The Sale of Ryerson Press: The End of the Old Agency System and Conflicts over Domestic and Foreign Ownership in the Canadian Publishing Industry, 1970-1986¹

George Parker²

PRELUDE

A Bookworm at the “World’s Biggest Book Sale”

In an uncharacteristic but symbolic meeting between hockey culture and book culture at Varsity Arena in Toronto during a sweltering week in June 1970, The Ryerson Press offered its backlog of over 600,000 books to the public. Billed as the “world’s biggest book sale,” the paperbacks and hard covers were stacked on rows of long folding tables, and went for prices between 25¢ and \$3.00. While much of the stock consisted of recent titles from Ryerson and what looked like whole seasons of titles from several of its foreign principals, there were some rare finds for Canadiana buffs like myself, who picked up *Selected Poems of Dorothy Livesay [1926-1956]* (1957). On opening day, 13 June, thousands of people tramped through the arena seeking bargains, and so much was picked over through the following week that the planned ten-day event actually closed a day early.

The proceedings were orchestrated with far more hoopla than a similar “bagels and coffee” sale of books by McClelland and Stewart at the St Lawrence Market in June of 1969. That event only had 200,000 books to unload, and lured the public with the presence of Pierre Berton and Leonard Cohen. Both sales were symptomatic of major management and cash-flow problems among Canada’s largest houses, and a sad contrast to Ryerson’s Centennial exhibit that opened on 26 June 1967 at the Royal Ontario Museum, less than a block away from Varsity Arena. At that exhibit, entitled *Canadian*

1 This paper is an excerpt from a longer version that will be a chapter in my work in progress on the Toronto publishing industry in the twentieth century.

2 George Parker taught English at the Royal Military College of Canada, Kingston, Ontario. He published *The Beginnings of the Book Trade in Canada* (1985), and he is a contributor to all three volumes of the History of the Book in Canada Project.

Figure 1. Ryerson Press book sale at Varsity Arena, June 1970
(from *The Globe and Mail* 2 Aug. 1971: 7).

Imprint, the oldest publishing house in Canada proudly displayed the books and publications that recorded the nation's life and times. A whole era was coming to an end in 1970 and many of its books were now on the block.

That era had started to unravel in the 1960s. By 1968 and 1969 Ryerson had losses of \$572,855 and \$626,066³ and there were rumours that Ryerson's owner, the United Church of Canada, was looking for a buyer. The printing plant was in deeper trouble than the publishing division. Campbell Hughes, who had been with the firm since 1947, became general manager in 1969, but he was unable to staunch the flood of losses, and he left to join Van Nostrand Reinhold.⁴ In January 1970 two young men were hired to turn the business around. The new general manager was Gavin Clark, from the printing firm Rolph-Clark-Stone, and the new director of publishing was Robin Farr. They were tasked with changing the stodgy Ryerson image and discontinuing the printing operations and the library department. The firm severed connections with some of its twenty-six foreign principals and let seventeen employees go. Within months, however, the United Church of Canada could not underwrite more losses, and the Toronto-Dominion Bank refused to make any more loans. Clark and Farr investigated the stock in the basement at 299 Queen Street West and discovered over 600,000 books worth about \$2 million.⁵ When they decided to raise cash by selling the warehouse stock, they hired Paul Rimstead, a flamboyant sports writer and publicist in touch with the Swinging Sixties. They all agreed that a giant book sale, with lots of hustle, would fill the bill.

Several of Rimstead's gimmicks were innovative, others verged on the dubious. There would be "searchlights, a dirigible, folksingers,"⁶ but topless salesgirls, a floating book sale on the ferries to Toronto Island – and a book burning! – were quietly nixed. As plans for the

3 *Financial Statement The Ryerson Press*, 31 Jan 1970, Ryerson Press / United Church Board of Publication, 83.061C, Box 24, File 4, United Church of Canada Board of Publication Fonds 513, United Church of Canada / Victoria University Archives, Toronto. (Hereafter cited as UCCBP Fonds.)

4 "Around the Trade," *Quill & Quire* 35 (Jan.-Feb. 1969): 7; "Ryerson Victim of a Rumour Mill," *Quill & Quire* 25 July 1969: 1; "Around the Trade," *Quill & Quire* 6 Feb. 1970: 3.

5 "Sale Presages New Image," *Quill & Quire* 19 June 1970: 1, 12.

6 Peter Sypnowich, "Ryerson Press Tries to Avoid 'Doom'," *Toronto Daily Star* 2 June 1970: 54.

book sale at Varsity Arena reached Toronto booksellers, they reacted furiously with phone calls and letters, and threatened to boycott Ryerson. The Canadian Retail Booksellers' Association fired off indignant letters to the firm. These were not idle threats; the retail chain Coles refused to order books from McClelland and Stewart after its book sale at St Lawrence Centre. Retailers wondered whether publishers' sales of overstock were a harbinger of direct retailing.

Sometimes damage control causes more damage. Clark and Farr held a dinner party at the Royal York on 29 May, hoping at this occasion to assuage the retailers, who were allowed to come in two days before the sale and purchase stock. But the retailers' public anger continued, and Rimstead arranged for a small dinner party, this time for the media, at Le Provençal on 1 June. Reporter Barry Callaghan was greeted by Rimstead, resplendent in a pink shirt and double-breasted gray suit.⁷ Over brandy and cigars, Rimstead put a spin on the reasons for the giant sale. Hoping to counter the Ryerson image of stuffiness, Clark explained, "We're trying to bring new verve to the publishing industry in Canada." Arnold Edinborough, the former editor of *Saturday Night*, listened sympathetically and criticized the book stores. "Don't they realize bookselling is merchandising, or are they going to go on in the old medieval way?"⁸

Then the *pièce de résistance* was brought out: the Ryerson Bookworm. This dish turned out to be Linda Weatherton, a graduate of Carleton University's journalism school, hired to make publicity appearances around Toronto: "She's the best-looking bookworm you ever saw," Rimstead assured the gathering. "Better than bookworm measurements," agreed Gavin Clark. "She's fairly intelligent," Rimstead said.⁹

The "World's Biggest Book Sale" netted about \$140,000, far short of the anticipated \$500,000. Ryerson's subsequent sale to the giant American corporation McGraw-Hill on 1 December was not an isolated incident. No doubt some of its problems were unique to the firm, but in fact mismanagement, escalating costs, overexpansion, archaic distribution practices, and an inability to break into international markets were prevalent in other major Toronto houses.

7 Barry Callaghan, "Wonder-bust Book Sale for Varsity Arena," *The Telegram* [Toronto] 2 June 1970: 46.

8 Sypnowich, "Ryerson."

9 Sypnowich, "Ryerson."

In the three years following 1970, three other major Canadian-owned houses were sold to international corporations, and a fourth was saved from bankruptcy by the Ontario government.

This latest crisis in publishing would radically transform the industry for the rest of the century. Indeed, it was taken as a wake-up call by the public and by several governments to debate the question of Canadian ownership in the book industry. How could such failures happen? Between the 1951 Royal Commission on National Development in the Arts, Letters and Sciences and the 1972 Ontario Royal Commission on Book Publishing, the country had savoured prosperity, an invigorating nationalism, and an expanding market for books. The 1970 crisis forced Ottawa and Queen's Park to develop policies to preserve and strengthen the cultural industries. By 1985, when Marcel Masse announced a new policy to increase ownership of culturally sensitive industries and subject the sale of Canadian-owned firms to government review, the crisis had evolved into a new stage of complexity and international interest.

I. ROUGH SEAS: THE DYING AGENCY SYSTEM

Chronicle: 1945-1970

According to John Morgan Gray, the president of Macmillan of Canada, 1945 was one of the peak years for publishers and retailers, to be followed by the "valleys of the [next] five years."¹⁰ Even though Christmas sales in 1948 were very good, book prices rose 15% to 20% annually and still did not keep up with inflationary rises in wages and paper. Although a similar languishing was felt throughout the international book world, American publishers were transforming themselves into a mass-market industry. In 1952 there was a better season, and *Quill & Quire* reported with pleasure that the newly formed Canadian Retail Booksellers' Association had 75 member book stores, but grumbled that the Publishers' Branch (today known as the Canadian Book Publishers' Council) was too secretive about its activities.¹¹ The exodus from the traditional "publishers row" in downtown Toronto began in the early 1950s and continued through

¹⁰ John Gray, "English Language Publishing in Canada," *CLA Bulletin* 11 (June 1955): 294.

¹¹ "A Foundation with New Hope," *Quill & Quire* 18 (May 1952): 4-8. See also "Perspective: The Trade Becomes Articulate," *Quill & Quire* 19 (Jan. 1953): 5-7.

the 1960s. For many decades publishers' editorial and warehouse departments were clustered around Victoria Street, or extended westward to Spadina Avenue and Queen Street West, but they now decamped to the Toronto suburbs, from Scarborough in the east to Downsview in the northwest. The new buildings were up-to-date, had an abundance of floor space and parking facilities, and helped reduce overhead expenses.

Meanwhile, the Royal Commission on National Development in the Arts, Letters and Sciences set the stage for Ottawa's policy and funding for the next half-century. Under co-chairs Vincent Massey and Henri Lévesque, the Commission held sessions from one end of the country to the other, heard from about 450 individuals, and received about 400 briefs. Altogether, the Commission cost a sensible \$400,000, and the *Report* was issued on 1 June 1951. Its recommendations included strengthening the National Archives and the National Film Board, construction of a new National Gallery, and the immediate establishment of a National Library (1951). The three most important recommendations involved a new federal broadcasting act to cover radio and television, and to oversee relations between the CBC and private broadcasters; federal funding for the humanities in universities; and the creation of the Canada Council to fund the arts. When the Canada Council was set up in 1957 with \$100 million from the inheritance taxes on the estates of Sir James Dunn and Isaac Walton Killam, Ottawa ignored the recommendation about separating university funding from grants to the arts, and instead allotted half the Council's funds for construction of university buildings and fellowships for university teachers. What was most important in this *Report* was the recognition that governments would have to become patrons of the arts and supporters of the cultural industries. It was not a new idea in Europe, but it created foes as well as proponents in Canada.

The writer's situation improved very slowly. Because of the depressed condition of the book trade in the late 1940s, John Gray noted that "many good Canadian MSS got sent abroad to be published."¹² By the early 1950s young writers and artists were fleeing to Europe, "getting started," in the words of William Weintraub¹³ who, like Mordecai Richler and Margaret Laurence, turned out to

¹² Gray, 295.

¹³ William Weintraub, *Getting Started: A Memoir of the 1950s* (Toronto: McClelland and Stewart, 2001).

be a temporary expatriate, while short-story writer Mavis Gallant settled permanently in Paris. In the decade when the Humanities Research Council (1952) and the Canada Council (1957) were created, writers and producers began holding forums to discuss their mutual problems. The first of these was held in July 1955 when the Rockefeller Foundation funded a Conference of Writers, Librarians, and Publishers at Queen's University, Kingston, where 150 people from arts communities that rarely confronted each other talked, ate, and drank in convivial surroundings.¹⁴

In the year 1955, "the book business comes of age," *Quill & Quire* crowed, "undoubtedly the best, from a financial point of view, that Canadian publishers and booksellers have ever enjoyed."¹⁵ It was like the dawn of a new era. A Royal Commission on Copyright and Patents was holding hearings to update the 1924 Copyright Act, but it was thirty more years before a totally revised set of copyright acts came into force. Between 1955 and 1957 several new bookshops opened: Louis Melzak's Classics Little Books in Montreal, Evelyn de Mille's shop in Calgary, Mel Hurtig's in Edmonton, and W.J. (Bill) Duthie's and Ford's in Victoria.¹⁶ For the next decade the annual sales of the book industry improved, even though *Quill & Quire* was constantly frustrated when its editors tried to get specific figures from publishers. In confidence individual publishers would mention that sales were up between 16% and 43% (1965), and an average of 17.2% in 1967. In that remarkable year one publisher's sales rose 250%,¹⁷ and six publishers (McClelland and Stewart, McGill University Press, the University of Toronto Press, Macmillan, Longman, and Ryerson) accounted for 53% of all English-language titles.¹⁸ There was no doubt that the mass-market transformation in the United States had reached Canada, albeit on a more modest scale.

With reports of ever-increasing sales, and a proliferation of books by Canadian authors, some of the fundamental problems of the industry received little notice, or were buried in other reports, or were attributed to one company's situation. In May 1969 the *Monetary*

14 George Whalley, ed., *Writing in Canada: Proceedings of the Canadian Writers' Conference, Queen's University, 28-31 July, 1955* (Toronto: Macmillan, 1956).

15 "Perspective: The Book Business Comes of Age," *Quill & Quire* 22 (Jan. 1956):

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16 "Bookshops Busting Out All Over," *Quill & Quire* 23 (July-Aug. 1957): 22-3.

17 "Sales and Service Improve," *Quill & Quire* 34 (Mar.-Apr. 1968): 14-16.

18 "Canadian Book Record 1967," *Quill & Quire* 33 (Nov.-Dec. 1967): 12-13.

Times dropped a bombshell in its diagnosis entitled "Book Publishers Are in Trouble."¹⁹ It predicted that in the next decade few publishers would survive because there were no export markets for Canadian publishers, too many American jobbers supplying booksellers and educational institutions, too many titles, and far too few detailed statistics to analyse production and sales by Canadian and non-Canadian firms. It couldn't have been more accurate.

"The principle business of most Canadian Publishers is still the buying and selling of British and American books." – John Gray (1955)²⁰

The half dozen companies in Toronto engaged in original publishing after World War II were perplexed by the international invasion of their market. In 1955 John Gray put their problems into perspective: "The fierce and interminable arguments over prices and discounts and the struggle between British and American books continue. Canada has become a battleground for foreign wholesalers, and in the struggle for export markets both British and American publishers have shown a cynical indifference to their contractual arrangements which neither would have countenanced before the war."²¹ At the root of these problems were several factors: the collapse of traditional agency arrangements as the industry's annual volume of sales rose substantially through the 1960s; the growing market share controlled by American jobbers and library services in Canada's lucrative school and institutional market; and the aggressive entry by American-owned subsidiaries into Canadian textbook publishing.

The agency system in place since the turn of the century had been divided among British and American firms, but since World War I the British, for a variety of reasons, gradually lost their share of the Canadian market. Despite attempts late in World War II and in the post-war years to correct this situation by speeding up distribution across the Atlantic, it proved difficult to reverse the trend. In 1946, for example, John McClelland, who had built his company with a

19 "Book Publishers Are in Trouble," *Monetary Times* 137 (May 1969): 48-53. Asked what they thought about the article, W.H. Clarke agreed with it, but Jack McClelland said, "not very much." See "Letters," *Monetary Times* 137 (July 1969): 6.

20 Gray, 293.

21 Gray, 294.

list of British and American best sellers, looked to the future and established an educational department, and made his first post-war trip to England to reopen contacts with his British principals. The British publishers, seeking ways to regain their Canadian markets, did send a steady stream of visitors to post-war Canada, but most of them insisted they would not undertake American packaging or marketing methods. In 1949 when they set up British Book Services (Canada), a co-op to supply books to retailers, no one was surprised at the number of cancelled agencies. At this point Sir Isaac Pitman (Canada) acquired the printing firm of Hunter-Rose, and Canadians saw this as an attempt by a British house to gain a foothold into domestic book production.

Competition for the British co-operative came five years later with the formation of the Co-operative Book Centre of Canada, which did not stock books in a warehouse but acted as a clearing house for consolidating orders, shipments, and accounts. It hoped to persuade libraries to order from Canadian sources such as those of its directors, Jack McClelland of McClelland and Stewart, John Gray of Macmillan of Canada, and W.H. Clarke of Clarke, Irwin, along with F.D. Allen of Thomas Allen, Charles Johnson of Oxford University Press, and Roland Blacker of Pitman.²² The Centre was very successful in its first year, in which 20 to 25,000 books were shipped in one month alone and the number of employees rose from two to sixteen.²³ However, because libraries used it for special orders rather than for routine supplies, the Co-Op lost business; and after it switched to data processing in 1968 there were constant problems with its computers, and it went into receivership in May 1969, a victim of competition from the Canadian subsidiaries of United States corporations.²⁴ The Co-Op was scooped up by Maclean-Hunter in 1970 for an estimated \$1 million.²⁵

Meanwhile, the British periodically issued reports on the struggle to maintain their Canadian markets against the growing American presence. British imports to Canada were up 2½% in 1960-61, while American imports were up 100%. Acknowledging failure, the British Book Service closed in 1962. Even a much-publicized visit to Canada

22 "Book Trade News," *Quill & Quire* 20 (Feb. 1954): 41; and "Publishers Form Co-Operative Book Centre," *Quill & Quire* 41 (July 1954): 7.

23 "Book 'Co-Op' Finishes First Year," *Quill & Quire* 21 (May 1953): 13, 21.

24 "Editorial: It Was All about Effort," *Quill & Quire* 15 May 1970: 2.

25 "Maclean-Hunter Buys Co-Operative," *Quill & Quire* 23 Oct. 1970: 1.

by 14 British publishers in 1967, with an ambitious cross-country itinerary that outdid their earlier 1943 visit, did little to turn around their exports to Canada.²⁶ Nor did the 1968 devaluation of the pound and the inauguration of air freight improve British sales in Canada.

The agency system was continually attacked by retail booksellers, who escalated the practice of “buying around.” Unhappy with a distribution network that forced them to order foreign books – still the mainstay of bookselling – through the “exclusive” Canadian agent, the retailers complained of small discounts and slow service, especially for back orders. Publishers blamed these things on slow shipments from Britain. Despite the efforts of the co-operatives, retailers and institutional libraries bypassed firms that held Canadian rights and placed their orders with American and British jobbers. When the Royal Commission on Copyrights and Patents invited briefs in 1955, the commissioners, under the chairmanship of newspaperman Grattan O’Leary, were overwhelmed with complaints from librarians and booksellers who challenged the publishers’ legal right to be the sole distributors of foreign books. The head of the National Library, Dr Kaye Lamb, pointed out that the 1921 Copyright Act (Section 28: 3) permitted free importation of books by public and institutional libraries, and stated he did not want to be bound always by ordering through Canadian jobbers. “Anything that threatens to interfere with freedom of supply must be regarded with both grave suspicion and grave anxiety,” Kaye asserted.²⁷ The head of the Toronto Public Libraries, Charles Sanderson, was obliged to state publicly that he ordered books through foreign jobbers only when there was no recognized agent in Canada.²⁸ Louis Melzak, who opened the first bookstores in Montreal and Ottawa to be devoted to paperbacks, claimed he received good service from publishers, but Ian Easton of Simpson’s book department explained that as more and more American and British publishers appointed

26 “Publishers Sell Harder in Canada,” *Financial Post* 20 May 1967: B19; and “As the British See It,” *Quill & Quire* 33 (June-July 1967): 22-3, 32. See also George L. Parker, “Growing Pains in World War II: The Struggle to Build a Real Publishing Trade in Canada, with a Little Help from the British,” *English Studies in Canada* 25 (1999): 369-406.

27 W. Kaye Lamb, “Copyright and the Canadian Book Market,” *CLA Bulletin* 12 (Oct. 1955): 74.

28 Charles R. Sanderson, “Dr. Sanderson Speaks” [letter], *Quill & Quire* 21 (May 1955): 3.

Canadian agents, booksellers were restricted in "the right to buy in any market" and estimated that he could make 10% to 15% more profit by buying English books direct.²⁹

The high prices set by the agencies, then, made "buying around" more profitable to many retailers and librarians. In his 1958 study of the market for books, J.N. Wolfe said that the markup on imported books was 10% more than the American list price and 40% higher than the British list price, and blamed this on the inefficiency of too many small agencies with high costs. Wolfe identified three practices responsible for this state of affairs. First of all, the Canadian agent could not return imported books to his principals. Second, the arbitrary division of the Canadian market by American and British publishers meant that Canada usually got the edition that was first published. Finally, there was no attempt to have discounts reflect the economics of large runs.³⁰

These attacks on what were known as exclusive agencies prompted Hugh Kane, the vice-president of McClelland and Stewart, in his capacity as chair of the Book Publishers' Association, to point out to an audience of booksellers in 1963 that there was very little that was "exclusive" about the contracts between the Canadian agent and his British and American principals. "Under existing legislation he enjoys no protection whatever and is forced into a competitive position with the foreign wholesaler, who, taking advantage of the weaknesses in our laws, appropriates a substantial part of the profitable business which the Canadian publisher-agent should enjoy."³¹ His remarks elicited a reply from Edmonton bookseller Mel Hurtig, whose next career as publisher was still four years away. Hurtig had no quarrel with McClelland and Stewart's service, but cut to the bone and demanded, "Let's overhaul our methods of book distribution."³² Rather than having protective legislation, Hurtig wanted the market to find its own levels, and he urged Ottawa to pressure the United States into removing the American manufacturing clause, and to ratify the new Florence Agreement, which removed duties on books. Then in 1967, when Hurtig and Bill Duthie discovered that publishers

29 "Mixed Feelings About Publishers," *Quill & Quire* 21 (July 1955): 16-17.

30 J.N. Wolfe, "The Market for Books in Canada," *Canadian Journal of Economics and Political Science* 24 (Nov. 1958): 547-48.

31 Hugh Kane, "Our Aims Are Identical," *Quill & Quire* 29 (May-June 1963): 22.

32 Mel Hurtig, "Let's Overhaul Our Methods of Book Distribution," *Quill & Quire* 29 (July-Aug. 1963): 36, 38; Part II (Sept.-Oct. 1963): 46-8.

had set up phoney companies and addresses in order to sell direct to customers, Hurtig advised booksellers and libraries, "Buy from your American and U.K. wholesaler books represented by the offending agent."³³ Little wonder that booksellers were also upset by the book sales that McClelland and Stewart and Ryerson held in the late 1960s.

The clashes over jobbing and buying around were not lost on American companies, who saw the rising sales to schools, community colleges, universities, and institutional libraries – unlike anything experienced before in the Canadian market – as a goldmine. In 1968, Baker & Taylor, the American supplier to institutional libraries, set up two representatives in Canada, and announced their state-of-the-art computerized ordering and tracking systems. Canadian jobbers, such as the Canadian University Library Purchasing Plan (CULP), the Publishers Academic Library Service (PALS), W.H. Smith, Bro-Dart, and the John Coutts Library Services, tried to persuade libraries and educational institutions to order from Canadian suppliers, but this was a losing battle in the early 1970s.

The agency business was jeopardized by the trend among foreign firms to take the agency out of the hands of the Toronto publisher and establish a subsidiary with a Canadian publishing program. Traditionally, their agencies or subsidiaries were in the hands of Canadian-owned Toronto or Montreal publishers, whose role was to market the textbooks and trade titles of their principals. Back in 1948 Jack McClelland, one of the new post-war generation of publishers, had a jolt when McClelland and Stewart lost the Doubleday agency, whose fortunes in Canada had enriched both McClelland and Stewart and Oxford University Press (Canadian branch) since the First World War. (See Appendix One.) In the 1960s several major American educational publishers reorganized their operations in Canada, and lured very bright and aggressive Canadians to develop Canadian textbook programs – and eventually, trade book lines for the "new" subsidiaries. This restructuring in Canada was connected to rapid changes in American publishing and distribution. The trend among New York family-owned firms, as the heirs of the first- and second-generation founders gave up control

33 Mel Hurtig, "Discouraging Direct Selling: Books Are Different!" *Quill & Quire* 33 (June-July 1967): 24-25. See also W.J. Duthie, "The Booksellers' Problems," *Quill & Quire* 33 (Apr.-May 1967): 30-1.

through retirement and death, was to sell out to giant media corporations and conglomerates.³⁴

Other kinds of restructuring were already under way in Toronto. In 1964 Jack McClelland bit the bullet and dumped 23 of the McClelland and Stewart agencies, retaining only three long-time connections to be managed as incorporated subsidiaries. These were Little-Brown, Dodd-Mead, and Van Nostrand. (Some of the authors whom McClelland published in Canada appeared in the imprints of those subsidiaries' American parents.) In 1970, at almost the last minute, Ryerson shed many of its agencies. At the same time, having relinquished these once-profitable connections, the Toronto houses increased their lists of original Canadian trade and educational books. These ventures into textbooks and larger annual lists required injections of capital. They cautiously embraced the paperback revolution, and began to develop their exports with the help of Ottawa.

The promotion and marketing of Canadian books internationally came in stages. An exhibit of 127 books was held at the American Booksellers' Association convention in Chicago in 1957, and another, featuring 50 books, was displayed in London the same year.³⁵ That link to Europe paid off in the following decades. The driving force behind building a presence in Europe was H.E. Heineman of the Montreal Book Mart. As a relative of the London family of publishers, William Heinemann & Co, his considerable overseas connections gave him knowledge of continental activities. Thanks to his efforts and support from the Canada Council, French-language publishers exhibited at the Frankfurt Book Fair in 1961, and the English-language publishers joined them in 1962. On his return Heinemann told *Quill & Quire*, "We received many requests from publishers, literary agents and private translators for information on availability, rights and terms of Canadian books for the European market."³⁶

34 For insiders' memoirs of these takeovers in the US publishing industry, see Michael Korda, *Another Life: A Memoir of Other People* (New York: Random House 1999), especially Chapter 23, "Jesus Wants You to Be Rich!"; André Schiffrin, *The Business of Books: How International Conglomerates Took over Publishing and Changed the Way We Read* (London: Verso 2000); and Jason Epstein, *Book Business: Publishing Past Present and Future* (New York: Norton 2001).

35 "Canadian Publishers Become Exhibitionist," *Quill & Quire* 23 (July-Aug. 1957): 11.

36 H.E. Heinemann, "Letter to the Editor," *Quill & Quire* 28 (Nov.-Dec. 1962): 45.

The Europeans ordered all the books of Marius Barbeau, George Spendlove's *The Face of Early Canada*, and two publications from the Queen's Printer, Diamond Jenness's *The Indians of Canada* (5th ed., 1960), and the *Atlas of Canada*.

In 1964 English-language publishers displayed 500 titles at the World Book Fair in London, and 250 French-language titles from the Association des Éditeurs canadiens. The occasion was slightly marred when Prince Philip joked with Leon Patenaude that the Quebec publishers were displayed with those of metropolitan France. This was the fault of mixups over the invitations, but the Quebec press was not amused.³⁷ Slowly, Canadians were learning how to wheel and deal for rights internationally, instead of merely accepting the titles from their New York and London houses. Not that this old arrangement ceased, but a door was open for Canadian publishers to negotiate contracts for Canada and to sell their rights without being under the thumb of London and New York principals. Montreal's Conseil Supérieur du Livre held annual salons du livre between 1961 and 1966, but when the Salon was revived by Lucius Laliberté and Lorenzo Michaud in 1974, they fought with the Conseil, which decided to mount its own Montreal International Book Fair.³⁸

The move into the international arena was facilitated by several important international copyright and tariff agreements. The Universal Copyright Convention came into force in 1962, and once the United States signed it, there was room for larger exports of Canadian-produced books into the United States. This flow had always been a trickle but it hardly became a torrent – for example, books by or containing American authors that were printed outside the United States would still be prohibited – yet as far as the Canadian publishing industry was concerned, this was a milestone advance over the protectionist American laws that effectively closed American markets to foreign publishers. In 1963 the Florence Agreement, part of the General Agreement on Trade and Tariffs (GATT), which permitted the free flow of books throughout the participating countries, came into force, and Canadian retailers and publishers spent seven years persuading Ottawa to sign this agreement.

37 N. Derek Newell, "The World Book Fair," *Quill & Quire* 30 (July-Aug. 1964): 36-8.

38 "Around the Trade: A History of Book Fairs," *Quill & Quire* 40 (July 1974): 14.

But by 1970 far more urgent problems dominated the publishing industry. Much of the post-war publishing activity by Jack McClelland, John Morgan Gray, W.J. Clarke, Campbell Hughes, and Jack Stoddard, Sr, was about to crumble due to lack of cash flow. In Toronto the four major educational publishers in English Canada were ripe for takeovers, and the industry was thereafter politicized in the rancorous debates over policies for the cultural industries and their role in promoting “Canadian culture” and “national identity.”

II. “AND THEN THE AXE FELL” – Gavin Clark (1970)³⁹

On 2 November 1970 Dr Frank Brisbin, the secretary of the United Church of Canada’s Division of Communications, and John F. Macmillan, the president of McGraw-Hill (Canada), held a press conference in the boardroom of United Church House on St Clair Avenue East to make a long-expected announcement. On 1 December McGraw-Hill would purchase the publishing division of the Ryerson Press, which included the trade and textbook departments, its physical assets, and the Ryerson name. “McGraw-Hill was anxious to take over its \$3 million a year textbook business, Brisbin said.”⁴⁰ The amount was undisclosed but reports suggested either \$2 million or \$2.5 million.⁴¹ The actual amount was \$1.75 million, which was supplemented by an additional royalty of 6% on all net sales for five years that guaranteed a minimum of \$500,000.⁴² Thus ended a 131-year chapter in Canadian publishing and a hectic two-year struggle to save a respected house.

Conspicuously absent from the press conference was Ryerson’s new general manager, Gavin Clark, who received a phone call at 8.00 a.m. that morning from Brisbin, informing him of the sale. At 11.00 a.m. Clark called the staff together at 299 Queen Street West. Among those who heard the bad news was Catherine Cragg, on her first day as a new editor. “What a day to start!” her fellow employees exclaimed. Clark told a reporter, “It’s had a traumatic effect on the

39 “Ryerson Sold ‘Over My Head’: Randall,” *Toronto Daily Star* 3 Nov. 1970: 24.

40 Peter Sypnowich, “It Was a Sad, Sad Day for Ryerson Press Staff,” *Toronto Daily Star* 3 Nov. 1970: 34.

41 “McGraw-Hill Takes Over Ryerson,” *Quill & Quire* 36 (11 Dec. 1970): 1.

42 McGraw-Hill and The United Church of Canada to William C. Heine, 27 Oct. 1970, UCCBP Fonds 513, 83.061C, Box 28, File 13, 2-3.

employees. They were welded into a great team in the last few months, putting in all sorts of extra hours.”⁴³ That afternoon Robin Farr took delivery of two new textbooks for a new series that Ryerson was developing that would utilize print, film, and tapes. Someone draped a black crepe rosette over Egerton Ryerson’s portrait in the entrance hall.

The deal still left the printing division on the market and the United Church Publishing House in the hands of the Church. About 30 of the 40 Ryerson employees were offered jobs with McGraw-Hill, which had been incorporated in Canada in 1949, and always managed by Canadians as part of the international McGraw-Hill empire. Ryerson’s senior staff, however, would not be moving with them. Clark, the general manager; Robin Farr, the editor-in-chief; Bob Wilkie, the executive editor; David Scollard, the educational sales manager; and Don Fernby, the art director, stayed on to wind up the remaining assets of the plant, which were offered for sale in mid-1971.

What normally would be a modest notice in the financial pages and trade papers quickly turned into an occasion for cultural soul-searching. It was just one more emotional issue in an already crisis-laden year. Through the autumn of 1970 Canadians were rivetted to their televisions anxiously awaiting developments in the October Crisis, following the murder of Pierre LaPorte, the Quebec cabinet minister, by members of the Front de libération du Québec (FLQ) and their kidnapping of British diplomat James Cross. The Ryerson crisis generated its own postmortems. For the next year the public reeled from conflicting and convoluted reports about the impractical relationship in which publishing decisions were made by Ryerson management while the Church was responsible for its financial well-being. But the public heard little more about the Ryerson employees who were “angry, sad, disgusted, at the sellout,”⁴⁴ particularly hard after Campbell Hughes’s and Gavin Clark’s attempts to rebuild morale. It was the sale itself, with its symbolic cultural and financial implications, that was seized upon by every political and activist group looking for whipping boys; and there were plenty to choose from – American corporations and distributors, the United Church, the banks, the provincial and federal governments, and inefficient managers. Indeed, conditions at Ryerson leading up to the sale were

43 Synnowich, “Sad.”

44 David Scollard, “Ryerson Press” [Letter], *The Globe and Mail* 7 Nov. 1970: 8.

almost forgotten in the shrill national arguments over Canadian ownership of the cultural industries throughout the 1970s.

There was agreement by two insiders that Ryerson's problems in the 1960s stemmed from the purchase in 1962 of a huge \$600,000 web-fed letter press, fierce competition in the education market, especially from American jobbers and subsidiaries, and deteriorating relations with the United Church. On 7 November 1970 David Scollard in a letter to the *Globe and Mail* questioned the Church's reasons for the sale. Although the Church claimed that Ryerson's textbook publishing was restricted by regulations in several provinces requiring that textbooks be Canadian written and produced, Scollard said that only Ontario made this a condition for adoption. As for that web letter press, it was intended for the Church's materials but was totally unsuitable for printing textbooks. In addition, a "church-imposed policy" required Ryerson to manufacture its books in-house, hindering it from seeking competitive bids from other printers. He scoffed at the argument that the Church needed capital for its own religious publications – in Scollard's words – of "cretinous mediocrity." He also refuted the claim that Ryerson's \$2 million debt forced the Church to sell it, and in turn alleged that for years "large sums were removed from the gross earnings of Ryerson Press, and earmarked for a benefit fund for church personnel, while the barest minimum was directed back for recapitalization or development."⁴⁵

This rumour was only accurate in that profits from the Ryerson Press went to the Pension Fund, which gave the Publishing House a non-tax status. But the amount transferred was only \$181,000 between 1959 and 1969, most of it before 1963 and none since 1966.⁴⁶ There were in fact, serious losses at Ryerson. In 1967 a term loan of \$900,000 and a line of credit of \$1 million was arranged with the Toronto-Dominion Bank. Because there was no profit in 1968, the Church loaned about \$300,000, which was repaid at year's end and immediately re-borrowed in 1969, along with a further \$500,000 later in the year.⁴⁷ This was a stop-gap measure designed to keep about 300 people from being laid off. Matters were so far adrift that

⁴⁵ Scollard.

⁴⁶ Harold Arnup to Secretaries and Associate Secretaries, memorandum, 11 Nov. 1970, UCCBP Fonds 513, 83.061C, Box 28, File 13.

⁴⁷ Frank Brisbin to Ministers, Deaconesses and Other United Church Workers, memorandum, 9 Nov. 1970, UCCBP Fonds 513, 83.061C, Box 28, File 13, 2.

even the new managers could not reverse the Church's decision to be rid of Ryerson.

The Church's response to Scollard's accusations came in the form of an interview with Frank Brisbin by Hal Tennant in the 14 November *Financial Post*. Brisbin, who had negotiated the sale, gave him a summary, beginning in 1960, of events leading to the sale, but of necessity it did not include a number of other contributing factors. After the purchase of the letter press, consultants were hired in 1963 to address problems of aging staff, but the printing division continued to lose contracts. That year operations were consolidated between the divisions of publishing, printing, and the United Church Publishing House division in what would look (to outsiders) like a confusing rearrangement of executives. The position of Book Steward was abolished in 1963, and the last Steward, the Rev C.H. Dickinson (1900-2000), continued as Secretary of the Board of Publication until his retirement in 1966. (His successor as Acting Secretary was the Rev. A.C. Forest, the editor of the United Church *Observer*, who himself retired in 1968.) The title and role of the book steward became the new position of General Manager, the first of whom was Ernest Scott. Under his mandate between 1963 and 1968, sales climbed, profits declined. Starting in 1967, inventory was written off at rates of 30% and 40% rather than the previous 20%, which reduced Ryerson's net worth on paper. Another reorganization took place in August 1968 when the Board of Publication was abolished, and its place taken by a new Division of Communications. William Heine, the editor of the *London Free Press*, was elected its chairman, tasked with "improving or disposing of Ryerson's commercial operations."⁴⁸ He was to work with the Secretary of the Division of Communications, Frank Brisbin, and Ernest Scott. On Scott's retirement that year, the textbook director, Campbell Hughes, was appointed general manager. Had Hughes been in this position five years earlier, the outcome for Ryerson might have been happier.

Campbell Hughes (1913-1990) taught school in Orillia and Hamilton from 1933 to 1947. He received his BA from McMaster University in 1946, and armed with years of classroom experience, he joined Ryerson Press in 1947 as a textbook salesman [fig. 2]. In 1952 he became an associate editor in the educational department.

48 Hal Tennant, "Step-by-step Events that Led to Ryerson's Sale to U.S. Firm," *The Financial Post* 14 Nov. 1970: 39. This section is a composite of what Brisbin told Tennant along with information that I found in the records of the Ryerson sale in the United Church Board of Publication archives.

In 1960 he reluctantly left Ryerson to join Charles R. Merrill Books, a major Cincinnati educational publisher with important markets in Canada. "I have not made this decision lightly," he told Dickinson.⁴⁹ In his brief but very successful stay at Merrill he was vice-president and editor-in-chief, and accumulated inside knowledge of American corporate publishing and marketing. In 1965 he was persuaded to return to Ryerson as director of textbook publishing.

As general manager at Ryerson for only the year 1969, Hughes was temporarily successful in raising morale, and the house ended slightly in the black. He hired management consultants Woods, Gordon to report on the printing operations. The consultants pointed out that the staff, though "loyal but aging and hidebound,"⁵⁰ didn't measure performance efficiently. All other problems paled beside the financial one: how to remove the bank loan, pay off the church loan, and find working capital. He proposed selling the 299 Queen Street property and establishing Ryerson as a separate corporation.⁵¹ In the summer Hughes was in New York where he discussed the sale of Ryerson to Van Nostrand Reinhold, a division of Litton Educational Publishing Company; after investigating the situation Litton was not interested in Ryerson⁵² but wanted Hughes to head the new Van Nostrand Reinhold subsidiary in Canada, scheduled to open in January 1970.⁵³ In October Kates Peat, Marwick advised William Heine how to find a buyer for Ryerson,⁵⁴ and one prospective buyer, Baxter Publishing, made a complicated and risky offer that the Church rejected and countered with its own. In late November Hughes tendered his resignation to Brisbin, who thanked him and said, "It was the kind of year that both you and I would never want to have to experience again."⁵⁵

49 Campbell Hughes to C.H. Dickinson, [undated, summer 1960], Campbell Hughes Papers, MS Coll. 296, Box 1, File 4, Thomas Fisher Rare Book Library, University of Toronto. (Hereafter cited as Campbell Hughes Papers.)

50 Tennant, "Step-by-step," 39.

51 Campbell Hughes to Management Committee, memorandum, 22 Sept. 1969, UCCBP Fonds 513, 83.061C, Box 24, File 4, 5.

52 Craig T. Senft, president of Litton Educational Publishing, to Campbell Hughes, 22 Oct. 1969, Campbell Hughes Papers, MS Coll. 296, Box 2, File 5.

53 E.M. Crane Jr, president of Litton International Publishing Company, to Campbell Hughes, 22 Sept. 1969, Campbell Hughes Papers, MS Coll. 296, Box 2, File 5.

54 Kates, Peat, Marwick to William Heine, photocopy, 9 Oct. 1969, Campbell Hughes Papers, MS Coll. 296, Box 2, File 5.

55 Frank Brisbin to Campbell Hughes, 9 Dec. 1969, Campbell Hughes Papers, MS Coll. 296, Box 1, File 4.

Figure 2. Campbell Hughes of the Ryerson Press. (Photo by Harry McLorinan.)

Figure 3. The Wesley Building, 299 Queen Street West, originally the home of Ryerson Press, since 1986 home to CHUM, CityTV, Bravo, MuchMusic, etc. (Photo by Charles Kinghorn.)

The new general manager, Gavin Clark, given a one-year contract for 1970, tried to implement Hughes's ideas and shake up the printing division. Ironically, by 1970 the printing and publishing departments were in better shape than in the past decade, but the problem for Ryerson – and every other publisher – was to find working capital.⁵⁶ Meanwhile, Brisbin was hearing about offers, including enquiries from McGraw-Hill and Maclean-Hunter. One Toronto business man decided not to buy and told Brisbin, "Wrap it up and take your losses before they get bigger."⁵⁷

There were efforts to enlist federal and provincial government aid, especially since Ottawa announced in May that the Toronto subsidiary of New York-based consultants Ernst & Ernst would examine the book publishing industry. In June, around the time of Ryerson's World's Biggest Book Sale at Varsity Arena, Brisbin was in correspondence with Jean-Luc Pepin, the minister of Trade, Industry and Commerce, alerting him to Ryerson's sale, probably to an American firm. Brisbin's first letter (15 May) to Pepin, prompted by the news of the Ernst & Ernst survey, was frank about Ryerson's "disastrous difficulties," which were only held at bay by the Church's guarantee of its line of credit with the bank. He also pointed out that the steadily increasing supply of printed materials – including Ryerson's own textbooks – by American suppliers to the mushrooming college and university market was hurting local publishers. This situation was, in fact, one of the main reasons for the Ernst & Ernst inquiry, for Trade and Industry had discovered that Canada imported about \$400 million of printed materials and exported only about \$24 million. Pepin was sympathetic but could offer no practical advice or financial aid. He sent Gordon Pallant, the Chief of the Department's printing and publishing division, but Pallant's expertise was in printing, and Brisbin wrote Pepin on 29 June to emphasize that Ryerson's concern was with publishing, quite apart from any problems related to the physical manufacture of books.⁵⁸

There was a possibility in the summer that Gavin Clark could arrange for an employees' group to take control by incorporating

⁵⁶ This comment was made in "Ryerson Press Sold to McGraw-Hill," *Quill & Quire* 6 November 1970: 1.

⁵⁷ Tennant, "Step-by-step," 39.

⁵⁸ Portions of Brisbin's and Pepin's letters were reproduced in "What Ottawa Told Ryerson Managers," *The Financial Post* 14 Nov. 1970: 39.

Ryerson and offering shares to the public.⁵⁹ Bad feelings and anger followed. On his behalf William Heine made overtures to the Ontario department of Trade and Development, and Clark had a meeting with the minister, Stanley Randall, in late October to see if the government would help refinance Ryerson. After the sale was announced, Randall said the province might have considered a low-interest loan, but didn't hear anything further. Faced with this information, Brisbin said the government should have spoken to the owners, not the managers, of Ryerson, so he understood that the government was not prepared to put any equity into Ryerson.⁶⁰ Brisbin's group did not think Clark's proposal would allow the Church to retire its debt.

In September Heine and Brisbin travelled to New York to discuss with McGraw-Hill the sale of Ryerson to McGraw-Hill (Canada). McGraw-Hill was not interested in the printing division. The final two weeks of negotiations were full of suspense and counter offers. On 14 October Donald Campbell, the president of Maclean-Hunter, offered "almost \$2 million," with a two-week deadline. (On 13 October Maclean-Hunter purchased the Co-Operative Book Centre, as one of its steps to enter the educational market.) Brisbin informed McGraw-Hill, which phoned an offer and confirmed it in writing on 27 October, with a deadline on 29 October. Also on the 27th, four or five other buyers made tentative bids. Brisbin and his colleagues, faced with a "tough assignment," called in consultants to advise them. Although Maclean-Hunter's deadline ran out on 28 October, it gave an extension of 48 hours. On the 29th Brisbin phoned George Gilmour of Maclean-Hunter to see if their offer could be raised, but Brisbin did not want to suggest a counter offer because "we would have been locked into that," and he also realized it was unethical. That day the United Church decided to accept McGraw-Hill's offer and they all signed letters of agreement at the consultants' office.⁶¹

William Heine immediately resigned as chairman of the Communications Division, but waited until the press conference on 2 November to tell the *Financial Post* that his reasons were "personal" and added, "you can draw any conclusion you like."⁶² But he was

59 Sypnowich, "Sad," 34.

60 "Ryerson Sold 'Over My Head': Randall," *Toronto Daily Star* 3 Nov. 1970: 24.

61 Tennant, "Step-by-step," 39-40.

62 Tennant, "Step-by-step," 40.

angry at the decision and on 3 and 7 December he wrote editorials in the *London Free Press* calling for “legislation which will mark out those areas of our national life where Canadians feel we cannot tolerate economic domination,”⁶³ something along the lines of the Canadian Radio and Television Commission, which would not require direct subsidies to book publishers. In the following weeks there were several abortive attempts to see if the United Church or McGraw Hill would consider revoking the agreement. Ontario’s opposition Liberal education critic, Tim Reid, MPP, who identified American distribution channels as the chief problem in a speech to educational publishers on 11 September,⁶⁴ called for federal intervention, and indicated that a group of businessmen were prepared to buy Ryerson. Reid told the *Financial Post* that he would write to Brisbin on this possibility. Both Brisbin and John F. Macmillan of McGraw-Hill, while listening politely to these rumours, were not lukewarm to any withdrawal of the offer.

“Did it have to perish?” asked *The Globe and Mail* editorial on 3 November. “Textbook sellouts must be stopped,” thundered the *Toronto Daily Star* editorial on the same day. Jack McClelland called the “decision to sell” to an American-controlled company “absolutely appalling. The church should be severely criticized.”⁶⁵ And that was the general consensus. The United Church was deluged with letters from across the country that lamented the sale to a foreign corporation. As a flood of postmortems filled editorial and commentary pages throughout the country’s English-language press, a new group calling itself the Emergency Committee of Canadian Publishers announced a press conference to state its opinion of the sale. Its 14 members, who – except for two – were small publishers, first met in November. Under its later permanent names, first as the Independent Publishers Association and then as the Association of Canadian Publishers, it demanded a commitment by Ottawa of 100% Canadian ownership of all book-publishing firms by 1977. Dave Godfrey and James Lorimer even outed American-owned

63 William C. Heine, “Ryerson Sale to U.S. Firm Netted Extra Million,” *The London Free Press* 7 Dec. 1970. This and the first editorial “Canadian Content in Publishing,” *The London Free Press* Dec. 1970, UCCBP Fonds, 83.061C, Box 228, File 14.

64 “Whither Books? One Man’s Opinion,” *Quill & Quire* 2 Oct. 1970: 4.

65 Hal Tennant, “Another Canadian Firm’s Sale to U.S. Erupts into a Ruckus,” *The Financial Post* 7 Nov. 1970: 10.

Canadian subsidiaries such as Holt Rinehart & Winston for masquerading as “good” corporate citizens.”⁶⁶

Not far from the stately old Ryerson building [Fig. 3] at Queen West and John streets, at Maclean-Hunter’s headquarters on University Avenue, Donald Campbell observed, “It will take us longer than it would have if we had acquired Ryerson, but we are in a very good position to develop a sound Canadian teaching materials company.”⁶⁷ It would take just three years.

III. “Somehow there is something powerfully significant in the Gage situation: Publishing professionals who find they can work perfectly easily with U.S. proprietors, still feel deeply enough about the issue of ownership to do something about it.” – Roy MacSkimming (1975)⁶⁸

The decline and fall of Macmillan of Canada was engineered by its parent firms in London and New York through Canadian marriages with Maclean-Hunter and W.J. Gage Ltd. In Toronto the sale of another publishing house two months before the Ryerson one had caught people off guard. As the book world anxiously waited to see what would happen to the Ryerson Press, the surprising sale of W.J. Gage Ltd on 24 September “STARTLED just about everyone,” said *Quill & Quire*⁶⁹ in its October number. Gage, a textbook publisher almost as venerable as Ryerson, whose books were well known in schools and colleges across the country, was purchased by an American educational publisher, Scott, Foresman of Glenview, Illinois. The sale would take effect on 1 January 1971.

It was another sign of the times. A successful family-owned company with beginnings in the 1840s, it was incorporated as W.J. Gage Ltd in 1883, and its president, Sir William Gage, was one of the most important business men and philanthropists in early twentieth-century Toronto. His grandson, Gage Hayward Love (1917), the current president, had entered the firm while still an undergraduate at the University of Toronto in the 1930s, and during

66 Dave Godfrey and James Lorimer, “Book Publishing in Canada,” in *Read Canadian: A Book about Canadian Books*, ed. Robert Ford, David Godfrey, and Abraham Rotstein (Toronto: James Lewis & Samuel, 1972), 269.

67 “Ryerson Sold” 3 Nov. 1970: 24

68 Roy MacSkimming, “Why Foreign Firms Are such Successful Canadian Publishers,” *Toronto Daily Star* 12 Apr. 1975: F3.

69 “Gage Textbook Sale,” *Quill & Quire* 23 Oct. 1970: 1.

World War II he was commander of a small minesweeper in the Royal Canadian Navy. His wife, Betty, belonged to another distinguished Toronto family; she was the granddaughter of business man and financier Sir Joseph Flavelle. Among Gage's distinguished editors in decades past were John Cameron Saul and more recently Marsh Jeanneret, who later turned the University of Toronto Press into an international scholarly publishing house. W.J. Gage Ltd, well known across Canada for its many school books in science, mathematics, and English, published the two anthologies that stimulated university-level courses in Canadian literature after the War. One of them was the second edition of A.J.M. Smith's *The Book of Canadian Poetry* (1948; first published in 1943 by the University of Chicago Press), but it was Carl F. Klinck and R.E. Watters' *Canadian Anthology* (1955) that really opened up Canadian literature to a generation of college students searching for their own literary traditions. In 1958 W.J. Gage moved from its dusty old Spadina Avenue plant to a \$2 million plant on Birchmount Road in Scarborough; it had twice the space and room for expansion in the graphic arts, along with its three manufacturing divisions of textbooks, stationery and school supplies, and envelopes.

Pleased with the movement of all the equipment and its hundreds of employees, Gage Love predicted, "The new two-million dollar plant marks another milestone in the history of our company, reflecting our confidence in Canada's future, and our determination to keep abreast of the growth and development of the nation."⁷⁰ In 1957 W.J. Gage produced 2,280,000 textbooks.⁷¹ These included Canadian books as well as American texts from six of its American principals, many of which were adapted for Canadian schools. Expansion in the 1960s did not unfold as he expected. Between the years 1967 and 1969 sales within Canada of Canadian-manufactured textbooks decreased about by 30% while sales of imported titles increased. This situation was compounded by a relaxation in the rules governing the annual list of approved textbooks issued by the Ontario Department of Education's *Circular 14* – first evident in 1968 – to give more flexibility in the choice of texts to teachers.⁷²

70 "Gage Completes Move to New Plant," *Canadian Printer and Publisher* 67 (April 1958): 5.

71 "Gage Completes," 4.

72 Harold Greer, "Ontario Affairs: 'Canadian' Publishing," *Kingston Whig-Standard* 5 Oct. 1970: 6.

Whereas innovative Canadian managers such as Ron Besse at McGraw-Hill-Ryerson and Wally Matheson at Prentice-Hall Canada were given autonomy in decisions about titles, they were still answerable to the parent company. Developments at Gage took a slightly different route. Gage Love became chairman of the board of the new firm, Gage Educational Publishing Ltd. Mel Edwardh, the vice-president of W.J. Gage, became president. In 1961 Edwardh left his post as a school superintendent in Alberta to join Gage. He explained that the change was a "joint venture," not a takeover, and said that in order to survive, a Canadian firm "must have a large list of books suitable for resource centres and libraries, and we are confident that in the Scott, Foresman list we have a supporting base unequalled in its range and educational quality."⁷³ Even though both firms had an association ranging over forty years, this venture was an experiment, and Scott, Foresman did not interfere with Gage's Canadian program. Soon Edwardh and other employees began a buyback, with the agreement of the parent company, and by 1975 they had purchased 10% of Scott, Foresman's 80% holding.⁷⁴ Their plan was successfully fulfilled in five years.

In 1977 Gage acquired a new president, Ron Besse, (1938-) a graduate of Ryerson's Business Administration program. Besse joined McGraw-Hill (Canada) in 1960, where he learned all the skills demanded of American publishing corporations, such as thorough planning of titles through market research. By 1968 he was vice-president, and then he spent two years in Mexico as McGraw-Hill's managing director. On his return to Toronto, he served as president of McGraw-Hill Ryerson from 1973 to 1976, which in these years became a publicly traded company. Besse was responsible for turning McGraw-Hill into the largest publisher in Canada. He told Roy MacSkimming that its success was due to "being innovative and responsive to change. We have a strong, fired-up bunch, young publishers who also want to be businessmen. We train all our middle-line management people to read a financial statement properly, because if you don't make it on the bottom line, you can't publish that next book."⁷⁵

73 "Gage Textbook Sale," 2.

74 MacSkimming, "Why Foreign."

75 MacSkimming, "Why Foreign."

Figure 4. Gage Love in front of a painting of his grandfather, Sir William Gage.
(From *The Canadian Printer and Publisher* 67 [Apr. 1958]: 2.)

Figure 5. Top portion of the dust jacket from John Morgan Gray's *Fun Tomorrow: Learning to Be A Publisher and Much Else* (Toronto: Macmillan, 1975).
(Jacket photo by Ashley and Crippen.)

Once it reverted to Canadian ownership in 1980 and became Gage Publishing Limited, Ron Besse looked around for Canadian companies to buy. Macmillan of Canada was ripe for the picking.

“Macmillan of Canada was Canadian long before it was Canadian-owned.” – Kildare Dobbs (1973)⁷⁶

The Macmillan Company of Canada had two glorious periods in its seventy-five-year history in Toronto, which had begun as a branch of the London house of Macmillan.⁷⁷ Among its early best sellers in Canada were Rudyard Kipling and H.G. Wells, but the branch's purpose was to market Macmillan's textbooks and modestly-priced classics of English literature. Under Hugh Eayrs in the 1920-1940 era between the wars, the house promoted the works of Canadian writers, among them Mazo de la Roche's romances and Morley Callaghan's new realism, along with the poetry of Dorothy Livesay and E.J. Pratt. After Eayrs' untimely death in 1940, the firm was placed in the hands of caretakers Ellen Elliott and Robert Huckvale until June 1946 when John Gray (1907-1978) returned from the army and became general manager.

Gray's memoir *Fun Tomorrow* (1970) records not only the fun of publishing but the personalities he was associated with in his early days with the firm. A native of Cornwall, Ontario, he joined the firm in 1930 and was head of the educational department when he left for the War in 1941. Under his management, for almost the first time since the 1920s, authors were wined and dined at launchings and their books promoted by signing parties at bookstores and on reading tours. As editor and friend to Hugh MacLennan, he saw several of MacLennan's books through production, and made sure that MacLennan had the appropriate promotions after the author's misfortunes with Duell, Sloan and Pearce of New York and Wm. Collins of Toronto. On a dismal rainy day on 25 April 1951, Gray hosted MacLennan and his friends around a cheery fireplace at the Arts and Letters Club. The *Quill & Quire* reporter moved from the

76 Kildare Dobbs, “Macmillan Was Canadian Long before It Was Canadian-owned,” *Toronto Daily Star* 24 Nov. 1972: 34.

77 There is a brief account of Macmillan of Canada up to 1980 in the “Introduction” by Bruce Whiteman, Charlotte Stewart, and Catherine Funnell to their *A Bibliography of Macmillan of Canada Imprints 1906-1980* (Toronto and London: Dundurn Press, 1985).

dry-witted MacLennan, sporting his new mustache, to another “prominent Canadian novelist in the throng, a cagey Irishman ... with his own wry Celtic charm” – Morley Callaghan, whose novel *The Loved and the Lost* had just been published by Macmillan. In 1959 Gray held a splendid luncheon in the Macmillan boardroom to mark the publication of *The Watch that Ends the Night*, and the guest list of twelve persons read like a who’s who of literature and journalism, according to William Deacon of *The Globe and Mail*.⁷⁸

In the great years of the 1950s and 1960s there were histories by Donald Creighton and J.M.S. Careless, and Pierre Elliott Trudeau’s *Federalism and the French Canadians*. In poetry the modernism of Pratt was supplemented by the post-modernism of Robert Kroetsch and the frolics of Dennis Lee. The probing of the Canadian psyche in the novels of Callaghan, MacLennan, and Robertson Davies were among the highlights of this distinguished generation of writers. Concerned over the lack of information about the “two solitudes,” Gray arranged in 1964 for a simultaneous publication in English of *Dear Enemies*, a series of letters between Gwethalyn Graham and Solange Rolland-Chaput, with an edition in French issued by Les Éditions du Jour of Montreal. Not a bad record for the urbane Gray and such editors as Kildare Dobbs, for they proved that there was room for a publisher with a different style from Jack McClelland’s. Dobbs, lately arrived from the United Kingdom in the early 1950s, later acknowledged Gray’s role in encouraging him to learn Canadian history, often by taking him on visits to historic sites in Ontario. For Dobbs those years at Macmillan were an “epoch” when Gray was “consciously helping to lay the groundwork of a national literature, using the profits from schoolbooks to publish novels, history, poetry and Canadian books for children.”⁷⁹

In the fall of 1967 Macmillan launched its quality paperback series The Laurentian Library with six titles. Two years later, Hugh Kane moved from McClelland and Stewart, finally realizing that he would never be head of that company, and took over as president, while Gray became Chairman of the Board. By the fall of 1972 the

78 William Deacon, “MacLennan Launching Lunch,” *The Globe and Mail* 21 Feb. 1959: 16. Among the guests were Pierre Berton, Charles Bruce, Arnold Edinborough, Robert Fulford, and from Macmillan, John Gray, Kildare Dobbs, and Mrs E. Weatherhill. This party is described in Elspeth Cameron, *Hugh MacLennan: A Writer’s Life* (Toronto: University of Toronto Press, 1981), 297-98.

79 Dobbs.

directors of the Macmillan Company in London had sold the Canadian branch to Maclean-Hunter. Kane, disappointed and saddened, had been unable to turn around the Macmillan of Canada misfortunes. Gray retired as chairman. Ironically, the firm had its triumphs as a branch and its disasters as a Canadian-owned firm.

Back the mid-1950s Macmillan of Canada had pulled out of the post-war depression and recorded several profitable years. But there were signs that the strained relations between the New York and London Macmillan companies could affect the Toronto house. In 1953 when the New York house became completely American owned, the London parent set up its own branch in New York, and in 1954 the New York house opened its branch in London. The Macmillan Company in New York believed that the Canadian branch would work against it in educational books, so Macmillan of New York severed its agency connection with Macmillan of Canada in March 1956. Much to the chagrin of Gray, McClelland and Stewart became the agent for Macmillan of New York.⁸⁰

Through 1972 there were rumours that the Toronto branch was up for sale, for the London owners wanted to trim their operations and they may have had British tax reasons as well. The sale to Maclean-Hunter in November 1972, coming as it did following the sales of Ryerson and Gage two years earlier and the near bankruptcy of McClelland and Stewart the year before, raised the ire of the literary establishment, who looked around for the usual suspects – the federal government, the Canada Council, but this time *not* the Americans. Under the Canada Council's new program of grants, it looked as if Macmillan could be excluded from funding. Kildare Dobbs, now the book reviewer for the *Toronto Star*, wrote an obituary, somewhat early, perhaps, that celebrated those years in the 1950s when Gray in his modest way presided over Macmillan of Canada. Dobbs quoted a letter from historian Michael Bliss, who blamed "a flock of new publishers – among them Anansi, New Press, and James Lewis & Samuel – [who] have manipulated Canadian nationalism to give themselves a competitive edge against long-established,

80 "Changes at Macmillan's," *Quill & Quire* 22 (Feb. 1956): 13. The New York Macmillan Company, which had been controlled by several generations of the Brett family, "was gradually enveloped by the Crowell-Collier Publishing Co. in the late fifties, through remote and somewhat bizarre circumstances," in John Tebbel, *Between Covers: The Rise and Transformation of Book Publishing in America* (New York: Oxford, 1987), 364. The acquisition occurred in late 1960, and Macmillan became a subsidiary of Crowell-Collier.

distinguished houses like Macmillan ... Naked in all other respect, they have wrapped themselves firmly in the Canadian flag and are mounting a pedestal with the help of Mr Pelletier.”⁸¹ These fighting words prompted James Bacque and Roy MacSkimming, representing New Press and defending the militantly nationalistic Association of Canadian Publishers, to correct Dobbs, and point out that Macmillan had indeed been supported by the Canada Council (and it would also receive aid from the Ontario Development Corporation through the 1970s). “There is every reason to believe,” they predicted, “that Macmillan will continue to publish good books – but with increased vigor, and under Canadian, not British control.”⁸² Indeed.

Under Maclean-Hunter, however, the inevitable happened: the unprofitable literary titles were severely cut back, even though the literary titles in the backlists were the backbone of the Laurentian Library, which was widely used in schools and colleges. If the shift to commercial titles was unfortunate in light of the previous cultural reputation of the house, it was not surprising in light of Maclean-Hunter’s historic interest in business and trade magazines. Traditionally, its only connection to literature were articles and reviews in the pages of *Chatelaine* and *Maclean’s* and occasionally in the *Financial Post*. In that decade Maclean-Hunter was developing its database and electronic information services, and searching for a take-over of a publishing company to muscle into the wholesale side, so Macmillan was seen as a publishing arm for more profitable titles than its usual trade books, and its reputation as a literary house began to suffer. In 1979 Maclean-Hunter sold its Macmillan papers to McMaster University, and president Bill Baker was replaced by an insider corporate president, Cameron Fellman, whose previous experience was with Lever and Torstar.

More trauma was in store for the venerable Macmillan’s. After six-and-one-half years Maclean-Hunter was still unhappy with the losses, and without much warning sold Macmillan to Gage Educational Publishing on 25 April 1980 for a reported \$2.2 million. This sale was the handiwork of both Cameron Fellman and Ron Besse, the president of Gage, whose company had just been repatriated after being owned for seven years by Scott, Foresman. The Canada Council decided to withhold a \$17,000 grant to Macmillan until Besse’s plans were known. Meanwhile, the Writers’ Union and the

81 Dobbs.

82 James Bacque and Roy MacSkimming, “Macmillan Sale Was Justified: Publishers” [Letter], *Toronto Star* 18 Nov. 1972: 11.

Association of Canadian Publishers (ACP) went on the defensive. The writers were concerned that Gage, a textbook company, would not maintain the quality trade books. The ACP asked Prime Minister Pierre Trudeau, Industry Minister Herb Gray, and Secretary of State Francis Fox to appoint a one-man inquiry into the sale, concerned partly that Macmillan-NAL, jointly owned by Macmillan and New American Library Canada, would now be sold to New American Library Canada, a wholly owned subsidiary of New American Library of New York. Gage had no interest in purchasing Macmillan-NAL.

The ACP's anger, expressed through its president Malcolm Lester, one of the small publishers to be affected by the sale, was directed at Maclean-Hunter:

Notwithstanding Cam Fellman's (at that time the acting president of Macmillan) claims to the contrary, it is obvious now that Maclean-Hunter had one objective: to unload Macmillan as quickly as possible and to obtain the best possible deal for themselves without insisting on any conditions which would require the continuation, at the very least, of the Macmillan imprint. Given the federal government's support of *Maclean's* magazine and Maclean-Hunter cable activities, and given also the over \$300,000 that Macmillan received the month before the sale from the Secretary of State's Book Publishing Development Program, Maclean-Hunter's behavior seemed, in retrospect, highly inappropriate.⁸³

Besse was not in town to receive the immediate cries of shock and anxiety because he had to fly to Spain to deliver a lecture. He returned from Europe and went through the same rituals of calming the literary community that Maclean-Hunter had performed in 1973, but apparently with more sincerity and commitment. He closed the Macmillan office that had been located on Bond Street since 1910 and reduced its staff, but for the time being kept its operations downtown – in response to the outcry – and separate from the Gage operations in Agincourt. He got rid of Macmillan's distribution arrangements with several small publishers, among them Lester & Orpen Dennys, Press Porcupic, Simon and Pierre, and Peter Martin Associates. Such arrangements were useful for small firms who could consolidate distribution costs in co-operation with a national company. The Macmillan fall list was retained, but editor Douglas

83 Malcolm Lester, "Reflections on My Year as President," *ACP Notebook* 4 (Mar. 1981): 2.

Gibson was concerned about his own role and the continued publication of quality works. He was temporarily reassured. That year Francis Fox, the Secretary of State, contributed more than \$1 million to Macmillan and Gage.

Instead of merging the two companies, Besse kept them separate. Arnold Gosewich, who had experience in the record industry, was appointed president, and Gibson, publisher. By 1986 Besse's mergers had evolved into a holding company known as Canada Publishing Corporation that included Gage, Macmillan, Gordon V. Thompson (music publishers), and several other media firms. In January 1986 Linda MacKnight, who had had a rocky short career as publisher at McClelland and Stewart (1982-1985), took over as vice-president at Macmillan. While Gosewich attended to *Who's Who in Canada* and the *Canadian World Almanac of Information and Facts*, MacKnight was expected to work with Gibson in developing new books.

But Gibson was not comfortable with the new arrangement, and at Avie Bennett's invitation he moved to McClelland and Stewart, where he was given a position hitherto unique in Canada. At a press luncheon he explained that he would license his services to McClelland and Stewart in order to edit and publish literary works under his own imprint, while the financing would come from McClelland and Stewart. Although he was not to sign current authors at McClelland and Stewart, he was non-committal about bringing authors from Macmillan, merely saying, "My shingle's out to whomever passes by."⁸⁴ Macmillan's loss was McClelland and Stewart's gain, for Gibson's arrival, like Bennett's, breathed new life into the firm with nine lives. The Macmillan imprint was retained by Gage until the winter of 2002 when, without any fanfare for one of the great publishing firms of the twentieth century, Macmillan of Canada was buried in a press release and its backlists were put up for sale.

IV. "He's got colour and panache and a kind of style about him. I think he's a great stimulus in the publishing business. But thank God there are no more of him."⁸⁵ – John Gray on his friend and rival, Jack McClelland (1986).

On 18 February 1971 Jack McClelland put his company up for sale, even to an American, almost two months to the day after insisting

⁸⁴ "Douglas Gibson Imprint at M&S," *Quill & Quire* 52 (Apr. 1986): 20.

⁸⁵ John Gray, quoted in Elspeth Cameron's "Adventures in the Book Trade," *Saturday Night* 98 (Nov. 1983): 42.

he would go bankrupt before selling to an American company.⁸⁶ If Ryerson was seen as the publisher of *then*, McClelland and Stewart was the company of *now*. What made this latest crisis so intriguing was that Jack McClelland was as well known as his authors, and was the first Canadian publisher to become a celebrity in his own right. Only a small group of insiders knew that McClelland, the subject of so many laudatory magazine profiles, who had published household names such as Pierre Berton, Leonard Cohen, Margaret Laurence, Peter Newman, and Mordecai Richler, and who had issued close to 100 titles in 1967 in honour of Canada's centenary, was in such a financial mess. But McClelland and Stewart did not suffer the fate of Ryerson and Gage or that of Macmillan a year later. This time the Ontario Development Corporation lent McClelland \$961,000, and McClelland and Stewart was saved from bankruptcy. McClelland remained at the helm almost continually until 1985, but in spite of its many successful books and its high-profile cultural role, the company was in constant financial troubles that whole period, especially between 1976 and 1980 as the Ontario government searched for other ways to prop it up.

Jack's father, John McClelland (1877-1968), once said that a man will never become rich as a publisher,⁸⁷ but John Gordon McClelland – "Jack" – had a bigger vision about books and writers besides his dreams of money. Although it had not been his early intention to follow his father into the publishing firm, McClelland returned from his World War II naval service with a change of heart, and entered the firm in November 1946. As mentioned earlier, when Jack became a director in 1948, the company was caught off guard when Doubleday pulled out of its long-established management arrangement and set up its own Canadian subsidiary. It was a portent of industry-wide developments in the 1960s and 1970s, and from that time, Jack was wary. "I decided that if I were to stay in book publishing, I didn't want to be dependent on foreign agencies. I saw that a logical decision in London or New York could cut our volume in half. A Canadian nationalist was born overnight."⁸⁸ His

86 Peter Sypnowich, "Politician, Publisher Debate American Takeovers," *Toronto Daily Star* 17 Nov. 1970: 40.

87 Elspeth Cameron, "Adventures in the Book Trade," *Saturday Night* 98 (Nov. 1983): 32.

88 Jack McClelland, quoted in Elspeth Cameron, "Adventures," 33. This is the best short account of Jack McClelland's life and career up to 1983.

decision about independence and nationalism came at the right moment, even if later events would shake his business.

Over the holiday season of 1952-53 McClelland and Stewart moved from downtown Toronto to Hollinger Road in East York, where a new one-story building housed the editorial, accounting, warehouse, and shipping departments. Jack became general manager and executive vice-president, but he had already taken over many of the publishing decisions, among them to enlarge the company's lists after a very lean decade of original publishing. He made a good start with the new Indian File poetry series and with James Reaney's *The Red Heart*, which won the Governor General's award for poetry in 1949. He issued Gabrielle Roy's *The Tin Flute* (1947) and Earle Birney's *Turvey* (1949). Roy's novel introduced English Canada to French Canadian urban life in a new realistic mode, and Birney's flair for contemporary speech and absurdist comedy both prepared the way for McClelland's stable of writers for the next thirty years. "I publish authors, not books,"⁸⁹ was his motto.

Modelling himself after famed New York publisher Alfred Knopf, Jack attracted popular, quality novelists and poets through the 1950s and 1960s. On a trip west in November 1960 he searched out new manuscripts.⁹⁰ He gave as many interviews as his authors, and often his were much more entertaining. His friendships with authors such as Pierre Berton, Farley Mowat, Mordecai Richler, and artist Harold Town were the stuff of literary gossip, and the cocktail parties for book launches in Toronto and Montreal became as legendary as some of his promotions. In 1965-6 he sent poets Leonard Cohen, Irving Layton, and Al Purdy on poetry-reading tours of universities, where this writer and many of his generation heard them in Hart House at the University of Toronto. On 2 December 1966 he was featured in a CBC television documentary as a modern cultural hero. Some promotions were over the top. Berton refused to dress up as a CPR engineer to market *The Canadian Dream* across the country, but Margaret Laurence went along with a water-divining contest at the Ontario Science Centre. In 1980 came an event ideally suited to Susan Sontag's definitions of camp: on the Ides of March, in a terrific snow storm, Jack McClelland and his author Sylvia Fraser dressed in togas and were driven down Yonge Street by four

89 Carl Spadoni and Judy Donnelly, "Historical Introduction," *A Bibliography of McClelland and Stewart: A Publisher's Legacy* (Toronto: ECW Press, 1994), 38.

90 Spadoni and Donnelly, 37.

guys in tunics in a chariot to launch *The Emperor's Virgin*. Even this botched gimmick received a headline photo in the *Toronto Star*, in which both Fraser and McClelland preserve frozen smiles [Fig. 7].⁹¹ Behind all of these stunts was the realization that conventional advertising in newspapers and magazines had only a limited success in selling books. Nowadays, the author, the book and the publisher are brands.

Although he snubbed Hugh Hood, who deserved it, and angered Hugh Garner, and seemed cool to Matt Cohen, and misplaced Margaret Atwood's manuscript of *The Edible Woman*, and lost Peter Newman to Penguin in 1981 over his projected three volumes on the Hudson's Bay Company, Jack had very empathetic relations with most of his writers, as Sam Solecki and James King have demonstrated in their books on McClelland and his life with writers, and in King's biographies of Margaret Laurence and Farley Mowat. And in Jack's time, McClelland and Stewart, like the Methodist Book and Publishing Company in 1900, was the training ground for a host of editors and other publishers, among them Dave Godfrey, Dennis Lee, Dave McGill, Linda McKnight, and Anna Porter.

He managed people better than cash flows and profit margins. In the 1950s and early 1960s, the capital was raised for original publishing ventures as he plunged ahead with all kinds of books and series that had not previously existed. In 1954, 40% of the company's business was in books of Canadian origin.⁹² Besides the new trend for books on contemporary Canadian issues, in 1957 he launched the New Canadian Library, the first paperback series in Canada devoted to reprints of quality literature. "He's Taking a Chance," was the cautiously optimistic headline in *Canadian Business*, describing Jack's latest "Canadian cultural project"⁹³ that had originated from discussions with his former teacher at Trinity College, Professor Malcolm Ross. These novels were the Canadian equivalent of the paperback revolution that began in the American industry in 1952 when the university market gobbled up inexpensive editions of many out-of-print pre-War books. Other Canadian publishers were very cautious about joining one of the great publishing innovations of the century.

91 "Friends, Romans..." [photo caption] *Toronto Star* 14 March 1980: D1.

92 W. Kaye Lamb, "Copyright and the Canadian Book Market," *CLA Bulletin* 12 Oct. 1955: 69.

93 "He's Taking a Chance," *Canadian Business* 31(Mar. 1958): 70.

McClelland took another risk in 1964 when he dropped 23 foreign agencies, retaining only three of the oldest and closest connections. With those accounts out of the way, there was time to develop more series through the 1960s, inspired by the academic and popular appetite for books about Canada, especially our past. Notable were the Carleton Library Series, the Canadian Centenary Series, and the Canadian Best Seller Library. By 1967 McClelland and Stewart had net sales of \$5 million, and Jack had plans for more expansion, but the financial crunch came that year. He was about to obtain a loan of \$1.2 million, but these negotiations fell through when he realized he would have to fire three of the senior management. He arranged short-term financing of \$800,000 from the Bronfman family's Cemp Foundation and the McConnell family, owners of *The Montreal Star*. That year McClelland and Stewart was \$67,097 in the red, and in 1968 the losses were \$123,533.⁹⁴ In spite of modest profits in 1969 and 1970, Jack endured three years of "internal receivership,"⁹⁵ and the company was close to bankruptcy. In the meantime, his father died in May 1968, and Hugh Kane, who had been with the firm since 1937, tired of criticizing and cajoling, moved on to head up Macmillan of Canada. Jack continued to announce new series.

With the public offer to sell McClelland and Stewart in early 1971, the pattern was set for the next fifteen years. So was the public response, from the newspapers, from Ottawa and Queen's Park, and from the newly appointed Ontario Royal Commission on Book Publishing. The interest-free loan from the Ontario Development Corporation allowed McClelland and Stewart to continue, often teetering precariously behind the publicity machine that paraded Jack McClelland and his authors. Peter Taylor, who was hired in 1970 and quickly moved into the positions of executive vice-president and director of marketing, found the 1970s "nerve-racking."⁹⁶

In 1975 Jack McClelland, Pierre Berton, and Farley Mowat protested the Coles book chain's importation of American editions of their works, which were "dumped" on the Canadian market

94 "The Perils of Canadian Publishing," *Time* [Canada] 1 Mar. 1971: 8-8A. This article was based on an interview with *Time* correspondents Bob Cochrane and Henry Muller. Some of this information also appeared in Elspeth Cameron's "Adventures in the Book Trade."

95 Martin Knelman, "Business by the Book: Jack McClelland Begins a New Chapter in his Bestselling Career," *The Financial Post Magazine* 1 Oct. 1983: 44.

96 Cameron, "Adventures," 40.

"WERE IN TROUBLE. WE CANT FIND A BOOK PUBLISHER LEFT TO PUBLISH OUR FINDINGS ON PUBLISHING."

Figure 6. Cartoon by Tom Innes for *The Calgary Herald*, reprinted in March Jeanneret's *God and Mammon* (Toronto: Macmillan 1989), 308.

Figure 7. "Friends, Romans ... the virgin snow was on the ground when publisher Jack McClelland took it upon himself yesterday to don virgin white robes and in the company of author Silvia Fraser, take himself to Coles bookstore at Yonge and Charles to promote her new book, *The Emperor's Virgin*" (from the *Toronto Star* 14 March 1980: D1). (Photo by Frank Rooney.)

against copyright and customs regulations.⁹⁷ It was a harbinger of the kind of economic abuses and marketing power practised by big-box book-chain Chapters in the late 1990s. Later that year McClelland again considered selling the firm, but in the ten years it took to find a buyer, he was grooming possible successors. Meanwhile, in 1976 Hugh Kane returned from a stint at Macmillan of Canada, and headed a McClelland and Stewart subsidiary, Natural Science of Canada Ltd, which issued several series. In another effort to stave off bankruptcy in 1977, McClelland and Stewart arranged with Bantam Books of New York to form a Canadian company to market a new series of paperbacks entitled Seal Books. Anna (née Szigethy) Porter, who had been a vigorous editor since joining McClelland and Stewart in 1969, became president. Although 1979 began well and sales hit \$14 million, by year's end 15 employees were let go and one fifth of the fall list was cut. When many books were remaindered, the Writers' Union angrily objected but came up with a plan to donate ten copies of their titles to the library at University College, Toronto. At their celebration/wake, Dennis Lee observed that the company was forced to put its emphasis on "commercial novels" and explained, "The formula for popular fiction is that it should return its cost in the first six months."⁹⁸

The depression of 1981 caused a slump in the book industry and interest rates surged. By 1983 – another crisis year – Fleet Publishers disappeared, the University of Toronto Press came close to bankruptcy, and Clarke, Irwin went into receivership when the Canadian Imperial Bank of Commerce called its loans,⁹⁹ even though it came "bouncing back" in 1984.¹⁰⁰

Meanwhile in 1982 Jack was fed up and tired, and although not yet 60, was looking prematurely old and haggard. He thought about a different career. "For years I've been known as the kid publisher and now I'm getting to be the old bastard."¹⁰¹ He stepped down in March 1982, became chief executive officer, and appointed Linda

97 Roy MacSkimming, "Authors Tempted to Get Arrested Inside Bookstore," *The Globe and Mail* 23 Jan. 1975: 11.

98 William French, "McClelland Cutbacks Prompt Wailings and an Odd Wake," *The Globe and Mail* 22 Jan. 1980: 15.

99 William French, "A Year of Shakeouts, Scars, and More Tumult and Turmoil," *The Globe and Mail* 31 Dec. 1983: ET7.

100 William French, "Clarke, Irwin Bouncing Back," *The Globe and Mail* 6 Mar. 1984: 11.

101 Cameron, "Adventures," 42.

McKnight as president. She had joined the firm as an editor in 1969, and was now vice-president in charge of publishing. She introduced a different style to publishing: more planning, cost analysis that had to be adhered to, and teamwork. Her elevation caused strains. McClelland was always around the office. Anna Porter, not entirely happy with the new dispensation, quit Seal Books and formed Key Porter Books with Michael de Pencier. For years she and McClelland had wrangled over decisions, but they both liked each other and respected each other's opinions. He was honoured by the Molson Prize in September for his contribution to Canadian culture. When the McClelland and Stewart debt reached \$5 million in 1984, a group of private investors put up \$1.1 million and the Ontario Development Corporation kicked in cash. In 1985 Linda McKnight resigned, unable to to run the company as she saw fit – a surprise move that stunned author and company director Farley Mowat¹⁰² – and McClelland came back as president with the intention of selling the business as soon as possible.¹⁰³ By year's end the new owner was Avie Bennett, a real-estate developer who admitted he knew nothing about publishing. Bennett, however, poured money into the company, enticed Douglas Gibson to the firm, and in 1987 announced the appointment of Adrienne Clarkson as publisher, president, and chief executive office. She moved into this role from a career in television broadcasting and a posting as Ontario's agent-general in Paris. McClelland had originally intended to stay on as publisher-consultant, but he diplomatically retired days before her appointment, and sold his shares in Seal Books to Anna Porter.

McClelland's was one of the most analysed careers and social lives in the annals of Canadian business. To an extent he encouraged this close inspection, but behind the outwardly jaunty, sociable, extrovert was a private person who was more like his father than would at first appear. His uniqueness and influence were acknowledged, and for the most part admired. Margaret Laurence's gratitude summed up the feelings of many authors. Writing to him in 1982 when he handed over the reins to Linda McKnight, she said:

Please do not *ever* underestimate what you have done in your years as publisher, Jack. Damn near singlehandedly, you

102 David Olive, John Partridge, and Paul Taylor, "President Resigns from Tottering McClelland and Stewart," *The Globe and Mail* 10 May 1985: 1, 2.

103 David Olive, John Partridge, and Paul Taylor, "McClelland Taking Charge of Publishing Company," *The Globe and Mail* 15 May 1985: 3.

transformed the Canadian publishing scene from one of mediocrity and dullness to one of enormous interest and vitality ... Your great talent has always been your ability to spot good writers and your willingness to take a chance on them. Lots of people now think of some of us as household names, or at least, in Mordecai [Richler]'s words, "world famous throughout Canada" (!), forget there was a time when we were all beginning and unsure of ourselves.¹⁰⁴

V. Politicians, Policy Makers, and Publishers, 1970-1986

The sales of Toronto houses, real and rumoured, caused wide public debate. Not even the French-language industry in Quebec was immune from hostile takeovers. (See Appendix Two.) The sheer volume of newspaper articles and editorials, analyses and reports by publishers' and writers' organizations, and even the public outcry all reached the ears of provincial and federal governments. Already, even as the Ryerson sale to McGraw-Hill was completed on 1 December 1970, Premier Robarts of Ontario had been compelled to announce a Royal Commission on Book Publishing. Before its report appeared, Ernst & Ernst had submitted its report to the federal department of Industry, Trade, and Commerce. Its results were no surprise, but for the first time Ottawa had an accurate economic and statistical analysis about the book industry: In 1969, of the estimated \$222 million worth of books consumed by Canadians, 65% were imported, 25% were Canadian published, and 10% were adapted books manufactured in Canada. Imported books accounted for 80% of purchases by libraries and 92% of purchases in university book stores. By contrast, book exports for 1969 were estimated at \$5.5 million. The *Report* did not touch on the recent takeovers, but strongly advised rationalizing the industry and improving exports, especially to the United States.¹⁰⁵

At long last Ottawa and Queen's Park found themselves involved in the thorny issue of Canadian ownership and forced to develop policies to strengthen the book industry. If government intervention meant funding, it also meant bureaucratic paperwork, shifting policies, political meddling, and the inevitable dissatisfaction with

¹⁰⁴ Margaret Laurence to Jack McClelland, 16 Mar. 1982, *Imagining Canadian Literature: The Selected Letters of Jack McClelland*, ed. Sam Solecki (Toronto: Key Porter Books, 1998), 282.

¹⁰⁵ "Ernst & Ernst Report. Findings – A Summary," *Quill & Quire* 15 Jan. 1971: 1.

the results of money lavished on the book industry. The Ontario Royal Commission included two prominent Conservatives, Richard Rohmer and Dalton Camp, and the manager of the University of Toronto Press, Marsh Jeanneret. In spite of the fact that theirs was a provincial enquiry, because Toronto publishers served the whole of English-language Canada, they received briefs and background papers concerned with all aspects of the industry, including a historical survey of book publishing and sections on Quebec, so that in effect the *Background Papers* (1972) and the *Recommendations* (1973) constituted the first exhaustive study of the contemporary book trade. Ontario set up a loan guarantee/interest subsidy program administered by the Ontario Development Corporation. Robin Farr was borrowed from a federal agency to set up the Wintario Half-back scheme that encouraged lottery-ticket buyers to apply half the cost of the ticket to the price of a Canadian book. He became the Publishing Policy Advisor in the Cultural Industries Branch of the Ministry of Culture and Recreation. By 1976 the Cabinet searched for a replacement program, and the Cultural Industries Branch temporarily hired Paul Audley of the Association of Canadian Publishers to advise on new funding approaches and ways to help publishers develop their export markets and enter co-publishing arrangements with foreign publishers. This was the route taken by Lester & Orpen Dennys (1973), which was active in sales of international rights and subsidiary rights, a successful mid-sized company that went bankrupt during the depression of 1991 when its owner, Hees International, refused to cover any more debts.¹⁰⁶

The Ontario Royal Commission and the threats to Toronto publishers encouraged Industry and Trade minister Jean-Luc Pepin to consider federal aid.¹⁰⁷ In 1972 Secretary of State Gerard Pelletier established a desk to monitor the affairs of the publishing industry,¹⁰⁸ and Statistics Canada began compiling detailed figures on the industry. Robin Farr was hired to administer the Canada Council's block-grant program. The Secretary of State's department also established Books Canada, which along with the department of

¹⁰⁶ H.H. Kirchhoff, "L&OD Suspends Publishing: Financial Backing Is Withdrawn," *The Globe and Mail* 10 Jan. 1991: C1, C3.

¹⁰⁷ "Gov't Ponders Book Corporation," *The Toronto Telegram* 20 Feb. 1971: 5; and Michael Smith, "Subsidies Urged to Save Book Publishing Firms," *The Globe and Mail* 7 Mar. 1971: 8.

¹⁰⁸ Ronald Lebel, "Canadian Book Firms Get \$2 Million in Survival Grants," *The Toronto Star* 12 Feb. 1972: 10.

External Affairs, distributed Canadian books abroad, set up bookstores in New York, London, and Paris, and encouraged Canadian Studies programs at foreign universities. The book export program was abandoned, according to Jeanneret, because it “failed to bring the results the government hoped for. It was much too difficult to keep political and commercial promotional priorities in line.”¹⁰⁹

The Liberals tried other solutions before their fall from power in 1984. First, in response to pressure from industry and trade associations, and supplied with figures from Statistics Canada, the Liberals established the Foreign Investment Review Agency (FIRA) in 1974. Its mandate was to monitor foreign takeovers in all areas of Canadian industry although not necessarily to prohibit them. Among their investigations was the sale of Random House Canada to Newhouse International in 1981, but there was the occasional reverse situation, as when Jack Stoddard, Sr, of General Publishing bought Simon & Schuster of Canada Ltd from Simon & Schuster of New York (1976) and Van Nostrand Reinhold Canada became a “Canadian” company (1981) when it was published by International Thomson of Canada from Litton Educational. The Liberals’ second response was the Canadian Book Publishing Development Program (CBPD), which was given an expiry date of 1986. In its first year (1979-80) the CBPD provided \$4.5 million to 60 publishers. Last of all, in 1980 Louis Applebaum and Jacques Hébert were appointed to a mini-royal commission known as the Federal Cultural Policy Review Committee.¹¹⁰ Their 1982 *Report* recommended increased government funding for writers and publishers, and affirmed the policy of arm’s length control.

Once the Conservatives came to power in 1984, prime minister Brian Mulroney declared that Canada was once again open for business, and the usual demolitions perpetrated by party revenge against a former government got under way. The Foreign Investment Review Agency was dissolved, only to be resurrected as Investment Canada, with much the same mandate. When Marcel Masse, the minister of Communications, looked at the 1979 Canadian Book Publishing Development Program, he and his department decided that the \$40 million dispersed to large and small publishing firms

¹⁰⁹ Marsh Jeanneret, *God and Mammon: Universities as Publishers* (Toronto: Macmillan, 1989), 311.

¹¹⁰ Adele Freedman, “For Canada’s Cultural Community, It’s the ‘Applebert’ or Nothing,” *The Globe and Mail* 9 February 1981: 15.

across the country had not been effective, and shut it down. But Masse had a grander scheme for helping the publishing industry, one that would increase Canadian ownership of culturally sensitive industries and protect them from foreign control. His plan came in the same year that Mulroney and his minister of External Affairs, Joe Clark, announced that they would seek free trade with the United States. It looked as if Masse were anticipating American demands that all industries be considered in the coming free-trade discussions.

In July 1985 Masse unveiled his new policy of Canadianization in Baie Comeau, Quebec, a location that may have been unintentionally symbolic, not only because he liked to make announcements on Quebec soil but because Baie Comeau existed to process raw materials for two giant industries and was Mulroney's home town. Under the policy, which went far beyond previous Liberal statements about Canadianization, when a non-Canadian subsidiary was sold to a non-Canadian buyer, the government would approve an indirect acquisition only if it did not reduce competition among Canadian firms.¹¹¹ The new buyer would be given two years to sell the controlling interest to Canadians. The Canadian Book Publishers' Council, whose members included most of the foreign subsidiaries, opposed the policy and likened it to "expropriation."¹¹² The Association of Canadian Publishers endorsed the policy, but Masse had to curb his remarks on cultural sovereignty in the face of the free-trade advocates in the prime minister's office and in several powerful departments.¹¹³ The focus on "cultural sovereignty" caused a firestorm. The age of mergers and convergences had entered a whole new phase in Canada.

Within the year two test cases challenged Masse's policy and elevated the book-publishing question to a new level of international intrigue. The first was the sale of Louis Melzak's Classics Books chain to W.H. Smith in September 1985. This kind of incident would have more reverberations a decade later when mergers among retail chains and big-box book stores imperilled retailers and

111 Richard Cleroux, "Ottawa to Study Book Industry," *The Globe and Mail* 8 July 1985: 5.

112 Salem Alaton, "Masse Attacks Publishing's Financial Imbalance," *The Globe and Mail* 31 Jan. 1986: A12.

113 "For Canadian Culture" [Editorial], *The Globe and Mail* 14 Mar. 1985: 6; and Carol Goar, "Marcel Masse Makes His Mark Once More," *The Toronto Star* 1 February 1986: B6.

publishers. The second, more complicated case, was the sale of the Canadian subsidiary of Prentice-Hall to Gulf + Western, one of the major American media and entertainment conglomerates.

In October 1985 Canadians learned about a leaked letter in which Alan Gotlieb, the Canadian ambassador in Washington, had advised Sinclair Stevens, the minister of Regional Industrial Expansion, that Washington was unhappy with Ottawa's book-publishing policies, and that Ottawa should permit Gulf + Western to acquire the Canadian subsidiary of Prentice-Hall as part of its purchase of the American parent firm.¹¹⁴ Meanwhile, Secretary of State George Schultz met Joe Clark in Calgary to discuss free trade and brought with him a two-page list of "recent acquisitions by Canadians of U.S. publishing houses," and the implication was clear, according to a *Globe and Mail* editorial on 7 November.¹¹⁵ Reports indicated that Robert Strauss, a United States trade commissioner and lobbyist, spoke of a "scorched earth policy" if the conglomerate did not get its way," *Globe and Mail* columnist Hugh Winsor disclosed. Finally, after months of hesitation, on the eve of Mulroney's trip to Washington in March, the government found the "grandfather" means of allowing the deal to go through retroactively, saying that negotiations had begun *after* the dissolution of FIRA and *before* Masse's policy was announced. For its part, Prentice-Hall agreed to sell the textbook firm of Ginn, to a Canadian buyer. In Winsor's words, this incident went "to the heart of the dispute between Canada and the United States about whether culture is a philosophic concern deserving protection, or an economic matter that should be left to the marketplace."¹¹⁶

The direct and indirect links between the disappearance of one venerable publisher and the misfortunes of several others, and the progress of several American subsidiaries to the centre of the Canadian publishing world are more complicated and far-reaching than this discussion suggests. Much like the branches of British publishing houses that moved into New York after the Civil War, the new foreign-owned Canadian publishers – McGraw-Hill, Prentice-Hall, Van Nostrand Reinhold – all succeeded in developing Canadian-authored

¹¹⁴ John Partridge, "Publishing Policy Imperils U.S. Ties, Ambassador Says," *The Globe and Mail* 4 Nov. 1985: A1.

¹¹⁵ "A Publisher's Lot (2)," *The Globe and Mail* 7 Nov. 1985: A6.

¹¹⁶ Hugh Winsor, "Publishing Question a Crucial Test for Cabinet," *The Globe and Mail* 30 Jan. 1986: A3.

lists while returning profits to their corporate head offices in New York. In retrospect, the crises of the 1970s are much like the old weekly movie serials: some threats are repudiated and others emerge, to be confronted in the next installment. This is not to trivialize the concerns of the industry or the public, for the repercussions permanently changed the character of Canadian publishing, including the appearance of regional small presses and the recent challenges of globalization. Even today, many of the same challenges about distribution, the need for capital, questions about government intervention, funding for authors, and threats from big-box retailers leave publishers and industry watchers fretting about the latest and worst crisis that will surely be the death knell of Canadian publishing. We heard that in the 1930s and again in the 1970s. Even the Canadian branches of multinationals – for example, Random House Canada, Knopf, and HarperCollins – have to compete with each other within the same conglomerate. Canadian publishers have learned to adapt; and one of their achievements is success in buying and selling rights at the Frankfurt International Fair and their efforts in co-production ventures with foreign publishers. In the end, we value publishers for the quality of the authors and titles they offer us, whether these appear in Douglas Gibson's imprint from McClelland and Stewart or in the Random House Canada imprint. Online publishers and booksellers, beware: the book isn't closed yet.

Appendix One

Doubleday

The shifting relationships of Doubleday in Canada are mind-boggling. In 1917 McClelland, Goodchild and Stewart had signed an agreement with George H. Doran to manage the Doran agency lines in Canada. S.B. Gundy, the manager of the Oxford University Press, secured the agency for Doubleday, Page in 1919.¹¹⁷ When Doran merged with Doubleday, Page in 1928, the new firm became Doubleday, Doran, and its Canadian arm was known as Doubleday, Doran and Gundy.¹¹⁸ The Oxford-Gundy connection ended with Gundy's death in June 1936, and Clarke, Irwin took over as managers of the educational division of Oxford University Press. Six months before

¹¹⁷ "Publishing Books People Talk About," *Bookseller and Stationer* 41 (Apr. 1925): 64.

¹¹⁸ "A New Publishing House," *Bookseller and Stationer* 54 (Jan. 1928): 65, 72.

Gundy's death, however, Doubleday, Doran and Company of Canada became a new Canadian branch with Ted Pike (the long-time agent for Longman in Canada) as manager, an arrangement facilitated because Oxford was also Longman's agent in Canada.¹¹⁹ The new branch had its offices at 215 Victoria Street, where McClelland and Stewart were located. When this branch wound up at the end of 1939, the Canadian business of Doubleday, Doran came to McClelland and Stewart for eight profitable years.¹²⁰ The "Doran" name was dropped in 1942, and J. Wilfred Ford and George Nelson, who had served as travellers and directors at McClelland and Stewart since the 1920s, ran its operations. While still employees of McClelland and Stewart, they set up their own firm, Forboys, to handle the Doubleday book clubs. In 1948 Nelson and Ford departed when they realized that their advancement in the firm was now challenged by Jack McClelland as his father's heir apparent, and they established Doubleday (Canada) as a new subsidiary. They took with them the lines of Doubleday Publishers, Blue Ribbon Books, the Bakison medical line, the numerous Doubleday book clubs, and the Literary Guild Club. The club selections alone made Doubleday the third largest user of the mails in Canada.¹²¹ Undertaking an aggressive publishing program, Nelson and Ford had a very successful year in 1949 with such best sellers as Thomas B. Costain's *The Conquerors* and Theo Bonnet's *The Mudlark*.¹²² They published Thomas Raddall's novels and Costain's series of Canadian histories. By successfully concentrating on volume, they briefly sold books at the American list price, and were one of the first publishers to give a trade discount of 40%. Like George Nelson and Wilfred Ford before them, three other McClelland and Stewart employees, Robert Nelson, George Foster, and John Scott, left the firm in 1953 to form their own company, specializing in educational and scientific works.

119 "Important Changes Coming in Canadian Publishing Field," *Bookseller and Stationer* 51 (Dec. 1935): 23. See also "Some Recent Changes in the Book World," *Quill & Quire* (Dec. 1935): 21.

120 "Doubleday Winds up Canadian Firm," *Quill & Quire* 6 (Jan. 1940): 24.

121 "Doubleday Back in Canada," *Quill & Quire* 13 (Dec. 1947): 16-17, 30.

122 "Review and Preview from Doubleday," *Quill & Quire* 14 (Feb. 1950): 18-20.

Appendix Two

L'affaire Hachette

In 1971 the French-language market in Quebec was shaken by a similar takeover in what looked like a carefully staged attempt at monopoly by La Groupe Hachette of Paris, which forced the Quebec government to intervene directly in the marketplace. That year foreign firms accounted for over one-third of the \$15 million textbook market, and almost one-sixth the \$40 million bookstore sales.

In March 1971 Société Hachette International Canada Inc., the Canadian subsidiary of Paris-based Hachette, and the Société Générale de Financement (SGF) between them bought 95% control of Le Centre Éducatif et Culturel Inc. of Montreal. SGF was a corporation jointly owned by the Quebec government, the Caisses Populaires Desjardins, and public shareholders. Its president, Jean Deschamps, claimed that this purchase "conserves the Quebec character of a company which, without (SGF's) intervention, risked passing into control of foreign interests. Headquarters will be maintained in Quebec."¹²³ This move gave Hachette of Paris a 45% control of one of the major educational suppliers in Quebec.

Two months later François Cloutier, the minister of cultural affairs, announced that Quebec-based bookstores would require 50% ownership by Canadian citizens resident in Quebec, and he indicated that the province would set the price of French- and English-language textbooks imported from five designated countries. Accredited bookstores in larger centres would have to stock a minimum of 5,000 titles and an inventory of \$15,000. Provincially-funded institutions would be required to spread their orders among three different booksellers. This order-in-council would disqualify Coles Bookstores of Toronto from sharing in purchases by schools and libraries.¹²⁴ McGraw-Hill Canada was uncertain of its situation, and the second largest American library supplier in Canada, Bro-Dart, immediately scrapped plans for a Quebec subsidiary.¹²⁵

On 30 December 1971 Le Centre Éducatif et Culturel bought control of Librairie Garneau and its chain of bookstores throughout the province. The outcry was similar to the one over the sale of

¹²³ "Quebec-backed Firm Makes Textbook Deal with French Company," *The Globe and Mail* 30 Mar. 1971: 31.

¹²⁴ William French, "Books and Bookmen," *The Globe and Mail* 19 June 1971: 14.

¹²⁵ "U.S. Book Firm Cancels Quebec Plan," *The Toronto Daily Star* 6 May 1971: 11.

Ryerson. Librairie Garneau was the second oldest surviving publisher and bookseller in Québec, founded in the 1850s by the poet Octave Crémazie and his brother. Their shop, across the square from the old cathedral in Québec City, was for generations the haunt of literary people. In early January 1972 the Conseil Supérieur du Livre, the Association des Éditeurs Canadiens, the Société des Éditeurs de manuels Scolaires du Québec and the Association des Libraires du Québec fired off telegrams to the premier and the minister of cultural affairs, claiming that Hachette would have 25% control of the textbook trade.¹²⁶ Led by Jacques Hébert and Paul Tisseyre, they presented a brief to the government and demanded that the foreign-ownership level be set at 20%; they also claimed that the French government and French banks were pressuring the Quebec government. The president of Hachette Canada, Raymond Lavoie, spoke of a "smear campaign" against his company and stated, "we needed a network [Librairie Garneau] for distribution of all books published by the Educational and Cultural Centre."¹²⁷

François Cloutier told the *Toronto Star*, "We must learn to live with multi-national organizations. We need investment in Canada and the time has come to negotiate a book distribution agreement with France."¹²⁸ Nevertheless, Jacques Hébert argued that "vertical integration" between Quebec bookstores and foreign-controlled distributors could lead to a "form of censorship." He predicted, "With this type of situation, somebody in Paris will decide what Quebec school children will use as textbooks and which authors Quebecers will read."¹²⁹ Cloutier announced in late January that future takeovers of bookstores would cost them accreditation, and new owners would have to meet Quebec's requirements on ownership and management. Hachette was excused because its entry preceded the announcement.

126 Kildare Dobbs, "Quebec Bookmen Protest Takeover by Paris Firm," *The Toronto Daily Star* 18 Jan. 1972: 30; Claude Lemelin, "Quand Hachette achète," *Le Devoir* 11 Jan. 1972: 4.

127 "Quebec Publishers Fight Hachette Takeover," *Quill & Quire* 38 (Feb. 1972): 1.

128 Ronald Lebel, "Quebec's Book Publishers Will 'Fight to the Finish' against Foreign Takeovers," *The Toronto Daily Star* 18 Jan. 1972: 8.

129 Lebel, 8.

RÉSUMÉ

La vente de W.J. Gage et de Ryerson Press en 1970, suivie de la crise financière de McClelland and Stewart en 1971 et de la vente de Macmillan of Canada en 1972, ont marqué un point tournant dans les activités d'édition et de distribution traditionnelles des grandes maisons d'édition à Toronto. Plusieurs facteurs ont contribué à créer cette situation : l'écroulement d'ententes commerciales traditionnelles au fur et à mesure que le volume annuel des ventes du monde de l'édition augmentait considérablement durant les années 1960; la pénétration agressive par les filiales américaines dans l'édition pédagogique; et la présence grandissante de firmes engagées à la tâche et de services de bibliothèques américains dans le marché lucratif des écoles et autres institutions d'enseignement au Canada. Cet article décrit comment ces quatre firmes de Toronto ont réagi à ces changements, tout en composant avec des problèmes importants de liquidité et de gestion inefficace. (Une situation similaire vit le jour au Québec lorsqu'Hachette (Paris) prit en charge le Centre éducatif et culturel et la Librairie Garneau; celle-ci est mentionnée dans une annexe.) La crise dans le monde de l'édition a secoué le grand public et les instances gouvernementales. Ottawa au niveau fédéral et Queen's Park au niveau provincial ont développé des politiques destinées à conserver et solidifier les industries culturelles, comprenant notamment les grandes et petites maisons d'édition. L'aide financière prit la forme de prêts garantis et de subventions directes; des fonds publics furent libérés pour aider les éditeurs à développer des marchés d'exportation, négocier des droits tant au Canada qu'à l'étranger dans des foires commerciales internationales, et signer des ententes de co-édition avec des firmes étrangères. Certaines politiques et l'aide financière apportée ont parfois eu des résultats discutables. Ces questions qui émanèrent au cours des années 1970 étaient loin d'être résolues en 1985-1986, date à laquelle se termine cet article. À cette même date Marcel Masse annonçait à Baie Comeau que le gouvernement allait protéger le droit de propriété au Canada des industries importantes au plan culturel, une politique qui entraînait en conflit avec les projets des ses collègues du Parti conservateur d'entamer des discussions sur le libre échange avec les États-Unis.