapter 2, for instance, in 1945, 77 publishers produced 1,035 books in Australia, while in

Conclusion

These years – 1941 to 1950 – which included much of the Second World War and the immediate post-war period, saw significant changes in the federal government's policy approach to book production and distribution. Prior to the war, the local publishing industry received little attention, British publishers supplied the great majority of Australia's reading requirements and the few locally active publishers produced popular books largely for entertainment. The wartime disruption to established patterns of trade, and the resultant shortage of books and paper highlighted the cultural importance of books, and motivated the federal government to intervene.

Books, especially Australian books, were recognised as playing an important role in enhancing national unity and morale in wartime, and in transmitting information about Australia to visiting servicemen. By establishing priorities for rationing available paper, the federal government ensured that books were produced to meet the needs of both the armed forces and the civilian population. In addition, the government took on the role of overseeing the local industry and assisting with problems where it was possible. This kind of intervention, although unprecedented, demonstrated that the government could play an important role in supporting local book publishing. Following the experience of the CLF with the Australian Pocket Library, it was accepted that the government's role would not include direct involvement in commercial publishing, but would complement and facilitate, rather than supplant, the role of commercial publishers.

The impetus created by the government's wartime activities in book production carried over, for a short time, into the post-war period. The federal government was active in the years immediately following the war as it undertook an energetic program of post-war reconstruction that involved the expansion of its functions, including the support of Australian industrial development. The Tariff Board inquiry of 1946, and the subsequent establishment of the Publishing Industry Committee, signalled a desire by government to explore avenues for the continued support of local publishing. This was motivated by the recognition, not only of the vital cultural role of an independent local

1949, 54 publishers produced only 666 books; figures from *Annual Catalogue of Australian Publications*, op. cit., vols 11 & 14, 1945 & 1949.

publishing industry, but also of its economic role. In the post-war period, economic and cultural nationalism went hand in hand as the government sought to promote greater independence for Australia in both spheres.

The Tariff Board was unequivocal about maintaining the tariff-free entry of books into Australia for cultural reasons but, in recognition of the cultural and commercial significance of local publishing, encouraged the investigation of other policy options for government support of the industry. The Publishing Industry Committee was given that brief and, after a halting beginning, actively consulted with industry players, intervened in problem areas and drew up a blueprint for ongoing assistance to the industry. It was the first serious attempt to coordinate policy in relation to book production and distribution. Its recommendations were largely culturally motivated and focused on the production, promotion and distribution of Australian literature through the expansion of existing assistance programs, notably the CLF. However, it also recommended that an ongoing government committee be established to continue to address the needs of the publishing industry. Such a committee would not only maintain a watching brief on the industry and assist it where necessary, but also participate in promoting Australian books locally and internationally.

In the changing political and economic climate of post-war Australia, the Publishing Industry Committee's recommendations were not taken up. Most of the policy activities undertaken in this period were initiated by a federal Labor government with an interventionist agenda. In wartime, this was obviously appropriate and necessary; however, when the war ended and economic conditions improved, the propriety of interventionist government was open to question. A coalition of conservative parties with a different approach to the role of government was elected in 1949, and many Labor initiatives were dropped, including further engagement with the local publishing industry as recommended by the Publishing Industry Committee.

Government intervention in book publishing in wartime resulted not only in increased local book production, particularly of children's books, but also in an increased confidence in the ability of the local industry to make a significant contribution to Australian cultural life. This is reflected in evidence provided to the post-war Tariff

Board inquiry and to the Publishing Industry Committee. Both the activities and confidence of local industry players were to diminish in the later post-war period as British publishers re-established their control of book production and distribution in Australia, and the federal government withdrew from its active involvement with Australian publishing. The promise of increased government priming of the local publishing pump was not fulfilled. The production of Australian books diminished and the local product was once again overwhelmed by imported books in a market tightly controlled by British commercial interests.

CHAPTER 6

THE QUIET YEARS – 1951-1972

Those of us who, one way or another, till the literary ground receive at best condescending patronage, a friendly gesture perhaps, if time is found for it in the humdrum process of making a comfortable living and running governments with as little upheaval as possible. Yet any society can hold its books in contempt at its own peril.¹

Although the period 1951 to 1972 in Australia is often regarded as one of growth, prosperity and political stability, it was not without its conflicts and problems. Indeed there was rapid population growth, largely as the result of immigration, as well as growth in participation in education and in the manufacturing industry. Much of this was government-assisted through migration schemes, increased educational spending and a complex system of tariffs and other industry assistance measures. However, the 'White Australia Policy' continued to limit the diversity of the population, sectarianism between Protestants and Catholics was a prominent feature of social and political life and the Cold War resulted in the suppression of dissident political views. The prosperity of the period was not shared by all, as Australia's first major research into poverty revealed – large pockets of extreme poverty within the population were exposed and included working people who could not earn enough to support their families.² All of this was overseen by an unbroken reign of conservative Liberal-Country Party coalition government.

In the early part of this period Australian economic and foreign policy was strongly linked to its role as a member of the British Empire, as it was still known, and the Menzies government held a clear Anglophile stance. Public policy was created in this context and demonstrated a bias toward Britain as a preferred trading partner and ally.

¹ Andrew Fabinyi (1966), 'The Australian Book: The Economic and Social Background' in C. Semmler & D. Whitelock, eds, *Literary Australia*, Melbourne, Cheshire, p. 160.

² Commission of Inquiry into Poverty (1975), *Poverty in Australia: First Main Report, April 1975*, Canberra, AGPS. The inquiry, which was also known as the 'Henderson Inquiry', began in the late 1960s and was carried out under the direction of Ronald Henderson.

This had a significant impact on the Australian book trade in particular, with the re-establishment of British control early in this period, and the consequent stunting of the locally-owned publishing sector. Later British moves to join the European Economic Community (EEC) and Australia's increasing orientation toward the US as a political ally, signalled the beginning of change in the relationship between Britain and Australia and, as a consequence, in aspects of Australian public policy.

The conservative government demonstrated, for much of this period, a contradictory approach to its role. On one hand its rhetoric, and particularly that of Menzies, favoured 'small government' and a relatively laissez-faire approach to certain matters, including most cultural and social issues. On the other hand, the conservative government created an ambitious industry assistance program described as, 'an edifice designed to protect and promote the interests of all Australian producers (whether farmers, miners or manufacturers) through complex networks of regulation, subsidy and assistance.'³ Local book publishing, however, saw little of this assistance since, perceived as largely a cultural rather than commercial enterprise, it was left to develop with minimal government intervention.

However, the latter years of this period did see the beginnings of federal government interest in arts policy. This was not possible until after Menzies' retirement in 1966 since Menzies was, according to H.C. Coombs, 'sceptical about Australian cultural potential and did not approve of government support for the arts, "Other than the miniscule Commonwealth Literary Fund (which became respectable by longevity)."'⁴ This belief was reflected in policy throughout the 16 years of Menzies' leadership. His successor, Harold Holt, was more interested in federal government involvement in arts funding and planned, prior to his disappearance and presumed death in 1967, to establish an Australian Council for the Arts. This plan was implemented in 1968 and, although the Council focused on the performing arts, it signalled the beginnings of a more significant federal involvement in arts and cultural policy.

³ Jenny Stewart (1995) 'Trade and Industry Policies' in Scott Praser, J.R. Nethercote & John Warhurst, eds, *The Menzies Era: A Reappraisal of Government, Politics and Policy*, Sydney, Hale & Iremonger, p. 191.

⁴ H.C. Coombs quoted in Geoffrey Dutton (1984), *Snow on the Saltbush: The Australian Literary Experience*, Ringwood, Vic., Penguin/Viking, p. 206.

This period is also popularly characterised as one in which a sense of cultural inferiority prevailed in Australia. A.A. Phillips coined the phrase the 'cultural cringe' in 1950 to describe a self-consciousness that manifested itself in the need to compare Australian cultural products (usually unfavourably) with those of Britain.⁵ It also involved the self-alignment of Australian intellectuals with the British and the consequent estrangement of intellectuals from the mainstream of Australian society.⁶ Australian literature and art were often seen as second-rate in this context, and as emanating from a young country without sufficient cultural tradition to produce and sustain cultural products of value. Australians were nonetheless great consumers of culture in this period, and particularly of books.⁷

Australian government intervention in the book publishing industry largely involved the continuation of policies adopted in earlier years. There were few policy initiatives, and those that were introduced, such as the Book Bounty and export assistance, focused on the industrial and commercial, rather than the cultural aspects of the industry.

The Commonwealth Literary Fund

The structure and functions of the CLF changed little throughout this period. The Fund received incremental increases in its budget and was able to provide more assistance to authors and publishers and later, to literary magazines. The Advisory Board maintained its brief to assess applications for assistance and make recommendations to the 'political' Committee. The Committee continued to assess in its own right, employing its own literary and other criteria and, as a consequence, the strained relationship between the Board and the Committee also continued.

Political controversy involving the CLF was a feature of the early years of this period as Cold War fears were increasingly manifested in Australian political life. In 1952, a

⁵ A.A. Phillips (1950), 'The Cultural Cringe', *Meanjin*, v9 n4, pp. 299-301.

⁶ *ibid.*, p. 300.

⁷ A 1953 *Current Affairs Bulletin* report cited figures that demonstrated that, not only did Australians have among the world's highest per capita spending on books, but also were serviced by more bookshops per capita than both the US and Britain, from 'Australian Reading Habits' (1953), *Current Affairs Bulletin*, n12, 25 May, p. 35.

sustained attack was launched on the Fund in parliament for its provision of assistance to particular authors and books. The attack was launched by Labor MP Standish Michael Keon who claimed that '[a] certain group, and that group only, has benefited from the fund'.⁸ The group in question, according to Keon, comprised 'either known Communists or active workers for the Communist Party'.⁹ Government MP W.C. Wentworth also entered the fray with parliamentary attacks on CLF grant recipients who he suspected were communist, including authors Judah Waten, Kylie Tennant and Katharine Prichard.¹⁰

Menzies publicly defended the CLF and its choice of authors to assist, asserting that 'it is not our business to conduct an investigation into the political ideas of the persons concerned. It is a literary matter.'¹¹ However, there is little doubt that Menzies was duplicitous in this matter as demonstrated by a memo he sent to the CLF secretary, H.S. Temby in early 1952 regarding a fellowship awarded to Judah Waten and a guarantee to Angus & Robertson for the publication of Waten's book, *Alien Son*. In the memo, Menzies orders:

[i]n future all names put forward [for CLF Fellowships] should be investigated by security. This case is scandalous and embarrassing, and does not add to my somewhat meagre confidence in the advisory committee.¹²

As a member of the Committee, Menzies was responsible for giving final approval for CLF expenditure, and he was therefore keen to defend the decisions of the Fund. However, he clearly distrusted the Advisory Board which still included FAW representatives who were, unlike Menzies, politically progressive; this led to his order for security checks of CLF applicants. His action, in addition to the continuing controversy over the respective powers of the Board and the Committee and their ongoing relationship, led to the resignations of Vance Palmer and Flora Eldershaw from

⁸ Standish Michael Keon, MP (1952), *CPD*, v218, 28 August, p. 717.

⁹ *ibid.*, p. 718.

¹⁰ Fiona Capp (1993), *Writers Defiled: Security Surveillance of Australian Authors and Intellectuals 1920-1960*, Ringwood, Vic., McPhee Gribble, pp. 127-128; this controversy is fully documented in Allan Ashbolt (1984), 'The Great Literary Witch-Hunt of 1952' in Ann Curthoys & John Merritt, eds, *Australia's First Cold War 1945-1953*, Sydney, Allen & Unwin, pp. 153-182; and in John McLaren (1996), *Writing in Hope and Fear: Literature as Politics in Postwar Australia*, Melbourne, Cambridge University Press, pp. 112-116.

¹¹ Robert Menzies, PM (1952), *CPD*, v218, 28 August, p. 724.

¹² Robert Menzies quoted in Dutton (1984), *op. cit.*, p. 206.

the Advisory Board in 1953.¹³ Palmer was replaced as Chairman by Archibald Grenfell Price, a South Australian historian, Liberal Party member, political supporter of Menzies and later, a member of the right wing Australian Committee for Cultural Freedom.¹⁴ The presence of Grenfell Price on the Board did not, however, prevent further political controversy in relation to Fellowship grants, and the issue re-emerged later in the 1950s and again in 1968 when Billy Sneddon (representing the Prime Minister John Gorton on the CLF Committee) vetoed a recommendation to award author, Frank Hardy a fellowship.¹⁵ Although Gorton responded by personally canceling Menzies' order for security checks on all CLF applicants,¹⁶ Hardy did not receive a grant from the CLF until 1973.¹⁷

The CLF was also subject to criticism throughout this period from the Australian literary community for both political and literary reasons. A series of articles in the small and short-lived journal, *The Austrovert*, voiced the opinions of a number of Australian writers. In a 'Forum on the Fund' in 1952, for instance, author Rex Ingamells notes a bias in the CLF Advisory Board that favours 'socialist realist' writers; he calls for a rotation of Board membership to promote a fairer distribution of grants.¹⁸ Australian poet Vincent Buckley, in the same issue, argues against the presence of academics on the Advisory Board, and for writers to provide advice.¹⁹ Olaf Ruhen writing later in *The Observer* (Sydney) criticises what he calls 'the hand-out system' as 'an invidious, imponderable menace to literary achievement.'²⁰ Barry Andrews' view was that Ruhen believed 'the CLF was propping up mediocre writers who should have been good enough to get published and make a living without State support',²¹ Andrews

¹³ NAA: A463, 1967/5102, CLF Committee – Minutes of Meetings, May 1939-1954; and NAA: A3753/12, 72/1380, CLF – Scope and Functions of the Fund, CLF Background Material notes the resignation of Palmer and Eldershaw in 1953.

¹⁴ Dutton (1984), op. cit., p. 206; and Barry Andrews (1982), 'The Federal Government as Literary Patron', *Meanjin*, v41 n1, p. 9.

¹⁵ Deirdre Hill (1983), *A Writer's Rights: The Story of the Australian Society of Authors 1963-1983*, Sydney, ANZ Book Company, pp. 31-32; and Dutton (1984), op. cit., p. 206.

¹⁶ Dutton (1984), op. cit., p. 206.

¹⁷ Thomas Shapcott (1988), *The Literature Board: A Brief History*, St Lucia, Qld, UQP, p. 28.

¹⁸ Rex Ingamells in 'Forum on the Fund' (1952), *The Austrovert*, n 9, p. 4.

¹⁹ Vincent Buckley, *ibid.*, p. 4.

²⁰ Olaf Ruhen (1960), 'The Hand-Out System', *The Observer* (Sydney), 26 November, p. 9.

²¹ Andrews, op. cit., p. 9.

describes this as 'an argument of some longevity.'²² It should be noted that Ruhen himself received CLF writing fellowships in 1967 and 1972.²³

Throughout these years the CLF continued to provide pensions to aged writers and their dependents, and to surviving family members. Although applications for pensions were not invited, representations to the CLF were made on behalf of needy writers and their families by others in the literary community, including both the FAW and the Australian Society of Authors (ASA) that was established in 1963. The pensions continued to be means-tested and, as a result of the regular monitoring of recipients' financial circumstances, some received part-pensions. The pension program was not widely publicised and the identities of pensioners continued to be kept confidential.²⁴

Fellowships for working authors also continued and increased in number and type over this period. In 1952, four Fellowships of £600 each were awarded,²⁵ and in 1972, 52 writers were assisted with full Fellowships, six month Fellowships, Special Project Grants and Young Writers' Awards.²⁶ The funding by the CLF of annual university lectures on Australian literature continued until the program was scaled back in 1964. It was thought at that time that the study of Australian literature in the older universities was well established. The Fund continued to support lectures in the new universities and public lectures organised through both urban and rural adult education facilities.²⁷

In addition, the CLF had extended its brief by providing regular funding to Australian literary magazines. Such magazines were considered to be an integral part of the literary scene, offering the opportunity for first publication to writers of both prose and poetry, as well as providing a forum for criticism, reviews and discussion of Australian literature. Funding of magazines had begun with 'emergency grants' to *Meanjin* in

²² *ibid.*, p. 9.

²³ Shapcott, *op. cit.*, pp. 26, 28. Ruhen also received fellowships from the Literature Board in 1974 and 1976, *ibid.*, p. 109.

²⁴ Geoffrey Blainey, Chairman of the Advisory Board of the CLF, 1973, quoted in Shapcott, *op. cit.*, p. 18.

²⁵ Shapcott, *op. cit.*, p. 25.

²⁶ *ibid.*, pp. 27-28.

²⁷ *Helping Literature in Australia: The Work of the Commonwealth Literary Fund 1908-1966* (1967), Canberra, Commonwealth Government Printer; and Shapcott, *op. cit.*, pp. 262-265.

1946 and 1947, and became an annual CLF grant program in 1950.²⁸ By 1972, the CLF was funding 12 magazines through programs that included annual, triennial and experimental grants.²⁹

The publishing subsidy scheme also continued and, like other CLF programs, expanded slightly in this period. This scheme, although the only direct assistance offered to book publishers, was 'intended primarily to help authors in the production of creative or imaginative literature'.³⁰ Its goals were entirely cultural and when first introduced simply provided publishers with a guarantee against loss on assisted books.

The scheme was run in close consultation with Australian-based publishers who both provided advice and information about the industry, and lobbied the CLF for improved subsidy conditions. The CLF Advisory Board met with representatives from the ABPA from time to time, and received submissions and requests for changes to the publishing subsidy scheme from individual publishers. In 1959, publishers lobbied for changes to the guarantee against loss system that did not provide payment until 12 months after publication. Andrew Fabinyi from the publishing company, F.W. Cheshire, wrote to the Fund describing the scheme as 'largely symbolic', and pressing for changes.³¹ Although publishers preferred a system of direct grants, the Fund maintained the guarantee system but altered it to provide the funding in two parts – pre-publication and post-publication. In its calculations, the Fund allowed for overheads of not more than 25 %, and a profit margin of 10 % for assisted publications.³² This latter consideration was welcomed by publishers who saw it as helping both Australian literature *and* the publishing industry, and constituting 'assistance for profit, not loss'³³ – a much more commercially viable proposition for publishers.

The Fund also began, in this period, to provide occasional direct grants 'for the purpose of reducing the retail price of a book'.³⁴ This goal, intended to make Australian

²⁸ *Helping Literature in Australia*, op. cit., p. 19. *Meanjin* was originally titled *Meanjin Papers*.

²⁹ Shapcott, op. cit., p. 231.

³⁰ NAA: A463, 1958/4186, CLF – General Principles Governing Assistance from the Fund c. 1954.

³¹ NAA: A463, 1963/1116, CLF – Guarantee Against Loss Policy 1959; letter dated 5 October 1959.

³² NAA: A463, 1963/1116, CLF – Guarantee Against Loss Policy 1959.

³³ *ibid.*, from article in file: 'Book Publishers II: The Alternatives to "Printed in Japan"', *Sydney Morning Herald*, 25 September 1963.

³⁴ NAA: A463, 1963/1116, CLF – Guarantee Against Loss Policy 1959.

literature more accessible, conflicted with the scheme's intention to assist Australian authors, stated above. A lower retail price necessarily meant lower royalties for authors since royalties were then calculated as a percentage of the retail price of books. Although authors obviously welcomed assistance with publication, they had less interest in cheaper books.

At least one Board member expressed scepticism about publishers' use of the guarantee against loss system – in the early 1960s, Advisory Board member and author Kylie Tennant observed in a letter to the Board:

[a] firm will make large profits from commercial or educational works, but will rush to the CLF for aid in anything that has the smell of 'literature' and may be a commercial risk. I am puzzled that *all* books published with CLF aid have been financial losses to the publishers. Is it indelicate to ask whether it has anything to do with the costing system?³⁵

In spite of their concerns, publishers were generally happy with the work of the CLF, and enjoyed a good relationship with the Advisory Board. In 1963, George Ferguson, writing on behalf of the ABPA, acknowledged the contribution of the Fund to the development of Australian publishing:

[w]e are all convinced that one of the major reasons for the present great advance in Australian publishing, which is of such immense national importance both inside and outside Australia, is the existence of the CLF and the way it has been administered.³⁶

It is likely that Ferguson was acknowledging the symbolic significance of the CLF rather than its practical effects. In the 20 years between 1952 and 1972, the publication of 309 books was assisted, with the number gradually increasing as the annual CLF budget increased. The assistance provided was minor in relation to total local publishing output, which itself was small; however, it did increase both in number and in percentage of the total along with the growth in Australian publishing. In 1952, for instance, the CLF assisted only two books of the 627 published in that year (0.3 %); in

³⁵ NAA: A3753/12, 72/1380, CLF – Scope and Functions of the Fund, letter from Kylie Tennant to CLF Board, c1962.

³⁶ NAA: A463, 1963/1116, CLF – Guarantee Against Loss Policy 1959, from letter to CLF from George Ferguson of the ABPA, 25 March 1963.

1962, 14 books were subsidised out of 705 published (1.9 %); and in 1972, the CLF funded 24 books of the 911 books published in Australia (2.6 %).³⁷

It is significant that nearly all of the subsidies granted in this period went to Australian-owned publishing companies. As mentioned in the previous chapter, this reflected the nature of firms publishing Australian literary books at this time. British and US companies operating in Australia continued to distribute their own and other imported books, and publish in the increasingly lucrative Australian educational market. It remained the Australian-owned companies that published the majority of literary books in Australia.

Although CLF assistance to book publication was relatively meagre, in some areas, it was very significant. This was especially the case with the publication of poetry. The CLF publishing subsidy scheme was responsible for assisting 179 poetry titles in the years 1952 to 1972; this comprised 58 % of the total number of subsidies provided.³⁸ In the ten year period from 1954-55 to 1964-65, the Fund subsidised 58 % of the total number of all poetry titles published in Australia.³⁹ Subsidising Australian poetry was a major function of the CLF in this period since poetry books were generally not commercially rewarding. However, poetry was obviously considered to be culturally significant by the literary, academic and political members of the CLF Board and Committee. An official history of the CLF published in 1967 notes the following in relation to its assistance with the publication of poetry:

[i]t would seem . . . that the Fund may fairly claim that its support for poetry over the last quarter of a century has, along with other factors, played a large part in bringing about the present happy position in which . . . many collections by leading poets are now printed in large numbers as text books for schools and universities, with consequent profit to the poets, the publishers and the nation.⁴⁰

³⁷ Information drawn from Shapcott, op. cit.; and *Helping Literature in Australia*, op. cit.; and *Annual Catalogue of Australian Publications* v17 (1952), Canberra, National Library; *Australian National Bibliography* (1962) and (1972), Canberra, National Library. It should be noted that the *Australian National Bibliography* includes all books published in Australia and deposited in the National Library, including publications of more than five pages published by government departments, universities, companies, other organisations and individuals. I have extracted figures for 1962 and 1972 of books published by specialist publishing companies only.

³⁸ Information drawn from Shapcott, op. cit.; and *Helping Literature in Australia*, op. cit..

³⁹ *Helping Literature in Australia*, op. cit., p. 17.

⁴⁰ *ibid.*, p. 18.

Assistance was also provided for the publication of reprints of Australian 'classics' thought to be of national cultural importance. However, after its experience with the Australian Pocket Library in the 1940s, the Fund was wary. Although part of its brief, assistance to reprints was irregular in this period, with none at all assisted between 1951 and 1963. In 1966, six works by Australian women writers were reprinted and subsidised through Angus & Robertson, and thereafter, only an occasional reprint was assisted until 1973.⁴¹

CLF budgets increased incrementally over this period but were never extravagant – in 1952 its annual budget was £10,000; this increased to £20,000 in 1959, and to \$300,000 (£150,000) in 1972.⁴² Although there was some diversification in its activities, including the regular funding of literary magazines, the Fund's activities remained relatively static and involved the incremental expansion of existing programs.

The CLF Committee continued to comprise politicians representing the three major parties; however, enthusiasm among politicians for the CLF appeared to wane as the years went by. Menzies was a keen supporter of the CLF and an active member of its Committee in the early years after the Fund's expansion in 1939. As Prime Minister from 1949, Menzies attended Committee meetings regularly and defended the work of the Fund against political criticism as discussed above. However, he was also clear about the limitations of the Fund. In response to a call for its further expansion in 1959, Menzies reiterated his support for the Fund but warned of too much government involvement:

I should hate to think that we would have a government department of literature or a department of fine arts. Let us keep governments out of matters of that kind as far as we can.⁴³

According to Barry Andrews and Geoffrey Blainey, Menzies stopped attending CLF meetings in 1963 and delegated that responsibility to John Gorton.⁴⁴ John McEwen, as

⁴¹ Information drawn from Shapcott, *op. cit.*; and *Helping Literature in Australia*, *op. cit.*. The 1966 reprints included works by Miles Franklin, Eve Langley, Christina Stead and Barbara Baynton.

⁴² Andrews, *op. cit.*, p. 7.

⁴³ Robert Menzies, PM (1959), *CPD*, v24, 12 August, p. 128.

⁴⁴ Andrews, *op. cit.*, p. 8; and Geoffrey Blainey (1973), 'Government Patronage and Literature', *Overland*, n57, p. 40.

leader of the Country Party, began delegating his position on the Committee in 1960; however, Labor Party leaders remained active in the Committee until the structure changed in 1973.⁴⁵ Gough Whitlam, the leader of the Labor Party in opposition from 1967 to late 1972, was an active and enthusiastic supporter of the CLF and of the cultural role of Australian book publishing (see Chapters 2 and 7).

Throughout this period, the CLF remained a minor and largely symbolic policy instrument that, on one hand, demonstrated a concern for literary culture at the highest levels of government, and on the other, was not supported with extensive resources or commitment. The government was unwilling to increase the capacity of the CLF to have a greater impact on Australian publishing because of the independent and commercial nature of the industry. The CLF addressed, to a small extent, government concern with the cultural functions of book publishing by ensuring that a small number of Australian literary works were published. It did not, however, wish to interfere with the commercial functioning of the industry, and nor was it interested in providing significant support to cultural activities. Menzies, in particular, was concerned about the dangers of excessive government intervention in cultural matters, and was careful to maintain limits on the funding and activities of the CLF.

The ambivalence of the CLF as a policy instrument continued in this period and, although it began to have a significant impact on the publication and appreciation of Australian poetry, its impact on the publishing industry in general, and on other aspects of literature remained minor.

The UNESCO 'Florence Agreement'

Policy ambivalence in relation to the cultural and commercial nature of books and the book trade continued in other areas throughout this period. A key example was the government's prevarication in dealing with the UNESCO Florence Agreement which brought the government's recognition of the cultural value of books into direct conflict with its desire to retain the right to protect the commercial interests of local industries.

⁴⁵ Andrews, *op. cit.*, p. 8.

Australia was a founding member of the United Nations Educational, Scientific and Cultural Organisation (UNESCO) which was established in 1946 to promote international educational, scientific and cultural cooperation and development. The UNESCO charter included the promotion of the 'exchange of publications, objects of artistic and scientific interest and other materials of information',⁴⁶ and it was considered appropriate that UNESCO sponsor international agreements to that effect. In the late 1940s, an Australian delegation was involved in drafting the 'Agreement on the Importation of Educational, Scientific and Cultural Materials', which became known as the 'Florence Agreement' (after the Draft Agreement was passed unanimously at the UNESCO General Conference held in Florence in 1950). The Agreement binds ratifying countries to allow the open and tariff-free importation of books and other educational, scientific and cultural materials in the interests of international cooperation and development.

The formal process for ratification of UNESCO agreements involves, firstly, signatures from official national delegates, followed by ratification by national governments which then lodge a 'ratification instrument' with UNESCO that binds governments legally to the agreement. Although the Australian delegation supported the text of the Florence Agreement at the 1950 Conference, the Australian government's early caution and ambivalence are evident in the following Department of External Affairs (DEA) report of the time:

[t]he Australian Delegation supported the text and explained that a delegation's vote in favour of recommending the text to member states for adoption did not commit the government concerned to sign or ratify the agreement, but only to consider sympathetically whether it could adopt it.⁴⁷

In fact the Australian government did not sign the Agreement at the official signatory ceremony held at Lake Success, New York in November 1950. The Florence Agreement came into effect in May 1952, after it was formally ratified by the required

⁴⁶ UNESCO (c1952), *Agreement on the Importation of Educational, Scientific and Cultural Materials: A Guide to its Operations*, Paris, UNESCO, p. 1.

⁴⁷ *Current Notes on International Affairs* (1950), v21 n9, Canberra, Department of External Affairs, p. 631.

ten countries. The Australian government, as a member of UNESCO, was kept informed as additional countries either signed or ratified the Agreement.

An early memo from the DEA summarises various departmental concerns about the question of whether or not Australia should ratify the Agreement, and notes that at 21 May 1951, 20 countries had signed, including 'only the UK and New Zealand of Commonwealth countries'.⁴⁸ The memo notes the following departmental opinions about the Agreement:

- the Tariff Board was then holding an inquiry into tariffs on maps, paintings, sculpture and statues, the outcome of which would be relevant to this question, and any decision on ratification should therefore be held over until the inquiry reported;
- the Department of Treasury objected to Article III of the Agreement that commits governments to grant foreign exchange for the importation of goods of certain types; Treasury believed that this might limit 'our freedom to impose such import licensing and exchange control instructions as may be found necessary on balance of payment grounds';⁴⁹
- the Department of Trade and Customs expressed concern for various implications of the Agreement, including the removal of protective duties on works of art, the elimination of preferential tariffs on certain goods (that is, the British Preferential Tariff), the duty-free status of certain goods and the acceptance of a preferential 'escape clause' in the Agreement for the US only; the latter concern was identified as the most problematic of these;
- the Taxation Department believed that ratification of the Agreement would involve exempting certain goods from sales tax; and
- the Commonwealth Office for Education favoured ratification and believed that it would demonstrate Australia's support for UNESCO.

⁴⁸ NAA: A1838/1, 862/11, PART 1, UNESCO – Draft Agreement on Importation of Educational, Scientific and Cultural Materials, memo from DEA (UN Section), 1951. Note that although the UK had signed the Agreement, it did not ratify it until 1954.

⁴⁹ *ibid.*, originally in a letter in the file from F.H. Wheeler, First Assistant Secretary, Department of Treasury to Secretary, DEA, 21 May 1951.

The memo concludes that the DEA does not support unconditional ratification due to the inequity of the 'escape clause' in the Florence Agreement that was inserted as a protocol at the insistence of the US in order to allow only the US to withdraw without penalty from the Agreement should it so desire. The DEA memo goes on to suggest three options for the minister to consider:

- ratify but do not accept the Protocol containing the 'escape clause';
- ratify on the condition that the 'escape clause' is extended to Australia or to all contracting nations; or
- not ratify but 'give the widest possible effect to the provisions of the Agreement'.⁵⁰

A hand-written addition to the memo further advises that Australia should not be 'the sole country (or one of a few) which . . . surrenders certain commercial rights', and that Australia's ratification should be dependent 'on a substantial number of other countries informing us of their intention to do so'.⁵¹

This memo illustrates that Australia's major concerns were the lack of equity within the Agreement, as well as its potential to limit Australian commercial and trade autonomy. The late addition to the memo reveals a caution about acting on the Agreement before other countries. This became increasingly prominent in government opinions on the question of ratification, as illustrated in a 1952 memo from Trade and Customs to the DEA which notes that only ten countries had ratified at that stage, 'all of which are relatively unimportant countries',⁵² and advises that Australia's acceptance should 'remain in abeyance at least until the Agreement has been accepted by the United States and the United Kingdom'.⁵³

Although the UK ratified the Agreement in 1954, this did not bring Australia's ratification any closer. However, the Australian government position shifted toward the

⁵⁰ *ibid.*, memo from DEA (UN Section), 1951.

⁵¹ *ibid.*

⁵² NAA: 1838/1, 862/11, PART 2, UNSECO Draft Agreement on Importation of Educational, Scientific and Cultural Materials, memo from W.T. Turner, Comptroller-General, Department of Trade and Customs to the Secretary, DEA, 30 June 1952. The 'relatively unimportant countries' that had ratified the Agreement at that stage were Cambodia, Ceylon, Egypt, Israel, Laos, Monaco, Pakistan, Sweden, Thailand and Yugoslavia.

⁵³ *ibid.*

trade autonomy argument, and the objection to the inequitable 'escape clause' appears to have been dropped. In 1955, a letter from the Comptroller-General of the Department of Trade and Customs to the DEA stated:

[a]fter further consideration, I feel that Australia should not accede to the . . . Agreement.

Australia at present accords very generous treatment to the importation of items covered by the Agreement and could be regarded as acting within the spirit of UNESCO in this respect. However, I believe that Australia's freedom in respect of its tariff and import licensing policies should not be bound any further by international agreements of this kind.⁵⁴

In the meantime, the government was under pressure to ratify the Agreement from groups including the NSW Teachers Federation, the Churches Commission on International Affairs, the Commonwealth Office of Education, the CSIRO, the Contemporary Art Society and the Australian National Committee for UNESCO. DEA files from the time contain letters requesting ratification, and departmental replies, most of which cite the objections of the Department of Trade and Customs as the reason for Australia's continued non-ratification of the Agreement.⁵⁵

Tariffs and other import restrictions were major strategies in Australia's industry assistance and protection policy, and had been used extensively since federation. The sanctity of the tariff in Australian trade policy was challenged by the Florence Agreement, and Australian governments were reluctant to give up the option of applying tariffs to books or other materials covered by the Agreement. Increasingly this argument was put forward as a rationale for not ratifying the Agreement.

In 1959, Gough Whitlam, then a Labor opposition MP, began asking questions in parliament regarding Australia's status in relation to a number of international agreements, including the Florence Agreement. In 1960 a reply prepared for Prime Minister Menzies by the DEA advised that the government would not accede because

⁵⁴ *ibid.*, letter from F.A. Meeres, Comptroller-General, Department of Trade and Customs to the Secretary, DEA, May 1955.

⁵⁵ *ibid.* In reply to the Commonwealth Office of Education, the DEA stated: '[w]e would confirm that until tariff and licensing policies are changed it is not our intention to adhere to this Agreement' (20 October 1955); in reply to the CSIRO, the DEA confirmed that Australia is not party to the Agreement 'because our Customs authorities have objection to it' (14 August 1957).

'obligations imposed by the [Florence] Agreement could conflict with Government's policy of protection to economic and efficient Australian industry';⁵⁶ further, it was claimed that the government had been approached by the publishing industry to protect it from the increasing flow of imports of cheap paperback books and magazines, and that tariffs might be a way to address this if necessary.⁵⁷ Later, in 1968 when the ABPA began lobbying for ratification of the Florence Agreement, it strongly denied ever having expressed objections to the ratification. It was noted in response that it had been *printers* not *publishers* who had made representations regarding cheap imports to the DEA in 1959.⁵⁸

The ABPA's campaign to have the Florence Agreement ratified began when it was discovered that Australian book exports were being penalised by countries which had ratified the Agreement. The example given was the Philippines that charged 10 % duty on Australian books because Australia had not ratified the Agreement, in spite of the fact that Australia did not impose tariffs on book imports.⁵⁹ At this time, Australian publishers were beginning to export books to Asia, and the non-ratification of the Florence Agreement became an impediment to the development of export markets. Angus & Robertson had by then, for instance, established an office in Singapore and had mounted a trade exhibit in the Philippines.⁶⁰

Another concern for book publishers was the increasing practice of having Australian books printed in Hong Kong and Singapore and brought back into the country for sale in the Australian market. There was a danger that these Australian-originated books would be subject to tariff duty as imports should the government choose to impose a tariff. The same would have applied to book imports from Britain and other countries and, since many 'Australian publishers' were branch offices of British and US companies which were heavily involved in importing, it was in their interests to see that tariffs were not imposed on books.

⁵⁶ NAA: A1838/1, 862/11, PART 3, UNESCO – Draft Agreement on Importation of Educational, Scientific and Cultural Materials, letter from Department of Trade to DEA, 17 May 1960.

⁵⁷ *ibid.*

⁵⁸ *ibid.*, hand-written note on letter from Andrew Fabinyi (ABPA) to DEA, 26 September 1968.

⁵⁹ *ibid.*, letter from John Ferguson, writing in his capacity as the Chairman of the Export Development Committee of the ABPA to Paul Hasluck, Minister for External Affairs, 22 July 1968.

⁶⁰ *ibid.*, letter from John Ferguson writing as sales director at Angus & Robertson to Paul Hasluck, Minister for External Affairs, 24 September 1968.

Although the US ratified the Florence Agreement in 1966, the Australian government continued to retain its option to apply tariffs if need be, in spite of lobbying from both within the government and outside. In 1968, a sub-committee of the Australian UNESCO Committee for Mass Communication was established specifically to examine obstacles to Australian ratification of the Florence Agreement, and to suggest ways of overcoming these. The sub-committee included representatives from the Departments of Education and Science, Customs and Excise, Trade and Industry and External Affairs, as well as from the ABPA, the television and broadcasting industries and the Children's Film and TV Association.⁶¹ Concluding in favour of ratification, the sub-committee put forward the following reasons:

- the 'free flow of ideas was basic to understanding between nations', and Australia should join the 55 contracting nations (that included the US and New Zealand);
- Australia already conformed to most requirements of the Agreement; and
- if Australia were party to the Agreement, it would be eligible for reciprocity.⁶²

DEA archival material after 1972 is not yet freely available;⁶³ however, one can assume that the resistance and prevarication continued since Australia did not finally ratify the Agreement until 1992. The lobbying also continued. An article on the subject by publisher Andrew Fabinyi written in 1977 notes that, '[t]he melancholy list of those who have not signed or ratified the agreement includes Australia'.⁶⁴ Fabinyi goes on to urge Australia to ratify the Agreement, and concludes:

the bureaucratic non-ratification of the Florence Agreement is a blot on our reputation, and one we must never cease trying to obliterate.⁶⁵

In spite of its non-ratification, the government used its informal and voluntary adherence to the Agreement to justify the introduction of the Book Bounty in 1969. It also cited its adherence as a contextual factor for the Tariff Board inquiry into book

⁶¹ *ibid.*, minutes from sub-committee meeting held 17 September 1968.

⁶² *ibid.*

⁶³ Most government material becomes freely available through the National Archives of Australia under the *Archives Act 1983* after 30 years.

⁶⁴ Andrew Fabinyi (1977), 'The Florence Agreement', *Australian Academic & Research Libraries*, v8 n4 December, p. 175.

⁶⁵ *ibid.*, p. 177.

production ordered by John McEwen, Minister for Trade and Industry, in 1969.⁶⁶ In its investigations McEwen asked the Tariff Board to have regard to:

the Government's policy not to impede by tariffs or quota restrictions the importation into Australia of goods listed in Annex A to the United Nations Agreement on the Importation of Educational, Scientific and Cultural Materials and now admissible into Australia free of Customs duty . . .⁶⁷

The continued refusal of the Australian government to ratify the Florence Agreement in spite of its voluntary commitment to adhere to its provisions demonstrates the government's unwillingness to sacrifice the option to impose tariffs. Certainly throughout the period 1951 to 1972, government prevarication on the issue is illustrated by shifting objections to the Agreement that finally settle on a refusal to forego the right to impose import restrictions. Although the government retained that right, tariffs were never imposed, and the Book Bounty was introduced to compensate for the government's commitment to voluntarily maintain tariff free entry to books (the Book Bounty is discussed in detail later in this chapter).

The nature of the book as both a cultural tool and a commercial product clearly led to this ambivalence. Australia's commitment, as a member state of UNESCO, to promote the free international flow of books as cultural materials met an equally strong or perhaps, stronger Australian commitment to reserve the right to use import restrictions to protect the commercial viability of local industries. For over forty years, government maneuvering and prevarication resulted in the often uneasy coexistence of both commitments.

Export Assistance

Australian book publishers had not been active exporters and their publishing output was largely directed to the domestic educational and trade markets. In addition, many works by Australian authors were first published in Britain and exported, in British

⁶⁶ Tariff Board (1973), *Products of the Printing Industry*, Canberra, AGPS.

⁶⁷ *ibid.*, p. 5

edition, to Australia and elsewhere. Few books went in the opposite direction. However, in this period, there was increasing awareness of the export potential of many Australian industries, including book publishing.

Although the 1950s and 1960s were decades of rapid growth in world trade, Australia, concentrating its development policies on the 'post-war trilogy of full employment, high immigration and industrial development',⁶⁸ lagged behind in export growth. The expansion of the Australian manufacturing sector in this period required the importation of capital equipment which contributed to an increased imbalance between imports and exports. As a consequence, by the early 1960s, the government was keen to promote export activities among Australian producers, and introduced a range of export promotion strategies. As well as efforts to 'inculcate an "export mentality" amongst Australian manufacturers',⁶⁹ two schemes were introduced to encourage export activity. The Export Market Development Allowance provided tax deductions for some of the costs involved in developing export markets, and the Payroll Tax Rebate Scheme allowed for reductions in payroll tax liabilities that were related to export earnings.⁷⁰

The Department of Trade had been established in 1956 from sections of the Departments of Commerce and Agriculture, and of Trade and Customs,⁷¹ and was active in promoting export activities. As well as administering the programs mentioned above, the Department provided assistance to particular Australian industries to participate in international trade fairs and exhibits. In 1962, the ABPA received assistance from the Department of Trade to mount the first Australian exhibition at the Frankfurt International Book Fair, the major venue for the international publishing trade.⁷² The Department of Trade also funded an Australian book exhibition at the

⁶⁸ Stewart, *op. cit.*, p. 190.

⁶⁹ Brian Pinkstone (1992), *Global Connections: A History of Exports and the Australian Economy*, Canberra, AGPS, p. 192.

⁷⁰ *ibid.*, p. 192; and 'History of Export Incentives in Australia' (1988), in Australia. Bureau of Industry Economics, *Review of the Export Market Development Grants Scheme*, Program Evaluation Report No. 5, Canberra, AGPS, Appendix A, p. 47.

⁷¹ Pinkstone, *op. cit.*, p. 192.

⁷² Joyce Nicholson & D.W. Thorpe (2000), *A Life of Books: The Story of DW Thorpe Pty Ltd 1921-1987*, Middle Park, Vic., Courtyard Press, p. 256; Andrew Fabinyi (1962), 'The Australian Book', *The Texas Quarterly* ('A Special Issue: Image of Australia'), Summer, p. 80; and John Curtain (1997), 'The Development of Book Publishing in Australia', unpublished MA thesis, NCAS, Monash University, p. 70.

American Booksellers' Association Fair and the New York Public Library in 1963,⁷³ as well as funding additional one-off exhibits in response to specific industry requests. Assistance to the Australian industry for participation in the Frankfurt Book Fair continued until the mid-1970s when an industry split caused the Department to withdraw funding (see Chapter 7).

John Curtain notes that export success for Australian publishing was 'generally sporadic, on a title by title basis',⁷⁴ and export activity among Australian book publishers in this period was relatively low as publishers concentrated their energies on expansion in the domestic educational market in particular. However, awareness of the potential benefits of exporting did increase. Angus & Robertson, for instance was looking for markets in Asia and, as mentioned above, made commercial forays into the region in this period. Australian publishers benefited from the increasing assistance offered to Australian industries for export market development. In later years, Australian publishers increased their export activities, and were assisted by government with industry specific schemes that are examined in Chapters 7 and 8.

The federal government's export development policy, although still relatively minor in terms of resources allocated to it, was not ambivalent in this period. Developing export capacity was a priority in the 1960s as a means of addressing the problem of an increasing trade imbalance. Book publishing, being a relatively small local industry at that time, was a minor participant in this movement, although the export schemes raised industry awareness to the possibility of developing export markets for Australian books. While the aim of such programs was obviously commercial, in relation to book exports there were cultural factors at play as well. Since Australian books conveyed aspects of local culture, exporting books also meant disseminating information about Australia and Australian culture, and consequently, a healthy export industry had the potential to raise awareness about Australia as a trading partner, a site for investment and a destination for tourism. However, due to the underdeveloped nature of the local industry in this period, it was not until later that export programs were designed specifically for book publishers.

⁷³ Curtain (1997), *op. cit.*, p. 70.

⁷⁴ *ibid.*

Copyright

Copyright in Australia was regulated for most of this period by the *Copyright Act 1912*, an Act that, as mentioned previously, adopted British copyright legislation for Australian use. The Australian Act underwent little change in 56 years, and it was not until 1968 that independent and autonomous copyright legislation was finally enacted in Australia. The introduction of a new Act was made necessary by developments in the international copyright environment, the introduction of a new British copyright law and by technological change.

Australia was party to the Berne Convention which had been revised several times since its introduction in 1886 – revisions were made in Berlin in 1908, in Rome in 1928 (the year Australia became a member of the Berne Union in its own right) and in Brussels in 1948.⁷⁵ In addition, the Universal Copyright Convention (UCC) was established in 1952 and brought the US into an international copyright agreement for the first time. The UCC was similar to the Berne Agreement but included a provision that required the mandatory inclusion on copyright materials of a copyright symbol (©), together with the date of first publication and the name of the copyright holder.⁷⁶

Britain began the process of renewing its copyright legislation in the early 1950s in order to accommodate both the revisions to the Berne Convention and the UCC. The British Act of 1911 (which had been adopted for use in Australia) was repealed, and new British legislation was enacted in 1956.

Many of the changes in international copyright arrangements were incompatible with Australian legislation. In a slow response to these developments, the Australian federal government appointed a committee to inquire into Australia's changing copyright requirements. The committee, headed by Sir John Spicer, was appointed in 1958 and reported the following year recommending changes to Australian copyright law.⁷⁷ The

⁷⁵ J.C. Lahore & P.B.C. Griffith (1974), *Copyright and the Arts in Australia*, Melbourne, MUP, p. 10.

⁷⁶ *ibid.*, pp. 11-12; and F.E. Skone James & E.P. Skone James (1965), *Copinger and Skone James on Copyright*, 10th ed., London, Sweet & Maxwell, ch. 24.

⁷⁷ Lahore & Griffith, *op. cit.*, p 10.

federal government, however, took nearly ten years to act, and new copyright legislation was not introduced until 1968.

The slowness with which the Australian government moved on this issue may have been the result either of excessive circumspection, or of reticence to change the existing law that, although outdated in relation to international copyright, suited the closed circuit that was the Australian book trade. The old legislation protected British publishers and suited the arrangements of the Traditional Market Agreement, the Statement of Terms and the closed market. The new law in Britain allowed British publishers to establish mutual trade relationships within the US market, while Australian publishers continued to be denied protection in the US under the UCC since Australian law was not compatible with its requirements.

Copyright analysts, Lahore and Griffith claim:

[i]t was, in part, the desire of Australia to adhere to the Brussels revision of the Berne Convention and to ratify the Universal Copyright Convention that led to the passing of the 1968 Act.⁷⁸

Yet it could hardly have been a burning desire since it took the Australian government 20 years from the time of the Brussels revision, and 16 years from the establishment of the UCC to bring its legislation into line with the requirements of these international agreements. Given its inertia in the copyright arena, and its prevarication on the Florence Agreement, it appears that the Australian government was cautious about committing itself to international agreements in this period. This was most likely due both to the conservatism of the Liberal-Country Party coalition government of the day, and to caution in relation to changing international political and trade relationships as Britain began to look toward Europe. In 1969, after the passing of the *Copyright Act 1968*, Australia formally ratified both the UCC and the Brussels revision of the Berne Convention.

Writing in the *Bulletin* in 1968, Patricia Rolfe describes the new Act as:

⁷⁸ *ibid.*, p. 10.

chiefly remarkable for being so long in coming. It makes few changes in literary copyright but deals with such things as television, films, recording, and performing rights.⁷⁹

The Act also imposed importation restrictions which have subsequently been both commercially significant and controversial. Specifically, the Act prohibited parallel imports, that is, the importation of legally made copies of a book without the permission of the Australian copyright holder. This outlawed the commercial importation, for instance, of US editions of books for which the Australian copyright is held by anyone, whether or not the book is available in Australia. Derek Fielding explains the effect of the provisions:

[t]he 1968 Australian Act . . . made it illegal to import non-pirate copies of books, known in the trade as parallel imports, unless the person importing would have been entitled to make the copies in Australia. In other words, if you are importing books for commercial purposes, you had to have the authority to actually make those copies in Australia.⁸⁰

This provision allowed for the closure of the Australian market – booksellers were no longer free to import books from any source, and publishers could insist that books were supplied by their local agents or warehouses. This set up tensions between the old allies, booksellers and publishers, that came to a head in later years and are discussed in Chapters 7 and 8.

The provisions of the *Copyright Act 1968* clearly suited British publishers, and particularly those with branch offices in Australia. Ken Wilder, who was the managing director of the Australian branch of the British firm William Collins from 1961, describes the ‘quasi-monopolistic effects of the Copyright Act’ as ‘a gift used to the fullest extent’.⁸¹ The effects of the Act were, in his words, ‘an international financial manager’s dream’⁸² which allowed profits to be maximised in the following way.

⁷⁹ Patricia Rolfe (1968), ‘How Different are Books?’, *Bulletin*, 9 November, p. 45.

⁸⁰ Derek Fielding (1992), ‘Copyright Law Changes and Australian Book Culture’ in Jock Macleod & Patrick Buckridge, eds, *Books and Reading in Australian Society*, [Nathan] Qld, Institute of Cultural Policy Studies, Griffith University, p. 111.

⁸¹ Ken Wilder (1994), *The Company You Keep: A Publisher’s Memoir*, Sydney, State Library of NSW Press, p. 217.

⁸² *ibid.*, p. 216.

A formula of exquisite simplicity was applied: charge the maximum transfer price [ie the price charged by the head office to the subsidiary] that compliant outside professional advice could recommend and insist that the subsidiary company agree to a business plan with profit commitments that could only be met by raising retail prices to levels possible only because of the Copyright Act.⁸³

In addition, the Act did nothing to challenge the practice of automatically including Australian copyright with British and/or Commonwealth rights. The Act effectively helped maintain the status quo in the Australian book trade, although it did sow the seeds of later discontent.

The Australian government's attitude to copyright in this period was characterised largely by neglect, a neglect which benefited British and other foreign publishers. International copyright relationships were changing and Britain, whose lead Australia had long followed in this matter, acted relatively quickly to bring its laws into line. However, Australia did not immediately follow, but hesitated for over ten years before enacting new legislation of its own. There was apparently little or no pressure on the government to introduce a new law since most interested parties were content with the existing arrangements; as a consequence, government was slow to act. When it did introduce a new Act, it was initially uncontroversial since it further bolstered the interests of the powerful British publishers in Australia. However, as international book trade conditions changed and traditional alliances shifted, the import provisions of the Act became a source of tension, as subsequent chapters of this thesis demonstrate.

The government might have used the necessity to introduce a new copyright act as an opportunity to promote Australian cultural and commercial interests by encouraging the development of the locally-owned publishing industry. It might also have used it to open the Australian market to competition. However it chose to act slowly and conservatively, as was its wont in relation to the book trade in this period, a decision that did little to enhance Australian publishing interests.

⁸³ *ibid.*

The Book Bounty

Direct assistance to the book production industry came relatively late in this period of otherwise widespread industry assistance and protectionism. The Book Bounty was introduced in 1969 and was directed at the book manufacturing industry, that is, book printers, binders, plate-makers and, to a lesser extent, publishers.⁸⁴ The Bounty was established to assist the industry against increasing competition from low-cost book production available in Asia, and to compensate for the absence of tariffs and other import restrictions on books from overseas. The Bounty was a payment made by the government of a percentage of the production costs of eligible books, and allowed Australian book manufacturers to maintain lower prices and thereby compete with Asian printers who had lower labour, materials and overhead costs.

The Australian government's decision to adhere to the Florence Agreement and not impose import duties on books allowed Australian publishers to send their books to Asia for manufacture. The books were then imported into Australia as completed products with no import costs or restrictions. Book manufacturing businesses in Hong Kong and Singapore had developed throughout the 1960s with improved technology and the contribution of Japanese capital. These businesses also had access to duty-free materials including paper and bindings, and as a result, were able to substantially undercut Australian prices, particularly in colour printing. Australian-based publishers began to employ these firms to print books originating in Australia, and by 1967, this had become a serious problem for Australian book printers.

The Australian book manufacturing industry put its case to the government in 1968 in an impassioned and cogently argued submission titled 'Books are Different'.⁸⁵ The submission begins with the warning: '[t]he book manufacturing industry of Australia is rapidly approaching extinction',⁸⁶ and goes on to detail the nature and effects of competition from Asia, and the consequent urgent need for government assistance to the

⁸⁴ Publishers were eligible to claim a bounty payment on that part of their work that involved the physical production of books, such as typesetting and other pre-press work.

⁸⁵ 'Books are Different. A case prepared by the Printing and Allied Trades Employers Federation of Australia on behalf of the Federal Book Manufacturers Group' [Melbourne c.1968].

⁸⁶ *ibid.*, p. 2.

industry. Interestingly, the submission uses the slogan, 'books are different' that was employed by the British book publishing industry in its successful 1962 defence of the Net Book Agreement. The British publishers argued that books were different from other commodities because of their cultural significance, and should therefore be treated differently. Australian book manufacturers took this notion further and argued that because books *were* treated differently for their cultural role, the industry was left unprotected, unlike other manufacturing industries in Australia. In other words, the *cultural* difference of books resulted in *commercial* differences that were adversely affecting the industry.

Those commercial differences, and a summary of the industry's arguments are outlined in the foreword to the submission.

Firstly, the industry is the only one which must pay substantial general and dumping duties on imported raw materials, or use local materials produced behind Tariff protection, whilst the end product, a book, can be imported duty free. Other sections of the Printing Industry receive protection by duties on imported end products.

Secondly, the situation cannot be remedied by the imposition of duties, quotas or licensing on book imports as it is Australian Government policy to subscribe to the principles of the UNESCO Florence Agreement and not impede the free flow of educational, cultural and scientific material between nations.

Thirdly, whilst a number of Australian industries encounter competition from cheap labour areas in Asia they receive assistance and protection to offset this (cars, textiles, electrical etc). Book manufacturers do not.⁸⁷

While focusing on their commercial disadvantages, the book manufacturers were not unaware of the cultural significance of their industry and noted that, without urgent assistance, 'Australia will be without a book manufacturing industry, an essential to any country's educational and cultural needs and development.'⁸⁸ The arguments invoked economic as well as cultural nationalist sentiment that valued the independence made possible by the maintenance of an autonomous and viable book production capacity within Australia.

⁸⁷ *ibid.*

⁸⁸ *ibid.*

In 1967, a working party comprising representatives of the book manufacturing industry and the Department of Trade and Industry was established to investigate the problems of the industry and to report to government.⁸⁹ The working party reported on the rapid and dramatic increase in the use of printers based in Asian countries, the consequent increase in book imports from those countries and the grave effects this was having on the local book manufacturing industry.

The Minister for Trade and Industry, John McEwen, responded quickly to the industry's call for assistance and announced the introduction of the Book Bounty in May 1969.

In a departure from established procedures, McEwen announced the commencement of the Bounty on the same day that he referred the question of government assistance to the book manufacturing industry to Tariff Board for inquiry. This was considered 'an unprecedented move' by the *Australian Financial Review*, since most industry assistance measures were introduced *after* Tariff Board inquiries and in response to recommendations from the Board.⁹⁰ The Minister claimed that the Bounty was an interim measure pending the outcome of the inquiry. The unusual manner in which the Bounty was introduced demonstrates that the government saw the need for assistance as urgent.

The ABPA, supported by the Printing and Allied Trades Employers Federation of Australia (PATEFA), had sought government assistance for the book printing and publishing industries in 1966, but had been denied their request to have the industry's problems referred to the Tariff Board. The Department of Trade and Industry considered that an inquiry was unnecessary at that time since 'Australian books appear to be at least maintaining their share of the local market'.⁹¹ This situation changed rapidly in 1967 and 1968, as Australian publishers increasingly sent their works to Hong Kong and Singapore for manufacture, partly, according to the industry's submission, due to the Australian government's earlier refusal to address the problems

⁸⁹ *ibid.*, p. 3.

⁹⁰ Alan Wood (1969), 'Tariff Inquiry to Follow Bounty for Books', *Australian Financial Review*, 29 May 1969, p. 1.

⁹¹ Department of Trade and Industry, quoted in 'Books are Different', *op. cit.*, p. 5.

of the industries.⁹² By 1969, the situation was considered dire, and the government responded with the introduction of the Book Bounty.

The Book Bounty came into effect on 1 June 1969 and was paid to book manufacturers at a rate of 25 % of the price charged to publishers by printers. A book was eligible for the Bounty if it was also eligible for registration for transmission through the post as a book. It must comprise no less than 49 pages (or 16 pages in the case of textbooks and children's books), and at least 1,000 copies must be produced.⁹³ In addition, an eligible book was required:

- to be wholly produced at registered premises;
- to be of literary or educational character;
- to contain no advertising other than that relating to:
 - other books published by the same publisher; or
 - other books written by the same author;
- not to contain matter in respect of which the printing, publishing or sending through the post would constitute an offence under Commonwealth legislation.⁹⁴

Where more than one manufacturer was involved (for instance a printer and a separate binder), the Bounty could be split between them on a pro-rata basis, or a waiver could be signed by one in favour of the other. In the case of the manufacturer also being the publisher, the Bounty was paid only on the costs of production. The Bounty was initially administered by the Department of Customs and Excise.

In the meantime, the Tariff Board inquired into the industry as directed by the Minister, and published its report more than four years later, in September 1973. The report recommended the continuation of the Book Bounty and an increase in its rate to 33.3 %. The Tariff Board report provides a comprehensive picture of the industry at that time, including detailed economic analyses of the book manufacturing industry, book imports,

⁹² 'Books are Different', op. cit., p. 3 and p. 5. The submission states that the government's refusal to refer the industry to the Tariff Board at this time 'may well have been an open invitation for book publishers to place printing contracts abroad in low cost countries', p. 5.

⁹³ Department of Business and Consumer Affairs (1980), 'Facts About the Book Bounty', Canberra, Department of Business and Consumer Affairs, p. 2.

⁹⁴ Tariff Board (1973), *Products of the Printing Industry*, Canberra, AGPS, p. 28.

sales and import competition, as well as evidence articulating the views of authors, publishers, book manufacturers and booksellers.

The Book Bounty continued until 1996 and, after being increased in 1975 to 33.3 % as recommended by the Tariff Board, was lowered slowly over the years as the industry was considered to be increasingly competitive, and as industry policy changed. Its later operations and demise are examined in Chapter 8.

The Bounty supported the commercial activity of physical production rather than the creative or cultural aspects of the process, and was the most significant and unambivalent book industry assistance initiative to date, in terms of both the resources allocated to it and its goals. It provided compensation to the industry for the commercial damage done as a result of the government's culturally motivated policy of adhering to the Florence Agreement. The Coalition government of this period had established an extensive industry assistance program that had become institutionalised and was widely accepted. The Book Bounty became part of this, albeit relatively late in the period and, like other industry assistance schemes of the time, the Bounty was generous and effective. It demonstrated an unambivalent government commitment to maintain a book manufacturing capacity within Australia to contribute to industrial and economic autonomy and independence. That such a capacity was also related to cultural independence was an apparently less compelling, though nonetheless relevant, factor.

It is not surprising that book industry policy implemented within an established industry policy framework was less ambivalent than that implemented in the relatively undeveloped cultural policy area. At this time, the government had a clear and accepted role in promoting industry development, while it was still a minor, reluctant and ambivalent player in the area of cultural and arts-related policy.

Resale Price Maintenance

Late in this period, changes began to occur that contributed to the dismantling of the structures and practices that helped maintain British control over the Australian book trade. A federal government initiative that had a profound effect on this was the introduction in 1971 of the *Restrictive Trade Practices Act* which outlawed some of the practices set down in the 'Statement of Terms', the mechanism that controlled the supply of books from publishers (many of whom were British) to the retail trade. The federal government did not specifically target the book trade with this legislation, but the effects on the trade were significant.

The 'Statement of Terms', as mentioned in Chapter 2, was a contract between publishers and booksellers that set down the terms of trade and included a provision that publishers would set the price at which books were to be sold in the retail market. This restricted discounting and ensured that the sale of books remained profitable for publishers and booksellers alike. Booksellers who did not agree to the 'Statement of Terms', would not be eligible for trade discounts from publishers. The *Restrictive Trade Practices Act* outlawed the setting of retail (or resale) prices by manufacturers or wholesalers, and on the day the new Act came into effect, publishers A.H. & A.W. Reed, applied to the Trade Practices Tribunal for exemption from the resale price maintenance provisions of the Act in respect of books. The Reed company was a New Zealand-owned firm that had operated in the Australian market since 1964.⁹⁵ The application was, according to the recorded decision in the case, supported by 'a large number' of publishers and booksellers, but not by all in the trade.⁹⁶ In fact, the largest Australian bookseller-publisher, Angus & Robertson, perhaps wanting to sell books at discounted prices, submitted a statement to the Tribunal against the case for exemption.⁹⁷

⁹⁵ Nicholson & Thorpe, op. cit., pp. 166-167.

⁹⁶ *Resale Price Maintenance Case for Books* (1972), *Restrictive Trade Practices Act 1971* re Books, File No. 1 of 1971, reasons for decision by Sir Richard Eggleston, President, Trade Practices Tribunal, 30 May, Sydney, Law Book Company.

⁹⁷ Nicholson & Thorpe, op. cit., p. 215.

A similar application for exemption from retail price fixing was won in Britain's Restrictive Practices Court in the Net Book Case of 1962. As mentioned previously, British publishers argued successfully that 'books are different', and that the cultural significance of books required that they be treated differently from other consumer goods.⁹⁸ The Australian case argued along similar lines and referred to the successful British case as a precedent it sought the local Tribunal to follow.

Although the restrictive practice in question (resale price setting) was clearly commercially motivated, a major aspect of the argument in the Australian applicants' case was cultural. The applicants argued that without an exemption, book prices would be differentiated, with fast-selling books being cheaper than slow-selling books. The range of stock held by booksellers would therefore be reduced, and the quality of bookshops would diminish. It was also argued that the number of new titles published would be reduced, particularly those 'marginal' or slow-selling titles:

[i]t was added [by the applicants' argument] that among the slow moving titles are many books of cultural or intellectual value to society, and this cultural loss was a factor to be taken into account.⁹⁹

The argument for exemption focused throughout on the diminution of the 'worthy' book in an unregulated pricing environment. The Tribunal disagreed and argued that lower prices would increase sales, and therefore increase the publication of *all* books. Sir Richard Eggleston's judgment stated:

[t]his will, in my opinion, ensure that books worth publishing in the commercial sense continue to be published, and if publishers are prosperous they will continue to gratify their tastes as they now do by publishing some books which they consider worthy in the sense in which it is used in this decision.¹⁰⁰

Although the book trade argued that resale price maintenance allowed publishers and booksellers to meet their cultural responsibilities, the Tribunal was clear about its perception of the role of the trade:

⁹⁸ The British case is presented in detail in R.E. Barker & G.R. Davis (1966), *Books are Different: An Account of the Defence of the Net Book Agreement before the Restrictive Practices Court in 1962*, London, Macmillan.

⁹⁹ *Resale Price Maintenance Case for Books*, op. cit., pp. 11-12.

¹⁰⁰ *ibid.*, p. 25.

apart from exceptional cases, publishers do not, and should not be expected to, publish books otherwise than on a commercial basis.¹⁰¹

The Tribunal dismissed the application for exemption and in 1972, the 'Statement of Terms' and its price setting agenda became a thing of the past.

Although the case was primarily about consumer protection and the commercial arrangements of the book trade, the argument for exemption strongly invoked the cultural aspects of book publishing and distribution. Publishing companies and bookshops portrayed themselves as quasi-community service organisations with high cultural obligations, as the Australian-based trade drew heavily on the successful arguments of the British case. The Trade Practices Tribunal, on the other hand, paid little heed to the cultural arguments and, according to a book trade observer, 'opposed the case strenuously', fearing 'that if this case succeeded it would set a precedent and others would follow'.¹⁰² In implementing the provisions of the new *Restrictive Trade Practices Act*, it is likely that the government had an interest in limiting early exemptions to the Act, and therefore was unwilling to accept the cultural argument put forward by the book trade. In other policy areas, as demonstrated in this chapter, the government acknowledged both the cultural and commercial role of the book production and distribution.

Conclusion

As in other periods, government policy in relation to the book industry in this period comprised two broad policy types, relating on one hand to the cultural aspects of the industry and, on the other, to its commercial aspects. That both aspects of the industry are interrelated meant that while the motivation for each policy type may have been separate, their effects were not. The conservative government of this period was active and interventionist in industry development policy which sought improved commercial outcomes, independence and growth for Australian industries. At the same time, the government was largely uninterested and inactive in the cultural policy area. The book

¹⁰¹ *ibid.*

¹⁰² Nicholson & Thorpe, *op. cit.*, p. 214.

industry was the recipient of industry focused policy initiatives such as export assistance programs and the Book Bounty. Cultural policies, on the other hand were incremental and minor, comprising slight changes to CLF programs. In relation to those policy areas in which cultural and commercial imperatives were at odds, that is, copyright regulation and the ratification of the Florence Agreement, the government was slow to act in the case of the former and, in the latter, simply did not act at all.

The administration of the CLF in this period was fraught with political controversy that was a product of its time and reflected the extreme Cold War divisions between right and left wing politics. The presence on the Advisory Board of FAW representatives with progressive and left wing views, exacerbated the conflict. The Menzies government reacted ambivalently. On one hand it publicly supported an apolitical approach to literary funding, and on the other, it had CLF applicants covertly investigated for political affiliation. Throughout the period, the CLF provided assistance to cultural aspects of the book industry with minor support for book publishing. It also continued to assist authors, small magazines and the promotion of Australian literature. Budget increases were incremental over the period, and the funds expended were never large.

The Australian government prevaricated on the Florence Agreement while refusing to ratify it. The government no doubt considered that it met its cultural obligations as a member of UNESCO by voluntarily adhering to the requirements of the Agreement. At the same time, it kept its options open and maintained the right to use tariffs or other import restrictions to protect Australian-based industry or to raise revenue if it so desired. The government's rationale for this shifted over the years as a sustainable position was sought, and its ambivalence is obvious as it dealt with the conflicting demands of culture and commerce, and of a desire for both international cooperation and national economic autonomy.

Revision of Australian copyright law was slow in coming in response to changes in the international copyright environment. When the government eventually acted, the result brought Australia into line with international copyright agreements, but did not immediately alter the status quo in the Australian book trade. The trade remained

dominated by British publishing firms which enjoyed even more favourable conditions under the new legislation. The government by-passed the opportunity to employ copyright legislation to facilitate and support the growth of a locally-owned book publishing industry.

The most decisive policy initiative in this period was the introduction of the Book Bounty. Its introduction pre-empted the recommendations of the subsequent Tariff Board inquiry; and its goals were clear. That it was a component of a broader and well-established industry protection system was a factor that distinguished it from other related policy in this period. The support and protection of industry was considered a legitimate role of government and was buttressed by a post-war doctrine of economic nationalism. It therefore was generous and unambivalent, quite unlike the relatively meagre programs of the CLF.

This period was undoubtedly one of government bias in favour of industry policy with commercial goals, and the government was actively interventionist in this area. In contrast, the same government maintained a laissez-faire approach to cultural and arts policy, particularly under Menzies. Consequently, it was the commercial aspects of the book production industry that benefited from policy initiatives in this period. Cultural aspects of the industry continued to be addressed in a minor way through the CLF. In addition, government took a cautious approach to committing itself to international agreements that might affect local industries and commercial conditions; this was clear in both its slowness in updating copyright legislation and in its prevarication on the Florence Agreement.

CHAPTER 7

YEARS OF CHANGE AND GROWTH – 1973-1988

By the end of 1974, some \$2,520,000 had been allocated in grants to writers and subsidies to publishers . . . This injection of finance can be seen as part of the Labor government's 'new nationalism' supporting Australian creative products.¹

After 23 years of conservative rule, a Labor government was elected in December 1972 with the slogan: 'It's Time'. This launched a period of substantial social and political change in which the federal government played a major role. Changes had begun to occur in the late 1960s and were manifested in Australia by, among other activities, increasing opposition to the war in Vietnam, the emergence of the women's movement and a questioning of the values and leadership of conservative politics. The election of a reformist government was a logical progression of these social movements.

The Labor government, led by Gough Whitlam, brought with it a flurry of policy initiatives as well as increased government expenditure. In retrospect there is little public consensus about the Whitlam government's short reign – some see it as bringing fundamental positive change to Australian life, while others see it as a time of destructive folly.² Certainly it was a period of rapid and dramatic development in public policy, and in arts policy in particular, and one in which the structures and agenda for future government involvement in cultural activities were established. It was also a time of increasing cultural confidence – as social and political commentator, Robert Manne, noted:

¹ Michael Wilding (1975), 'A Random House: The Parlous State of Australian Publishing', *Meanjin*, v34 n1, p. 106.

² Works providing varying assessments of the Whitlam government include Graham Freudenberg (1977), *A Certain Grandeur: Gough Whitlam in Politics*, Sydney, Macmillan; Alan Reid (1976), *The Whitlam Venture*, Melbourne, Hill of Content; Paul Kelly (1976), *The Unmaking of Gough*, Sydney, A & R; and Hugh Emy, Owen Hughes & Race Mathews, eds, (1993), *Whitlam Revisited: Policy Development, Policy and Outcomes*, Sydney, Allen & Unwin.

[u]nder Whitlam, for the first time, the Australian government became a significant patron of the arts. Australia's long march from cultural cringe to cultural strut had begun.³

The Labor government was dismissed in November 1975, and a Liberal-Country Party coalition was appointed as a caretaker government, then elected in its own right. The incoming conservative government wound back some, but not all of Labor's initiatives, and in the area of arts administration and policy, budgets were trimmed but little was changed. In 1983, a Labor government was once again elected; however, it was a more restrained Labor government that introduced what was to be a long period of 'economistic' rule in Australia characterised by the dominance of an economic rationalist paradigm.⁴ This paradigm affected the arts, and the concept of 'arts as industry' gained currency in this period as arts advocates sought to legitimise their activities by demonstrating the economic value of the arts (this is discussed in more detail in Chapter 3).

The changes that occurred in this period were not only of the Australian government's making, but also involved the political and economic re-alignment of international affairs. Britain joined the European Economic Community (EEC) in 1973, and Australia became increasingly aligned to the US, as well as involved in establishing and maintaining political and trade links with its neighbours in the Asia-Pacific region. The long-established trade and cultural relationship with Britain was no longer central as new relationships were formed, and Australia became increasingly multicultural through both migration and an increasing openness to other cultural influences.

There were also changes in Australian publishing with rapid expansion and the growth in the numbers of small, independent local publishers. It was a period during which many company mergers and takeovers occurred, and large multinational publishing and conglomerate companies emerged to become major players. These events led to fundamental changes in the international book trade. It was in this period also that the

³ Robert Manne (1998), *The Way We Live Now: The Controversies of the Nineties*, Melbourne, Text, p. 135.

⁴ Michael Pusey (1991), *Economic Rationalism in Canberra: A Nation-Building State Changes its Mind*, Melbourne, Cambridge University Press, p. 31; Pusey uses the term 'economistic' to describe a policy orientation that considers economic factors above others.

production of Australian books increased, and the ratio of imported books to local books sold in Australia began to level out.

This chapter examines changes in public policy in relation to book production and distribution in these years, and notes that while government intervention in this area changed and grew, it maintained its characteristic ambivalence as the issues of culture and commerce continued to influence policy.

The Literature Board

In 1973, the CLF and all of its activities were transferred to the newly formed Literature Board of the Australian Council for the Arts. Two years later, the Literature Board became one of seven artform boards that formed the Australia Council, a statutory body established under the *Australia Council Act 1975*.⁵ The Australia Council brought together all federal arts funding programs in a single body, run by a council with appointed boards administering and allocating funding for individual artforms. It also created new assistance programs, and enjoyed generous levels of government funding.

The need for federal intervention in the arts in this period was clear to the incoming government, as Gough Whitlam noted in his memoirs:

the arts in Australia were sorely in need of encouragement. Many of our finest artists were working overseas. Our national cultural institutions were embryonic or non-existent. Such institutions as existed in the States were largely relics of colonial or Edwardian times . . . the basis of a national arts and cultural policy did not exist.⁶

In a clear reference to the CLF, Whitlam continued:

support for writers and artists had been dispensed for generations with notable frugality by ageing committees notorious for their political and social biases.⁷

⁵ The original seven artform boards of the Australia Council were theatre, visual arts, music, craft, Aboriginal arts, film and television, and literature.

⁶ Gough Whitlam (1985), *The Whitlam Government 1972-1975*, Ringwood, Vic., Viking, pp. 554-555.

⁷ *ibid.*, p. 555.

The major functions of the new Australia Council included commitments 'to promote excellence in the arts' and 'to foster the expression of a national identity by means of the arts'.⁸ These made explicit the federal government's intention to intervene in support of high quality Australian cultural production. Its intention was made unambiguous with an enormous increase in funding, and support for the arts was finally seen as a legitimate function of government.

The Australia Council was established as a statutory body based on the British Council model, and moved arts funding away from the political process and the direct involvement of politicians. The decision-makers were the board members who, although appointed by government, were not politicians but were involved in various ways in the artforms that their boards funded. The first Literature Board, for instance, was appointed by Whitlam in his role as Minister for the Arts; the Board, according to its first director, Michael Costigan:

formed what must be seen both metaphorically and chronologically as a First Eleven: Geoff Blainey, A.D. Hope, Manning Clark, Nancy Keesing, David Malouf, Elizabeth Riddell, Geoff Dutton, Judah Waten, Thomas Shapcott, Richard Hall and Richard Walsh.⁹

Members were all literary practitioners whose work included poetry, fiction and non-fiction writing, journalism, teaching and publishing.

The structure of the Australia Council was based on the principles of decision-making at arms-length from government, and of peer assessment of funding applications. While the federal government continued to support the cultural aspects of book publishing, it did so now at arms-length, and prime ministers and others no longer had the direct and explicit power to approve or reject particular works or writers.

Funding for the Literature Board was dramatically increased – the last CLF annual budget was \$250,000, and the first Literature Board budget was \$1,200,000, a more than

⁸ *Australia Council Act 1975*, s. 5 (a) (i) and (v).

⁹ Michael Costigan (1996), 'My Decade at the Literature Board', *Southerly*, v56 n2, p. 150.

four-fold increase.¹⁰ A contemporary report on the formation of the new Board expressed the following hope:

[t]he notable advantage of the new Literature Board of the Australian Council for the Arts is the probability that it will command an income sufficient to develop a coherent and reasoned policy instead of being forced, as was the Commonwealth Literary Fund, to dribble out a bit here and a bit there and hope that something might somehow result.¹¹

The Board was certainly in a position to develop a literature policy and, it increased its activities as the result of both long-term planning and in response to changing needs articulated by lobbyists and Board members.¹²

The Literature Board continued the programs of the CLF and augmented these with additional activities over the years. Although relatively large with 11 members initially, the Board had more flexibility than the two committee structure of the CLF and, as long as it remained within its budget and its overall goals, it was free to fund a variety of programs. In addition to continuing its inherited programs, the Board funded residencies for authors, commissions, an international program and a variety of promotional activities.

Although the Literature Board was extremely well-funded in comparison to the CLF, it was not in relation to other artform boards. In this period to 1988-89, the annual allocation for the Literature Board comprised an average of only 6 % of the total Australia Council budget.¹³ This figure illustrates that, although it was one of the lower cost artforms supported by the Australia Council, literature was also under-funded in relation to the other arts from the outset.¹⁴

¹⁰ Thomas Shapcott (1988), *The Literature Board: A Brief History*, St Lucia, Qld, UQP, p. 8.

¹¹ A.A. Phillips (1973), 'Stimulants or Tranquillizers? A Choice for Literary Patronage', *Meanjin*, v32 n2, p. 239.

¹² Insight into some of the processes of the early Literature Board is provided in Shapcott (1988), op. cit..

¹³ Australia Council, *Annual Reports*, 1974 to 1988-89.

¹⁴ There was lobbying in the mid-1980s for an increased budget allocation to literature within the Australia Council in recognition of the central place of the written word in the dissemination of ideas and to other artforms such as drama, opera, film etc. This campaign is documented by Judith Brett (1985), 'Literature and the Australia Council', *Meanjin*, v44 n2, pp. 284-286.

Expansion of the activities of the Literature Board coincided with a period of growth in Australian publishing. Given the large amounts of money allocated to writers and to publishing subsidies in this period, there is no doubt that early Literature Board funding contributed to the 'boom' in local publishing. Its activities had an almost immediate impact on Australian publishing output: in 1973, only 19 novels were published in Australia, and by the end of 1974, the Literature Board had subsidised the publication of 36 novels, as well as 36 volumes of poetry and 12 non-fiction titles.¹⁵ Whether the Board created a climate in which Australian writing and publishing flourished, or whether it fueled an existing movement is a moot point. Michael Denholm favours the latter explanation:

the arts policy of the Labor government has been rather a confirmation of previous developments, a recognition of events of the late 1960s and early 1970s, than an initiator of these developments.¹⁶

The pension scheme continued until 1979 when it was terminated, although the Literature Board continued to provide for existing pensioners until they died. The last 'literary pensioner', Bertha Jago, the daughter of Henry Lawson, died in 1985.¹⁷ Assistance to working writers consisted of fellowships of varying lengths, and of special purpose grants. Literary magazines also continued to receive support from the new Board in the form of both annual and triennial grants, as well as 'experimental grants' to new journals.

The promotion of Australian writers and literature remained an important function of the Board, and many innovative activities and organisations were supported under this program. These included public readings and workshops, arts and literary festivals, Australian Writers' Week, the Australian Library Promotion Council, a weekly book column in *The Australian*, the 'Take a Look at a Book' campaign, retail promotions schemes and a publication titled *Books Australia* that promoted books subsidised by the Board.¹⁸ Many of these activities were short-lived as the promotional program

¹⁵ Australian Council for the Arts (1974), *2nd Annual Report 1974*, Canberra, AGPS; and 'The Literature Board and Some of its Activities' (1975), *Issue: A Journal of Comment*, v5 n17, p. 10.

¹⁶ Michael Denholm (1979), *Small Press Publishing in Australia: The Early 1970s*, North Sydney, Second Back Row Press, p. 2.

¹⁷ Shapcott (1988), *op. cit.*, p. 19.

¹⁸ *ibid.*, Chapter 8: 'Promotion', pp. 259-291.

remained dynamic and responsive. The Board also funded, in this period, the first comprehensive study of Australian book buying and reading habits that provided solid data and a benchmark for later Board-sponsored studies.¹⁹

The National Book Council (NBC) first received administrative funding from the Board in 1973. The establishment of such an organisation had been recommended to both the Tariff Board and the Publishing Industry Committee in the 1940s by a number of witnesses (see Chapter 5); however, it was not until the Whitlam government expanded federal commitment and funding to literature that the NBC became a reality. The NBC was based on the British model of a community-based national book league established to promote books and reading. The Literature Board also funded the NBC's national literary awards, the Banjo Awards, until 1985 when private sponsorship was sought.²⁰

The Board also provided assistance for writers' residencies in conjunction with universities, workplaces, community organisations and National Parks. An international program was established that funded travel subsidies to Australian authors, literary exchange programs, awards, publication grants to overseas publishers for Australian works, overseas residencies and promotions of Australian literature.²¹

The commitment to assisting publication also continued, and the program was described in an early annual report as, 'a publishing subsidy scheme designed to increase the local publication of creative writing, selected factual writing and occasional books of cultural importance.'²² The scheme directly confronted the cultural-commercial dichotomy in book publishing by maintaining an explicit cultural intention, and by intervening in the commercial business of publishing to ensure cultural outcomes. For this reason, it is of particular interest in relation to the role of government in the culture and commerce of book production and distribution.

¹⁹ The study was published by the Australia Council in 1978 as *The Reading and Buying of Books in Australia* by P. Brenac and A. Stevens. The subsequent studies were Hans Guldberg (1990), *Books – Who Reads Them?*, Redfern, NSW, Australia Council and *Books: Who's Reading Them Now? A Study of Book Buying and Borrowing in Australia* (1995), Redfern, NSW, Australia Council.

²⁰ Shapcott (1988), op. cit., p. 270.

²¹ *ibid.*, pp. 295-306.

²² Australian Council for the Arts (1974), *2nd Annual Report 1974*, op. cit., p. 61.

A non-repayable grant scheme replaced the CLF's guarantee against loss arrangement, and grants were calculated on a complex formula based on production costs per page for particular genres. The Board was unconcerned about whether or not publishers made profits from assisted books, but kept a close eye on the nature and quality of the books produced with Board subsidies. A system of 'bulk grants' was introduced that allowed approved publishers to select titles to subsidise from their lists. This 'bulk grant' system operated in conjunction with title-by-title subsidy approval, but was discontinued after a year because 'it was felt that certain publishers had produced books of insufficient literary standard.'²³ The Board reverted to the system of individual title application under which the cultural value of each application is considered by the Board and 'ensures some overview of the literary and production quality of the books applied for.'²⁴

Subsidies were provided to publishing companies that registered with the Board and supplied details of their capital, staff and distribution arrangements. All publishers (except self-publishers) operating in Australia and producing a minimum number of books per year were eligible, regardless of company ownership.²⁵ Under the CLF, almost all publishing subsidies went to Australian-owned firms since they were largely responsible for publishing works by Australian authors. However, in this period, foreign-owned publishing companies had begun to take advantage of the popularity of Australian books by producing increasing numbers of locally written works. A feature of these years was the establishment of small units producing local books within the offices of foreign-owned companies operating in Australia. These units were often staffed by experienced Australian publishing personnel who were familiar with the local market and conditions. British companies such as Pan, Collins, Penguin, Macmillan, Oxford University Press and Thomas Nelson were among those that developed local publishing programs in the 1960s and 1970s, and became increasingly active in the 1980s. These were among the foreign-owned companies that received assistance under the publishing subsidy scheme.

²³ Shapcott (1988), op. cit., p. 178.

²⁴ Australia Council (1987), *Annual Report 1986-87*, Sydney, Australia Council, p. 42.

²⁵ The criteria for registration of publishers under the program altered slightly over the years; however, publishers were required to demonstrate a professional record of recent publishing and later, of national distribution arrangements.

The increased funding provided to the Literature Board allowed for more books to be subsidised through the scheme. In the 14 years from 1974 to 1988, the Board subsidised the publication of approximately 1,450 titles,²⁶ compared with only 334 subsidised in 34 years by the CLF²⁷ – roughly a ten-fold increase in the average per annum. Although the majority of subsidies once again went to Australian-owned companies, approximately 20% went to foreign-owned companies publishing Australian books in Australia. Among these companies, Penguin (Australia) was the major subsidy recipient, reflecting Penguin's active participation in local trade publishing.²⁸

The allocation for the publishing subsidy scheme in the 1974-75 financial year was \$249,630 or 16 % of the total Literature Board budget.²⁹ In 1987-88, publishing subsidies as a proportion of the total Board budget had fallen to 10 %, indicating a diminution of the program in favour of other forms of assistance.³⁰ This may have been the result of a perception by the Board that, with the increase in local publishing output, sufficient works of cultural value were now being produced, and that funds were better directed to other activities, such as enhancing access and promotion. It may also have been the outcome of Literature Board caution about intervening too much in the entrepreneurial activities of commercial publishing.

Certainly the provision of publishing subsidies was a controversial activity. The involvement of government, whether directly or at arms-length, in the business of determining the cultural value of books and providing for their publication was not seen by all as a legitimate activity. Ironically, much of the criticism came from the publishing industry which was the major recipient of this form of assistance. The most trenchant critic of this period was the Australian Book Trade Working Group, comprising representatives from the ABPA and the Australian Booksellers Association

²⁶ Shapcott (1988), op. cit., pp. 186; Shapcott's figures end with those of 1985-86 and I have added figures from the years 1986-87 and 1987-88 from Australia Council, *Annual Reports*, 1986-87 and 1987-88. Note that the 1973 figures are excluded here because many subsidies were provided under the CLF in that year. Note also that the figures are approximate since the *Annual Reports* do not, in all cases, give the exact number of titles assisted.

²⁷ Shapcott (1988), op. cit., p. 168.

²⁸ In the years between 1980-81 and 1988-89, Penguin (Australia) received an average of about \$29,000 per annum from the scheme; from Shapcott (1988), op. cit., pp. 212-213 and Australia Council, *Annual Report* 1980-81 to 1988-89.

²⁹ Australian Council for the Arts (1974), *2nd Annual Report* 1974, op. cit..

³⁰ Australia Council (1988), *Annual Report* 1987-88, Sydney, Australia Council.

(ABA). The Working Group, which was jointly funded by the two bodies represented on it and the Literature Board, reported the findings of its survey of the Australian publishing and bookselling industries in 1975.³¹ Although much of the report focused on the relationship between booksellers and publishers, the publishing subsidy scheme was criticised for its interference in the commercial activities of the industry:

we must express concern at the policy of the Literature Board in subsidising Australian fiction, some of which might not otherwise be published, and insisting that the subsidy be reflected in the retail price. The Board runs the risk of making indifferent fiction available cheaply. There is thus a danger that a literary version of Gresham's Law may apply, whereby the bad drives out the good. While we generally support the activities of the Literature Board, any distortion of what would otherwise be free market influences might well have unpleasant consequences.³²

The report continued:

we believe that in its efforts to make sure that Australian writers are published it is encroaching more and more into the commercial activities of publishers and booksellers thereby dictating normal market activity through underwriting risks and reducing the entrepreneurial features of the trade, or by directly competing with it. There is a danger that the Board will continue to invest substantial sums of public money in conducting experimental ventures which the trade has already tried and rejected.³³

This criticism obviously did not reflect the views of all industry participants, many of whom continued to apply for publishing subsidies for commercially marginal books. It does, however, illustrate the independence of the industry that apparently wanted government assistance without interference or conditions.

Other criticism came from disaffected publishers like independent publisher Robert Kenny who, in 1983, publicly criticised the Board's title-by-title system of subsidy approvals and argued that it placed the Board in too powerful a position. Kenny posed the question:

³¹ *The Australian Book Trade: The Report of the Australian Book Trade Working Party 1975* (1975), Melbourne, The Australian Book Trade Working Party.

³² *ibid.*, p. 21.

³³ *ibid.*, p. 52.

do we not have a situation in which almost all literary publishing in this country is now centrally controlled by a small group of government appointees?³⁴

Thomas Shapcott, then Director of the Literature Board, replied to Kenny with a defence of the Board's policies that require it to spread limited funds 'over a very wide spectrum of literary and cultural concerns'.³⁵ According to Shapcott, the Board sought not to "order the destiny of Australian Literature" but to help that destiny become manifest'.³⁶

The policies administered by the Board also came under attack from the Industries Assistance Commission (IAC) in its 1979 report on its inquiry into the publishing industry.³⁷ This inquiry and the government response are discussed in detail under a separate heading below.

In spite of the criticism, the Board continued to provide subsidies for the publication of works thought to be culturally significant but not commercially viable in the belief that public policy had, at least to some extent, a responsibility to ameliorate the effects of the commercial market on the production of Australian literature. That this belief offended publishers and others from time to time appeared to be its accepted corollary. In administering the scheme, the Board attempted to assist authors and publishers with their work and avoid shaping or influencing the nature of that work. This necessarily led to caution and continual assessment of the effects of the policy. For much of this period, the publishing subsidy scheme was at its height in terms of its extent, effects and budget. However, the proportion of the Literature Board budget spent on publishing subsidies gradually diminished, suggesting that this form of overt intervention to ensure the publication of culturally significant works was less favoured than other forms of assistance.

³⁴ Robert Kenny (1983), 'The Editorial Control of the Literature Board', *Meanjin*, v42 n3, p. 369.

³⁵ Thomas Shapcott (1984), 'The Literature Board's Publishing Subsidies', *Meanjin*, v 43 n2, p. 320.

³⁶ *ibid.*, p. 321.

³⁷ Industries Assistance Commission (IAC) (1979), *The Publishing Industry*, No. 228, Canberra, AGPS.

Postal Concessions

The postal concessions for books that had first been introduced in Australia in 1911 were unceremoniously abolished in 1973. Postal charges in general had been among many items of expenditure reviewed in 1973 by a task force appointed by the Whitlam government and headed by H.C. Coombs.³⁸ As a result of this inquiry, a number of changes were made to postal concessions, including the removal of books from concessional categories.³⁹ No rationale other than cost-savings was offered for the move, and it has been suggested that rather than being the result of any considered evaluation of the impact of the scheme, 'books were simply caught in the blanket condemnation of concessions.'⁴⁰ According to the NBC, books, once granted privileged status by the postal service along with other printed matter, were 'demoted to the ranks of parcels'.⁴¹

The abolition of postal concessions and registration procedures for books applied to postage rates *within* Australia. However, concessions for books being posted overseas *from* Australia by surface mail were retained in order to fulfill Australia's obligations as a member of the Universal Postal Union. With the abolition of the domestic book rate, Australia became one of very few Western countries and members of UNESCO not to have a concessional book post.⁴² Postage rates for books in Australia were later described as 'the highest in the world'.⁴³

This was a surprising move by the Labor government since it was inconsistent with many of its other policy initiatives, including the massive increase in funding to the newly formed Literature Board and its funding of the NBC. It seems likely, as the NBC suggested, that the book rate fell victim to a broader cost-saving and policy change initiative. Also in 1973, a major review of the Australian postal system was undertaken

³⁸ Australia. *Review of the Continuing Expenditure Policies of the Previous Government*. June 1973 (1973), Canberra, AGPS.

³⁹ 'Postal Concessions' in IAC (1979), op. cit., Appendix G, p. 120.

⁴⁰ National Book Council (1976), 'A Submission to the Postal Commission by the National Book Council Requesting the Re-establishment of a Book Post for Australia', Melbourne, May 1976, unpublished submission, p. 8.

⁴¹ *ibid.*

⁴² *ibid.*, p. 7.

⁴³ Michele Field (1983), 'Books - The Forgotten Issue of Elections', *Sydney Morning Herald* (Good Weekend), 26 February, p. 26.

that later resulted in major structural changes to the administration of Australian postal and telecommunication services.⁴⁴ This may also have influenced the decision to end postal concessions.

The NBC launched a campaign in 1976 calling for the re-introduction of concessional postal rates for books, and it prepared a submission to the Postal Commission arguing its case.⁴⁵ In its submission, the NBC presents a number of arguments for concessions, including the importance of books for their contribution to education, culture, entertainment, information and democracy. The NBC also argues that concessional book rates are especially important to facilitate equity of access to books in Australia, a large country with a dispersed population. In support of its argument, it cites the 126 % increase in postal costs incurred by the State Library of Queensland for interlibrary loans and its extension service in a 6 month period in 1975.⁴⁶ The submission concludes with the argument that the federal government recognises 'the unique position of books in the national fabric'⁴⁷ through other policy measures to assist the industry and to facilitate access to books, and should therefore extend this policy to include the reinstatement of postal concessions for books.

The NBC arguments were not successful. However, hope was re-ignited in 1982 when the Labor Party, then in opposition, released its policy statement, 'Independent Australian Publishing: An ALP Proposal'.⁴⁸ The statement presented a comprehensive policy agenda to support and encourage the activities of an independent Australian-owned publishing industry. This agenda included a commitment to '[r]econsider postal charges on books with a view to reintroducing a concessional "book rate."⁴⁹ Although the Labor Party was elected in the following year, this aspect of the policy was not implemented, and the issue once again became dormant.

⁴⁴ As a result of the Australian Post Office Commission of Inquiry in 1973, the Postmaster-General's Department was abolished in 1975, and the Australian Postal Commission and the Australian Telecommunications Commission were established, along with a new Postal and Telecommunications Department; from NAA: Agency Notes for Agency CA9: Postmaster-General's Department.

⁴⁵ National Book Council (NBC) (1976), op. cit.; this submission was also presented as a paper to the First Pacific Book Trade Seminar by Michael Zifcak and published as 'Why Books Deserve a Special Rate of Postage' in *First Pacific Book Trade Seminar Papers* (1976), Melbourne, DW Thorpe, pp. 50-53.

⁴⁶ NBC (1976), op. cit., p. 9.

⁴⁷ *ibid.*, p. 18.

⁴⁸ Senator Susan Ryan (1982), 'Independent Australian Publishing: An ALP Proposal', June, n.p., ALP.

⁴⁹ *ibid.*, p. 24.

The abolition of postal concessions for books appears to have been undertaken with little regard to the implications for the distribution of books by publishers, booksellers and libraries within Australia. It was a policy move that was out of step with Australia's commitment to encourage and facilitate the distribution of educational, cultural and scientific materials through its voluntary adherence to the UNESCO Florence Agreement. It is ironic that the free flow of books stopped at the borders of the country. The NBC made this point eloquently:

books, and the movement of books, are repeatedly singled out at the highest level of international planning for co-operation. But not in the postage rates schedules of Australia Post. There, books have ceased to exist as such. They have become 'other articles', 'non-standard articles', 'merchandise', or simply 'parcels'. It is our contention that this state of affairs is not only regrettable, but totally indefensible in the eyes of the international community.⁵⁰

Public Lending Right

The Public Lending Right (PLR) scheme was introduced in 1974 and, like the Book Bounty, was intended to compensate for the effects of another policy. The PLR was implemented to compensate authors and publishers for use of their copyright materials in free public libraries. In one sense, it was a practical and instrumental scheme for the distribution of compensation payments; however, the PLR, also functioned to encourage the production and promotion of Australian literature, and it thereby had both cultural and commercial effects.

The Whitlam Labor government introduced the PLR scheme after an active seven year campaign for its implementation by the Australian Society of Authors (ASA). The ASA derived its notion of PLR from similar programs that had been in place in Denmark since 1946 and in Sweden since 1955. In fact the long-serving CLF Advisory Board Chairman, Archibald Grenfell Price, had visited Sweden in the mid-1950s and been impressed with the Swedish scheme, recommending it for local adaptation on his

⁵⁰ NBC (1976), op. cit., p. 4.

return to Australia.⁵¹ Although his suggestion was not taken up, it did plant the seed for the idea with a number of Australian authors.

The ASA campaign was based on the principle of economic justice, and sought to have a PLR scheme introduced to compensate authors (and publishers) for the loss of royalties incurred by the multiple use of their copyright publications in public libraries. The ASA proposal did not challenge the notion of free libraries, or require that libraries pay, but sought compensatory payments from other compartments of the public purse. Throughout the campaign, the proposal for a PLR scheme was consistently opposed by the Library Association of Australia (LAA) which feared that PLR payments would come from existing public library budgets. In fact the first PLR payments came from the budget of the Department of Prime Minister and Cabinet as a new and separate expenditure item.⁵²

The campaign targeted the attorneys-general of the Holt, Gorton and McMahon Coalition governments in the late 1960s and early 1970s, but was not successful until a Labor government was elected. Whitlam, as leader of the opposition, had been convinced by the ASA campaign and gave a public commitment to introduce a PLR scheme if elected.⁵³ The groundwork for its introduction was carried out by an appointed PLR Committee in 1973, and Whitlam introduced the PLR scheme in his second term in government.

An ASA announcement to its members on the introduction of the PLR described it as 'a triumph for the ASA', and went on to differentiate between literary grants and PLR payments:

[i]t is a government decision of a different quality from the decision to make generous grants available to writers. Grants made are, in the best sense of the word, an act of patronage. The PLR decision is a recognition of the author's right to recompense for the public's use of his work . . .⁵⁴

⁵¹ A. Grenfell Price (1957), 'Aid to National Literature', *Meanjin*, v16 n3, p. 291.

⁵² Deirdre Hill (1983), *A Writer's Rights: The Story of the Australian Society of Authors 1963-1983*, Sydney, ANZ Book Company, pp. 67-68.

⁵³ *ibid.*, p. 67.

⁵⁴ Barbara Jefferis, report to ASA members May 1974, quoted in Hill, *op. cit.*, p. 69.

The PLR scheme was first administered as the 'Australian Authors' Fund' by a PLR Committee through the Department of Prime Minister and Cabinet. In 1976, it was transferred to the Australia Council for administration and, in 1980, to the Department of Home Affairs. Since then the PLR scheme has been administered, still by an appointed Committee, through the various federal government departments responsible for the arts.⁵⁵ It was not until 1985 that enabling legislation was introduced, indeed the *Public Lending Right Act 1985* did not become operable until the beginning of 1987.⁵⁶

In order to be considered for PLR payments, authors and publishers are required to make a claim in respect of each new book. Under the scheme's eligibility criteria, authors must be Australian citizens or resident in Australia, although publishing companies need not be Australian-owned. As a consequence, most publishers operating in Australia whose books are held in public libraries in the required numbers make claims under the scheme. Claims are assessed by means of an annual survey of the holdings of selected public libraries. The survey is designed and supervised by the Australian Bureau of Statistics and covers some 50 % of total Australian public library stock. In order to be eligible for payments, a total of at least 50 copies of a book must be held in the libraries surveyed.⁵⁷

Authors and publishers are paid a standard rate per book. In 1974, authors were entitled to \$0.50 per copy per year and publishers, \$0.125 per copy.⁵⁸ This rate has increased over the years, but was not indexed for inflation. In 1987-88, the respective rates were \$0.80 for authors and \$0.20 for publishers.⁵⁹ The total budget for the PLR scheme's first 15 months of operation was \$445,000,⁶⁰ and this grew steadily as the scheme became better known and payments slowly increased. In the 20 years between 1974 and 1994, the scheme paid more than \$35 million to Australian authors and publishers.⁶¹

⁵⁵ *The Public Lending Right Scheme 1974-1994* (1994), Canberra, Department of Communications and the Arts, p. 5.

⁵⁶ *ibid.*, p. 6.

⁵⁷ *ibid.*, pp. 8-9.

⁵⁸ Hill, *op. cit.*, p. 70.

⁵⁹ Public Lending Right Committee (1995), *Annual Report 1994-95*, Canberra, AGPS, p. 5.

⁶⁰ *The Public Lending Right Scheme 1974-1994*, *op. cit.*, p. 4.

⁶¹ *ibid.*

Although the amounts paid to individual authors and publishers are generally small, the scheme maintains the principle of copyright holders' rights to fair compensation for the use of their work in a free public library system. In providing payments to publishers as well as authors, and only in respect of works by Australian authors, the PLR scheme has had the effect of encouraging both the creation and publication of Australian books, albeit in a minor way. The limited profits available from the relatively small Australian book market can be augmented by PLR payments, and authors and publishers are thereby provided with a potential additional source of income. This, in turn, has cultural effects as more Australian work is produced.

In its 1982 submission to government regarding public policy in relation to book publishing, the ABPA acknowledged the effect of the PLR in supporting the production of Australian books by noting that, although payments to publishers are quite small under the scheme, 'it does provide encouragement to publish Australian authors.'⁶²

Publicity for the PLR scheme made this function explicit; a document from the early 1980s states:

[t]he need for compensation to Australian authors and publishers is highlighted by the strong competition from books published in larger overseas English-speaking countries. The existence of PLR does not challenge the free library system but seeks to overcome the economic penalty created by that system so that the production of Australian books and access to them can continue and flourish.⁶³

A 1982 internal review of the scheme expressed an even wider view of its functions:

[t]he Public Lending Right should be seen as having an importance that goes beyond its acknowledgement that authors and publishers are morally and financially entitled to recompense for the multiple and public use of their books. Its existence can also be seen as affirming the government's belief in the national importance of the country's cultural health. If that culture is to be strongly Australian, rather than a pale reflection of imported cultures, the importance of PLR cannot be overstated. It is the strongest guarantee the

⁶² Australian Book Publishers Association (1982), 'Australian Book Publishing – A Policy for the Future', unpublished submission, p. 20.

⁶³ PLR Scheme (c1981), 'Public Lending Right in Australia', Sydney, PLR, [reprinted in *The Australian Librarian's Manual: Volume 1 Documents* (1982), compiled by David Jones, Sydney, Library Association of Australia, p. 507.]

community can give its writers and publishers that it values their work, both for its own sake and as an irreplaceable source of material for other Australian arts.⁶⁴

Certainly the scheme acknowledges the value of Australian works; however, both the money and the acknowledgment are relatively minor. It is unlikely that the PLR provides 'the strongest guarantee the community can give its writers and publishers that it values its work', as stated in the above quote. That statement must surely be considered hyperbole in light of the relatively small amounts of money provided under the PLR scheme.

The scheme, like many programs in this area, is an ambivalent policy instrument. Although Australia is one of very few countries that recognises PLR, it remains a small and primarily symbolic scheme. It took a long and consistent campaign by the ASA to have the PLR proposal considered by government, and it was not until the Labor Party replaced the conservative parties in government that the scheme was introduced. It took 11 years from its introduction for legislation to be enacted to formally establish the mechanics of the scheme, and two more years before the *Public Lending Right Act 1985* became operable. In addition, the PLR has a relatively small budget and, with a few exceptions, provides individual authors and publishers with small annual payments. Its rates of payment have increased incrementally over the years but have not kept up with the effects of inflation. However, it has survived, and having done so, is considered a legitimate right of Australian authors and publishers.

Ownership and Policy

In the mid-1970s, as a result of increasing cultural nationalism and the growing market for Australian books, the tension between locally-owned and foreign-owned publishers in Australia was at its height. Not only was this a period of intense takeover and merger activity in Australian and international publishing, but it was also a time when a number of local publishers began asserting their rights to exclusive policy assistance.

⁶⁴ PLR Committee Review of the PLR Scheme 1982, quoted in *The Public Lending Right Scheme 1974-1994*, op. cit., p. 10.

As mentioned in Chapters 2 and 3, a group of Australian-owned publishers broke away from the ABPA to form the Australian Independent Publishers' Association (AIPA) in 1975. The Association was formed with the aim to create:

a self-help body to achieve solutions to the inherent difficulties besetting the small publisher, such as sales and distribution, the crippling effect of high postage rates and the hard task of promoting their books against those of large publishers.⁶⁵

Initially, the AIPA appeared to focus its activities on those issues confronting small publishers; however, it soon expanded its brief to address the concerns of Australian-owned publishers of all sizes. The large Australian-owned companies Rigby and Angus & Robertson joined the AIPA which had a membership in the late 1970s, of between 70 and 90,⁶⁶ many of whom also remained members of the ABPA.

A major issue in this period, and one that contributed to the formation of the AIPA was the definition of 'Australian publishing'. In 1975, the ABPA put forward the following very broad definition:

we can define a publisher in Australia as one who supplies reproductions of a literary work to the public. Note that there are no restrictions as to the nationality of the author, as to where [the] book was printed, as to whether the book was published elsewhere, or as to the ownership and nationality of the publishing company.⁶⁷

The founding president of the AIPA, Geoffrey Gold, differentiated between 'Australian publishing', the activity carried out by Australian-owned publishers, and 'publishing in Australia', an activity represented by the ABPA and its large membership of foreign-owned and other publishers.⁶⁸ These distinctions were of concern to many Australians in this period of increased nationalism, and the Australian Book Trade Working Party acknowledged this in its 1975 Report:

⁶⁵ Michael Denholm (1991), *Small Press Publishing in Australia: The Late 1970s to the Mid to Late 1980s*, Vol. 2, Melbourne, Footprint, p. 1.

⁶⁶ Denholm (1991), *op. cit.*, claims membership 'numbered over 70', p. 3; and Patricia Holt claims there were 'close to 90 members' in 'Publishing in Australia: A PW Special Report' (1978), *Publishers Weekly*, v214 n10, 4 September, p. 56.

⁶⁷ Quoted in Humphrey McQueen (1977), *Australia's Media Monopolies*, Melbourne, Widescope, p. 157.

⁶⁸ Quoted from *Quill and Quire* (Canada), July 1976 in K.W. Wilder (1977), 'Let the Full Membership of the ABPA and the AIPA Meet Together', *Australian Bookseller & Publisher*, October, p. 22.

[t]he public is aware that the majority of the larger Australian publishing companies are owned in UK and USA, and regrets this fact.⁶⁹

The AIPA was an active organisation and involved itself in cooperative promotional, research and lobbying activities on behalf of its members. Such activities included trade exhibitions in Australian cities featuring books published by members, and a trial joint freighting scheme for member companies.⁷⁰ The Association also represented its members to government alongside but separate from the ABPA, including to the Industries Assistance Commission's 1979 inquiry into the publishing industry. For a five year period, the Australian book publishing industry was represented by two trade associations which were occasionally in conflict.

It was the AIPA's representation of its members at international trade fairs that led to a major controversy between the two organisations. The ABPA had, since the early 1960s, received grants from the Export Development Grants Board to assist with the representation of Australia at international book fairs. After the dissolution in 1977 of a 'joint book export development committee' comprising representatives from both associations, this funding was challenged by the AIPA which claimed to be the representative body for Australian publishing. In response and unsure which body should receive funding, the Export Development Grants Board stopped funding to the industry altogether. This caused much anger and, as Ken Wilder, vice president of the ABPA noted:

[a]s a result, Australian publishers and authors and, indirectly, the whole Australian book trade have been deprived of about \$8000 in one year alone to promote the export of Australian books overseas.⁷¹

It took a number of years for the matter to be resolved, and in the meantime, the confusion continued, as this statement from the US trade journal *Publishers Weekly* illustrates:

⁶⁹ *The Australian Book Trade: The Report of the Australian Book Trade Working Party 1975* (1975), op. cit., p. 24.

⁷⁰ 'Australian Independent Publishers' Association' (1976), *Australasian Small Press Review*, n3, pp. 3-4.

⁷¹ Wilder (1977), op. cit., p. 22.

it has been perplexing to visitors at foreign book fairs to come upon two booths from Australia – one (ABPA) saying 'We represent publishing in Australia,' the other (AIPA) insisting: 'But we represent Australian publishing.'⁷²

The AIPA also made a submission to the Foreign Investment Review Board (FIRB) in 1977 in respect of the Board's review of the proposed takeover of Australian publishing company Rigby Limited by the British company, Octopus Books, owned by Paul Hamlyn. Rigby, established in 1859 as a bookseller in Adelaide, had later moved into publishing and done well in the post-war educational publishing boom and, by 1976, was the second largest Australian-owned publishing company.⁷³ The AIPA objected to the takeover bid and launched a campaign to convince the industry, the public and the FIRB that:

the extent of foreign involvement in the book publishing industry would not be tolerated by the Government in newspapers, radio or television . . . [and that] Eighteen percent of the Australian publishing industry is now owned by Australian companies. This would drop to less than 11.5 per cent if Rigby Limited was sold to a foreign company.⁷⁴

The FIRB, operating under the *Foreign Takeovers Act 1975*, recommended to the Treasurer that the takeover be prohibited on the grounds that it was contrary to the national interest. This was considered a victory for the AIPA and for Australian publishing. AIPA President Geoffrey Gold was quoted in the press at the time:

this is a tremendous advance and we look forward to seeing the development of a national cultural policy that takes into account the question of Australian ownership in the book publishing industry.⁷⁵

The Labor Party, while in opposition, was influenced by the Australian ownership lobby and the preamble to its 1982 policy statement titled 'Independent Australian Publishing: An ALP Proposal' stated:

if there were no independent Australian publishing committed to bringing indigenous Australian thought and literature to the Australian public, our literary

⁷² Holt (1978), op. cit., p. 56.

⁷³ Vern Branson (1986), 'Rigby Remembered', *Australian Bookseller & Publisher*, October, p. 38; and Geoffrey Dutton (1984), 'A Sick Giant Left with Former Glories', *Bulletin*, 6 November, pp. 43, 46.

⁷⁴ Margaret Geddes (1977), 'Publishers Warn Against Takeover "Guarantees"', *Age*, 10 October, p. 2.

⁷⁵ Geoffrey Gold quoted in 'Canberra Blocks Book Deal' (1977), *Age*, 18 October, p. 2.

and intellectual life would be merely an insignificant extension of the transatlantic English-speaking cultures.⁷⁶

The policy document included a commitment to:

[e]stablish a scheme to provide development aid to Australian-owned and operated publishers: the aim is not to create Australian versions of the multinationals but to give independents the chance to initiate publishing which has merit but for which finance is lacking. (Cost \$1m)⁷⁷

The Labor Party was elected to government in the following year (1983) but did not implement this aspect of their publishing policy then or in the 13 years that they were to hold government. Literature Board publishing grants and most industry assistance programs continued to be available to publishers regardless of their ownership status.

With the single exception of the 1977 FIRB decision against the foreign takeover of Rigby, the government did not intervene in the issue of ownership. Indeed, subsequent takeovers of local publishing companies occurred without being blocked by the FIRB (including the later takeover of Rigby). The withdrawal of Export Development Grants from the industry in response to the claims of competing representative bodies, further demonstrates the unwillingness of government to intervene. Although the AIPA, during its brief existence, sought to promote the cultural significance of a viable locally-owned publishing sector, it must be seen as largely unsuccessful in terms of its effect on policy. The fact that foreign companies did begin publishing local works can be attributed to the increasing commercial value of Australian books rather than to any new-found commitment to the development of local culture.

Industries Assistance Commission Inquiry 1979

A comprehensive review of government assistance to the publishing industry was carried out in the mid-1970s by the Industries Assistance Commission (IAC). The Commission's report, issued in 1979, provides a valuable catalogue of government

⁷⁶ Ryan, *op cit.*, p. 1.

⁷⁷ *ibid.*, p. 24.

assistance measures to all sectors of the publishing industry at the time. The IAC's evaluation of these measures, and its consequent recommendations reveal a narrow application of strictly economic criteria to an industry that has significant cultural as well as commercial goals. It is not surprising that the government receiving the IAC report (by then a conservative Coalition government) chose not to act on its recommendations. It is interesting, however, to note how the tensions between culture and commerce in relation to government intervention in the publishing industry were perceived by the IAC.

The Labor government's referral of the industry to the IAC is said to have originated with its concern regarding 'the extent and implications of ownership and control by overseas companies of the publishing industry in Australia'.⁷⁸ The opportunity to inquire into this, however, was apparently not taken up when the inquiry was referred to the IAC by the Special Minister for State, Douglas McClelland. Instead, the IAC's brief was to inquire and report on:

whether assistance should be accorded publishing in Australia, and if so what should be the nature and extent of such assistance.⁷⁹

The issue of foreign and local ownership was completely absent from the IAC's terms of reference, although it was raised by a number of witnesses to the inquiry. In its report, the IAC paid little attention to concerns expressed about foreign ownership, and it is likely that the Commission saw the issue as being simply outside its terms of reference. The government may have considered it inappropriate for the IAC to inquire into foreign ownership, although it might have required the IAC to assess the propriety of government assistance to foreign publishing companies. The lobby representing the interests of foreign publishers through the ABPA was at least as strong as that of the AIPA, and may have influenced the government in drawing up its terms of reference for the inquiry. However, given that the IAC concluded that most government support for *all* publishing should be abolished, questions of ownership become irrelevant.

⁷⁸ Kep Enderby, Minister for Manufacturing Industry, 1974, quoted in Geoffrey Gold (1978-79), 'A Letter from the Publisher of NR', *Nation Review*, 22 December 1978-12 January 1979, p. 7.

⁷⁹ Douglas McClelland, Special Minister for State, 'Terms of Reference' in IAC (1979), op. cit., p. 78.

In the terms of reference, the IAC was explicitly instructed to have regard in its inquiry to cultural issues, including the government's desire that no import duties be imposed on books in order to maintain its adherence to the Florence Agreement and that:

the publication of works of exceptional merit or of national importance and of works necessary to fulfill special needs should not necessarily be prevented by their not being commercially viable.⁸⁰

The inquiry heard evidence from witnesses representing authors, printers and booksellers, as well as magazine, newspaper and book publishers. It also compiled statistical and other information about the industry and about existing government assistance to the industry. Its Commissioners were the IAC Chairman, W.A. McKinnon, and Richard Boyer; the latter also conducted the significant IAC inquiry into the performing arts in 1976 (discussed in Chapter 3). From the time of its referral to the IAC, to the production of its final report, the inquiry took over four years, and it was the subject of much controversy, including a boycott of its later public hearings by the AIPA.⁸¹

The IAC notes that its approach to inquiry into the publishing industry, in spite of the industry's cultural role, 'is essentially no different from the approach taken to any industry inquiry',⁸² it adds:

[t]his does not deny any idiosyncratic features of the industry, such as its role in the cultural and educational aspects of Australian life. However, these features do not justify removing it from the realm of consistent policy making.⁸³

In fact, the Report specifically examines:

the contribution that published works make to cultural, educational and / or associated goals, above and beyond that reflected by the market demand for

⁸⁰ *ibid.*

⁸¹ The AIPA announced a boycott of the hearings of the inquiry in relation to its draft report due to 'the IAC's disgraceful lack of courtesy in scheduling its supplementary hearings at the height of the industry's busiest period, so close to the summer holiday break and within 30 days of the release of its draft report.'

Quoted from Gold, *op. cit.*, p 7.

⁸² IAC (1979), *op. cit.*, p. 54.

⁸³ *ibid.*

publications, [that] has been an underlying reason presented as justifying past and existing assistance to the industry.⁸⁴

It does so under headings such as 'contribution to culture', 'elitism', 'contribution to education', 'contribution to equality' and "unfair" competition'. Under each heading, arguments are presented that had been put forward in favour of these contributions and, in most cases, the IAC refutes those arguments.

In relation to the publishing industry's contribution to culture, for instance, the report dismisses arguments that support government assistance to the cultural goals of publishing, thus:

[t]he fundamental point is that 'cultural value' is impossible to define with the measure of precision necessary for it to serve as a meaningful and consistently applied criterion for government policy.⁸⁵

It goes on to critically analyse the practice of government instrumentalities determining cultural value. Firstly, it argues that the subjective nature of cultural value renders it a dangerous criteria in relation to the potential for 'the coercive power of governments to influence publishing activities.'⁸⁶

Secondly, the IAC believes that, linked to this 'dubious' activity of determining cultural value is the practice of elitism, that is, decisions by 'experts' as to what is or is not culturally valuable. On this issue, it concludes:

[e]ssentially, the Commission's inquiry did not suggest any rational reasons for believing that, in the context of optimising community benefit, there is any better literary expert than the marketplace itself, whatever its apparent shortcomings.⁸⁷

In examining the assistance provided by Literature Board publishing subsidies which aims to support the publication of works of cultural value, the IAC criticism is

⁸⁴ *ibid.*, p. 57. Emphasis in the original.

⁸⁵ *ibid.*

⁸⁶ *ibid.*, p. 59.

⁸⁷ *ibid.*, p. 61.

particularly trenchant. Its report claims that such assistance is at once paternalistic and elitist, subjective, manipulative and

nothing more than a series of random shots in the dark serving to favour quite arbitrarily, some activities . . . at the expense of others.⁸⁸

The free market bias of the IAC is obvious in its opinion regarding the effect of grants from the Literature Board; the IAC believes that such assistance:

effectively denies individuals the right of access to an undistorted supply of publications and, to this extent, inhibits their ability freely to exercise their own choice.⁸⁹

The IAC claims that subsidies distort not only the market, but also culture. In a much-quoted opinion, the report states:

[t]he concept of the Government 'buying culture' seems to be at odds with the usual understanding of the word, in that a 'true culture' may be considered to be the product of natural, not government guided, development.⁹⁰

The findings and recommendations of the IAC inquiry, as noted above, called for the discontinuation of most assistance measures to the publishing industry, including PLR payments and Literature Board grants to publishers. In addition, it recommended that copyright legislation be reviewed with an emphasis on its economic (rather than its cultural) effects, and that government publishing activities should not unfairly compete with private publishers.

The Commission's arguments reflect the strict neoclassical economic (or economic rationalist) approach it took to this inquiry, that is, an approach that:

says that markets and prices are the *only reliable* means of setting a value on anything, and . . . that markets and money can *always* . . . deliver better outcomes than states and bureaucracies.⁹¹

⁸⁸ *ibid.*, p. 70.

⁸⁹ *ibid.*, p. 1.

⁹⁰ *ibid.*, p. 70.

⁹¹ Michael Pusey (1993), 'Reclaiming the Middle Ground . . . From New Right "Economic Rationalism"' in Stephen King & Peter Lloyd, eds, *Economic Rationalism: Dead End or Way Forward?*, Sydney, Allen & Unwin, p. 14. Emphasis in the original.

The extremity of this approach rendered the outcome of the inquiry unsatisfactory to the government and the majority of its recommendations were dismissed.⁹² It also alienated and angered many in the industry who sought a more balanced and realistic approach to a review of government intervention in the industry.⁹³

The importance of this IAC report into the publishing industry lies in its compilation and description of the various government assistance measures existing at the time. It also provides, in listing 'requests and suggestions' from witnesses, a catalogue of then current interests and concerns of industry participants. For instance, it notes that the printing industry organisations represented at the inquiry argued for the federal government not to ratify the UNESCO Florence Agreement.⁹⁴ It also reveals that several publishing companies suggested that only Australian-owned publishing companies be eligible for certain kinds of government assistance,⁹⁵ while one British-owned company requested that assistance *not* be confined to Australian-owned companies.⁹⁶

Although the report's recommendations were largely dismissed, its criticism of the Literature Board publishing subsidy scheme resulted in increased defensiveness from the Board. In the Australia Council's *Annual Report 1980-81*, for instance, the intentions of the publishing subsidy scheme were clarified:

[t]he basic aim of the scheme is to help authors by ensuring the publication of works most of which, without subsidy, would not be published. Subsidies are not a form of assistance to the publishing industry as such.⁹⁷

This explicit denial of an industry assistance function, and avoidance of claiming any cultural aim for the subsidies are clearly defensive reactions to the IAC criticism. By claiming to 'help authors', the Board sidesteps accusations of elitism and cultural

⁹² 'Publishers Win Reprieve, As IAC Report Rejected' (1979), *The Australian*, 20 December, p. 3.

⁹³ Many of these views are illustrated by responses to the IAC draft report, as cited by Denholm (1991), *op. cit.*, pp. 13-19; also Joyce Nicholson & D.W. Thorpe (2000), *A Life of Books: The Story of DW Thorpe Pty Ltd 1921-1987*, Middle Park, Vic., Courtyard Press, pp. 268-269 in a chapter titled 'The Book Trade Under Attack'.

⁹⁴ IAC (1979), *op. cit.*, p. 109. This was a request of both the Printing and Allied Trades Employers Federation of Australia and the Printing and Kindred Industries Union.

⁹⁵ *ibid.*, pp. 94, 95, 104, 107.

⁹⁶ *ibid.*, p. 106.

⁹⁷ Australia Council (1981), *Annual Report 1980-81*, Sydney, Australia Council, p. 36.

manipulation leveled at it by the IAC. The *Annual Report* goes on to defend its program against charges of market distortion and argues that subsidies do not distort the market 'but correct an existing distortion in a market-place which might otherwise be swamped by overseas titles'.⁹⁸

Although the inquiry's terms of reference required the IAC to bear in mind certain cultural considerations, the IAC was unable to see justification for *any* intervention in the interests of cultural development. The IAC saw instead that the free market would provide the cultural products that consumers wanted; any intervention would result in both cultural and market distortion.

The IAC had a record of taking a strictly economic approach to cultural and other industries, as demonstrated in its 1976 inquiry into the performing arts.⁹⁹ The government rejected the recommendations of that inquiry, as it did those of the IAC inquiry into publishing. It became obvious that the IAC was not an appropriate body to inquire into arts and cultural funding, and future inquiries were carried out by other bodies.¹⁰⁰ It has been suggested that the Labor government, which initiated both of these inquiries, was naïve in employing the IAC to inquire into cultural industries.¹⁰¹ Certainly the results of both inquiries bear out that suggestion and, as it happened, both were presented to the Fraser Coalition government, which was not impressed with the IAC's economic bias. In response to the draft Report into the Performing Arts, Prime Minister Fraser stated:

[t]he Government is committed not only to the support of individual art but also to the support of the major performing companies in Australia – the opera, ballet and drama. That will be its continuing policy. The government has this view because art is not something which can be judged merely by harsh economic criteria. I do not know of any country which pursues an adequate artistic talent and performance merely by adopting the user-pays principle.¹⁰²

⁹⁸ *ibid.*, p. 37.

⁹⁹ Industries Assistance Commission (1976), *Assistance to the Performing Arts*, No. 112, Canberra, AGPS.

¹⁰⁰ For instance, the House of Representatives Standing Committee on Expenditure that inquired into Commonwealth Assistance to the Arts in 1986 and produced the 'McLeay Report'.

¹⁰¹ For instance, Philip Parsons (1987), *Shooting the Pianist: The Role of Government in the Arts*, Sydney, Currency Press, pp. 13-14; and Justin Macdonnell (1992), *Arts Minister? Government Policy and the Arts*, Sydney, Currency Press, pp. 142-153.

¹⁰² Malcolm Fraser, PM (1976), CPD, v101, 13 October, p. 1802.

The IAC inquiry into the publishing industry and its recommendations were similarly dismissed, and the IAC was not asked to consider the cultural aspects of assistance to book publishing again. Subsequent IAC inquiries into book production focused on the physical production of books, primarily printing and paper, and adjustments to the Book Bounty.¹⁰³

Copyright Activity

Dissatisfaction with the *Copyright Act 1968* began to emerge in this period as it became apparent that the Act was inadequate in a number of areas. Developments in photocopying technology required that the Act be amended to protect copyright owners, and this was done in 1980 with amendments that acknowledged the 'reprographic rights' of owners and set out protective provisions. Another problem with the Act was its importation provisions that placed restrictions on imports and contributed to maintaining a 'closed market' for books in Australia. This issue was the subject of intense industry discussion and lobbying in this period and for the rest of the century.

The provisions of the *Copyright Act* that prohibited the parallel importation of legitimate copies of books created a monopoly situation in which copyright holders could completely deny access to works if they decided not to exercise their rights and make available an Australian edition. The effects of this, combined with the effects of the Traditional Market Agreement, resulted in a situation in which Australian consumers did not have access to many books that were available in other English language markets, such as Canada and the US.

As a result of concerns expressed about the provisions, a conference was convened in 1974 by the federal Attorney-General's Department to discuss the importation of books. The conference was attended by representatives of consumer groups, government, libraries, publishers, booksellers, authors and the Copyright Council. The following questions were addressed at the conference:

¹⁰³ The IAC conducted an inquiry into book production in 1985 and into pulp, paper, paper products and printing industries in 1987. Its successor, the Industries Commission, inquired into book production in 1992 and book printing in 1996.

- Does the copyright barrier to book importation need reform?
- Should Australia be an open or closed market?¹⁰⁴

A range of views was expressed on these questions, including a strong argument in favour of law reform to facilitate increased access to overseas books from bookseller Max Harris. Others, including some booksellers, representatives of the ABPA and the Copyright Council, argued for the maintenance of the status quo.¹⁰⁵ The conference marked the beginning of what was to be a long public debate on the importation provisions of the Act.

A High Court case in 1977 tested the provisions and added impetus to the movement for law reform. Bookseller Angus & Robertson had imported copies of cookbooks legally published in the US by Time-Life International which also held the Australian rights for the same books. The publisher brought the case against Angus & Robertson for illegal importation. The booksellers argued that since they had imported legal copies published by the Australian copyright holders, albeit in the US, and that they did so openly, they had an implied license to import the books. Angus & Robertson lost the case which demonstrated not only the Australian copyright holder's monopoly, but also that the legislation required that *specific* import licenses be granted to importers.¹⁰⁶

The federal government initiated an inquiry into the importation provisions of the Act in the Copyright Law Review Committee (CLRC) in 1984. The Committee undertook a four year long inquiry and reported to the Attorney-General in 1988. In considering the restrictions on parallel imports in the Act, the CLRC made the observation:

[i]t is no doubt true to say that the principal beneficiaries of the sections [of the Copyright Act] in the way they presently operate are the large multi-national organizations.¹⁰⁷

¹⁰⁴ Attorney-General's Department (1974), 'Conference on the Importation of Books: Papers' Sydney, 19 April.

¹⁰⁵ Nicholson & Thorpe, op. cit., p. 233.

¹⁰⁶ *ibid.*, pp. 253-254; and Derek Fielding (1992), 'Copyright Law Changes and Australian Book Culture' in Jock McLeod & Patrick Buckridge (eds), *Books and Reading in Australian Society*, [Nathan] Qld, Institute for Cultural Policy Studies, Griffith University, pp. 111-112.

¹⁰⁷ Copyright Law Review Committee (1988), *The Importation Provisions of the Copyright Act 1968*, Canberra, AGPS, p. 242.

Although the Committee was 'disturbed by some of the material which has been placed before it concerning absence of competition, inefficient practices and . . . overpricing',¹⁰⁸ it stopped short of recommending the repeal of the importation provisions. However, the CLRC report concluded, '[t]he Committee recognizes that ultimately the problem must be solved at the political level'.¹⁰⁹

The issue eventually split the Australian book trade, with booksellers wanting to be able to import books to meet the demands of their customers, and publishers wanting to maintain their monopoly positions in order to control book distribution and prices. Other changes were also having an effect on relationships in the book trade, including the outcome of the resale price maintenance case in the Trade Practices Commission in 1972 (see Chapter 6), and the formal cessation of the Traditional Market Agreement in 1976 (see Chapter 2). The infrastructure with which British publishers had long controlled the Australian book market was steadily being dismantled.

The government's consideration of amendments to the *Copyright Act* was cautious: it initiated inquiries and moved slowly. It was subject to lobbying from parties with conflicting interests, and responded with a circumspection that could be seen as ambivalence. The sections of the *Copyright Act* that deal with importation were eventually amended in 1991, and the continuing process is examined in Chapter 8.

Sales Tax Proposal

In his budget speech in August 1981, John Howard, the Coalition government Treasurer, gave notice of the government's intention to impose a 2 ½ % sales tax on a range of goods, including books, magazines and newspapers.¹¹⁰ Sales tax had not been imposed on books in Australia except for a brief period during the Depression in the early 1930s (see Chapter 4). The 1981 announcement sparked immediate protests from publishers, booksellers, writers, readers, academics, librarians and others. Most capital

¹⁰⁸ *ibid.*, p. 243.

¹⁰⁹ *ibid.*, p. 239.

¹¹⁰ Michael Zifcak (1982), 'How the Australian Book Trade Rallied Against the Sales Tax', *The Bookseller*, 27 March, p. 1218.

city newspapers published dissenting editorials, and there were protests to the Australian government from international organisations including the International Book Committee of UNESCO and the International Booksellers' Federation.¹¹¹

The bills to facilitate the tax were part of the government's 1981-82 budget appropriations and, as such were considered to be 'money bills' and therefore subject to a Labor Party undertaking not to block the supply of money to the government (in reaction to the Coalition's action in opposition in 1975 that led to the dismissal of the Whitlam government). The sales tax bills passed through their readings in the House of Representatives where the government held a clear majority, but were held up in the Senate. The minority parties, an independent senator and a government senator combined to refer the bills back to the House for reconsideration. The bills were again sent to the Senate which sought to have a number of items, including books, exempted from the proposed tax. A temporary parliamentary impasse was reached.

Shortly after the government's announcement, an enthusiastic campaign against the tax was launched with the formation of the 'Please Don't Tax Books Committee'. The Committee comprised representatives from book trade and library organisations, and was coordinated through the NBC. It was financed largely by the NSW and Victorian branches of the ABA, and by the ABPA. The Committee produced campaign posters, stickers, badges, postcards, pamphlets and paper book bags for use by booksellers printed with a protest letter to the Prime Minister. It also produced, with the assistance of Penguin (Australia), a booklet detailing the case against a sales tax on books.¹¹² The Committee circulated a petition in libraries, schools, universities and bookshops, and collected an estimated one million signatures.¹¹³

The major argument in the campaign against sales tax was the cultural and educational role of books. The proposal was labeled a 'tax on knowledge'. In addition, the campaign highlighted the commercial consequences on the book trade of such a tax. A central campaign strategy was to 'alert the community even more widely on the cultural

¹¹¹ National Book Council (1981), *Please Don't Tax Books: The Case Against an Australian Tax on Books*, Carlton, Vic., National Book Council, Please Don't Tax Books Committee, p. 2.

¹¹² *ibid.*

¹¹³ *ibid.*, p. 7.

and economic consequences of the introduction of the tax.'¹¹⁴ Once again, the 'books are different' argument was invoked, as the following statement from bookseller, Michael Zifcak illustrates:

books are not ordinary merchandise . . . nationally and internationally they rightly and unquestionably enjoy a special status and occupy a unique position in our lives.¹¹⁵

A group of prominent Australian literary and academic practitioners from across the political spectrum, including Patrick White, Sir Mark Oliphant, Leonie Kramer, Alan Marshall and Geoffrey Blainey, put their names to a letter that was published in major newspapers. The letter included the following statement.

We believe that the sales tax on books recently imposed by the Australian Government is highly undesirable.

We ask for reconsideration by the Commonwealth authorities of this unprecedented tax on the written word in this country.¹¹⁶

The campaign did not deter the government from re-introducing the bills; however, after they were once again delayed by the Senate in March 1982, the government let the bills lapse.

The proposed introduction of sales tax at this time did not single out books, rather books were included among a number of other consumer goods, including clothing, footwear, manchester, building materials and packaging, on which the government intended to levy a sales tax. This broad sales tax regime was simply a pragmatic initiative to provide an additional source of government revenue.

To include books in this was a tactical error, given both the enormity of the protests that followed the announcement and the government's prior policy stance on books. The Prime Minister, Malcolm Fraser, had opened an International Booksellers' Federation

¹¹⁴ *ibid.*

¹¹⁵ Quoted *ibid.*, p. 2, from an interview with Michael Zifcak on ABC Radio 'Books and Writing', 2 September 1981.

¹¹⁶ Quoted in National Book Council (1981), *Please Don't Tax Books*, op. cit., p. 7.

Congress in Melbourne in early 1981, and had expressed his personal appreciation of the book. His speech included the following testimony to the significance of the book.

For serious thought – for sustained and complex argument – the book has no equal. I believe that books will never be surpassed or replaced as the essential foundation for serious study. It is impossible to reflect in a general way about books without recognising that they have provided some of the most decisive influences on the advance of civilisation, some of the most powerful expressions of human knowledge and of human achievement.¹¹⁷

This was seized on by opponents of the proposed tax, as was the government's support for writers, publishers and printers, and for the arts in general. The contradictions in government policy toward books were highlighted in the campaign. Indeed the Fraser government's continued support for books and for the arts, and Fraser's own rhetoric indicate an ambivalent stance on the issue. It is not surprising therefore that the sales tax proposal was eventually dropped in the face of both Senate and public opposition.

Conclusion

This was a period of expansion in Australian book publishing and in government assistance to the cultural aspects of publishing. The period was characterised by political change, by the extension of government intervention in the arts and by the establishment of arts funding as a legitimate activity of government. Both Labor and Coalition governments supported and maintained the new arts policy agenda.

Government assistance to literature, once a unique but minor program, was subsumed in the broader arts funding mechanism, the Australia Council. The uniqueness lost was compensated for by its being part of a larger, more prominent and less vulnerable arts policy system. The establishment of the Literature Board within the Australia Council removed funding for literature and publishing from direct political influence and the former two committee system, and thereby loosened policy constraints. Funding programs could be more flexible and more responsive to changing conditions and needs.

¹¹⁷ Malcolm Fraser, opening address at the International Booksellers' Federation Congress, March 1981, quoted in National Book Council (1981), 'Why Books Are Different', 30 October, Melbourne, NBC, Please Don't Tax Books Committee, p. 1.

Increased funding allowed for the expansion of literature programs and these had an immediate effect on the extent and nature of Australian publishing output.

However, in relation to the other artforms within the Australia Council, literature funding was low, perhaps reflecting the nature of the publishing industry as both a commercial and cultural enterprise. While offering assistance to authors and for the publication and promotion of Australian books, the government was careful not to intervene too vigorously in the commercial aspects of publishing. It sought to strike a balance between a desire to allow a free market in books and its policy of intervention to ensure the publication of culturally significant books. Although the publishing subsidy scheme was expanded under the Literature Board, it remained a relatively minor program, and one that diminished over this period.

The IAC inquiry into the publishing industry highlighted the conflicting imperatives of culture and commerce in book publishing. Its recommendations, based on an economic rationalist assessment of publishing and government assistance to the industry, were rejected by the government which opted instead to continue its programs of support for the cultural aspects of book production and distribution. The IAC's instrumental approach to cultural matters was out of step with the government's view, as illustrated by Malcolm Fraser's statement (also quoted in full above) that 'art is not something which can be judged merely by harsh economic criteria'.¹¹⁸ The government attempted to steer a path in policy matters relating to the book industry between support for the industry's cultural roles and non-interference in its commercial functions. This was not an easy task since the cultural and commercial aspects of publishing are not easily separated, and this contributed to policy ambivalence.

Several government initiatives of this period were clearly contradictory to other book industry policy. These were the abolition, by the Whitlam Labor government, of postal 'book rates', and the Fraser Coalition government's proposed sales tax on books. Both affected access to books – the latter was a proposal that would have limited access by increasing the price of books; and the former, by increasing costs of book distribution through the postal system. Although both governments provided assistance to the

¹¹⁸ Malcolm Fraser, PM (1976), *CPD*, v101, 13 October, p. 1802.

production end of the book industry (through Literature Board grants, PLR and the Book Bounty), both also introduced or attempted to introduce policies that constrained, or would have constrained, the distribution of books. These policies also contradicted the principles underlying the Australian government commitment to the UNESCO Florence Agreement, that is, a belief in the facilitation of the free flow of educational, cultural and scientific materials, including books. The policy inconsistencies demonstrate a lack of coordination and planning, and the ad hoc nature of policy in this area.

The introduction of the PLR was a significant policy initiative that acknowledged government responsibility for providing compensation for the effects of other policies, in this case, the provision of free public libraries. PLR payments were small, but established a principle concerning the rights of copyright owners in relation to the use of their works. The PLR also encouraged the publication of Australian books, and was a symbolic but significant policy.

An issue that the government chose not to act on in this period was the call for government assistance to be directed only to locally-owned publishers. Although the Labor Party included a commitment to offering particular assistance to Australian-owned publishers in its 1982 policy document, this was not implemented when the Party was elected in the following year. Both Labor and Coalition governments were careful not to intervene in ownership matters, but continued to provide low levels of assistance and compensatory payments to publishers, regardless of their ownership status. Concern with the effects of foreign ownership in Australia was at its height in this period, however, it had little effect in spite of a spirited nationalist lobby. The government valued overseas investment, and foreign-owned publishers were demonstrating their ability to participate in the Australian market through both their importation activities and their increasing local publishing programs.

Policy in relation to the book industry in this period continued to be ambivalent, although less so than in earlier periods. The most significant initiative was the increased support provided for the cultural role of publishing through the establishment of the Australia Council with its broad arts policy agenda and generous initial funding.

However, this positive action was threatened by the IAC's later recommendations against it. In addition, the government took contradictory actions that undermined established principles, and which demonstrated the uncoordinated nature of public policy in relation to book production and distribution in Australia.

CHAPTER 8

THE CENTURY'S END – 1989-2000

With Mr Keating as Prime Minister there was an effort to place arts policy in the broader context of Australia's cultural development, economic interest and international identity.¹

The dominance of the economic rationalist paradigm in Australian government and politics was a major feature of this period and was manifested in bipartisan acceptance of the primacy of economic concerns in the development and implementation of public policy. It was an ideological approach first embraced with enthusiasm by the Hawke Labor government after its election in 1983 and continued by Keating and most state governments, and by the federal Coalition that had ended 13 years of Labor rule with its election win in 1996.

The period saw a series of economic policy initiatives labeled 'micro-economic reform' which included deregulation of markets, privatisation of public services, further lifting of import barriers and the introduction of national competition policy. Governments focused on the economy as the barometer of national well-being, and most policy initiatives were considered in terms of their economic impact; this included arts and cultural policy.

Publishing was not untouched by this ideology. Commercial and economic concerns became more dominant within the industry, and cultural activities, such as editing and manuscript development, became marginalised and often outsourced in many of the larger trade book companies.

¹ John Gardiner-Garden (1994), *Arts Policy in Australia: A History of Commonwealth Involvement in the Arts*, Parliamentary Research Background Paper No. 5 1994, Canberra, Dept of the Parliamentary Library, Executive Summary [p. 2].

Australian publishing continued to grow and change with further mergers and takeovers in both international and local publishing, resulting in the creation of large conglomerate companies with interests in various media industries, including book publishing. Small local companies also continued to emerge and to participate in a market in which Australian books were gaining an increasing share. Technological change was a major issue in publishing with the expansion of electronic formats, and of printing and copying technology. In recognition of a changing environment, the Australian Book Publishers Association (ABPA) dropped the 'Book' from its name and became the Australian Publishers Association (APA) in 1995.

It was in this period too that the notion of 'the arts' was expanded, and the terminology changed to 'culture' and 'cultural industries' to encompass a broader range of activities and institutions, including film, broadcasting, popular music, libraries, museums and community recreational and educational facilities.

This period also saw the first formal cultural policy statement with Prime Minister Paul Keating taking personal responsibility to launch the *Creative Nation* policy in 1994. *Creative Nation* was explicit in linking cultural development with both national identity (culture) and economic development (commerce), and many of its strategies focused on the commercial potential of the cultural industries. The following extract from the 'Introduction' to the *Creative Nation* document illustrates this dual notion of cultural policy:

[t]he ultimate aim of this cultural policy is to increase the comfort and enjoyment of Australian life. It is to heighten our experience and add to our security and well-being . . . This cultural policy is also an economic policy. Culture creates wealth . . . It is essential to our economic success.²

Most government intervention in this period, both before and after this policy statement, focused on the economic development of cultural industries, including the commercial and industry development aspects of book publishing. The book industry attracted the attention of economic watchdog organisations including the Prices Surveillance Authority and the Industry Commission, and was a subject of concern to the Copyright

² *Creative Nation. Commonwealth Cultural Policy October 1994* (1994), Canberra, Commonwealth of Australia, p. 7.

Law Review Committee (CLRC) and the federal arts ministry.³ Those policy concerns that were explicitly cultural remained the province of the Literature Board; however, the Board, along with the rest of the Australia Council, was becoming increasingly commercially focused. The Australia Council embarked on a major, commercially oriented 'audience development' initiative, and the Literature Board looked increasingly to partnerships with industry to deliver its programs.

This chapter continues with an examination and analysis of government policy activities in relation to book production and distribution in this period. It notes that the policy ambivalence continued throughout the period with symbolic, ad hoc and contradictory policy activities – in spite of the rhetoric of a comprehensive and planned cultural policy.

The Florence Agreement

A completely unheralded but significant event of this period was the government's formal ratification of the UNESCO Florence Agreement in 1992. Ratification required amendments to the *Customs Tariff Act 1987* which were passed in 1991, and ratification took place formally in March 1992. It had been exactly 40 years since the Agreement had first come into effect.

A protocol to the Florence Agreement, known as the Nairobi Protocol, had been added in 1976 that, among other alterations, extended the materials affected by the Agreement to include book and paper production materials and equipment. The Protocol also explicitly permitted ratifying states to levy internal taxes on goods covered by the Agreement provided such taxes were also levied on like domestic products. Australia's ratification of the Florence Agreement did not include Annex H of the Nairobi Protocol that prohibited the imposition of tariff duties on 'materials and machines used for the

³ As mentioned in Chapter 3, the title of the federal arts ministry changed a number of times in this period.

production of books, publications and documents'.⁴ By not ratifying Annex H, the Australian government retained the right to protect local paper, pulp, newsprint and other manufacturing industries with tariffs.

That the Florence Agreement was formally ratified without fanfare, or indeed without public acknowledgment, indicated the level of acceptance of the Australian government's long-term informal adherence to the Agreement. Official ratification became an administrative detail that did not alter existing policy in any way.

The long-standing Australian government reluctance to ratify the Florence Agreement clearly demonstrates policy ambivalence in this area. On one hand successive governments had voluntarily agreed not to impose import duties on books, and had invoked their adherence to the Florence Agreement as a justification for other policies, notably the Book Bounty. On the other hand, neither Labor nor Coalition governments chose to forgo the option to impose duties and formally ratify the Agreement until the Keating Labor government did so in 1992. This may be attributed to the significance of the tariff in Australian economic history as an instrument of protection, and the consequent government reluctance to formally, legally and permanently relinquish the right to employ tariffs to protect a small but significant Australian industry.⁵

Copyright Activity

Copyright legislation continued to be a source of contention, particularly since the importation provisions of the Act were increasingly seen as permitting monopolistic control of the Australian book supply. In addition, technological innovation highlighted the inadequacy of the Act to regulate and protect copyright in the expanding communications environment. Both of these factors, as well as changes in international copyright agreements, resulted in copyright being a major site for policy attention

⁴ Annex H, Nairobi Protocol to the Agreement on the Importation of Educational, Scientific and Cultural Materials, agreed at Nairobi, 26 November 1976, reprinted in Industry Commission (1996), *Book Printing*, No. 54, Canberra, AGPS, Appendix D2.2, pp. 86-88.

⁵ Contracting states could withdraw from the Agreement; however, it may have been considered that such an action would have attracted more negative attention than simply not ratifying the Agreement in the first place.

throughout this period. That copyright legislation relates to the protection of both cultural and commercial aspects of book publishing added weight to the necessity to balance various interests, including those of national cultural expression and development, with those of an open and accessible international book market.

Copyright legislation also seeks to balance the rights of consumers with the rights of producers, and this continued to be a major issue in this period with the referral of the retail book industry to the Prices Surveillance Authority (PSA) in 1989. When the CLRC reported on its inquiry in 1988 it acknowledged that it had not had the capacity, expertise nor authority to investigate the effects of the importation provisions of the *Copyright Act* on book prices in Australia. The appropriate authority to do so was the PSA which was instructed, in June 1989, to carry out an inquiry 'into the prices of books, including the effects of the *Copyright Act 1968* on the price of books.'⁶

The PSA inquiry heard evidence from interested parties including individual publishers and booksellers, as well as organisations such as the ABPA, ABA, Australian Copyright Council, Australian Library and Information Association (ALIA) and ASA.⁷ Opportunities were provided for evidence to be given both in the course of the inquiry and in response to the inquiry's interim report. An important witness was Ken Wilder, the former long-term manager of the Australian branch of the British firm, Collins Ltd. Wilder revealed some of the internal financial practices of British publishing companies operating in Australia, and exposed their use of the *Copyright Act* and 'transfer pricing' to minimise tax and to maximise profits.⁸

The PSA also carried out research in which it compared prices of books originally published in Britain, and sold in Britain, Canada and Australia, to determine whether international publishers were practising price discrimination. The comparison found:

⁶ Extracted from Terms of Reference provided by Nick Bolkus, Minister of State for Consumer Affairs to the PSA; reprinted as Appendix A in Prices Surveillance Authority (1989), *Inquiry into Book Prices: Final Report*, No. 25, Sydney, PSA, p. 41.

⁷ Prices Surveillance Authority, op. cit., Appendix B, pp.42-43.

⁸ Ken Wilder (1994), *The Company You Keep: A Publisher's Memoir*, Sydney, State Library of NSW Press, Appendix A, pp. 250-262. This is discussed in more detail in Chapter 6.

[t]he analysis of relative price data for UK publishers supplying identical books to the UK, Australia and Canada suggested that these publishers do indeed operate a system of price discrimination. In Canada access to cheaper US editions of books across the border increases the price elasticity of demand for individual titles; but in Australia there is no such competition. The publishers analysed were able to charge Australian consumers an average of 31 per cent more than UK consumers, whereas Canadian consumers were charged 3 percent less.⁹

The findings demonstrated that the *Copyright Act*, through its prohibition of parallel imports, prevented competition between US and British editions, allowed for a 'closed market' and price protection systems. The PSA recommended that the importation provisions of the *Copyright Act* be repealed with two exceptions, the first being that the importation of pirate copies continue to be outlawed, and the second that foreign editions of books by Australian resident authors with separate Australian publishing contracts be prohibited for a period of ten years after initial local publication. The latter exception was recommended in the interests of providing support to an 'infant industry', that is, the Australian publication of works by Australian authors.¹⁰

These recommendations proved to be unpopular with a number of industry players, particularly authors and small publishers, for their focus on economic issues at the expense of cultural concerns. In the final paragraph of its report, the PSA defends itself against such charges and, in so doing, explicitly makes the link between culture and commerce.

Various participants in the debate have suggested that the Authority's economic approach has been too narrow and misses the value of culture and reading which cannot be expressed in financial terms . . . On the contrary, the Authority believes that the information, culture and learning contained in books is far too important to be priced out of reach of many Australians and to be delayed by overseas publishers. Although not a formal signatory, Australia observes the Florence Agreement on the importation of educational, scientific and cultural materials by not imposing tariffs on imported books because of their significance for cultural and technical progress; yet we continue to allow publishers to impose quotas and raise the domestic price of those same books.¹¹

⁹ Prices Surveillance Authority, op. cit., p. 7.

¹⁰ *ibid.*

¹¹ *ibid.*, p. 40.

The PSA, in recommending the repeal of the importation provisions of the Act, sought to open the market in the interests of consumers and their access to books. It clearly identified a situation in which Australia's physical distance from the major English language publishing markets had disadvantaged Australian book consumers and advantaged publishers who used the copyright law to maximise their profits.

The government eventually amended the Act in 1991 with a compromise between the recommendations of the CLRC and the PSA. The amendments introduced what became known as the '30 and 7/90 day rules'.¹² The 30 day rule applied to new overseas titles and required that the Australian copyright holder make copies available within 30 days of the title's first overseas publication or forfeit protection from parallel imports of the title. The 7/90 day rule applied to previously published overseas titles and required that the copyright holder respond within seven days to a written request to supply a title and ensure that copies of the title can be supplied within 90 days. The copyright holder then must fill the order within 90 days or have parallel imports of the title allowed. If a copyright holder fails to produce titles within the time allowed, booksellers are permitted to obtain legal copies of titles from any source.

The amendments accelerated access to overseas titles in Australia and opened the market somewhat. It remained to be seen, however, what impact the amendments would have on book prices, and the PSA was required to maintain a watching brief on prices after the amendments came into effect.

The PSA released an interim price monitoring report in 1993 in which a drop in price differentials was noted between Australian, British and Canadian book prices, although Australian prices remained higher.¹³ The report of a second full PSA inquiry into book prices was published in 1995 and revealed that while 'efficiency gains in distribution' had been achieved since the amendments, 'prices of some books continue to be high relative to overseas, particularly in the technical and professional and mass market paperback areas.'¹⁴ The PSA once again recommended that 'the importation provisions

¹² Industry Commission (1996), *Book Printing*, No. 54, Canberra, AGPS, p. 35.

¹³ PSA monitoring report, September 1993, cited in Prices Surveillance Authority (1995), *Inquiry into Book Prices and Parallel Imports*, No. 31, Melbourne, PSA, p. 8.

¹⁴ *ibid.*, p. 111.

of the *Copyright Act 1968* be repealed as they apply to non-pirate copies of books.¹⁵ The following year, an Industry Commission inquiry into book printing found that 'the parallel importation provisions of the *Copyright Act* continue to act as a non-tariff barrier to imports of books despite the 1991 changes',¹⁶ and also recommended that the provisions be removed.

Government investigation of this issue continued with the later involvement of the Australian Competition and Consumer Commission (ACCC) which was formed in 1995 from the merger of the PSA and the Trade Practices Commission. The ACCC was required to investigate and provide advice 'on whether there is consumer benefit in opening the market'.¹⁷ The ACCC report was not made public immediately;¹⁸ however, a related inquiry carried out by the Intellectual Property and Competition Review Committee released a report in September 2000 that recommended the repeal of the provisions as they applied to books, sound recordings and software, with a transitional period of 12 months to be allowed for books.¹⁹

The repeated recommendations to repeal the sections relating to parallel imports moved the federal government to announce, in August 2000, its intention 'to amend the *Copyright Act* to allow for parallel importation of "legitimately produced" books, periodicals, printed music, and software products'.²⁰ The Labor opposition, in response, announced its policy to maintain the 30 and 90 day rules to 'ensure that Australian consumers have access to goods with Australian and international cultural content, at internationally competitive prices'.²¹ At the end of 2000, no further changes had been made, and the 1991 amendments remained in force.

Publishers from Australian-owned companies felt particularly threatened by the possibility of the unrestricted entry of titles for which they held the local copyright. The

¹⁵ *ibid.*, p. 114.

¹⁶ Industry Commission (1996), *op. cit.*, p. 38.

¹⁷ ACCC spokesperson quoted in 'An Open Market for Australia?' (1999), *Australian Bookseller & Publisher*, March, p. 9.

¹⁸ 'Books in the House' (2000), *Australian Bookseller & Publisher*, August, p. 15. The ACCC Report was eventually released in April 2001.

¹⁹ 'An Open Market: Another Debate Begins' (2000), *Australian Bookseller & Publisher*, October, p. 14.

²⁰ 'Books in the House', *op. cit.*, p. 15.

²¹ Australian Labor Party Parallel Importation Policy Statement, quoted in 'An Open Market: Another Debate Begins', *op. cit.*, p. 14.

large multinational companies can produce US and British editions at a much lower unit cost due to economies of scale, and if these editions were imported to Australia, they could be sold more cheaply than locally produced editions. Repeal of those sections of the Act could effectively end the concept of territorial copyright in Australia, and seriously threaten the existence of many locally-owned companies, particularly those that relied on selling local editions of works by Australian authors who were also published overseas.²²

Local authors and small Australian-owned publishers argued strongly against the repeal of the importation provisions on cultural grounds, fearing the decimation of the locally-owned publishing sector. This put them at odds with both multinational publishers operating in Australia and the majority of booksellers represented by the ABA. The debate was well-documented in the pages of the combined trade journal, the *Australian Bookseller & Publisher*.²³

Other copyright activity in this period was focused on the issue of the protection of copyright in a digital environment, and prompted the introduction of a Copyright Amendment (Digital Agenda) Bill in 2000. There was also debate around the issue of moral rights, and the introduction into federal parliament of the Copyright Amendment (Moral Rights) Bill in late 2000. The Bill provides for the protection of authors' moral rights, comprising the following:

[t]he first is the right of an author to be identified as the author of a work; the second the right of an author to take action against false attribution; and the third the right of an author to object to the derogatory treatment of his or her work which prejudicially affects his or her honour or reputation.²⁴

The APA supported the Bill, as did the ASA, although the ASA sought several minor changes in the interests of its members.²⁵

²² An example is University of Queensland Press (UQP) which publishes Australian editions of Peter Carey's works. Repeal of those sections would mean that legitimate US or British editions of Carey's works could be sold on the Australian market in competition with those produced by UQP.

²³ Almost every issue of the journal throughout 1999 and 2000 carried news articles and opinion pieces about the issue.

²⁴ 'Moral Rights Through House of Reps' (2000), *Australian Bookseller & Publisher*, December, p. 6. The Bill was passed in late 2000 and became the *Copyright Amendment (Moral Rights) Act 2000*.

²⁵ *ibid.*

Copyright issues prominent in the policy agenda of this period concerned both the cultural and commercial aspects of book publishing. The issue of parallel imports was the most contentious and caused conflict within the industry between publishers and booksellers, and between some locally-owned and multinational publishers. Australian-owned publishers sought to protect the local market against an unregulated influx of cheap US editions that would drive local prices down and, since there was no possibility of tariff protection, the *Copyright Act* provided the only protection. Booksellers, on the other hand, sought to meet the needs of consumers, and sell books of whatever legitimate origin. The conflict was an old one in Australian industry and book trade history, and centred on the tension between protection and free trade. The maintenance of a free and open market that allowed maximum consumer access necessarily threatened local industry because of its inability to compete on price with imports from countries with larger markets. An endangered local industry is a threat to Australian cultural production as well as to the commercial viability of local producers. The conflicting interests continued to compete for influence with the government which responded cautiously with a series of inquiries over this period. The Coalition government of the late 1990s and 2000 agreed ideologically with the open market argument, but appeared also to fear the consequences for local publishing culture and commerce. It therefore maintained an ambivalent position, and the issue remained unresolved at the end of this period.

The Literature Board²⁶

The Literature Board continued to administer assistance schemes aimed primarily at the cultural aspects of literature, including the existing programs of assistance for authors, publication and promotion. However, it also diversified its programs in this period in response to various cultural and commercial changes.

The publishing subsidy scheme remained a central cultural program of the Literature Board, although its budget in relation to the total Board budget continued to diminish.

²⁶ In 1996, the Literature Board was renamed the Literature Fund; however, in 2001, it reverted to its former name. In the interest of clarity, I use the term Literature Board throughout this section.

Since the Board's establishment in 1974, when publishing subsidies accounted for 16 % of its total budget, the relative budget allocation for subsidies ebbed and flowed, and then declined.²⁷ In the 1990s, the program averaged 7.9 % of the total budget, with a low of 5.3 % in 1998-99.²⁸ These figures demonstrate a continuing diminution of the scheme that resulted both from shifting Literature Board priorities and an unexplained decline in the number of applications from publishers for subsidies.²⁹ Part of the reason for the decline in the program may be attributed to changes to Australia Council grant categories that were made standard across all artforms boards in 1996. The publishing subsidy scheme and its discrete budget were subsumed within the broader 'Presentation and Promotion' category that also included funding for literary magazines and both national and international promotional activities. Under this system, applications for publishing subsidies competed with those for other activities.

There were minor changes to the publishing subsidy scheme over this period, including a policy to subsidise only first works by authors of fiction and general literature. This was introduced in 1991 when the subsidy scheme was reorganised as the 'Book Publishing Program Grants Scheme' (replacing the system of bulk grants and specific title grants). The limitation to first works was unpopular with publishers who argued that second and subsequent works by authors were often of higher quality, but were still not necessarily commercially viable. They also argued that literary reputation takes time to establish, and often a number of published works are required before it is.³⁰ The Board noted these arguments and, in 1995 extended the criteria to include second works of fiction and general literature.³¹

Eligibility for subsidy was limited to poetry, drama, fiction, anthologies and general literature; the latter was defined as including 'autobiography, biography, essays, histories, literary criticism and other expository and analytical prose with a creative,

²⁷ Australia Council, *Annual Report*, 1974 to 1988-89, op. cit..

²⁸ Australia Council, *Annual Report*, 1989-90 to 1999-2000.

²⁹ I discussed this in an interview with Nicola Evans, a Literature Board staff member who was unable to explain the decline in publishing subsidy applications. Interview with Nicola Evans, Australia Council, Redfern, NSW, November 22, 1999.

³⁰ Rhonda Black (1994), 'Evaluation of Book Publishing Subsidies Program', unpublished report for the Literature Board, April, p. 27.

³¹ Australia Council (1995), *Literature Programs of Assistance*, Redfern, NSW, Australia Council, section (s.) 3.25.

literary component.³² Eligibility criteria have varied over the years, however, the following 1995 list provides an example of the types of works that were ineligible:

[s]elected or collected editions of a poet's work, local histories, military studies, books aimed at the educational market (primary, secondary or tertiary), instruction manuals, university theses, bibliographies, guide books, dictionaries, reprints or new editions, personal growth manuals and other how to books, and books which are primarily transcribed interviews.³³

This list includes some works with a ready and defined commercial market, such as educational and reference books, while others are neither commercial nor likely to be of broad appeal, such as local histories, instruction books and military studies. Selected and collected works of poetry were excluded because it was assumed that the poets popular enough to merit such publication were 'already sufficiently commercial'.³⁴ There was also concern about a form of 'double-dipping' since it was assumed that much of the poetry intended for collections had been funded by the Board for its original publication in books or literary magazines.³⁵ Eligibility criteria have altered as priorities and needs change; for instance, once excluded from subsidy, reprints were made eligible again in 2000 in an effort to ensure access to Australian titles that may otherwise have remained out of print. Although many works in the ineligible category are culturally significant and therefore worthy of subsidy, Literature Board priorities favour creative works of a literary nature.

Decisions about eligibility in relation to the program's aims and its limited funds involve, as Ingrid Day points out, '[p]olicies of inclusion and exclusion [that] intrinsically categorise some types of material as more culturally worthwhile and enriching than others.'³⁶ It has been claimed, for instance that the Board is reluctant to fund fictional crime writing for this reason.³⁷ It remains a balancing act, and the Australia Council has adopted policies to ensure that decision-making positions on artform boards have limited tenure, and that priorities and outcomes are evaluated

³² *ibid.*

³³ *ibid.*, s. 3.26

³⁴ Black, *op. cit.*, p. 21.

³⁵ *ibid.*

³⁶ Ingrid Day (1993), 'Literary Publishing in Australia: Questions of Patronage', *Media Information Australia*, n68, p. 40.

³⁷ Carmel Shute (2001), 'Modus Operandi', *Stiletto* (newsletter of Sisters in Crime Australia), n23, p. 1.

regularly. This has not quarantined the Literature Board from criticism however, and as Andrea Hull, a former Australia Council employee, points out:

the model of arm's length funding and peer group assessment, visionary and effective as it was, still caused problems to politicians, Canberra bureaucrats, and the ever-volatile arts community, who still did not see that a supply and demand ratio simply meant some got money and a vastly greater percentage did not.³⁸

In 1994, a formal evaluation of the publishing subsidy scheme was carried out by Rhonda Black, herself a publisher and industry consultant.³⁹ The evaluation focused on the years 1988 to 1992 and, citing figures from an internal review of this period,⁴⁰ its report revealed the significance of the scheme to the largely non-commercial genres of poetry and drama: in the period 1988 to 1992, the Literature Board subsidised 38 % of *all* poetry published in Australia, 60 % of *all* drama.⁴¹ The funding of poetry in that period as a proportion of the total publishing subsidy program rose from 18.3 % to 39.5 %, accounting for 'the most significant change in proportions of genres'.⁴² These figures demonstrate the vital role played by publishing subsidies in supporting Australian poetry and drama in publication. Without subsidies it is likely that much literary work of this nature would not be made accessible or preserved in print.

It is interesting to note that later in the 1990s, there was a substantial decrease in subsidies to poetry as several of the larger publishing companies withdrew from producing poetry books altogether. Penguin, for instance, once a major publisher of Australian poetry, 'drastically reduced' its poetry program in 1997.⁴³ The publishing director at Penguin, Bob Sessions, is quoted as saying, 'Penguin has lost money for

³⁸ Andrea Hull (1998), 'Inside the Machine: The Development of Cultural Policy by Federal, State and Local Government in Australia' in A. Beale & A. Van Den Bosch, eds, *Ghosts in the Machine: Women and Cultural Development in Canada and Australia*, Toronto, Garamond Press, p. 27.

³⁹ Rhonda Black was part of a management team that successfully bought the Australian operations of the British firm Allen & Unwin in 1991. As well as being a publisher with Allen & Unwin (Australia), she worked, at this time as a publishing industry consultant.

⁴⁰ Australia Council. Literature Board (1992), 'Review of the Literature Board's Book Publishing Subsidies Programs 1988/1992', unpublished internal document.

⁴¹ Black, op. cit., p. 2. My italics added.

⁴² *ibid.*, p. 21.

⁴³ *Australian Author* (1997), v29 n2, p. 7; and v29 n3, p. 8.

years on poetry which, at best, sells 500 copies.⁴⁴ It appears that even with subsidies, poetry publishing is neither commercially viable nor culturally imperative for large publishers.

One of the aims of the 1994 evaluation was to assess the effectiveness of the publishing subsidy scheme through assessment of the commercial and literary success of books subsidised. Considered 'a qualitative assessment of the Board's work',⁴⁵ this involved surveys of the sales of Board-funded titles, their performance in literary awards and the sale of rights relating to the titles over a period of time. That commercial performance was measured in an effort to ascertain quality is surely ironic for a program designed to address market failure by providing for the publication of books considered to be culturally significant but commercially non-viable. Performance in the market can provide evidence of access – that is, sales figures indicate how well titles are distributed to readers – but cannot be taken as evidence of quality. A book's performance in literary awards is a better indication of quality given that awards are explicitly concerned with judging literary merit. In spite of these contradictions, the evaluation found that 'commercial success, judged by this criteria, seems quite acceptable', with almost half the subsidised titles selling more than 50 % of their first print-runs. However, only 11 % of subsidised titles won state or national literary awards in a five year period – a success rate that was considered to be 'a little disappointing'.⁴⁶

While all foreign and locally-owned commercial publishers registered with the Board continued to be eligible for subsidies, this policy decision was reiterated in 1990. Minutes of Board discussions noted 'all publishers, regardless of nationality should be eligible (except self-publishers)'.⁴⁷ It was further noted:

[t]he argument for this was that the Board's aim for achieving a wide dissemination of Australian writing would not be achievable without subsidies to non-Australian owned companies.⁴⁸

⁴⁴ Bob Sessions, quoted in Paul Brennan (1997), 'Has Penguin Lost Its Way?', *Australian Author*, v29 n2, p. 17.

⁴⁵ Black, op. cit., p. 30.

⁴⁶ *ibid.*, p. 30.

⁴⁷ Literature Board decision taken at a Strategic Planning Retreat at Leura, NSW, 26-28 July 1990, and noted in Australia Council. Literature Board (1992), 'Review of the Literature Board's Book Publishing Subsidies Programs 1988/1992', unpublished internal document, p. 1.

⁴⁸ *ibid.*

As mentioned in Chapter 3, this policy is in contrast with that of the Canada Council which limits its publishing subsidies to Canadian-controlled companies only.⁴⁹ Australian policy has rarely differentiated between locally-owned and foreign companies, but has encouraged participation in Australian publishing by *all* publishers in order to maximise the number of Australian books published and the broad distribution of books of all kinds within the country. Nor have publishing subsidies been subject to any kind of means test, a factor that has resulted in the provision of public funds to financially successful publishing companies, both Australian and foreign-owned. One of many examples is the provision, in 1997, of subsidies totaling \$45,000 to the British-owned Pearson publishing group (that includes Penguin Australia) which had an estimated turnover in Australia of \$118 million in the same year.⁵⁰

As mentioned in previous chapters, foreign-owned publishing companies with branches in Australia were, by this time, actively involved in producing works by Australian authors for the local market. Some of these companies received subsidies from the Literature Board and, although the number of foreign-owned publishers using the scheme was small (an average of 16 % of total publishers in the 1989 to 2000 period), the proportion of funding they received was relatively high, averaging 28 % of the total amount of subsidy funding granted per year in this period.⁵¹ The majority of foreign-owned companies involved were the large firms such as Pan Macmillan, Penguin, Random House and Heinemann. Although the provision of public funds to profitable foreign-owned companies has been questioned by local industry commentators, it remains a largely unchallenged policy arrangement.⁵²

The Literature Board has maintained close contact with publishers and with trends in Australian publishing and as a result, has diversified its programs in response to changes

⁴⁹ Canada Council (1995), *Canada Council 38th Annual Report 1994-95*, Ottawa, The Canada Council, pp. 75-81.

⁵⁰ Australia Council (1998), *Annual Report 1997-98*, Redfern, NSW, Australia Council, pp. 132-133; and 'Australia's Top 20 Book Publishers' (1997), *Australian Bookseller & Publisher*, March, p. 6.

⁵¹ Australia Council. *Annual Report*, 1988-89 to 1999-2000, Redfern, NSW, Australia Council.

⁵² Michael Wilding was one of very few industry commentators to question this practice; he did so in 'Australian Literary and Scholarly Publishing in its International Context' (1999), *Australian Literary Studies*, v19 n1, p. 59; and in 'Why an Independent Publishers' Fair?' (2000), *Australian Bookseller & Publisher*, October, p. 27.

in the industry. A major change that concerned the Board was the reduction in editorial budgets and the consequent lessening of emphasis on editorial work in publishing. This was a result of changing ownership patterns and organisational practices within the industry as discussed in Chapters 1 and 2. It involved a shift of priorities within many publishing companies towards the packaging and marketing of books at the expense of editorial work and manuscript development. The Board was concerned about the cultural effects of cutbacks to editing and, in 1989 discussed 'how it might be able to contribute to the editorial skills, particularly fiction editing skills, which have been conspicuously lacking in Australian publishing houses.'⁵³ In the 1990s, the Literature Board initiated a number of programs that addressed this issue. However, in so doing, it maintained that editing was the responsibility of publishers, and therefore carried out most of its initiatives in association with industry and other organisations, and with individual publishers.

The first of these programs, established in partnership with the (then) Australian Book Publishers Association (ABPA), was the Beatrice Davis Editorial Fellowship granted annually to a senior fiction or literary non-fiction editor. Established in 1992, the Fellowship provided for professional development in the form of a trip to the US and a short-term working placement with a New York City based publisher. The aim was to contribute to the development of creative editorial talent in Australia through exposure of editors to US practices and conditions. Although the Fellowship continued to be awarded, its frequency has been reduced, as has its support from Australian Publishers Association (APA) members. A program evaluation carried out in 1996 found that those APA members opposed to the Fellowship saw no commercial benefit in training editors and developing their skills, presumably because they purchased editorial services from freelancers.⁵⁴ However, the Literature Board considers it a cultural program that contributes to 'the enhancement of Australian creative works through improved editorial skills.'⁵⁵

⁵³ Sandra Forbes, then Director of the Literature Board, quoted in Susan Geason (1989), 'Writers, Grants and Money: The New Head', *Age*, 18 November, Extra p. 9.

⁵⁴ Australia Council. Literature Board (1996), 'Beatrice Davis Fellowship and Editor-in-Residence Program: Evaluation of Outcomes 1992-95', unpublished report, prepared by Leslie Dow, February 1996, p. 8.

⁵⁵ *ibid.*, p. 2.

The issue of editing continued to concern the Literature Board and, in 1997 it sponsored a review of the state of editorial training in Australia. The review was initiated by the Board's concern that Australian publishers were no longer providing in-house, on-the-job training for editors.⁵⁶ The report from this review has remained confidential for reasons that are unclear (although are likely to be related to commercial 'in confidence' issues); however, subsequent Literature Board activities suggest that the review identified a deficiency in industry-based training and professional development opportunities.

A direct consequence of the review was the Residential Editorial Development Program established by the Literature Board, also in conjunction with the APA. The program, first run in early 1999, involved a three-day residential professional development workshop for 13 mid-career, freelance and in-house editors. The participants were involved in intensive skills and issues workshops run by three experienced senior editors, with input from authors, agents, booksellers and publishers. A program report indicates that difficulties facing editors in the industry include isolation, lack of training and mentors, time and budget constraints and little opportunity to work with the authors (or, in some cases, to even meet the authors) whose manuscripts they edit.⁵⁷ Although the program provided a valuable and unique opportunity for freelance editors to receive subsidised professional development, it could be argued that in providing the same for editors employed in-house, the program assumed a responsibility that rightly belongs to publishing companies as employers.

In further recognition of the importance of editorial training, and of the particular issues involved in editing Indigenous writing, the Literature Board committed funds to the training and professional development of Indigenous editors through a National Aboriginal & Torres Strait Islander Arts initiative. Commencing in 1997-98 and continuing the following year, the program was conducted with individual editors who were working with Indigenous authors in Alice Springs, Broome and Perth.⁵⁸

⁵⁶ Interview with Nicola Evans, Literature Fund, Australia Council, Redfern, NSW, 22 November 1999.

⁵⁷ *APA Residential Editorial Program 1999 Report* (1999), Sydney, Australian Publishers Association and Australia Council.

⁵⁸ Australia Council, (1998, 1999), *Annual Report 1997-98 and 1998-99*, Redfern, NSW, Australia Council.

In the 1990s, the Literature Board also began requiring a commitment to editing from publishers applying for publishing subsidies. Applicants are required to indicate the actual amount of money they intend to spend on structural and copy-editing of each title. This requirement is included to ensure that publishers are aware that the Board considers editing to be not only an integral part of the publishing process, but also the responsibility of the publisher. According to Board staff member, Nicola Evans, it is included 'as a sort of consciousness raising exercise'.⁵⁹

The lack of professional development activities and training for editors are not the only problems that the Literature Board identified in contemporary publishing practice. Related issues are the diminution of both professional support for authors, and the development and editorial preparation of manuscripts for publication – once elements of traditional editorial practice.

In this period, the Board initiated a number of programs that addressed these perceived deficiencies. One of the earliest programs was the Editor-in-Residence Program established by the Board in 1992 in conjunction with tertiary institutions. It emerged from the 'Unlocking the Academies' forum that followed the 1990 National Ideas Summit, and was intended to:

[s]timulate and assist the development of writing and publication within academe and the community [and] . . . assist academics and senior students to present their writing for publication in a form that is more accessible to the general reader.⁶⁰

Under the program, editors were funded to work within tertiary institutions with students, staff and the community on writing projects. The universities provided resident editors with in-kind support including domestic and office accommodation, while the Literature Board supplied financial support. Although an evaluation in 1996

⁵⁹ Interview with Nicola Evans, Literature Fund, Australia Council, Redfern, NSW, 22 November 1999. Nicola Evans adds: 'As the Board doesn't allocate any funding towards the actual editing of books, as the subsidy is to offset publishing costs, this is the reason the Board wants to know what's spent on editing', from Nicola Evans (2002) e-mail to Kath McLean, 3 September, 2002.

⁶⁰ Australia Council. Literature Board (1996), 'Beatrice Davis Fellowship and Editor-in-Residence Program: Evaluation of Outcomes 1992-95', op. cit., p 5.

found that the program met its objectives, it was discontinued and the funds diverted to the 1997 review of editorial training mentioned above.⁶¹

Also in 1992, the Literature Board funded the National Book Council (NBC) to establish a manuscript assessment service for writers to have their work professionally assessed before submitting it to literary agents or publishers. Although the NBC folded in 1999, a number of writers' centres and the ASA have set up similar services with Literature Board assistance. The practice of assessment of manuscripts prior to their submission to publishers is a relatively recent practice, and is the result of both the proliferation of manuscripts and the unwillingness of many publishers to consider unsolicited and unrecommended manuscripts. The growth of manuscript assessment services suggests that that element of publishing practice is being passed on to other agencies, some of which are supported by government funds.

The Literature Board also funded programs that provided for the professional support and encouragement of new writers. Formerly an important function of the publishing house editor, the pressures of commercial imperatives, including time constraints and the widespread use of freelance editors, have seen this function eroded. Considered essential to the development of new writers, it has been revived as 'mentoring' by writers' organisations and centres, with the assistance of government funding. A pilot project in Western Australia was funded by the Literature Board in 1997-98 as the Emerging Writers' Initiative: Mentorship Program. The program has continued and expanded to other states and it is now part of a larger Emerging Artists Initiative administered by the Australia Council for the federal government.⁶² Under the program, funds for mentorships are provided to bodies such as the ASA, the Varuna Writers' Centre in NSW and state writers' centres. This program demonstrates a commitment by the federal government to the development of emerging writers, and an acknowledgment of the importance of close professional support to the development of writing skills and confidence. That writers' organisations, with government assistance,

⁶¹ Nicola Evans (2002), e-mail to Kath McLean, 3 September 2002.

⁶² The Emerging Artists Initiative is not an Australia Council program but, like a number of other arts-related programs in the late 1990s, is an initiative of the Department of Communications, Information Technology and the Arts which is administered through the Australia Council for the federal government. This administrative arrangement is discussed in more detail in the 'Australia Council' section below.

have initiated such programs implies the inadequacy of mentoring activity within publishing where it was formerly an integral part of the editor-author relationship.

The Varuna Writers' Centre is particularly active in literary mentoring and runs programs linking emerging writers with more experienced writers, as well as with experienced editors. The Centre receives funding from the Literature Board, federal government initiatives administered by the Australia Council and the NSW Ministry for the Arts. One scheme run by the Centre is the Varuna Writers Award for Manuscript Development, funded jointly by the Literature Board and the publishing company, HarperCollins. The Award offers four writers ten day's residence at the Centre under the guidance of a senior HarperCollins editor. The publishing company obviously uses its involvement, at least in part, as a talent-scouting exercise since it claims as a condition, the right of first refusal for manuscripts produced under the scheme. This triple alliance of government, community and business may indicate the future of such developmental activities in publishing. In the absence of effective manuscript development activities by publishers in their own right, more partnerships may emerge as the government, through the Australia Council, encourages writers' organisations and publishers to work together to ensure the production of high quality manuscripts of cultural value.

The involvement of the Literature Board in activities that address perceived deficiencies in contemporary Australian publishing practice clearly demonstrates its concern for the cultural aspects of publishing. The Board observed trends in publishing such as a diminishing emphasis on editing, manuscript development and the nurturing and support of authors, and it developed programs, generally in conjunction with the industry and other organisations, to address these deficiencies. The programs, particularly those concerning the training and professional development of editors, were designed to impress upon the industry that these functions are rightly the responsibility of publishers.

Notwithstanding this, the Board has been moved to intervene to ensure the quality and cultural value of Australian works in a publishing environment where commercial imperatives increasingly overshadow cultural concerns.

An Australian author and former Literature Board member, Drusilla Modjeska, noted this trend in publishing and issued the following warning in relation to its deleterious long-term cultural effects:

The history of writing has been bound up with the history of editing and publishing. If that intellectual nexus is broken, we are in dangerous territory indeed.⁶³

The Australia Council

The Australia Council in general was not untouched by the dominance of economic rationalist logic in Australian life in this period, and changes to their programs demonstrate this. As well as maintaining its cultural agenda, the Australia Council adopted an unequivocal commitment to fostering the commercial and economic potential of the arts. This was the result of a policy shift announced in the Labor government's *Creative Nation* statement of 1994.⁶⁴ In line with its linking of cultural and economic policy, the government determined that the Australia Council would increase its focus on domestic audience development and international marketing of Australian cultural products.

In 1996, as a result of this shift in Council priorities and a consequent major organisational restructure, the Audience Development and Advocacy Division was established. As a Division, it stood apart from the artform boards (most of which became known as 'funds' at this time), and was intended to serve the audience development and marketing needs of the funds/boards and the Council. Its objectives were to:

- strengthen existing audiences and build new audiences for the arts in Australia;
- enhance arts marketing skills and practices in Australia;
- promote Australian arts, both nationally and internationally; and
- establish new international markets for Australian arts.⁶⁵

⁶³ Drusilla Modjeska (1999), 'Endangered Craft', *The Australian's Review of Books*, v4 n5 June, p. 11.

⁶⁴ *Creative Nation: Commonwealth Cultural Policy October 1994* (1994), op. cit..

⁶⁵ Australia Council (1998), *Annual Report 1997-98*, Redfern, NSW, Australia Council, p. 78.

It was to work with peak arts bodies, state and territory arts ministries, the boards of the Australia Council and 'a range of partners in the private and public sectors'.⁶⁶ In 1998, having dropped 'Advocacy' from its title, it became the Audience Development Division. It would seem, given the objectives of the Division and many of its activities, that 'advocacy' was in fact a euphemism for 'marketing', and in 1999, the Division changed its name again to the Audience and Market Development Division.⁶⁷

Indeed, a major function of the Division was to assist the various artforms to market their works more effectively. In the area of book publishing and literature, a major initiative was the controversial funding of the multinational media company, News Corporation, to produce a monthly book review supplement to its national daily newspaper, *The Australian*. *The Australian's Review of Books (The ARB)* was funded for three years from 1996, and was modeled on British and American review journals which not only feature book reviews and literary news, but also lengthy review articles and essays. The controversy surrounding its funding related to the fact that the Australia Council chose to provide public funds to a major multinational company to establish a new review journal when there were existing journals that received relatively meagre funding.⁶⁸ The Australia Council argued that the News Corporation publication would reach 450,000 readers and would therefore be a more effective audience development mechanism than any of the existing journals.⁶⁹ *The ARB* continued for the three years that it was fully funded by the Australia Council, and for almost two years thereafter but ceased publication in June 2001. The ambitious circulation figures envisaged by the Council and cited above were never reached; the final edition of *The ARB* claimed that it had reached 'more than 120,000 readers' each month.⁷⁰

The Audience and Market Development Division also assumed responsibility for some of the programs previously administered by the Literature Board in relation to the marketing and promotion of Australian books and authors overseas. Australian

⁶⁶ *ibid.*

⁶⁷ Australia Council, (2000), *Annual Report 1999-2000*, Redfern, NSW, Australia Council, p. 8.

⁶⁸ This view was expressed by Helen Daniel (1996), 'Editorial', *Australian Book Review*, n183 August, p. 2; other comments on the decision were made by Cassandra Pybus (1996), 'Letter to the Editor', *Australian Book Review*, n184 September, p. 3.

⁶⁹ Michael Lynch, General Manager, Australia Council (1996), 'Letter to the Editor', *Australian Book Review*, n184 September, pp. 3-4.

⁷⁰ Luke Slattery (2001), 'From the Editor', *The Australian's Review of Books*, v6 n6 June, p. 2.

publishers had been assisted, initially in conjunction with the ABPA, then individually, to attend international book fairs in order to extend markets for Australian books. In the late 1990s, a number of 'export-ready' Australian-owned publishers received funding through the new Division to attend various overseas trade fairs and exhibitions. This program ran alongside the export market development programs offered by the federal arts ministry and discussed previously, and again later in this chapter. Financial assistance for attendance at international book fairs was extended, in 1999, to literary agents representing Australian authors.⁷¹ Funding was also provided for a program, conducted in partnership with the APA, that hosted visits to the Australian Book Fair and literary festivals by selected overseas publishers. This program had also been a Literature Board initiative, but was later transferred to the Audience and Market Development Division.

The involvement of the Australia Council in these activities is justified under the Council's mandate to promote Australian arts, nationally and internationally. However, throughout the 1990s, the focus of such promotion has become increasingly economic and has concentrated on developing and promoting the commercial potential of Australian arts. It is not surprising that this approach, which became the central focus of arts funding in this period, is in line with the economic rationalist paradigm that was so dominant in Australian government in last decades of the twentieth century.

Also in this period, the Australia Council became the administering body for government initiatives that were not developed by the Council or its boards, but by either political leaders or the federal arts ministry. Such initiatives included the Australian Artists Creative Fellowships which became known as 'the Keatings', for the Treasurer, and later Prime Minister, Paul Keating's close association with them. These relatively generous fellowships were awarded, outside of the Australia Council peer assessment system, to high profile Australian artists. Seen as overtly political, the fellowships were altered, and later discontinued by the Howard Coalition government.⁷²

⁷¹ Australia Council (2000), *Annual Report 1999-2000*, Redfern, NSW, Australia Council, pp. 131-133.

⁷² Deborah Stevenson (2000), *Art and Organisation: Making Australian Cultural Policy*, St. Lucia, Qld, UQP, p. 52.

Other government initiatives administered through the Australia Council include a broad Young and Emerging Artists program that incorporates funding to state and other writers' centres for literary mentor programs, as mentioned above, and aspects of the Book Industry Assistance Plan. The latter program was developed by the Howard government in 1999 to compensate for the effects on the book industry of the Goods and Services Tax (GST), and is discussed in detail below.

The government initiatives that the Australia Council is required to administer are a relatively recent addition to Australian arts and cultural policy. Developed independently of the Australia Council and, in some cases, of the federal arts ministry, the initiatives demonstrate an increasing direct political involvement in cultural policy which by-passes existing policy systems in its development, but employs the Australia Council in its administration. The 'Keatings', or Australian Artists Creative Fellowships, for instance, were high profile awards that served a political purpose in publicly and directly linking the government with individual artistic and cultural achievement. The Book Industry Assistance Plan (discussed below) is similar in that it also has a clear political as well as cultural agenda. The Australia Council's involvement with such initiatives signals the erosion of the arms-length principle on which the Council was established. That the Australia Council administers programs emanating directly from the political process and which are overtly politically motivated, undermines the independence that distinguished it from earlier policy mechanisms, like the politically influenced CLF.

Book Publishing Industry Statistics

The collection of accurate statistical information about the 'industry aspects of the arts',⁷³ including Australian book publishing, became an important activity in this period. The collection of data was a central strategy in the movement towards an increasingly industrial or economic view of cultural activities since it provided benchmarks and a capacity to measure industry development. This approach to Australian arts and cultural activity enjoyed bipartisan and intergovernmental support

⁷³ Lisanne Gibson (1999), 'The Arts as Industry', *Media International Australia*, n90, p. 114.

within the Cultural Ministers Council which initiated the program of data collection through its Statistical Advisory Group.

The Cultural Ministers Council (CMC) first met in 1985 and by the 1990s, comprised the ministers responsible for arts and cultural policy from Australian federal, state and territory governments, and from New Zealand. Local government representatives have maintained observer status, as has the arts and culture minister from Papua New Guinea. The CMC met annually until the election of the Howard Coalition government in 1996; thereafter the Council met every second year.⁷⁴ The Council is a forum for discussion, and for policy development and coordination in arts and culture. It has been concerned with policy issues including the divestiture of the ABC orchestras, heritage issues, libraries, regional arts, Indigenous cultural property issues and cultural statistics.

In the area of cultural statistics, the CMC recognised early the importance to the policy process of collecting accurate statistics about Australia's cultural industries and activities. It was concerned that 'a lack of consistent and reliable data was hindering development of national cultural strategies';⁷⁵ and at its first meeting in 1985, the Council established a Statistical Advisory Group, later known as the Statistics Working Group. The Group worked with the Australian Bureau of Statistics (ABS) to develop the National Culture-Leisure Industry Statistical Framework, a framework that 'defines the scope and extent of cultural activities and gives the sectoral definitions for creators, products, organisations and consumers'.⁷⁶ The framework is compatible with other national and international statistical systems and allows for the collection, analysis and comparison of statistical information regarding the cultural and leisure industries.

The Statistics Working Group of the CMC was also involved in the establishment within the ABS, of the National Centre for Culture and Recreation Statistics (NCCRS) in 1991. The Working Group produces statistical reports in its own right and in

⁷⁴ 'Cultural Ministers Council - Past Meetings', document on Department of Communications, Information Technology and the Arts website: www.dca.gov.au; accessed 17 October 2001.

⁷⁵ 'Cultural Ministers Council - Statistics Working Group', document on Department of Communications, Information Technology and the Arts website: www.dca.gov.au; accessed 17 October 2001.

⁷⁶ *ibid.*

conjunction with the NCCRS, although the latter organisation has since assumed responsibility for the regular collection of statistical information in this area.

One of the industries that benefited from these developments was book publishing. Prior to the introduction of the statistical framework, Australian publishing industry statistics were incomplete and unreliable, having been drawn from a variety of sources, including from a voluntary annual survey of ABPA members, library legal deposit information, listings in *Australian Books in Print*⁷⁷ and ABS manufacturing industry figures that did not differentiate between book and other publishing industries. In 1994, the NCCRS collected data from '186 organisations which employed staff and were predominantly engaged in book publishing',⁷⁸ and later published statistics regarding company turnover and sources, domestic sales, export sales, operating costs, imports, employment and numbers and types of titles published.⁷⁹ Subsequent statistical information was published for 1995-96, 1997-98 and 1999-2000; in addition, a comprehensive statistical industry profile was published in 1999 by the Department of Communications, Information Technology and the Arts (DCITA) in its *Cultural Trends in Australia* series.⁸⁰ Several of the surveys published by the NCCRS were jointly funded by the government through DCITA, and the industry through the APA.⁸¹

Further industry surveys are planned, and the next four annual surveys are to be conducted as part of the federal government's Book Industry Assistance Plan,⁸² which is discussed in detail later in this chapter.

The collection of accurate statistics about the Australian book publishing industry has contributed to the information base about the industry and has informed both industry planning and government policy. It is significant, however, that the method of collection ensures that the statistics reflect the activities of the 'commercial' sector of

⁷⁷ *Australian Books in Print* is published annually by DW Thorpe Pty Ltd and lists author, publisher, title and other information of books published in Australia each year.

⁷⁸ ABS (1996), *Book Publishers, Australia, 1994*, Catalogue No. 1363.0, Adelaide, ABS, p. 1.

⁷⁹ *ibid.*, pp. 1-3.

⁸⁰ *Cultural Trends in Australia No. 9: Australian Book Publishing 1997-98* (1999), Canberra, Department of Communications, Information Technology and the Arts with assistance from the National Centre for Culture and Recreation Statistics, ABS.

⁸¹ For instance, ABS (1999), *Book Publishers 1997-98*, Catalogue No. 1363.0, Adelaide, ABS.

⁸² ABS (2001), *Culture and Recreation News* (newsletter of the ABS National Centre for Culture and Recreation Statistics), January, p. 4.

book publishing only (that is, those firms that are 'largely commercial', as discussed in Chapter 1). In limiting its sources to book publishing companies that employ staff, the NCCRS neglects a large group of small publishers, other organisations and individuals that produce books. The figures, therefore, present only a partial view of Australian publishing. The *Directory of Australian Publishers 1999-2000*, for instance, published by D.W. Thorpe, lists 3,436 companies, individuals, institutions and organisations that published books in the previous year;⁸³ while the 1997-98 statistics from the NCCRS drew its data from only 261 businesses.⁸⁴ This disparity demonstrates a bias in the collection of cultural statistics that results in the focus on the business or commercial aspects of cultural activity. The bias is a result of the notion of cultural *industries*, and the linking, by government, of cultural policy with economic development. Cultural activities without commercial potential, or which are not perceived to make an economic contribution, receive less attention from both statisticians and policy makers.

In spite of the industry development and commercial bias of data collection, policy ambivalence can be detected in its funding arrangements. These are insecure and dependent on contributions from sources such as the APA and, for the five years from 2000 to 2004, earmarked funding from the Book Industry Assistance Plan (BIAP). Although considered a priority by the CMC and DCITA, book publishing industry data collection was not provided with a secure and permanent funding source and its future is only guaranteed for the five year commitment of the BIAP. In addition, the exclusive concern for the commercial book publishing sector ensures that the statistics present an incomplete picture of Australian book publishing.

Industry Development and Export Assistance

Industry development, including export market development, became a major focus of government cultural policy in this period. The development of cultural activities as viable industries was seen as not only contributing to growth of the broader economy through employment, tourism and wealth generation, but also as a strategy to minimise

⁸³ *Directory of Australian Publishers 1999-2000* (1999), Port Melbourne, DW Thorpe.

⁸⁴ ABS (1999), *Book Publishers 1997-98*, op. cit..

the need for continuing government subsidy. A major goal in cultural industry development policies was the building of export markets for Australian cultural products; this was particularly important for the book publishing industry, the economic development which had always been circumscribed by the size of the local market.

The industry development focus of the *Creative Nation* cultural policy statement was informed by research into the economic potential of a number of cultural industries, including book publishing. In 1992, the Australian Commission for the Future produced a research report that included an analysis of the economic viability of the Australian book publishing industry.⁸⁵ The purpose of the research had been 'to examine alternative industry-based approaches to assisting the publishing industry to enable organisations to become less reliant on ongoing subsidy.'⁸⁶

The report examined Australian book publishing in terms of a 'value chain' that identified the various steps in the publishing process at which value is added, beginning with writers and ending with markets. It analysed the characteristics of each step or 'link' in the 'value chain', and identified the industry's strengths, weaknesses, opportunities and threats. The tenor of the report is demonstrated by its identification of the following as an industry strength:

[t]he publishing industry is primarily independent of government subsidy. It is essentially market driven and only a small part of the operations of the industry is dependent on government subsidy.⁸⁷

The report also recognised the cultural role of the industry and the rationale for 'government policy of promoting creativity and high standards of achievement which represent our cultural diversity'.⁸⁸ As a consequence, one of the four strategies recommended for the industry was:

⁸⁵ 'The Australian Book Publishing Industry: A Report to DASET' (1992), in The Australian Commission for the Future, *A Framework for Improving Viability in Selected Sectors of the Cultural Industry: A Report to DASET*, Carlton, Vic., The Australian Commission for the Future.

⁸⁶ *ibid.*, Appendix I, p. 39.

⁸⁷ *ibid.*, p. 32.

⁸⁸ *ibid.*, p. 36.

[the] continued government subsidy for publication and promotion of Australian creative writing which serves a cultural purpose and which is otherwise not commercially viable . . .⁸⁹

The other three strategies were copyright law reform in relation to changing technology, the improvement of industry management and the development of export markets.⁹⁰

A result of this report was the establishment of the Publishing Industry Development and Export (PIDE) Program within the Department of Communications and the Arts (DCA). The PIDE Program was a component of the broader Cultural Industry Development Program which was launched by the Keating Labor government in the 1993-94 federal budget, and was designed to facilitate the development of the economic potential of Australia's cultural industries. The industry specific PIDE Program was implemented through a partnership between the DCA and the APA,⁹¹ and comprised a number of strategies for the development of both domestic and export book markets.

One strategy concerned book distribution, an activity that the Commission for the Future report identified as a weakness of the Australian book publishing industry. Book distribution in Australia was found to be dominated by large publishers – a factor that contributed to the difficulties experienced by small publishers in distributing and placing their books in retail outlets. This problem was addressed within the PIDE Program by the establishment of Publish Australia Group Enterprises (PAGE) in 1994. Publish Australia is described as 'a commercially-focused enterprise network of around 50 independent Australian publishers . . . linked together to achieve greater commercial potential'.⁹² PAGE membership was open to Australian-owned publishing companies only, and operated as a promotion and distribution network with activities including combined product catalogues and displays at international book fairs, an electronic network and distribution arrangements that included placement of the Group's books in government bookshops. PAGE was funded by membership fees as well as by a

⁸⁹ *ibid.*

⁹⁰ *ibid.*, p.36-37.

⁹¹ *Export Opportunities in Asia for Australian Publishing* (1994), report of the Publishing Industry Development and Export Project, Canberra, DCA, p. 1.

⁹² 'Publish Australia Group Enterprises' (c1996) in *Cultural Industry Development Program: Supporting Australia's Cultural Industries*, Canberra, DCA.

\$250,000 establishment grant from the budget of the Cultural Industry Development Program.⁹³

For a brief period, responsibility for the collection and publication of publishing industry statistics was transferred to the PIDE Program, and industry surveys were jointly funded by DCA and the APA under the auspices of this broader program.⁹⁴ As mentioned in the previous section, this function was later transferred to the Book Industry Assistance Plan (discussed below in a separate section).

Priority was given, under the PIDE Program, to the establishment of export markets for Australian books as a major goal of industry development. Although government assistance for export market development had been available to Australian industries since 1961, the publishing industry was not a major recipient of such assistance. In his 1988 analysis of the economics of the book industry, A.J. Hagger notes that:

[t]he scale of the direct assistance received by the book industry via direct export grants has never been large and in most years represented less than 1 percent of the assistance given to export industries as a whole.⁹⁵

Two priorities were identified to facilitate export development: firstly to prepare an industry profile and identify strategies for developing the industry's export potential, and secondly 'to investigate Asian markets, seeking information on business practices in each country and establishing trade contacts.'⁹⁶ Consultants were engaged to carry out these activities, and in 1994 a report was published that lists various export assistance programs available to publishing companies, including a new industry specific scheme known as the Publishing Incentives to Export Scheme (PIES), with a budget of \$150,000.⁹⁷

⁹³ Publish Australia Group Enterprises (c1995), 'Publish Australia Benefits for Members', Sydney, Publish Australia.

⁹⁴ 'Export Publishing' (c1996) in *Cultural Industry Development Program: Supporting Australia's Cultural Industries*, op. cit..

⁹⁵ A.J. Hagger (1988), 'The Economics of the Book Industry' in D.H. Borchardt & W. Kirsop, eds, *The Book in Australia: Essays Towards a Cultural and Social History*, Melbourne, Australian Reference Publications/Centre for Bibliographical and Textual Studies, Monash University, p. 106.

⁹⁶ *Export Opportunities in Asia for Australian Publishing*, op. cit., p. 5.

⁹⁷ *ibid.*, p. 22; and 'Export Incentives Announced' (1995), *Australian Bookseller & Publisher*, September, p. 7.

The Australia Council also plays a role in supporting export market development by assisting publishers to attend international trade fairs through its Audience and Market Development Division, as mentioned above in this chapter.

The publishing industry was one of many Australian industries encouraged to develop export markets in this period. This was a result of both the Keating government's interest in establishing improved trade and cultural links with other countries in the Asia-Pacific region, and of an effort to increase all exports to improve Australia's balance of payments. Many Australian publishers were keen to be involved in export market development activities, and assistance was targeted in this period at Australian-owned companies.

A comparison of book export activity in 1994 and in 1997-98 reveals only 1 % growth in exports as a percentage of total book sales, with only 0.3 % growth in exports to Asian countries (principally Singapore, Hong Kong, Malaysia and Japan).⁹⁸ These are not impressive figures given the policy focus on export market development in this period. However, it may be that more time is required to build markets sufficiently to see significant growth reflected in the export statistics.

The industrial development focus of policy in this period was the logical progression of a movement that began in the late 1970s and stressed the economic benefits of the arts. It was made explicit in the *Creative Nation* statement, and was translated into concrete policy instruments through the Cultural Industry Development Program. For the book production and distribution industry, it meant industry specific programs that, for the first time, targeted Australian-owned publishing companies. This was the first policy acknowledgment that the local sector was struggling to survive in a small domestic market dominated by large foreign-owned companies.

⁹⁸ ABS (1996), *Book Publishers, Australia, 1994*, op. cit., p. 2; and *Cultural Trends in Australia No. 9: Australian Book Publishing 1997-98*, op. cit., p. 11.

The Book Bounty

Although the Book Bounty continued to be provided to publishers and printers as a proportion of book production costs, in line with the bipartisan policy of gradually abolishing tariffs and bounties, the proportion paid as Bounty diminished incrementally over the years from its height of 33.3 % from 1975 to 1983, to 7.2 % in 1996.⁹⁹ It was intended to be phased out completely by December 1997 after being dropped to 4.5 % in early 1997.¹⁰⁰ The intention was to gradually wean the book production industry from its reliance on the Bounty while the industry developed the capacity to compete with off-shore printers.

This strategy was brought to a sudden end when the incoming Coalition government abolished the Book Bounty without warning in its first budget in August 1996. The abruptness of the government's action left the industry in turmoil. In spite of its relatively low value, the Bounty was a significant factor in production costing, most of which is planned months ahead. The publishing director at Penguin Australia, Robert Sessions, speaking in response to the government's action, said:

we are now having to deal in an emergency situation with books that we have commissioned, that we have taken on, costed, priced and announced.¹⁰¹

The cessation of the Book Bounty, which was estimated to save the government \$12 million over two years,¹⁰² was felt by all participants of the book trade, including authors, publishers, printers and booksellers. Lynne Spender, the executive director of the ASA, put the authors' point of view when she commented: '[t]he book bounty was quite often the difference between a new author getting published and not.'¹⁰³ Her statement reveals that, by providing funds for a proportion of production costs, the Bounty allowed printing costs to be lower, and acted as a type of publishing subsidy. Its abolition therefore had cultural as well as commercial effects.

⁹⁹ Industry Commission (1996), op. cit., p. 15.

¹⁰⁰ *ibid.*

¹⁰¹ Robert Sessions quoted in Brook Turner (1996), 'The Hands That Write the Paper', *Sydney Morning Herald*, 13 September, p. 13 Arts.

¹⁰² John Ellicott (1996), 'Outrage Greets End of Book Bounty', *The Australian*, 23 August, p. 6.

¹⁰³ Lynne Spender quoted in Ellicott, op. cit., p. 6.

Ironically, at the time that the Bounty was abolished, an Industry Commission inquiry into book printing was in progress, and its report was published after the event. Although the Industry Commission itself recommended that assistance no longer be provided to the book production industry, it roundly criticised the government's unannounced abolition of the Bounty:

there is little doubt that the decision runs counter to the sound public policy principle of providing predictability and certainty in industry policy matters.¹⁰⁴

It is unlikely that the government singled out the Book Bounty as excessive; it was, however, vulnerable since it was scheduled to end in the following year. It is more likely that it was one of many expedient actions taken by the new government in its effort to produce a surplus in its first budget.

The book production industry, in the view of the Industry Commission, had become more competitive with improved conditions and increased capacity. Contributing to this were a change in demand from high cost colour productions to lower cost paperback books, and 1991 amendments to the *Copyright Act* that resulted in increased demand for the speed available from local printers to meet the 30 and 90 day requirements. The use of new technology by Australian book producers also closed the gap between the costs of local and overseas printing.¹⁰⁵

The abolition of the Book Bounty, while brought forward by a pragmatic government looking to cut spending in the short term, was also part of a longer term and bipartisan plan for dismantling the entire industry protection system of bounties and tariffs. The system was extensive, had been built up since federation and was considered legitimate and necessary government intervention in the interests of Australian industry development. As mentioned in Chapter 6, the Book Bounty, as part of that system, enjoyed a legitimacy not shared by other forms of assistance to book publishing. Although its economic intent provided that legitimacy, the Bounty also had cultural effects, as discussed above, in that it allowed for lower cost production of Australian

¹⁰⁴ Industry Commission (1996), op. cit., p. 67.

¹⁰⁵ *ibid.*

titles which, in turn allowed for lower prices and greater accessibility to Australian books.

The Book Bounty, having assisted the Australian book production industry since its introduction in 1969, was considered expendable in 1996. However, within three years, the same government that abolished the Bounty, replaced it with similarly intentioned assistance in the form of the Enhanced Printing Industry Competitiveness Scheme. The new Scheme was introduced as part of the government's compensation package to the book industry for imposing a Goods and Services Tax (GST) on books, and is discussed in detail in the following section.

The GST and the Book Industry Assistance Plan

In July 2000, the Howard Coalition government introduced a broad-based 10 % sales tax on all consumer goods and services (with some exceptions). Although there was pressure on the government to exempt books, they were included as taxable goods.

The introduction of the GST came after a long period of political debate, inquiry and lobbying by individuals and interest groups against the tax. Australian authors, publishers, printers, librarians, readers and booksellers were among those actively involved in anti-GST campaigns. Representatives from the APA, ABA, printing industries and ASA appeared before the Senate Select Committee on a New Tax System with 'separate but complementary submissions'¹⁰⁶ that:

centred on the effects the tax would have on literacy and education, on the economics and employment levels of the book and printing industries, and on Australian culture.¹⁰⁷

A joint public campaign was sponsored by industry groups, and posters and other material were produced advocating the maintenance of a tax-free status for books. One poster included quotes from Australian authors and others testifying to the value of

¹⁰⁶ "No GST" Campaign Intensifies' (1999), *Australian Bookseller & Publisher*, April, p. 6.

¹⁰⁷ *ibid.*, p. 6.

books to education, literacy, knowledge, democracy, culture and imagination.¹⁰⁸ Other organisations also lobbied strongly against the tax, including the FAW, Australian Writers' Guild, state writers' centres, the Australian Library and Information Association (ALIA) and the Australian Education Union. The public campaign against a GST on books, although similar to the 1981-82 'Please Don't Tax Books' campaign, was less well-coordinated, perhaps as a result of the absence of the National Book Council (NBC) as a central coordinating body.¹⁰⁹

As was the case in 1982, the Coalition government did not have a majority in the Senate and had difficulty getting the tax bills passed. After negotiations, a deal was struck with the Australian Democrats in the Senate who agreed to support the introduction of the tax provided certain categories of goods and services were exempted. These included most food, and educational and health-related goods and services, but not books. According to Democrat Senator Lyn Allison, the Democrats had sought an exemption for books, and when the government would not agree, the Democrats argued successfully for a 'compensation package' to address the effects of the GST on the book industry.¹¹⁰

In August 1999, the Democrats announced that a four year, \$240 million 'book compensation package' had been negotiated with the government. It was hoped that the package 'would largely cancel out any adverse effects flowing from a GST on books.'¹¹¹ The details were released over the ensuing months and implementation of some of its components began in July 2000, at the same time that the GST came into effect. The policy package became officially known as the Book Industry Assistance Plan (BIAP).

Its components were targeted at delivering specific assistance to industry sectors over a four year period and, although several were included from the pre-GST period, the stated intention was to compensate for the effects of the GST. The BIAP included the following programs and budgets:

¹⁰⁸ 'Keep Books Tax Free' (1999), poster reproduced in *Australian Book Review*, n212, July, p. 1.

¹⁰⁹ The NBC was wound up in early 1999.

¹¹⁰ Glennys Bell (2001), 'Behind ELR: Making Sense of It All', *Australian Author*, v33 n2, p. 21.

¹¹¹ Australian Democrats (1999), '\$240m Books Plan Will Cut Textbook Prices, Assist Authors, Printers and Schools', Media Release from Senators Meg Lees and Lyn Allison, 20 August 1999, Australian Democrats website: www.democrats.org.au/media/1999; accessed 24 August 1999.

- an **Educational Textbook Subsidy** of 8 %, to be provided to students and parents for the purchase at registered booksellers of approved textbooks; the subsidy is provided at point-of sale by booksellers who are later recompensed through the scheme (\$117 million);
- the **Enhanced Printing Industry Competitiveness Scheme (EPICS)** to provide grants 'to assist firms involved in book production by encouraging the use of innovative technologies, improved business practices, training and skills development';¹¹² the Scheme effectively replaces the Book Bounty in that it aims to increase the competitiveness of Australian book producers (\$48 million);
- the **Educational Lending Right (ELR)** to provide payments to book creators and publishers for the use of their copyright material in educational libraries, an extension of the PLR scheme but administered by DCITA for the minister under different conditions (\$38 million);
- a **book marketing and promotion campaign** comprising a research component and promotional activities and materials, administered by the Australia Council (\$8 million);
- **grants to primary schools** to increase their library holdings of Australian books (\$28 million); and
- the provision of funds to the NCCRS for the **collection of statistics** on the book publishing and bookselling industries (\$1.2 million).¹¹³

The Plan is a mixed bag of schemes that appears to have been cobbled together to provide assistance to specific sectors of the industry. However, few of the schemes actually address the likely effects of the GST. In fact, several were either planned or implemented before the introduction of the GST, including the collection of statistics that was previously funded by DCITA and the APA, and the Educational Lending Right (ELR) that the previous Labor government had ready to introduce when it lost the election in 1996, and that the Coalition subsequently scrapped. In addition, issues of competitiveness have dogged the local book production industry since the 1960s and the Book Bounty had been in place to address those until it was abolished in 1996. It is

¹¹² AusIndustry (2000), 'Assistance to Book Production', AusIndustry website: www.ausindustry.gov.au; accessed 29 September 2001.

¹¹³ Australian Democrats, op. cit.

likely that the government would have introduced a scheme to enhance the competitiveness of the Australian printing industry after the abolition of the Book Bounty without the impetus provided by the GST.

The Educational Textbook Subsidy is one scheme that is aimed directly at ameliorating the effects of the GST on students and parents who purchase textbooks. In fact the scheme addresses an anomaly in the GST – textbooks bought by schools are exempt from the tax as educational goods, while textbooks bought privately by students and parents are subject to GST. The 8 % subsidy is intended to make the price of all textbooks effectively the same. Rather than assisting the industry, it simply provides some equity for consumers; indeed, the Educational Textbook Scheme is unpopular with booksellers for being overly complex, and for increasing their administrative burden.¹¹⁴

Grants to primary schools to increase their library holdings of Australian books will certainly increase sales of certain books in the four year period of the Plan. However, there is disagreement over what constitutes 'an Australian book' – the Printing Industries Association argues that the grants should apply only to books printed, as well as published, locally.¹¹⁵ At present the definition is simply a book published by an Australian publisher or written by an Australian author. Although no auditing system has been established to monitor the grants, a requirement of this program is that each book purchased with funds from the BIAP must carry a sticker stating that it was bought with Commonwealth funds,¹¹⁶ a not uncommon condition of some government funding, particularly in or around election years.

The marketing and promotion campaign is popular with the industry, particularly since it is expected to target 'non-readers and lapsed readers',¹¹⁷ and to thereby extend the market for books. It is administered by the Literature Board of Australia Council, in

¹¹⁴ 'Book Industry Compensation Package Update' (2000), *Australian Bookseller & Publisher*, June, pp. 16, 18; and 'The GST One Year On: The Campaign Continues' (2001), *Australian Bookseller & Publisher*, July, pp. 12-13.

¹¹⁵ 'The GST One Year On: The Campaign Continues', op. cit., p. 13.

¹¹⁶ 'Gladys Bembo' (2001), 'Between the Lines', *Australian Bookseller & Publisher*, June 2001, p. 50.

¹¹⁷ Australia Council (2000), 'Campaign Promotes Reading Books for Pleasure', Media Release, 13 November, Australia Council website: www.ozco.org.au; accessed 21 November 2000.

consultation with a reference group comprising book industry and educational sector representatives. The promotional campaign, titled 'Books Alive', will be informed by research into other book promotion campaigns run in the past and overseas, and by local qualitative research into book use and reading in Australia. The campaign is intended to 're-focus national attitudes to reading and books',¹¹⁸ and its challenge will be, according to Nicholas Hasluck, Chair of the Literature Board, 'to turn around the perception that books demand too much time and commitment to fit comfortably into a busy life.'¹¹⁹ The marketing and promotion campaign addresses the effect of the GST on book reading and sales by promoting reading to existing readers, as well as by creating new markets.

With the exception of the subsidies for educational textbooks, which directly benefit consumers, all of the measures are directed at the book industry in an attempt to ameliorate damage caused to the industry by the GST. The various components of the Plan are, as mentioned above, a mixed bag of old and new policies put together in a package to appease an industry unhappy with the impost on their product. That the book industry is culturally, as well as commercially significant must be a factor in the offering of such a package. It is likely that educational and cultural lobbying, in addition to the urgings of the Australian Democrats in direct negotiation, resulted in the BIAP. Few other industries were so feted on the introduction of the GST.

A major problem with the Plan is the fact that it is set to run for only four years and the GST is a permanent fixture. Authors were particularly unhappy with the inclusion of the ELR in the time-limited policy package, since the ASA had been campaigning for 24 years for a permanent ELR scheme.¹²⁰ Authors, affected by the GST with decreased sales and royalties, and by a possible downturn in publishing, were provided, by way of compensation, with a policy measure that they consider a right. Glennys Bell comments on this in the ASA journal, *Australian Author*:

¹¹⁸ *ibid.*

¹¹⁹ *ibid.*

¹²⁰ Bell, *op. cit.*, p. 23.

so creators of books . . . are gaining in one way, [but] they are still losing in another, much bigger way.¹²¹

The government was unwilling to damage the integrity of its new tax system by extending the list of exemptions to include further categories of goods. It therefore was compelled, in the case of books with their strong cultural, educational and commercial advocates, to balance one policy with others. It was clearly intended that the damage to the economic base of the industry resulting from the increased price of books would be balanced by relatively small and time-limited measures to compensate sectors of the industry in particular ways, some of which the industry had been advocating for years. The introduction of a raft of short-term, minor interventions in an effort to ameliorate the effects of a permanent and substantial policy change must surely constitute another example of ambivalence, or at best, a very poor policy compromise.

Conclusion

Public policy in relation to the book industry was heavily influenced by the ideology of economic rationalism that permeated most aspects of Australian life in this period. This ideology enjoyed bipartisan support in Australia and, as a result, public policy became dominated by economic logic.

Further development of government cultural policy took place in this period, culminating in the formal policy agenda, *Creative Nation*. In a sense, this document laid the framework for further policy ambivalence. On one hand, it acknowledged the importance of cultural activity as an expression of national identity and as an end in itself. On the other hand, it placed cultural activities squarely in an economic context and linked cultural policy with the commercial or economic aspects of cultural endeavour. It proposed policies that treated cultural development primarily as a component of economic development. Arts administrators, including those within the Australia Council, colluded with this logic by providing an economic rationale for arts

¹²¹ *ibid.*, p. 21.

funding and by initiating programs that promoted the economic development of the arts through audience and market development activities.

Lisanne Gibson notes that 'the impetus for an industry-focused cultural policy has increased to the detriment of "public good" arguments for cultural funding.'¹²² The result for book publishing is that commercial imperatives of the industry not only dominate policy activity and discourse, but also overshadow cultural concerns which remain both marginal and residual.

Yet the consequences of the pervasive economic logic are recognised as problematic where they negatively affect cultural products. An example is in book publishing companies that, in pursuit of higher profits, shift budgets and priorities to packaging and marketing and away from editing and manuscript development, and produce good-looking books with poor quality content. Fearing the long-term effects of such practices, the Literature Board diversified its activities to address this trend with a number of programs run in conjunction with industry. Through the agency of the Board, the government has intervened to protect and promote the traditional cultural components of book publishing in an increasingly commercial environment. However, these policies involve programs that are designed to encourage publishers to take, or at least share, responsibility for those 'cultural-value-adding' aspects of publishing. In spite of this, Literature Board programs can neither adequately fill the cultural gaps left by publishers, nor force publishers to fulfill what it sees as their cultural responsibilities.

Copyright law activity in this period also involved issues of culture and commerce, particularly in relation to the debate on the importation provisions of the *Copyright Act*. The debate considered the economic question of free markets, and it also concerned the protection of Australian cultural products and producers in an open and unregulated market likely to be dominated by low cost imported books. Copyright regulation sought to balance the various interests, including those of authors and publishers, consumers and producers, and of culture and commerce, protection and access. That this balance was to be achieved in the context of a small, and culturally and commercially vulnerable local market shaped by the legacy of years of British domination, made the task even

¹²² Gibson (1999), op. cit., p. 114.

more difficult. The government, with its own bias toward free markets, was under pressure from all side of the debate and, at the end of this period, the matter remained unresolved.

Much policy activity in this period was focused on industry development and was intended to improve the commercial viability of Australian book publishing. This contributed to an imbalance favouring the commercial aspects of publishing over its cultural role. However, the commercial development of the book publishing industry also has cultural effects, particularly where new markets for Australian books are created and where distribution is made more effective. Because the products of book publishing are cultural as well as commercial, improvements in economic capacity also result in improved cultural outcomes.

The linking of cultural and economic development reinvigorated government intervention in book publishing in this period. Industry development policy was less ambivalent than cultural policy since it had more concrete and measurable goals, as well as a longer and more entrenched history in Australia.

However, the introduction of the GST in July 2000 undermined both the industry development and cultural goals of public policy by increasing the price of books. The commercial aspects of book publishing were threatened by fears of higher costs and lower sales, while its cultural role was at risk from limitations on access through higher prices. The government gave priority to its new tax system, and attempts to ameliorate the effects of the GST on the book trade were ill-considered and poorly targeted. The imposition of the GST and the consequent BIAP, are further examples of contradictory, ad hoc and ambivalent policy of the kind that has characterised government intervention in book production and distribution since federation.

CONCLUSION

In this thesis I have argued that Australian federal government policy intervention in book publishing has been largely ambivalent – lacking clear and consistent policy goals, meagrely resourced and, variously, ad hoc, prevaricating, uncoordinated and symbolic. This ambivalence is the result of a number of tensions, many of which, but not all, relate to the dual cultural and commercial nature of the book and book publishing.

My examination of a century of public policy has revealed particular tensions within Australian history, society, politics and government, as well as in the nature of the book itself and book publishing, that have influenced and shaped related policy. These are outlined briefly here, and explored in more detail below. Firstly, tensions that affect all public policy are those associated with shifting notions about the nature and legitimate role of government, and with the fundamental ambivalence of the policy process. These tensions have led to governments having different views of the nature and parameters of their mandate. Secondly, but most profoundly in relation to policy associated with book production and distribution, is the tension between culture and commerce that is inherent in the book and in book publishing. The contradictions and conflicts that arise from this tension have been fundamental influences on Australian public policy in relation to the book. Thirdly, there has been a tension in Australia since the beginnings of European settlement between the desire for independence, and reliance on and loyalty to Britain. This has strongly influenced Australian governments which have both pursued and resisted independence and its implications, and has had significant cultural and commercial effects on the Australian book trade. Finally, Australia's geographic isolation from the large centres of English language publishing and European culture has resulted in tension between the conflicting needs for access to books and for local industry protection. This tension has also profoundly affected the cultural and commercial nature of the Australian book trade, and related government intervention.

These tensions have not only informed policy, but have also shaped the history and nature of book production and distribution in Australia. The local book publishing industry was slow to develop in an environment dominated by British book imports and subject, for many years, to British cultural and commercial hegemony, as well as to Australian acquiescence. Public policy did little to assist the development of an independent Australian-owned book publishing sector, but sanctioned and enabled the domination of Australian publishing first by British commercial interests, and later, by other foreign-owned and multinational companies. Possible negative cultural effects of foreign control were ameliorated in the later part of the century by the commercial success of Australian books and the consequent participation of foreign-owned publishers in the production of Australian books for the local market.

What follows is a review and discussion of the tensions outlined above, and of their influence on public policy, including their contribution to policy ambivalence. I also consider the major effects of policy on book production and distribution in Australia, identify some policy options that Australian federal governments might take for more effective intervention and outline directions for future research.

The Nature of Government and the Policy Process

A tension that affects all public policy is a fundamental uncertainty about the proper role of government. This is not unique to Australia, nor to any particular period or policy relating to book production and distribution. Rather, the effects of this uncertainty are felt in many areas of government activity, and the parameters of the public policy mandate are regularly negotiated. Australian governments, in the liberal democratic tradition inherited from Britain, have sought to strike a balance between taking an interventionist role to deliberately shape aspects of society, culture and the economy, and a more laissez-faire approach which relies on markets to distribute goods, services and resources. Ideology is a major determining factor in this balance, and different Australian federal governments have seen their roles differently.

This study has demonstrated, for instance, that the Labor Party in government has been more interventionist in cultural matters than conservative Coalition governments. Certainly Labor governments have intervened more vigorously in the cultural aspects of book production and distribution than the Coalition, particularly during and immediately after the Second World War, and in the Whitlam era of the early 1970s. In addition, although the Menzies government was responsible for expanding the role of the Commonwealth Literary Fund (CLF) in 1939, it was the former Labor Prime Minister, James Scullin, who energetically canvassed support in Canberra for the changes.

However, by the late twentieth century intervention by all governments had extended to many areas as affluence and changing expectations, as well as the increased complexity of society, resulted in a broadening of government roles.

Regardless of which party was in power, there were differences in the practice of government intervention between policy concerning industrial or economic matters, and cultural matters. Intervention in industry has, since federation, been considered a more legitimate activity of government, in spite of fierce debate about industry protection. Early Australian governments were largely interventionist in industrial matters, and established a system of protection with tariffs as the primary policy instrument. This did not, however, include protection of the local publishing industry from book imports. Reasons for this are identified and discussed in the following sections.

Since the early 1970s, funding for the arts and cultural activities became increasingly accepted as a role of government. The generous arts funding and policy system established under the Whitlam Labor government was not dismantled by the Coalition government which followed, although funding was cut back and the system was subjected to scrutiny by various inquiries. The cultural policy system has since undergone re-structuring and change, and has been augmented by the increased involvement of the federal arts ministry. However, at the end of the century it remained a relatively stable and legitimate policy system.

The public policy process involves compromise between competing interests, and a problem that affects much public policy relates to the fact that government objectives often lack clarity and are themselves ambivalent. In Australia, policy is frequently made in response to lobbying or to win the support of particular population groups or sectors of interest. As a result, policy can be ad hoc, reactive and short-sighted.

Policy can also be symbolic – employed to demonstrate government support or concern rather than to bring about substantial change through the allocation of adequate resources. The Commonwealth Literary Fund (CLF), in both its original and its expanded forms, is an example of symbolic policy that involved a minor program in terms of funding and scope, with decisions regarding the allocation of its meagre resources being made directly at the highest level of government. The CLF acknowledged, in a symbolic way, the importance of literature to the nation, but insufficient funds were allocated to significantly alter the nature of Australian literature, the position of locally-owned publishers or the functioning of the commercial book market.

In relation to book production and distribution, much policy is ameliorative or compensatory. For instance, the Public and Educational Lending Rights were put in place to compensate for the effects on authors and publishers of the provision of free public and educational libraries. The Book Bounty was introduced both to allow Australian printers to compete with offshore printers and to compensate for Australia's adherence to the UNESCO Florence Agreement. Publishing subsidies are intended to ameliorate the effects of the commercial market on the supply of culturally significant books. Most recently, the introduction of the GST necessitated a complex package of compensatory policies.

As in many other policy areas, this is one in which successive Australian governments have had to make decisions about how much to intervene, and how much to leave private interests to determine the nature of the local industry and, in the case of books, the nature of Australian literary culture. Such decisions have varied according to social, political and economic conditions, as well as with the ideological stance of particular governments. In a political system in which the very

role of government is ambivalent and contested, it is not surprising to find ambivalence in much public policy.

Culture and Commerce

The dual cultural and commercial nature of the book has provided the greatest tension affecting public policy in this area throughout the century. The contradictions and conflicts arising from the culture-commerce dichotomy in book production and distribution have been manifested in Australia in different ways. That book publishing involves the private commercial production of public culture has inhibited government intervention in the industry, as has the traditional notion of the essential role of a free press in the democratic process.

Australian governments have been cautious in their intervention in commercial enterprises. In the later decades of the century particularly, there has been bipartisan adherence in Australia to an ideology that reveres free markets with minimal government participation or interference. As a consequence, the role of government in commerce is largely that of regulator, while commercial enterprises are left to carry out their business relatively freely. On the other hand, Australian governments have maintained, until recently, a broad system of assistance based on tariff protection, bounties and other policy devices to enhance the development and competitiveness of Australian industries. This has been generally accepted as contributing to the development of Australia as an economically productive nation and, therefore, has been considered a legitimate role of government.

The traditional liberal democratic ideals of freedom of speech and expression must also be seen as factors that have limited government involvement in book publishing throughout the period of this study. Too much government intervention in publishing, and particularly in determining what will be published, is a threat to the independence of publishers and therefore to a free press. Certainly the CLF and the Literature Board were aware of these factors and were careful in administering

publishing subsidies, notwithstanding the CLF Committee's occasional attempts at political censorship.

Although the Australian government was early to recognise the cultural significance of literature and the book, related policies continued to be minor, symbolic and piecemeal. Governments were slow to involve themselves in a more substantial way in broader arts funding, and it was not until the early 1970s that an effective funding and policy structure for the arts was established. Twenty years later, a formal cultural policy document was produced and its implementation begun. Policy in this area has had a less stable base than industry policy from which to proceed, due in part to the intangible aesthetic nature of the creative arts. Support for the arts appears to have been considered an optional or peripheral role of government for many years, and as less legitimate than other more instrumental government activities.

The linking of cultural policy with economic policy, a process that began in the late 1970s and was made explicit in the 1994 *Creative Nation* policy statement, highlighted the economic value of cultural industries and thereby served to further legitimise cultural activities and their funding by government in an environment dominated by economic logic. Indeed, the notion of the arts as 'cultural industries' is one that gained currency in this later period, and that linguistically and conceptually linked culture with industry and commerce.

This thesis has argued that those policies associated with the manufacturing and explicitly commercial roles of publishing have been less ambivalent than those primarily concerned with its cultural role, or those concerned with both culture and commerce. Policies implemented within the established system of industry assistance have gained legitimacy through that system. These include export market development assistance and the Book Bounty. Both policies have been long-standing and remained largely unchallenged for many years. Export assistance to the book publishing industry has continued, with a brief interruption in the 1970s due to a dispute within the industry, since its introduction in 1961. The Book Bounty, although its rate of payment diminished gradually over the years, provided

substantial assistance and remained in place for more than 25 years. That the Book Bounty was directed at the *physical production* of books, rather than at the creative aspects of production, also enhanced its status and security as a policy.

Other policies have been more ambivalent. Copyright legislation, for instance, which seeks to balance the rights of consumers and producers, has both cultural and commercial goals and effects. Its early history in Australia demonstrated neglect, delay and prevarication by government. Copyright regulation might have been used more positively and effectively by Australian governments to protect and support a locally-owned industry, but instead operated largely to maintain the status quo which favoured British publishers and their products. The continuing debate over the importation provisions of the Act reveals characteristic ambivalence as the Howard Coalition government, with its ideological commitment to unfettered markets, is constrained by lobbyists and the Opposition who seek to protect vulnerable Australian-owned publishing companies and authors, as well as the cultural integrity of the Australian market.

The publishing subsidy scheme is another ambivalent policy instrument. In spite of its being a well-established and long-standing program, with its explicitly cultural intentions, it has remained a minor and relatively poorly resourced policy instrument. Although grants and guarantees against loss have been provided directly to publishers, the rationale has been the support of Australian culture and authors *through* publishing, rather than support of publishing *per se*. As a program of the CLF, the publishing subsidy scheme had little overall effect on the nature of Australian publishing. However, the injection of funds and expansion with its transfer to the Literature Board had an immediate impact on Australian literature, particularly in concert with a generous program of grants to writers. The incorporation of the publishing subsidy scheme in the Literature Board removed it to arms-length from the direct political control that was problematic under the CLF. Although the involvement of political leaders in the CLF gave its programs status, it also constrained the CLF's activities through the overt politicisation of the decision-making process.

The importance of the publishing subsidy scheme diminished as less funds were allocated to it over the years. Its major effects have been on the publication of Australian poetry and drama, and of a limited number of other works of cultural significance. The scheme has supported the work of small publishers, and has encouraged large publishers to take risks that they otherwise may not have taken. However, it must be seen as an ambivalent and largely symbolic, or tokenistic, policy given its limited scope, resources and overall effects.

The government's long-term ambivalence in relation to the Florence Agreement had both cultural and commercial motivations and implications. Its refusal to ratify the Agreement estranged the Australian government from the UNSECO community of nations to some extent and, for a period, Australian publishers were penalised commercially with duties on their book exports to some participating countries. Although successive governments adhered to the cultural spirit of the Agreement, none were prepared to formally relinquish the right to impose tariffs on books until the Agreement was eventually ratified in 1992. Although the flow of books into the country was not impeded by tariffs, the importation provisions of the *Copyright Act* imposed restrictions that could be seen as contradicting the intention of Australia's voluntary adherence to the Florence Agreement.

Perhaps the closest an Australian government came to an unambivalent policy position on the cultural aspects of book publishing was in the immediate aftermath of the Second World War. The book was identified as an important, if not essential, educational and cultural tool during wartime, and the government intervened to establish priorities for the allocation of scarce resources to book production. Following the War, the publishing industry was referred to the Tariff Board in 1946 for inquiry into its future policy needs. The Board recommended further inquiry which was carried out by the Publishing Industry Committee, which in turn proposed that an ongoing committee be set up to advise the government on matters relating to book publishing. The War had not only highlighted the national cultural significance of book publishing, but had also identified a role for government in supporting the local industry. This flurry of interest in publishing was set in motion by a Labor government which was also implementing significant change in other areas.

However, by the time the Publishing Industry Committee reported in 1950, a conservative Coalition government had been elected, and the Committee's recommendations fell on deaf ears. The incoming Menzies government was not interested in continued government involvement in the book publishing industry, except for its minor role in the CLF.

The Second World War might have been a watershed for Australian government policy in relation to book publishing. However, the reluctance of the Menzies Coalition government to pursue an active involvement with the industry or with cultural issues ensured that policy remained ambivalent, and that British publishers were able to re-establish their control of the Australian book trade in the post-war years.

Issues of culture and commerce were prominent in Australia's changing relationship with Britain, and this too had a major impact on federal government policy, or lack thereof, in relation to book production and distribution in Australia.

Independence and Dependence

The colonisation of Australia in the eighteenth century and the close political, cultural and economic links between Britain and Australia affected all aspects of the nation's development. As the country grew and became increasingly self-sufficient, tension developed between Australian nationalism and the desire for independence, and reliance on and loyalty to Britain. This affected government policy in many areas, including that in relation to books, their production and distribution.

The book in early Australia served dual cultural roles, as well as dual commercial roles. It was at once a conveyance of British culture and of a developing Australian culture. British books were profitable commodities for British publishers and Australian booksellers, neither of which were committed to seeing a strong and independent Australian publishing industry develop. Australian books, although significant for their representation of Australian culture, were barely commercially

viable since they were, for many years, under-valued in relation to British books. Australian books were also more expensive to produce for the small local market, and were therefore more expensive to purchasers and less profitable for booksellers.

Early Australian federal governments were concerned with nation-building activities, including the provision of a small measure of symbolic support for cultural pursuits. The role of books and authors in national cultural development was acknowledged early by government with the establishment of the CLF. Authors were singled out for privileged treatment, as was book publishing with the later expansion of the CLF. Government intervention addressed, to a small degree, the failure of the commercial market to provide sufficient culturally specific, high quality Australian books or rewards for local authors.

In the first half of the twentieth century, Australia continued to rely on Britain for the import of many products, and remained closely linked politically, legally, commercially and culturally. Australians, on the whole, were loyal to Britain to the extent that there was little perceived difference between the welfare of Britain and that of Australia. Britain was considered as 'home' to many Australians, even by many who had never been there. Even the energetic Australian cultural nationalists who argued in the early part of the century for an independent publishing sector for an independent Australia, were not overtly anti-British.

Movement toward independence meant increasing estrangement from 'the mother country' and, as the new nation developed, this was both pursued and resisted by successive Australian governments. This tension between dependence and independence affected many aspects of Australian life, and in relation to book production, the development of a viable local publishing industry would have meant a lessening need for British book imports. Although Australian governments chose not to implement policies to support a locally-owned publishing industry, minor and symbolic assistance was provided for the publication of some Australian books, and for the promotion of Australian literature.

Australia was an extension of Britain's market for goods of all kinds and Australians, in their isolation, depended heavily on imports. The scarcity of goods, caused by distance and lengthy transportation time, resulted in a eager market. There was certainly no desire to impede the importation of British books, since the Australian industry was insufficiently developed to provide for local needs and Australians required books for education, recreation and information. Australian demand for imported books was particularly keen, a factor that led not only to an efficient and profitable book trade, but also to exploitation in the form of the consignment trade in which unwanted British books were 'dumped' on a supposedly deprived and uncritical Australian market.

In fact, the Australian market was an important one for British book publishers who relied on exports for much of their trade. Consequently, British publishers were keen to maintain control of the Australian book trade. Many established branches in Australia for the efficient distribution of their books, and later engaged in local publishing, particularly in the lucrative educational book market. British companies producing books in Australia became known, along with locally-owned publishers, as 'Australian publishers' in a lack of differentiation that was carried over into public policy.

At the same time, local cultural products were considered inferior to British products and Australians were inclined to favour imported books over those published locally. This was in spite of a strong cultural nationalist movement among authors and others in the 1930s, 1940s and 1950s. Many Australian authors of literary works chose to be published first in Britain by British publishers and have their books imported into Australia. Not only were authors able to attract a larger audience and therefore better financial rewards for their work, but also a British imprint carried enhanced cultural capital and was a symbol of acceptance by what were considered higher quality and more discerning publishers. This was all part and parcel of the 'cultural cringe' that affected much Australian life, including public policy.

British publishers controlled the Australian book trade both before and for many years after the Second World War. Any government move to encourage or support a

locally-owned book publishing industry in either period would have been seen as a threat to British dominance. The British Publishers' Association exercised considerable early control in Australia, and later, British publishers' representatives were actively involved in the Australian Book Publishers Association (ABPA). Australian-owned publishers, although also involved in the ABPA, had a minority market share and, in most cases, deferred to the needs of the British.

The forced absence of British books during the Second World War and the shortage of book materials saw the Australian government impose priorities on the production of books. Those considered most important for paper rationing were educational books of all kinds, followed by works of fiction and non-fiction with Australian themes. The market for the latter books included Australians as well as foreign, mostly US, military personnel stationed in or visiting Australia. This was an assertion of the importance of distinctly Australian cultural products in wartime, both for the reinforcement of national cultural identity among Australians, and to provide information about Australian culture to visitors. The selections made for the Australian Pocket Library were also nationalistic and aimed to serve a similar purpose. The portrayal of Australian life and themes in literature was considered sufficiently important to wartime morale for the government to actively intervene.

After the War British publishers, assisted by the absence of any Australian government restrictions, were able to re-establish their control of the Australian book trade, and to entrench this control through formal structures including the Traditional Market Agreement and the Statement of Terms. These restrictive practices endured until the 1970s when they were legally challenged by the US and Australian governments respectively.

Post-war changes in the relationship between Australia and Britain relieved much of the tension that existed between independence and dependence. These changes included Australia's increasing political, economic and strategic alignment with the US, Britain's entry into the European Economic Community and the legal and symbolic distancing of Australia from Britain by the Whitlam government. Other factors affecting the relationship were technological advances in communication and

transportation that decreased Australia's isolation, and the increasingly culturally diverse nature of the Australian population that had less close ties with Britain. In addition, US cultural products, particularly film and television, began to have a major impact on Australian society.

This tension was replaced in later years by another relating to Australian independence and its participation in the global economy. In the book trade, this tension was played out, for a brief period, between a large number of small, locally-owned publishing companies that formed themselves into the Australian Independent Publishers Association (AIPA), and a small number of large foreign-owned, multinational companies that came to dominate Australian publishing in the latter part of the twentieth century. Public policy remained largely non-interventionist in relation to ownership, and companies publishing books in Australia continued to be considered 'Australian publishers', regardless of their ownership.

Access and Protection

A related influence on policy was the tension between access to imports and protection of the local industry. This was an issue for many Australian industries, and the subject of intense political contest in the years leading up to and following federation. Australia's distance from Britain and other centres of European culture was a natural barrier and, coupled with rudimentary early transport and communications technology, resulted in a strong sense of isolation for Australians, and particularly cultural isolation.

Governments therefore gave priority to policies that maximised access to books as vital cultural, including educational, tools. This was significant because it meant that local book publishers were not protected by tariffs in the way that many other industries were. By choosing to facilitate access at the expense of protection, successive federal governments contributed to conditions that retarded the development of a viable locally-owned book publishing industry.

Australian governments were at no point prepared to restrict the free importation of books in order to protect the locally-owned publishing industry. The fact that the product concerned was cultural, as well as commercial was significant in the decision not to employ tariffs, as was the fact that many Australians, at least prior to the Second World War, were loyal to and reliant on Britain (and British books) for their cultural identity.

The disruptions to book imports caused by the Second World War resulted in the rapid growth of Australian publishing which was constrained only by a shortage of materials and labour. As discussed above, this growth ended abruptly after the War when British publishers returned to re-establish their dominant position in the Australian book trade. The wartime shortage of books highlighted the issue of access as well as Australia's dependence and lack of self-sufficiency in book supply. It also demonstrated that the Australian publishing industry had the potential to expand and to supply many of the books needed. Although immediate post-war policy began to address the continuing needs of the developing industry, it was cut short by a change of government, as mentioned above.

The fact that many Australian-owned publishing companies were also in the business of retail bookselling meant that such firms benefited from British control, and were therefore more acquiescent than they might otherwise have been. In fact, opposition to British domination was minimal and most in the trade accepted the status quo. Certainly there were those who did not and, as discussed in Chapter 7, a small but spirited opposition to the restrictive trade practices of British publishers emerged in the early 1970s.

The Australian government's adherence to, but long-term refusal to ratify the UNESCO Florence Agreement can also be seen in terms of tension between access and protection. In spite of overseeing a highly protective period in Australian trade history, the Menzies government, for instance, would not impose import restrictions on books. Nor would it ratify the Florence Agreement, wanting instead to maintain the option to impose tariffs if it so desired.

Although import restrictions were called for at various times throughout the century by printers, journalists, other writers and illustrators who felt their livelihoods threatened by unimpeded book imports, governments remained unmoved. The high cultural value of books, Australia's long-term reliance on books from overseas and the strength of the lobby against tariffs were factors that influenced successive governments to maintain unrestricted access to book imports.

Copyright legislation also addressed issues of access and protection and, for many years, legitimised import monopolies by holders of Australian territorial rights. The importation provisions of the *Copyright Act* allowed Australian prices to be inflated, as demonstrated by the Prices Surveillance Authority (PSA) in 1989. Amendments to the Act introduced in 1991 sought to strike a balance between access and protection, but continued to be the subject of controversy, and the matter remained unresolved at the end of the century.

Postal concessions were a policy instrument that enhanced access to books *within* Australia. It is ironic that Australian governments that supported the free flow of books internationally, did not maintain a relatively low-cost domestic policy that allowed books to be distributed throughout the country at equitable concessional rates. The later imposition of a GST on books further hindered access to books within the country by increasing prices.

That successive Australian governments chose to facilitate access to imported books at the expense of the local book production industry was both cultural and commercial in its intent. It sought to ensure that Australians were not culturally disadvantaged by their geographical isolation and had access to books that were available in Britain and later, elsewhere. Its commercial intent was to allow markets to function freely with little government intervention, even if this resulted in domination of the local market by British or other commercial interests.

The Major Effects of Policy

In considering the effects of Australian federal government policy on the book production and distribution in Australia, it is important to look at both government action and inaction. Although government intervention has obviously had some effects, it has been the *lack* of intervention that has had the most significant impact on the book trade in Australia. Specifically, no Australian government has been prepared to intervene to regulate or limit the activities of British or other foreign-owned publishers in Australia, or to support the development of a locally-owned book publishing industry. Consequently, as mentioned above, British publishers were able to dominate the Australian book trade from the beginnings of European settlement of Australia until the 1970s when their restrictive commercial practices were undermined by the law, and competition from US and other international publishers challenged their cultural and commercial power.

British domination of the Australian trade provided benefits to Australians in the form of easy access to British books. However, the restrictive trade practices employed by the British also meant that Australians were denied access to books that were not considered profitable for British publishers. These included books from other English language markets, such as Canada, the US and New Zealand, for which British publishers held Commonwealth rights but chose not to publish or distribute in Australia. British publishers were also able to manipulate and control Australian book prices for many years. One mechanism employed was the Statement of Terms agreed between publishers and booksellers which allowed publishers to set retail prices, and prohibited price competition between retailers. In addition, in the years in which parallel imports were outlawed by Australian copyright legislation (1968 to 1991), Australian rights holders to overseas titles (usually British publishers) enjoyed import monopolies which also allowed high prices to be charged.

British control of the local book trade began to break down in the early 1970s, only partly as a result of Australian federal government policy. The *Restrictive Trade Practices Act 1971* saw off the Statement of Terms and opened the retail book market to competition, and the enormous increase in funding to the Literature Board

contributed to growth in demand for Australian books and in their production by both locally-owned and foreign companies. Other factors included the cessation of the Traditional Market Agreement brought about by the US Justice Department in 1976, and the increasing participation in the Australian market of US and other foreign publishing companies.

In choosing not to limit the activities of foreign-owned publishers, Australian governments sought to maximise access to books in Australia, and this remained a public policy priority. However, as mentioned above, this priority also contributed to the slow development of an Australian-owned publishing industry. Australian books produced by locally-owned publishers received no advantages through policy. Therefore, Australian-owned publishing companies were forced to compete, without assistance, with well-established and well-financed foreign-owned companies that not only enjoyed economies of scale, but also had the means to distribute their books efficiently and effectively. Local publishers were also disadvantaged by the long-standing inclusion of Australian territorial rights with Commonwealth rights as a result of the Traditional Market Agreement (TMA). This effectively denied them the opportunity to participate in the lucrative international rights trade.

A feature of the Australian publishing industry has been the relative instability of locally-owned companies. Long-term success, or even long-term survival, in publishing in Australia's small market is difficult, and few Australian-owned companies have had international success. Many locally-owned companies have thrived for short periods, publishing innovative and culturally significant books (often with the assistance of publishing subsidies), before being acquired by larger, often foreign-owned, companies. This appears to be almost an established trajectory for independent Australian-owned publishing companies, particularly in the trade book sector.

It was not until the later years of the century that some policies provided assistance for Australian-owned companies exclusively; these included some export market development programs and the Publish Australia Group Enterprise (PAGE) marketing and distribution network. Both of these policies provided relatively small

amounts of assistance and were concerned with developing the commercial capacity of locally-owned publishing companies by expanding their markets.

Australian books slowly increased their market share to more than half toward the end of the century. However, by then both Australian and foreign-owned companies were producing Australian books and receiving, in some cases, public funds to assist them to do so. The Australian book publishing industry has always been, and remains dominated by foreign-owned companies which produce the majority of books in Australia. Of concern here is that foreign-owned companies lack the commitment to Australian culture that is likely to be held by Australian-owned companies, and will only continue to produce high quality Australian books as long as these remain profitable. That is, their commitment to Australia and Australian books is commercial rather than cultural.

For most of the twentieth century, the Australian government did not differentiate between Australian-owned and foreign-owned companies in policy. No federal government has chosen to implement, in relation to book publishing, the kinds of policies that were employed to assist other local cultural industries, such as providing taxation concessions for investment in Australian-owned publishing, introducing local content regulations or consistently applying foreign ownership limitations to book publishing. As a result, successive federal governments passed up opportunities to help develop and maintain a dynamic and sustainable locally-owned independent publishing sector. Governments instead facilitated both access to imported books and the participation of foreign-owned companies in Australian publishing, although this was done more through inaction than action. That a number of locally-owned companies have survived and prospered over time, and that Australian books enjoy a healthy market share, has been in spite of government policy rather than because of it.

Policy Options

Although there are alternative policy options that might be implemented in relation to book production and distribution, the Australian federal government must first have the political will to consider a different approach to its role in this area. It might take a serious threat, like the book shortages experienced during the Second World War, for the federal government to recognise the cultural and commercial significance of a locally-owned book publishing sector in Australia. This occurred in Canada where, in the 1960s, the continued existence of the Canadian-owned publishing sector was considered to be under serious threat from the proximity and rapacity of the US book market and US publishers. As a result, and in the interests of Canadian culture, the Canadian federal government implemented policies specifically intended to protect and support Canadian-owned and controlled book publishing. The Australian government might find the Canadian policy approach a useful example to follow in support of Australian local industry and cultural interests.

Specifically, the Australian government could limit its assistance programs to Australian-owned companies only. Such limitations could be placed on the Literature Board's publishing subsidy scheme, the Public and Educational Lending Rights schemes and export market and other industry development programs. Restricting assistance to local publishers would not only spread the meagre funds allocated to the industry further, but would also support and maintain a local book publishing capacity, and assist Australian-owned companies to become more competitive.

Policy might also be employed to offer a measure of protection to Australian-owned companies from takeover by larger and more financially secure foreign-owned and multinational companies. Specific regulations could be introduced and applied to proposed acquisitions of local firms by non-Australian companies. Alternatively, the federal government could provide grants or low interest loans to assist Australian-owned companies through periods of financial vulnerability. In addition, local book publishing companies could be assisted more effectively with distribution since this

is not only an area of difficulty for small publishers, but also one that has left Australian companies vulnerable in the past.

These policy measures would not only target funds more effectively to increase stability and capacity in the locally-owned book publishing sector, but would also offer long-term protection to Australian cultural and commercial interests in book publishing.

In addition, the federal government might, throughout the century, have used its responsibility for enacting copyright legislation to better support the needs of Australian-owned publishers, rather than those of British and other book importers. The vexed question of parallel importation remains before the present government and offers an opportunity to either support local interests or to open the Australian market to low cost imports. The maintenance of the present '30 and 7/90 day rules' (as discussed in Chapter 8) would continue to serve as a compromise in which the import monopolies provided by the parallel importation provisions are time limited, and the interests of local authors, publishers, booksellers and readers are protected.

Because of the dual cultural and commercial nature of the book, book publishing and related government intervention, a practical strategy would be for the federal government to establish a body that could coordinate, as well as develop policy in relation to book production and distribution. Such a body might be similar to that proposed in 1950 by the Publishing Industry Committee, that is, a committee comprised of personnel from relevant government departments that would take submissions and advice from industry players, and monitor commercial and cultural trends and conditions. The committee might also consult with, or include relevant state and local government representatives. It could carry out local and international research and develop expertise, consider the various interests put before it, develop goals and coordinate policy, and thereby ensure that policy in relation to book production and distribution is well-informed, consistent, well-targeted and effective.

Directions for Future Research and Some Final Comments

In the course of this project, a number of questions and issues for future research have emerged that, if pursued, would contribute to increased knowledge and enhanced understanding of the nature and effects of policy in this area, and would point to further policy options.

The breadth of my study, involving the examination of multiple policies over a century, has necessarily limited its depth. Indeed, many of the policies that I have examined could be further illuminated by more detailed examination and analysis. In particular, a deeper investigation of both copyright regulation and the publishing subsidy scheme and their effects could yield valuable insights into the role of government in the culture and commerce of book publishing. My research into some policies was constrained by external factors, for instance, archival records were not available from the National Archives of Australia beyond 1972 for tracing the ongoing federal government prevarication over ratifying the Florence Agreement. The study of government records in the twenty years between 1972 and 1992, when the Agreement was eventually ratified, would complete this particular story of government ambivalence. Also, the recent introduction (in July 2000) of the GST and the associated compensation policies, made it difficult to evaluate their effects on Australian book production and distribution, and this is an obvious question for future research.

Although outside the scope of this thesis, but of particular relevance to the study of culture, commerce and policy in relation to book publishing in Australia, is a detailed comparison of Australian and Canadian book trade histories, conditions, policy responses and their effects over time. The similarities between the countries in relation to their history, geography and political structures provide fertile ground for comparative study, as do their differences. Such a study could offer valuable insights into the cultural and commercial roles of book publishing in creating and maintaining national cultural identities and industries.

This study has revealed a history of uncoordinated and meagrely resourced policy intervention, as well as policy inaction. It has identified as a major effect, a local book trade long dominated by foreign interests in which Australian-owned companies have struggled to survive, and continue to remain vulnerable. In the future, the federal government can expect to be called upon by lobbyists to implement policies that both protect local book publishing and that do not. As pressure mounts to further open Australian markets in an increasingly open global economy, there will be no place for ambivalence if Australian cultural interests are to maintain a central place in the Australian book trade.

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