



## Canada's Developing Book-Publishing Industry

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TO AN OUTSIDER, Canadian book publishing must seem very strange indeed. Aside from the fact that each of the two official languages in Canada — English and French — has its own distinct industry operating in different ways in separate markets, the kind of attention that was focused on Canadian publishers and Canadian publishing in recent years must have created an even more confusing picture than before. This article will attempt to examine the English-language segment of the industry with a view to understanding how it is possible, in a country as highly developed and sophisticated as Canada, to encounter the seeming anomaly of a book-publishing industry that in many ways still appears to be in its early stages of development.

The 1960s was a decade of turmoil and rapid change throughout the world, particularly in the United States. Being so closely linked to its southern neighbor that many people feel — or even believe — the two countries are one, Canada shared the events (and in large measure, the effects) that washed over the United States during that turbulent period. Perhaps there were “regional” differences between Canada and the United States, and certainly there was far less violence in Canada, but essentially the same characteristics governed the temper of the times: struggle for civil rights, desire to end the war, dissatisfaction with most institutions, and mobility which brought more people together in new and strange places. It was a time of young people whose restlessness, incessant questioning, naïveté and intensity colored everything.

One other significant event distinguished Canada from the United States in the 1960s — in 1967 Canada celebrated its centennial as a confederation. Unlike the U.S. Bicentennial in 1976, which largely seems to

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have been considered as a nonevent, the Canadian centenary was hugely successful. In memory at least, the centennial became symbolized around the world by the Montreal Expo 67 on the jewel-like islands in the Saint Lawrence River. For Canada's young people especially, who were crossing the country by every means of conveyance imaginable, the centennial provided an unusual opportunity to discover the country and to feel pride in it. That year, in other words, gave direction to and support for Canadian nationalism.

Wanting to express the views debated so hotly on the campuses, the ideas and ideologies for or against which they demonstrated almost endlessly, these energetic, intelligent and youthfully impatient people encountered the slow-moving traditions (in their view) of the established book-publishing industry. The industry initially behaved toward them in much the same way as did the other institutions with which they felt dissatisfaction. There was, perhaps, a greater degree of frustration involved, because the appetite of youth for public limelight had been whetted by the other media which had been paying so much attention to them.

#### HISTORICAL ROOTS OF CANADIAN PUBLISHING

Before going any further, the history of Canadian book publishing should be traced here.<sup>1</sup> Curiously enough, the development of the Canadian English-language book-publishing industry during the eighteenth and nineteenth centuries followed quite closely the pattern that now distinguishes North American book trade from the older European system. In the province of Quebec, however, the French-language publishers are more closely related to the European model, which is based on the practice of using retail stores to supply virtually all needs. (Indeed, the Quebec government legislated measures in 1971 intended to aid in the development of the retail store system.) In any case, the earliest beginnings of the Canadian book-publishing industry were directly linked to the printing industry — as were those in most other countries, particularly when the printing press also had links with a retail book and stationery outlet.

The first establishment, not surprisingly, was opened in 1751 in Halifax, where the colonists had first touched land. As the settlers moved west, Quebec City, Montreal and, before the turn of the century, Upper Canada (Ontario) all had their own operations. By 1850, however, Toronto had begun to assert itself and soon became the center of English-language publishing in Canada.

It seems amazing that any publishing industry was able to grow at all

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in Canada during those early years; several obstacles hindered its development. Canada was a colony of Britain and governed by British laws, and furthermore, lying next to the United States, it was the object of U.S. commercial tentacles which were unhesitatingly extended into its populated areas. The Canadian publishers' most severe handicap appears to have been the Colonial Copyright Act passed in London in 1847 (commonly called the Foreign Reprints Act). This law prevented the colonists from producing cheap reprints of British books but contained a clause permitting them to import such editions — presumably in the expectation that the British publishers would sell their products in Canada. However, since the law could not control American publishers, they proceeded to flood the Canadian markets with cheap reprints, which undermined any Canadian publishing endeavors (even though they may have been a boon to the book-buying public). In addition, the act encouraged Canadian authors to seek London or New York publishers, since their work received no protection from piracy if published in Canada.

Not until 1875 was imperial assent given to a colonial copyright law which stipulated Canadian "domicile" for authors and required local manufacture of their books. For a while, Canadian publishers used this law to retaliate against the Americans by pirating popular American authors' works. Among the more notable victims was Mark Twain, whose works appeared in over forty different printings of Canadian editions bearing sixteen different imprints. These cheap, unauthorized editions flooded U.S. markets, primarily through direct-mail sales. Ultimately, this activity helped to convince U.S. publishers to work out a copyright agreement with the British, even though the United States did not join Britain in signing the Berne Convention, which established international copyright in 1887.

The result was that piracy immediately disappeared, and Canadian publishers began to acquire British and American lines as exclusive agents in Canada. This meant that the publisher would import quantities of finished books or sheets to be bound in Canada, or — if the sales potential were great enough — might even print it in Canada with the agent's own imprint. The Canadian publisher was rarely able to obtain the rights to sell throughout North America, because U.S. publishers could outbid him due to their greater marketing capabilities. It was not unusual, however, for the reverse to happen: a U.S. publisher might obtain North American rights for a title from a British publisher who had a Canadian agent. Nevertheless, the trade grew; and because the agency business was relatively profitable, the Canadian publisher sometimes began to devote most

of his energies to the task of marketing books throughout his territory and gave less time to the more demanding, and probably less profitable, publishing of original books. As the twentieth century approached, the agency-type of publishing activity took strong hold in Canada.

Then a new wave of publishers entered the scene. These publishers were Canadian-trained in the houses that had struggled through the days of piracy and vigorous original publishing, as well as days of the new agency representation of British and American houses. Most of them determined to be jobbers and distributors first, thereby becoming established before they began to seek out new writers to publish.

### THE TWENTIETH CENTURY

More than a dozen new companies in as many years were established in Toronto. While there were Canadian houses, like the University of Toronto Press (founded in 1901) and McClelland and Goodchild (1906; later to become McClelland and Stewart), most of them were Canadian branch offices of well-known British houses, such as Oxford University Press (1904) and the Macmillan Company of Canada (1906). Their sales representatives were soon making regular trips across the sparsely settled country out to the west coast, following the large waves of immigrants who came to Canada during that period. With the growth of public libraries established with equal amounts from Andrew Carnegie trust funds and locally subscribed monies, business was brisk. Increased sales soon led to uniform reprint series of popular Canadian literature, matching the well-known British reprint series which were in great demand around the country. Eventually, these publishers also gave new direction and vigor to the state of Canadian literature.

Thus, the shape of Canadian trade publishing was established. Although the book business after 1900 boomed during the war years and sagged between them, succeeding generations of publishers revitalized the industry by directing new energies toward the discovery and publishing of new Canadian authors. The only really significant difference between the beginning of the period and its end is that the influence and strength of the British publishing companies in Canada and the cultural heritage they represent have diminished, and their share — and more — has been captured by the U.S. publishing industry. American publishers discovered the importance of the Canadian market during the postwar depression in the late 1940s. Those were difficult years for Canadian publishers, because costs and services mounted dramatically, increasing publishers' dependency on marketing their agency lines and reducing the volume of original pub-

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lishing because of the higher risks involved. An alternative response was to turn attention to increased educational publishing, which was expected to prosper with the growing population following World War II. Essentially, it was that market which the Americans also sought.

### SCHOOLBOOK PUBLISHING

The publishing of textbooks — now called learning materials — had traditionally constituted the most lucrative side of publishing in Canada, even though trade publishing may be the most visible and publicly fascinating. Ontario, long the largest and most influential province of Canada, frequently has also been the trend-setter in the educational field, at least until recently. Egerton Ryerson, who gave his name to Ryerson Press, could thus be considered the real father of the Canadian educational system while serving as Ontario's Superintendent of Education from 1844 to 1874. Ryerson gave shape and direction to what had been chaotic, bringing about a uniformity which allowed publishers the opportunity to produce greater quantities of books.

Although there were several important changes in the Canadian educational system, the system of schoolbook publishing remained largely unchanged until World War II. Because the ministry of education commissioned teachers to write the textbooks and then tender the printing of them, publishers were forced into a printing-production mold rather than the active one of creative publishing; there were, however, notable exceptions. Just prior to the outbreak of World War I, the entire system had been made more rigid by reducing the number of textbooks to an average of one per course, and in order to reduce costs, these prescribed texts remained in force for at least seven, but frequently fifteen, years, and twenty years was not unusual. For publishers fortunate enough to land contracts for these texts, it seemed virtually a license to print money, in that sales to all pupils were assured year after year. Though there was not the same possibility of abusing the system when it was changed to the use of authorized texts developed by the publishers themselves (normally involving very considerable initial investments in money and time to test the books), the book — if authorized — could make the house very profitable.

### AMERICANIZATION

With the advent of television, the "Americanization" of Canada seemed to assume a graver proportion. Publication costs soared, yet the risks were clearly worth taking, because soaring school populations made

potential rewards that much greater. It became apparent that only the larger local houses could continue to hope for survival, as the American houses were welcomed because they could supply the Canadian school system with the highest quality textbooks based on the most current, carefully tested research available. This ability was actually far beyond the means of Canadian textbook publishers. Even though the regulations for authorization of books might stipulate that Canadian-authored and -manufactured books be used wherever possible, it was not uncommon for the Canadian branch of a large American house to adapt a U.S. textbook to Canadian conditions. This was sometimes as relatively simple as substituting a Canadian flag for Old Glory in a primary reader, or Canadian counterparts for U.S. coins or stamps used as illustrations in a math book.

It was becoming an increasingly messy situation, and some Canadian publishers began to feel desperate. The main crunch, however, came with the so-called knowledge explosion, which in Ontario brought about calls for change from the educational community. Educators were dissatisfied with the existing situation in Ontario in comparison to developments in the United States, toward which many of them were oriented. The result was the establishment of a Provincial Committee on Aims and Objectives of Education in the Schools of Ontario, which in 1967 published their recommendations in a report entitled *Living and Learning*. It seemed to suit the spirit of the times and the exuberance of the many innovations displayed at Expo 67, and achieved the very unusual status for a government document of becoming a bestseller.

#### THE IMPACT OF EDUCATIONAL DECENTRALIZATION

Some of the report's recommendations had already begun to creep into the school system in the early 1960s, but changes had been relatively gradual. Even so, they may have been too rapid for the textbook publishers. One of the committee's recommendations was that the ministry should improve its communications with the industry through the publishers' association. The publishers had little recourse to the ministry of education, and were therefore unprepared for what was to follow: the change, virtually overnight, from a centralist, authoritarian system to a decentralized one based on a dozen regional school boards.

This basic characterization of the new system applied both on the pedagogic and administrative levels. When the single prescribed textbook system was abolished in 1960, the list of authorized textbooks contained 61 titles; by 1964 the number had risen to 462; and for the 1971-72 school

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year, 1648 titles were listed. The authority to select books was vested in the school boards, as was the authority to establish courses to suit local needs and individual interests, abilities and differences. Teachers did not need to rely solely on textbooks; they could also use a variety of other materials, such as television, films, slides and kits. Indeed, they did not need to have a textbook or books for their course — only a suggested reading list for the pupils.

Administratively, the so-called stimulation grants, given each pupil to permit the schools to buy books, were abolished in 1968 and the boards were provided with a single legislative grant and the authority to budget according to their own needs. In practice, this meant that local administrators were able to determine and meet their own priority needs; for that reason, teachers and other staff were paid during salary disputes and other immediate needs were satisfied, but never, it seemed to the publishers, were there any funds left over to acquire schoolbooks.

The educational publishing industry was in very serious trouble, because there was no way to find all the authors to write all the new books necessary to meet new course requirements, and then to test this new material. Even if it had been possible, the development and production costs could never be recovered from the drastically reduced markets. Under these circumstances, it was virtually impossible for the Canadian houses to survive the fierce competition with American companies that were frequently members of huge conglomerates like CBS, Xerox or Litton.

#### THE NEW PUBLISHERS OF THE 1960s

Such was the climate and condition of the Canadian book-publishing industry in the late 1960s when young activists sought publishers for their manuscripts. They were usually too impatient to wait for the traditionally slow wheels of the publishing industry to turn, and they did not understand the plight of the industry at that time — nor did they particularly care. They discovered instead that with modern technology, it was not only relatively cheap but very easy to get into book publishing. Overnight, dozens of small publishing operations sprang up in basements of student cooperative residences, private homes, coach houses and reclaimed warehouses, publishing their own and their friends' works. Since they were in very close tune with the times and lacked traditional encumbrances which might otherwise have slowed publishing processes, these young new publishers, to their own surprise, found themselves saddled with success. With success came the need to adopt some of the more traditional business prac-

tices, and more importantly, to have financial resources (or at least access to them) to permit the enterprise to grow physically.

In 1968, a number of these young publishers approached the Canadian Book Publishers' Council in the hope that, through membership, they would acquire some of the benefits derived from trade associations which would permit them to become experienced, professional publishers. Progress was slow, however, because the closed circle of professionals found it more important to solve their own internal problems — that ultimately could affect thousands of people — than to grant admission to amateur publishers who could not even pay their own way.

### CONCERN ABOUT FOREIGN TAKEOVERS

The fast pace of the times changed the course of events drastically through an incredible series of coincidences that occurred in 1970. The pressures of the educational difficulties forced W.J. Gage Ltd. (Canada's largest and then one of its oldest textbook publishers) to be sold to U.S. interests. The announcement received a great deal of attention from the media, already aware of the problems of the Canadian publishing industry; the primary focus, however, was on the small new houses and the characterization was nationalistic. (It was very easy to point a finger at the large "imperialistic" conglomerates who, with other parts of themselves in other parts of the world, were helping to bomb a country into oblivion.) Four weeks later, Ryerson Press was sold to a large U.S. publisher's Canadian subsidiary — McGraw-Hill. Owned by the United Church of Canada, Ryerson Press was operated at that time basically for the publication and distribution of the church's own literature. It was a mere shadow of its former glory when it had shaped Canada's literary destiny — but Ryerson Press was nevertheless Canada's oldest existing publishing house. The announcement of its sale to foreign interests brought immediate and widespread reaction from the public.

While Ryerson Press became the symbol of the problems facing the Canadian publishing industry, and rallied people to commemorative marches and the establishment of an Emergency Committee of Canadian Publishers comprised of many of the young publishing houses, the publishing industry itself became the focal point of the Canadian nationalists for whom it represented all the ills facing the country as a result of the open-arms policies toward foreign investment. In early 1971 the nationalists set up a Committee for an Independent Canada. In regard to the two sales, however, there was so much public reaction — meetings, public

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forums, even demonstrations — that the Ontario government took action by setting up a 3-member Royal Commission on Book Publishing a month after the Ryerson sale was announced.

A further result was the establishment of a new trade association growing out of the emergency committee, which soon grouped most of the small, young houses that had sprung up all over the country, and broke away from Toronto as the center of English-language publishing. This group, the Independent Publishers Association, was primarily political and very effective in attracting media attention in its various nationalistic statements. It was also effective in attacking the old association, whose membership had always been determined on the basis of professionalism rather than nationality of ownership; suddenly foreign-owned companies, and especially U.S. houses, became targets of attack. The term *branch plant* took on derogatory connotations. Everywhere attention focused on book publishers, and the hearings of the royal commission were invariably crowded.

#### THE ROYAL COMMISSION AND GOVERNMENT ACTION

Very shortly after the royal commission began its study of this complex industry, Jack McClelland, the flamboyant head of Canada's most active and creative trade publishing house, called a press conference in early 1971 at which he announced that, owing to financial difficulties, he was forced to sell McClelland and Stewart, which might mean sale to foreign interests. Public reaction to the problems of the industry was enormously heightened because of this announcement, and many people began to feel the problems had reached panic level.

The royal commission very quickly came down with an interim recommendation which provided McClelland and Stewart with a subsidized loan equaling almost 1 million dollars. However, the problems of the industry were not yet over, for during the following few months the royal commission unearthed an attempted takeover of the entire distribution network for mass-market paperbacks and periodicals by interests owned by two Missouri families. The commission's findings led to another interim recommendation, this one controlling the ownership of distributors. The provincial government acted positively on both recommendations.

Canada's federal government also went into action, albeit with some reluctance, since general opinion was then still opposed to the idea of any kind of governmental involvement in a private commercial sector which had always prided itself on its independence. Also, there was a general

unwillingness to have the federal government act on a national scale in areas which had traditionally or constitutionally been the jealously guarded domain of the provincial legislatures. Only the province of Québec had already begun to establish a comprehensive cultural policy as a desperate measure to safeguard the language and culture of a small French-speaking island in the vast English-language sea around them. And the French Canadian efforts were creating fears and hostilities which appeared to support the federal government's reluctance to deal with national cultural policy or the problems of the educational publishers.

However, the new, small publishing houses, acting through the Independent Publishers Association (since renamed the Association of Canadian Publishers), became increasingly vociferous in demanding governmental action at both the provincial and federal levels, in terms of both legislative measures and wide-scale subsidization of the industry. It was therefore not unusual at that time to hear the royal commission being petitioned to recommend legislation to stop, or at least severely restrict, the importation of books. More responsibly, there was also continual discussion in the media about ownership and control over publishing companies and book and magazine distributors (some went so far as to lobby for Canadian content quotas in paperback racks of local stores).

The major step taken by the federal government at this time was to increase the budget of the Canada Council, thereby permitting this cultural agency to increase the number and amount of grants to Canadian writers and subsidies enabling publishers to produce literary or scholarly works. Also, government staff were designated to begin "paying attention" to the publishing industry. A study commissioned by the Department of Industry, Trade and Commerce had revealed that on the basis of estimated figures, the Canadian book-publishing industry represented only 0.06 percent of the gross national product in 1969,<sup>2</sup> and funding was made available to assist Canadian publishers to travel to and display their books at designated international book fairs.

After releasing the *Background Papers*,<sup>3</sup> the Royal Commission on Book Publishing finally made public its long-awaited report in 1973. Admitting that the industry and its problems were even more complex than anticipated, the royal commission produced a report as comprehensive as possible under the circumstances, thereby gaining the respect of the publishing industry.<sup>4</sup> As reasoned and reasonable as the recommendations were, there was no letup in the continuing public debate. There was even less agreement within the publishing world, because the physical, ideological and business divisions ran across many lines: young and old, social-

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ist and free enterprise, educational and trade, Canadian-owned and foreign-owned.<sup>5</sup>

### CANADIAN PUBLISHING TODAY

Discussion of the details of these matters is beyond the scope of this paper; in any case, the controversy continues unresolved. However, it is pertinent to note here in considering the history of Canadian book publishing that this publishing industry is very vigorous and growing rapidly, despite whatever ills may be felt by some of its members. The fact that increasing efforts have been made in the past ten years to seek international markets and to become part of international publishing seems to indicate that the industry is reaching maturity. Going one step further, it seems that, as a publishing nation, Canada does not belong to the Third World. If Canada has focused almost exclusively inward in the past, it is because its close historical ties with Britain and the overwhelming influence of the United States have forced a development that has produced a unique system: the most comprehensive availability of English-language titles, distributed through the most efficient agency system anywhere. (Branch offices located in Canada have no need to look outward; that is not why they came to Canada.) The Canadian companies devoted their energies to agency marketing problems and to meeting the book needs of Canadians unsatisfied by the thousands of foreign books available here. Perhaps it is the very large number of new houses operating in Canada now that has given the larger, more established houses an opportunity to participate in publishing on the international level.

During the past turbulent decade, the Canadian book-publishing industry has undergone many changes which have affected every fundamental practice held sacred in the past. A new, and probably the most vigorous, cycle of Canadian literature is shaping the population and making the rest of the world aware of what Canada is really all about. The publishers themselves have gained new aspirations and confidence.

Perhaps the most significant lesson to be learned from this seminal period is twofold. First, freedom to publish and to read must remain sacrosanct. If either of these freedoms rests on conditions that make it difficult for some to exercise either of them, however, then the government must be prepared to step in and assist those who feel restrained. Nevertheless — and this is the second point — once government steps in, the dangers of governmental interference and censorship become very great.

These are the realities of a country such as Canada, hemmed in by

the two largest English-speaking countries of the world. Canada enjoys the benefits derived from their greatness, but also may suffer the consequences of overenjoyment unless it remains aware of its own realities.

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