Epochal Change: Print Culture and Economics

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In 1980 Thomas Whiteside published a series of articles in *The New Yorker* on 'startling changes' in book publishing through the previous two decades. Until the early 1960s, he began, trade book publishing 'was believed to offer its practitioners a rather select and gentlemanly way of life. . . . [It] was a business in which publishers and editors could feel sustained not only by their love of books but also by their sense of professional independence . . . and by a diversity of relatively stable relationships with authors, agents, and booksellers.'[1]

In Whiteside's account, a series of mergers and takeovers all but ended the autonomy of trade publishers during those decades, leaving intact only a handful of the independent, family-owned firms that had dominated the industry through its entire history. Along with corporate ownership came a more rigorous profit discipline than had formerly prevailed; an emphasis on paperback and movie rights and complex deals from the earliest contract talks on; enormous payments for these; correspondingly large advances to celebrity authors, often following auctions in

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1. These articles were published by Thomas Whiteside in *The New Yorker*, September 29, 1980, 47–101; October 6, 1980, 63–146; and October 13, 1980, 52–143. They were republished, almost without change, as *The Blockbuster Complex: Conglomerates, Show Business, and Book Publishing* (Middletown, Conn.: Wesleyan University Press, 1981), 1.

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which publishers were invited to bid against one another; and intense and expensive publicity for new books—advertising blitzes, author tours, and talk show appearances. The best-seller became publishing's holy grail.

When Whiteside's essays were published as a book, he titled it *The Blockbuster Complex: Conglomerates, Show Business, and Book Publishing*. The title projects a sense of cultural decline or contamination that was voiced privately to Whiteside by many of his informants from the old houses and publicly by writers such as Archibald MacLeish, who, when Western Pacific Industries eyed Houghton Mifflin as a takeover possibility, decried 'the practice by which certain corporations, having no connection with literature, no knowledge of it, no interest in it, have acquired publishing houses not to enter publishing but to diversify their investments.'[2] The chairman of Western Pacific reasonably asked another defender of the old Boston house, 'Are you under the impression that Houghton Mifflin is not a profit-motivated business?' But that question's rhetoric was lost on those who saw the bottom line as literature's enemy, and who, like Felix Rohatyn, believed that the industry now catered to a limitless 'appetite for vulgarity' and turned everything into 'show business'—thus supplying Whiteside with part of his subtitle. Whiteside generally remained calm, but did permit himself the judgment that with all books seen as undifferentiated 'product,' the hype that pervaded the industry was 'in its very essence anti-art, and even anti-thought.'[3]

The annals of cultural history resonate with such laments. Art repeatedly comes under threat from hustling commerce and its parasitism on the vulgar appetites. One earlier example will help to establish a parallel and launch the speculative argument of this essay. A hundred years ago, some observers of the literary scene deplored what Gerald Stanley Lee called *The Lost Art of Reading*. He saw 'literature' in 1902 as a 'mere headlong, helpless

2. Quoted by Whiteside from *The New York Times*, April 9, 1978, p. 130.
3. Whiteside, *The Blockbuster Complex*, 131, 198, 193.

literary rush.' As the product now of commercialized print culture, it was 'getting to be the filling of orders—time-limited orders.'[4] Christopher P. Wilson nicely described the concern in the early twentieth century in a 1983 article on 'the Demise of the Gentle Reader' and attributed it more to the rise of 'cheap' magazines than to the yellow press or the new 'frenzy' over bestsellers.[5]

That seems right. Lee deplored the acceleration of periodicity, from annual to quarterly to monthly to weekly; but it was mass-circulation monthlies in the 1890s that made most evident, through hundreds of bold advertisements in each issue, the commercial basis of the form. One had known that highbrow monthlies such as *Harper's* and *The Century* sought profits, just as one knew in 1978 that Houghton Mifflin was a business. Just as the record $3.2 million bid at auction for Judith Krantz's *Princess Daisy* in 1979 later made it harder to think of trade book publishing as the literary pastime of gentlemen, the ads that by 1895 bulked up *Munsey's*, *McClure's*, and the *Ladies' Home Journal*—accompanied by boosterish editorial voices—had plainly announced a new era in magazine publishing and demanded a new art of reading.

I don't dismiss the recoil of gentle folk at commercialism in either instance—any more than Hawthorne's contempt for the 'scribbling women' who outsold him, Pope's for Grub Street dunces, or that of university-educated gentlemen such as Robert Greene for the 'rude grooms' of Elizabethan popular theater, including that 'upstart crow,' Shakespeare. Culture, indeed, seems always to have been in vulgar decline. The perception of decline or contamination may signal a deeper and less repetitious change (perhaps a structural one), and thus reward a closer look.

The 'magazine revolution' of the late nineteenth century cer-

4. Gerald Stanley Lee, *The Lost Art of Reading* (New York: G. P. Putnam's Sons, 1907), 18, 20. The book was first published in 1902.

5. Christopher P. Wilson, 'The Rhetoric of Consumption: Mass-Market Magazines and the Demise of the Gentle Reader, 1880–1920'; in *The Culture of Consumption: Critical Essays in American History, 1880–1980*, Richard Wightman Fox and T. J. Jackson Lears, eds. (New York: Pantheon, 1983).

tainly took part in such a change. A brief price war in 1893 lowered the newsstand price of the new monthlies to ten cents each, which was less than the cost of their production. Within a few years this strategy not only yielded unprecedented circulations (a million for the *Ladies' Home Journal* by 1900) among, presumably, new demographic groups, but also reconstituted the industry on a new foundation. As I have argued elsewhere at length,[6] the publisher's main product was no longer the physical magazine, but the attention of its readers. The 'customers' for that particular commodity were the manufacturers of household goods such as breakfast cereals and cleansers, and they bought advertising space at rates pegged to circulation. They generally made their purchases through the intermediary of a new commercial institution: the full-service advertising agency, which prepared copy and graphics for the eyes of the consuming reader. This, of course, is the same set of arrangements that has since grounded the magazine, newspaper, and, more recently, the radio and television industries.

Did the 'startling changes' in trade-book publishing deplored by Whiteside create not only mega-best-sellers, with unprecedented payments to authors and hardback publishers, but also reconfigure the trade book industry itself?[7] Yes, but not in as tidy or sweeping a transformation as happened with magazines just before 1900. For some publishers there was a comparable shift in 'product': from primarily hardback books sold individually to ten thousand or a hundred thousand customers, to the rights to do various things with the text, such as print a mass-market paperback edition, offer it as a book-club selection, turn it into a movie

6. Richard Ohmann, *Selling Culture: Magazines, Markets, and Class at the Turn of the Century* (New York: Verso, 1996).

7. Book publishing as a whole includes college and K-12 textbooks, scholarly monographs, and several other conventional categories. This essay focuses on trade books, along with closely related mass-market paperbacks, mail-order books, and book club offerings. These have in common a direct appeal to readers as unaffiliated individuals; they are consumer goods. By contrast, professional, scholarly, and textbooks are marketed in connection with schooling or work, and for textbooks in particular, the end user (the student) does not choose which books to buy. The books I hold in view amount to about half the total market.

script, or license makers of dolls, clothing, china, or greeting cards, to use its images, words, or characters in their products. Licensing became not just an ancillary source of income, but 'a way to market the product'—'a product' that seems to have become not even precisely the text as much as an underlying or abstract intellectual property.[8] As revenue from subsidiary rights outran revenue from sales through bookstores, the most important customers of such books for a publisher became a Hollywood studio or television network, or a paperback house or a book club. Another homology: just as the modern advertising agency had evolved to advance the magazine by joining it with the project of corporate makers of consumer goods, a new kind of agent came forward in the 1960s and after: the deal-maker who entwined book publishing with other enterprises by orchestrating tie-ins, subsidiary rights, and marketing strategies from the outset.

The change in social relationships was in fact more extensive and messier because, in many important cases, negotiations began not with a completed manuscript or sample chapter or prospectus, but with a promoter's concept. Whiteside relates a story to illustrate the buoyant highhandedness of deal-makers. One of them, David Obst, was sitting with producer Peter Guber outside the latter's Mulholland Drive house, overlooking Los Angeles. Guber asked, 'What would happen if all this burned down?' Obst replied, 'There would be a terrible L. A. fire. Let's do the terrible L. A. fire as a book and a movie.' They developed a 'concept,' found a writer to turn it into a book, and sold the book to Simon and Schuster, and the movie rights to Columbia Pictures for ten times what they had paid the author, then got a six-figure advance from Fawcett for the paperback rights on the strength of the sale of movie rights. As Obst said, 'This is an example of almost-no-risk publishing.'[9] In other cases, a book might not exist even as a concept until the success of a movie led to its 'novelization.' In

8. Karen Raugust, quoted by M. P. Dunleavy in 'License to Publish,' *Publishers Weekly*, February 6, 1995, 127.
9. Whiteside, *The Blockbuster Complex*, 87–88.

such deals, the book became less a piece of intellectual property than a component of a marketing plan.

A lot of trade book publishing during the time of these changes had little in common with the promotion of *Princess Daisy* or the 'spontaneous generation' of *The Great Los Angeles Fire*. Perhaps a more pervasive shift was the one with which Whiteside began: the mergers and takeovers that from the late 1960s on brought consolidation to an industry that had kept most of its unsystematic and entrepreneurial (not to say mom-and-pop) character through the era of the great corporation. To be sure, mergers and changes of ownership had been common long before 1965, as is evident in old industry names such as Houghton Mifflin, Harcourt Brace, and Little, Brown. So although more recent acquisitions such as Random House's of Knopf, Dell's of Dial Press, and Penguin's of Viking sometimes created strange bedfellows, they were nonetheless transactions of a familiar type. Some deals in the late 1960s were not, though. Book publishers became subsidiaries of companies in other lines of production, when CBS absorbed Holt, Rinehart and Winston; Gulf and Western acquired Pocket Books; ITT bought Howard Sams; Litton Industries swallowed the American Book Company and others; National General acquired Bantam; RCA, Random House; and Xerox, Ginn & Co.[10] So not only did publishing mergers occur at a furious pace—three or four times faster than in all other areas of manufacturing and mining,[11]—but most companies buying trade houses were strangers to the publishing business, and some (Litton Industries, ITT) were in fields remote from literature.

There were a few more such takeovers in the 1970s, and at least three attempts failed when a publisher fought off a culturally alien suitor: Western Pacific's courtship of Houghton Mifflin, already mentioned; Mattel's of Macmillan; and Western Union's of

10. I have drawn a good deal of such information from Albert N. Greco, *The Book Publishing Industry* (Boston: Allyn and Bacon, 1997). See pp. 46–49 for a survey of mergers from 1960 to 1995.

11. Lewis A. Coser, Charles Kadushin, and Walter W. Powell, *Books: The Culture and Commerce of Publishing* (New York: Basic Books, 1982), 26.

McGraw-Hill. These efforts turned out a bit like Fitzwilliam Darcy's first offer to Elizabeth Bennett in *Pride and Prejudice*—the condescending suitor astonished at the ingratitude of his intended. However, as mergers in trade-book publishing proceeded briskly through tough economic times in the seventies and eighties (more than fifteen a year from 1974 to 1978), a different pattern became clear. The paradigmatic merger now brought a trade book publisher under the roof of an already huge entertainment or media corporation. The companies bought included Chilton Books, Simon & Schuster, Putnam, Ballantine, Book-of-the-Month Club, William Morrow, Bantam, Random House, Viking, Wadsworth, Dell, Doubleday, and Harper & Row. Buyers included ABC (later part of Capital Cities, then Disney), MCA, RCA, Gulf & Western (later, Paramount Communications, then part of Viacom), Time Inc. (to become Time Warner), Hearst, Advance Publications (the Newhouse empire), Westinghouse, and Times-Mirror. Another group of buyers deserves separate mention, for acquiring United States publishers from their bases in other countries—German-based Holtzbrinck and Bertelsmann AG, the Dutch and English Reed Elsevier, the UK's Penguin Books and Pearson Longman, the Canadian International Thomson, and News Corporation, run and largely owned by Rupert Murdoch of Australia.

From the foregoing facts, it is possible to draw some initial thoughts about changes in the structure and relations of trade book publishing from the late 1960s to the present time. First, the old New York hometown business is now thoroughly international. Not only do U.S. conglomerates sell entertainment and information to the rest of the world, major foreign corporations do the same here and control a significant part of book production and sales in the United States. It is almost arbitrary to identify some of these corporations with a homeland, so global are they.

Secondly, publishing used to be largely a freestanding industry, but now most of the chief American publishers are subsidiaries of media conglomerates. No single company is exactly typical of that group or can stand as a model for the rest. But a look at the holdings of Time Warner (in 1997 the biggest of these giants, with $25 billion in sales) will suggest the comprehensiveness of its operations. Unsurprisingly, Time Warner owned the Warner Bros. film studio and the magazines of Henry Luce's old company (*Time*, *Fortune*, *Life*, *Sports Illustrated*, *People*). It also owned twenty other magazines, Castle Rock Entertainment, and New Line Cinema, plus a thousand movie screens outside this country and a library of six thousand films. Beyond its original base in magazines and movies, this company embraced WB, a new television network; a dozen or so TV programming and production companies; the largest cable and satellite system in the U.S., as well as several global channels (owing largely to the acquisition of the Turner Broadcasting System in 1994); three music labels accounting for over 20 percent of U.S. music sales; CNN Radio; two of Atlanta's major league sports teams and the Goodwill Games; a 49 percent interest in the Six Flags theme and amusement parks; and some even more miscellaneous enterprises. It is tempting to include Time Warner's book businesses among the latter, as it brought in less than 5 percent of the company's revenue, through Warner Books, Little, Brown, and five other publishers, and four mail-order houses, including Book-of-the-Month Club and Time-Life Books. But the activities carried on in this small corner of the corporation ranked it fourth in sales among American book publishing companies, and accounted for 6 percent of all book revenues in the United States.[12]

That brings me to a third point. Although media conglomerates dominate trade book publishing—for example, three of the four largest own the three largest book publishers—the biggest conglomerates are not now and were not originally book publishers, with the partial exception of Bertelsmann, whose book clubs were foundational to its growth. At the historical cores of these

12. Greco, *Book Publishing Industry*, 58; 'The Media Nation: Publishing' [chart], *The Nation*, March 17, 1997, 24; Robert W. McChesney, 'The Global Media Giants: The Nine Firms that Dominate the World,' *Extra!*, November/December, 1997, 13. Now the merger with AOL makes this an Internet power, as well.

companies were movies, newspapers, magazines, broadcasting, cable, music, and—beyond the border of media 'content'—xerography, electrical equipment, communications networks, and so on. Not books. It is interesting to note, in this connection, that several book publishers, perhaps deciphering the 'mene, mene, tekel, upharsin' that appeared one day on their paneled walls, branched out into other entertainment fields: Harcourt Brace Jovanovich into marine parks; Doubleday, the New York Mets; and Macmillan, band instruments, for instance. None of these eclectic moves laid the foundation of a media empire.

Fourth, trade book publishing became more concentrated. At the time of World War I, no publisher accounted for much more than 2 percent of book sales, and concentration proceeded only gradually before the wave of mergers beginning after 1965. By 1993 the largest publisher, Simon & Schuster, brought in close to 10 percent of book revenues, and the ten leaders, just over 60 percent.[13] While this was a significant change, it hardly amounted to oligopoly nor matched the degree of centralization in other media or in textbook publishing, which is in some ways almost a separate industry. Furthermore, the point about concentration needs qualifying in two other ways that I will defer until later, stopping now only to note the much more intense concentration in book *selling* over the last thirty years. To wit, in 1972, the four largest bookstore chains took in less than 12 percent of revenue from trade books, but in 1994 the big two accounted for 43 percent. Similarly, sales at independent bookstores declined from 72 percent of the total in 1958 to 25 percent in 1994,[14] and those figures, of course, antedate the rise of Amazon.com.

I have meant to persuade you that trade book publishing in recent decades has passed through a transformation quite different in its parameters from that of the magazine industry a hundred years ago, but at least as sweeping in its rearrangement of basic elements and economic relations. It would be only a modest

13. Greco, *Book Publishing Industry*, 58.
14. Greco, *Book Publishing Industry*, 224.

hyperbole to say, for instance, that large-scale, trade book publishing no longer exists as a separate enterprise. Of the old majors, only a few, such as Houghton Mifflin and Norton, remain independent.[15] What might such a change tell us about the movement of history? I will devote the remainder of this essay to the complexities of this modest question.

The magazine revolution both responded to and helped bring about the shift from nineteenth-century, entrepreneurial capitalism to the kind of corporate capitalism that prevailed through most of the twentieth century. Having told my version of that story at length in *Selling Culture*, I will compress it ruthlessly here. In the post-Civil War decades, captains of American industry remade society to their purposes, yet failed to stabilize or securely manage it. The competitive environment was hostile. The cycle of boom and bust careened beyond the control of even a J. P. Morgan. Profits were falling. And open social revolt burst out during the depressions of the mid-seventies, mid-eighties, and early nineties. Capitalists had pursued many strategies, including trusts, cartels, monopolies, and gentlemen's agreements to make the world safe for their style of development, but nothing worked for long. What did work—not as a cooperative venture, of course—was the establishment of the big, vertically integrated corporation, which sought with much success to control production all the way from the gathering of raw materials to the marketing of final goods. Its work included careful management of the sales process itself, which had previously been left to chance and to a variety of middlemen with interests different from those of the manufacturers.

That is where magazine publishers and advertising agencies

15. Houghton Mifflin's status changed within a year of the delivery of this lecture. The website states that 'Houghton Mifflin Company is now part of Vivendi Universal Publishing. Effective August 2, 2001, Houghton Mifflin's stock (NYSE:HTN) was delisted from the New York Stock Exchange.' *http://www.hmco.com/invest.html*, December 19, 2002. In the last quarter of 2002, as Vivendi's fortunes declined, its components, including Houghton Mifflin, were on the block and chronicled regularly in the press. See, for example, 'Vivendi Confirms Houghton Mifflin Sale,' *The New York Times*, Friday, November 1, 2002. Ed.

came into the picture. Pursuing their own interests, they helped corporations develop a way of marketing that made the realization of profits less chancy. Specifically, crackers, toothpaste, and soap were now uniformly packaged, brand named, and advertised directly to consumers around the country, thus ensuring a demand independent of the whim of jobbers or storekeepers. Ad agencies sent the message out via newspapers, billboards, streetcar posters, trading cards, and direct mail. But the best *national* carriers became the ten-cent, general and women's magazines, once the new editors and publishers had established their respectability and pushed their combined circulations well up into the millions. To repeat, then, a dramatic reorganization of print culture around 1900 both enabled and was driven by a still deeper transformation of the whole economic system. Is it possible that the changes in book publishing itemized in the first part of this essay participated in another epochal shift?

Let me postpone my address to that question while I turn briefly to a logically prior one: are there historical epochs? (And how can we tell, and what difference does it make?) In ordinary talk, we freely parcel out historical time in handy units. There is the much-controverted millennium that ended either December 31, 1999, or a year later. There are the centuries (though historians may amend their arbitrary boundaries—the 'long eighteenth century,' for instance, or the hundred years between Waterloo and the assassination at Sarajevo, or the 'short twentieth century' (1914–89)—in efforts to reconcile them with big events or changes). Decades seem to have a special appeal as filing systems for the relatively recent past. We all know what we mean by the 1920s, the thirties, the fifties, and the sixties. Maybe the seventies or eighties will in time acquire that sort of reputation. I thrice taught a course that I called 'the American 1890s' (after an excellent book by Larzer Ziff, the third Wiggins lecturer at the American Antiquarian Society), and eventually persuaded myself that everything of significance took place in that decade—thus exemplifying [Stuart M.] Blumin's Law: 'It happened in my period.'

But whenever one of these decimal conventions does segment the historical process in a conceptually useful way, that is purely accidental. So historians have generally preferred less metronomic divisions, such as the Middle Ages, the Renaissance, early modern Europe, the Age of Empire, and many more—each with its polemical freight, and each endlessly contested.

In a broad Marxist tradition, I think of historical periods as times between fundamental changes in economic and social relations. Capitalism is the epoch during which labor is a commodity, factory owners push aside the nobility and gentry and dominate the social order, social surplus appears in the form of profit, and so on. Is it fruitful to divide the history of capitalism itself into smaller periods? I will not pursue this difficult question beyond repeating my suggestion that around 1900 corporate capitalism became dominant, and adding that it decisively altered the ways people lived and connected to one another—from the development of domesticity organized around brand-named commodities, to the explosion of mass entertainments and national advertising, to the emergence of the automobile, the modern research university, the suburbs, a new professional-managerial class, and much else. Just this capacity to connect seemingly disparate phenomena, and so invite explanation and theory, makes periodization worth attempting.

Let me emphasize the point: historical periods are constructions. They are not real, in the way that, perhaps, a real meteor hit the Yucatan some eons ago and periodized the evolutionary process to the great advantage of us mammals. The tidal wave of corporate mergers that recombined one-third of all manufacturing assets from 1898 to 1902 was real, and is recognized by historians of every persuasion, as was the wave of mergers in the cultural industries that began in the 1960s and gave us today's media giants. But the epoch of corporate capitalism—or Fordism, or monopoly capital, to mention just some of its proposed names—which lasted through roughly the first three-quarters of the twentieth century, is not real in the same way. It merits a place in our historical understanding only if it can bring things together in fresh and illuminating and (in my view) explanatory ways, for I am not sure what else historical explanation might be.

That said, I will now briefly consider the usefulness, as a speculative instrument, of the idea that American capitalism has recently experienced a metamorphosis comparable in significance to the one that occurred a hundred years ago. This is by no means a new idea; many scholars and journalists have advanced one or another version of it.[16] Evidence of a shift abounds and is familiar to anyone who keeps up with the economic news. The difficulty is to make a brief selection of evidence here that will allow a judgment as to the depth of the change and ease the way back to books and print culture. Let me begin with a sea of economic troubles that beset American capitalism around thirty years ago.[17]

Profits as a proportion of national income declined (as they had in the late nineteenth century). So did productivity. Inflation soon threatened to end the postwar boom. The federal debt began its notorious rise in the late seventies, along with personal debt. Corporate debt followed the same path soon afterward. Meanwhile, competition from Japan and Europe put U.S. capitalism on the defensive. The balance of trade went negative in 1975 and has since grown far worse. The dollar began to fade against stronger currencies, and, after the Bretton Woods agreement fell apart in 1971, exchange rates fluctuated wildly. (All of these difficulties were aggravated by the oil-price crisis of 1973.) Unemployment, which was below 4 percent in 1969, rose rapidly and hovered near a figure twice that high for more than two decades. And finally, real wages, which had risen steadily since 1940 (and, except for

16. Among the works that have shaped my outlook are David Harvey, *The Condition of Postmodernity: An Enquiry into the Origins of Cultural Change* (Cambridge, Mass. and Oxford, England: Blackwell, 1989), and Robert Brenner, 'Uneven Development and the Long Downturn: The Advanced Capitalist Economies from Boom to Stagnation, 1950–1998,' *New Left Review* 229 (May/June, 1998), the entire issue.

17. I am aware that my focus slides back and forth between United States capitalism and world capitalism. The global system entered a time of crisis around 1970, but because the crisis owed in part to conflicts among capitalist powers, it was variously realized in those countries. My main subject is its expression in the United States.

the depression years, throughout much of the era of corporate capitalism), stalled for a few years after 1970 and then dropped about ten percent. (Famously, Americans have covered the gap by working extra jobs or more hours and putting more family members to work.)

Now, if we pull the last two items (wages and unemployment) out of that flat list of setbacks and consider them more dynamically, they can reappear as intended results of a corporate strategy: that is, to reduce the gains made by workers in the United States throughout the Fordist Period in order to improve productivity and competitiveness, and so fend off the assault of Japanese and European capital. Whatever degree of consciousness or intent one posits, there is no question about the outcome. The core labor force of the Fordist period—unionized, full-time workers, with high salaries, good benefits, and job security—has shrunk back to around 10 percent of the workers in manufacturing in the United States. Companies reduce labor costs and increase flexibility by subcontracting and outsourcing to smaller, unionized shops, by replacing core workers with temporary and part-time labor, and above all by moving production facilities to places where labor is cheap and docile and under severe governmental discipline. Capital has always sought to outflank labor, but the number and variety of schemes for doing so now is unprecedented—from building state-of-the-art factories in South Asia and staffing them with young girls, to encouraging maquiladoras along the Mexican border, to reinventing the sweatshop in Los Angeles, as well as in El Salvador. That these changes have at least eroded or subverted Fordism is plain. For just one telling example: in the 1950s and the sixties, the number of people employed by the biggest Fortune 500 companies doubled, but after 1970 it actually declined. Another: the largest employer in the United States is now a temp agency.

This change invites thought about downsizing and the 'lean and mean' company so highly valued these days. In sharp contrast to the Fordist corporation, with its steady production flows, stable work force, and concentrated effort to market what it made and make what it could sell in a mass market, a new kind of business organization characterizes the present economic order. A helpful analysis out of the Iacocca Institute at Lehigh University calls it the 'agile company' and its strategies 'agile competition.' This company tends to make knowledge-based products or sell knowledge itself, accompanied by services to customers. Although it mass-produces goods, it can turn them out in arbitrary lot sizes and customize them to meet the needs of individual customers. Thus, at an extreme, John Deere now makes seeders only to match individual orders. They come off a single production line but can be configured in more than two million ways, on eighty-one chassis types.[18]

As this suggests, there now exists an astonishing proliferation of goods and segmentation of markets, with advertisers targeting narrower and narrower groups, defined by taste, ethnicity, age, ability to pay, and so on.[19] Quaker Oats, Ivory Soap, the Gillette Razor, and many other products from the corporate revolution have held steady in the market for a hundred years, changing little from one year or decade to the next, but today, new products enter (and leave) the market in very different ways. A brand name like Seiko might compare to these older names in recognition or market share, but Seiko is not one watch or several: it is more than 3,000 models. Revo, a Bausch and Lomb subsidiary, markets sunglasses in eighty frame styles with four choices of lens, at prices of up to $200.00 a pair.[20] Sunglasses used to be utilitarian, almost anonymous, and cheap. Now the customer can purchase several pairs at fancy prices to proclaim distinction, accent this morning's outfit, or express today's mood. In the world of agile competition this process is aptly called 'sneakerization.'

18. Steven L. Goldman, Roger N. Nagel, Kenneth Preiss, *Agile Competitors and Virtual Organizations: Strategies for Enriching the Customer* (New York: Van Nostrand Reinhold, 1995), 17.

19. The best survey I know is Joseph Turow, *Breaking Up America: Advertisers and the New Media World* (Chicago: University of Chicago Press, 1997).

20. Goldman et al., *Agile Competitors*, 11–12.

Competition is not limited to areas of fashion and personal display; high tech companies also feverishly develop new products to stay even with rivals. David Harvey estimated that the half-life of a product in the Fordist regime had been five to seven years, but by the 1980s it was just eighteen months for entertainment and information goods. It is surely less than that now. At Panasonic, the 'product cycle time' for consumer electronic goods is about ninety days: when a new product reaches the market, its successor generation is already in development. As part of a mutual fund, I own shares in a company called Maxim, whose annual report announces that it brought out 383 new products in 1999, compared to 284 in 1998 and 250 in 1997. (This company makes 'linear and mixed-signal integrated circuits' to detect 'real world' phenomena such as temperature and voice and convert them into digital form.) Linear Technology's annual report notes that in fiscal 2000 it 'introduced over 100 new products addressing a broad cross section of analog functions and end market applications.'[21] Companies of this sort compete to achieve the 'lowest concept-to-cash-flow time.' The fact that rapid innovation characterizes the 'hot' knowledge and service industries and also such lines of simple consumer goods as sneakers and sunglasses, suggests that agile competition is becoming a prevalent strategy. It might make sense, then, to divide American capitalism's last 150 years into three periods, according to which business activity was the site of the most intense competition and development: until 1900, mass production; from 1900 to 1970, the sales effort; since 1970, design, as an integrated part of the whole process and in rapid response to the customer's wishes.

Needless to say, Fordist corporations could not step that lightly without refashioning themselves. Those that are healthy today have done so through 'just-in-time' inventory management, lean production, draconian labor policies, subcontracting, and so on. (Toyota and other Japanese companies were among the pathbreakers, driving American companies, belatedly, to follow their

21. Annual Report, Linear Technology, 57.

lead.) The change has gone well beyond such internal practices, to the incessant reconfiguration of whole companies. Mergers and acquisitions are now a staple of the daily business news. Corporations sell off divisions and whole businesses with almost equal frequency. They subdivide: ATT, having been broken up by the government, is, as I write, openly considering whether to break itself up, now, into four parts. Also in the news are agreements between Bertelsmann and Napster and between Universal and MP3—i.e. between large record companies and the Internet music services they have been accusing of piracy. If they happen, these will be, in a sense, forced marriages, but otherwise typical of many collaborations and truces in the high tech areas. Most surprisingly, pairs or groups of competing corporations often enter into temporary partnerships, forming what theorists of agility call 'virtual corporations,' with no geographical headquarters or factories, to seek profits in ventures that none of them could pursue on its own. To be sure, Fordist corporations struck unwritten agreements (and occasionally secret written ones) not to enter into price competition with one another, but the aim of such practices was to sustain the market share and autonomy of each firm. Now, firms combine in order to create or enter new markets. The agile corporation is a shape-changer. It may herald a paradigm shift for capitalism.

In this sketch, I have barely mentioned globalization, which many consider the distinctive feature of the new capitalism. Others point out, however, that long before the industrial revolution, capitalism established itself as a global system with plantations, extraction of metals, the slave trade, and colonization—and that industrialism itself was built upon global trade. Certainly the rise of the global corporation was underway well before 1970, when the top 300 based in the U.S. gathered 40 percent of their profits abroad—one of the many signs read by Richard J. Barnet and Ronald E. Muller as already-achieved transcendence of the nation state, in their 1974 book, *Global Reach: The Power of the Multinational Corporations* (New York: Simon & Schuster). I do think that late-twentieth-century globalization has departed qualitatively from earlier schemes. The dispersal of high-tech mass production to Indonesia or the Philippines and elsewhere, may in time amount to a wholesale deindustrialization of First World countries and a dramatic shift in the international division of labor. Surely it differs in critical ways from shutting down a textile mill in Massachusetts and opening one in South Carolina. Multinational companies now use their economic power to press advantageous deals upon Third World governments, often with avid assistance from our own government. The nation state is not, in my view, withering away, but corporations have encroached more and more upon its ability to set foreign policy—not to mention policy on labor and the environment. Or, in a semi-random list, think of the nearly half of U.S. imports and exports that take place within multinationals; the enormous increase in foreign investment (up fourfold in the 1980s alone, with much of it for the first time coming into the U.S); the tripling of international loans in the same decade; the almost instantaneous movement of capital around the world in a dazzling array of speculative vehicles; or the challenge of foreign corporations, so that barely a third of the world's 500 largest are now based in this country. These are major shifts, surveyed handily in William Greider's recent *One World, Ready or Not: The Manic Logic of Global Capitalism* (New York: Simon & Schuster, 1997), which makes an interesting contrast to *Global Reach*. One could add the proliferation of organizations and agreements such as the WTO, GATT, and NAFTA, to stitch together the new world system.

For all that, I suggest that the dismantling of the Fordist corporation and its refashioning as another kind of institution with a different relation to labor power is a more fundamental index of epochal change. In any case, my aim in rocketing through these thoughts is not to provide a decisive characterization, but to see if even a roughly sketched hypothesis of epochal transition in the last thirty years helps explain the changes in book publishing with which I began. One reason I have for optimism is that in a parallel inquiry that I have intermittently pursued for a while, I have convinced myself that the hypothesis does help explain, through the commodification of knowledge, a corresponding transformation of the university into something like a money-making business; its increasing reliance on temporary and part-time labor; the decline of most professions; and what I take to be the dispersal of the professional-managerial class that formed alongside and within the giant corporation a hundred years ago.[22]

I do realize that the desire to lasso and corral diverse phenomena with a unified theory can signal paranoia. But then, if some paranoids in this vein become Unabombers, there is also a quiet version of historical imperialism that my 1992 predecessor in this series, Ian Willison, expressed in his encouragingly commonsensical way: 'the history of the book is part of general history. . . .'[23]

Even a quick glance inside the busy world of publishing makes it tempting to read the changes of the past thirty years as instancing the broader history about which I have been speculating. Publishing has become a more international business, especially within the English-speaking world. It is geographically far more mobile now than it was fifty years ago. Mergers proceed apace. In the first six months of 1995, *Publishers Weekly* reported HarperCollins's acquisition of Westview, Holtzbrinck's of Macmillan Ltd. (it already owned St. Martin's and other important U. S. publishers), Pearson PLC's of Troll Associates (children's book fairs and school clubs), and Simon & Schuster's purchase of a 20 percent interest in Byron Preiss Multimedia (with the intent of selling its CD-ROMs through bookstores). And almost every issue of *Publishers Weekly* during those six months brought news of deals and partnerships between freestanding companies, for strategic marketing. Bertelsmann, for instance, combined with AOL to sell 'interactive services' in Europe. Time-Life Books, wanting to be more visible in bookstores, arranged with Williams-Sonoma to

22. For a small piece of this inquiry, see Richard Ohmann, 'Historical Reflections on Accountability,' *Academe* 86 (January–February, 2000): 24–29.

23. Ian Willison, 'The History of the Book in Twentieth-Century Britain and America: Perspective and Evidence,' *Proceedings of the American Antiquarian Society* 102 (1992): 355.

publish books about gourmet cooking and with the Nature Company to publish outdoor books for kids. John Wiley joined with Adweek Magazines to create a new 'Adweeks Books' imprint. Random House and Kiplinger set out to publish business books together. Random House had invested in or joined with no fewer than four electronic publishers in the previous year, and was one of many old-line publishers branching out into multimedia forms. Flexible accumulation was in effect *Publishers Weekly*'s headline story.

Although amalgamations and takeovers were a significant part of that story in 1995, and had amounted to the most obvious change in the industry since 1960 (consolidation), an interesting counter-trend proceeded alongside the mergers. The number of book publishing firms actually increased about 150 percent between 1960 and 1990, while the number of titles published annually in the United States more than tripled, to a surprising 55,000.[24] There are well over a million American books in print. I interpret these numbers as evidence that in spite of intense economic concentration, and in spite of the best-seller's centrality for the big firms, publishing also became more segmented, eclectic, and nimble, both in the proliferation of specialty houses and in the profusion of books published for every taste and need. What looked like a belated move toward Fordism to observers such as Whiteside has actually resulted in an array of niche products perhaps not totally unlike sneakers and sunglasses. Even a number of best sellers (campaign biographies, stories of famous recent crimes, trials, and disasters) exemplify lightning-fast design to meet or shape a market need, with the concept-to-cash-flow interval reduced in extreme cases to a week or two.

I think the same point applies if we view book publishing in its main institutional context, that of the media conglomerate. Here, too, we find a steady and intensifying concentration of ownership, and hear with alarm that twelve or eight or maybe six corporations could soon command the apparatus that puts out what we read, see, and listen to for enlightenment and fun. It may be worth

24. Greco, *Book Publishing Industry*, 54.

stating the obvious about them, however: that they have not divided up the territory medium by medium, with one or two firms owning the newspapers, another monopolizing cinema, a third in charge of big sports—as did the steel, oil, and car oligopolies of the Fordist epoch. Instead, each conglomerate holds a bouquet of cultural enterprises from various media. That's because the rationale for this mode of corporate expansion is not monopoly, but agility and synergy.

At least so goes the insider talk, in *Publishers Weekly*. The theme of flexibility is pervasive there, but I will highlight just one story out of many pertinent ones from the first six months of 1995, in order to sample the prevailing ethos: 'Newcomb Looking to Instill New Corporate Culture at Simon & Schuster,' by Jim Milliot.[25] The impetus behind cultural change was Viacom's 1994 acquisition of Paramount, which already owned Simon & Schuster (S & S). This opened up the way to projects such as the use of Blockbuster Video's database to advance book sales directly to consumers; the use of Blockbuster locations 'as the on-demand printing business grows'; and the collaboration of S & S with Nickelodeon on a children's book imprint. (This pair of divisions soon initiated a 'Beavis and Butthead' book series, as well.[26]) The book company also looked to increase sales in Latin America and Asia, in line with Viacom's plan for global expansion: specifically, according to another source, to earn 40 percent of its revenues outside the United States by 2000, and challenge News Corporation and Time Warner for international leadership.[27]

Summing up, Jonathan Newcomb, president and CEO of Simon & Schuster, said, 'The market is changing dramatically and we have to be able to react quickly.' The publisher must exploit corporate investments in technology and use its own 'back office functions' to support teams of employees and let them 'succeed at a unit level.' To facilitate such rapid response missions,

25. *Publishers Weekly*, January 9, 1995, 18–19.
26. McChesney, 'The Global Media Giants,' 15.
27. McChesney, 'The Global Media Giants,' 16.

Newcomb created a 'venture fund,' which divisions could tap for imaginative new projects. The next issue of *Publishers Weekly* reported on a new S & S website, to help 'market our intellectual properties in a broad range of distribution pathways, multiple-media formats, and emerging markets.'[28] In short, the corporate culture that the venerable publisher is learning from its conglomerate parent is one of commando-like rapid response and global mobility, within the very un-Fordist, large corporation.

So evolved, in fifteen years, the principle of synergy that Whiteside had remarked upon with something between distaste and horror. Although it was and is a misleading hyperbole to speak of books as software for the movies (one-third of movies do derive from or germinate along with books, but the fraction of books that become movies or TV series is infinitesimal), there is no doubt that the blockbuster phenomenon retains its momentum. Many synergistic practices that were new and seemed outlandish when Whiteside wrote are standard now, including the tie-in, the package deal, the novelization, and so on. Michael Ovitz, head of the Creative Artists Agency, told Whiteside that the agency business was changing beyond recognition: 'there are a myriad ways of putting projects together. . . . We represent authors and producers and directors. We basically develop material that we haven't actually bought. We can put together all the elements for a project, and, with the agreement of the principals, sell the result as a package.'[29]

A process of germination such as this puts the emphasis on design for specific market purposes; when it occurs inside a media conglomerate it perfectly instances agile competition, in which the book division can play an important role.

A more general point is that along with concentration in media and entertainment has come an elaboration and hybridization of channels, formats, and media, often now with digital assistance, comparable to the proliferation of sneakers, watches, and e-prod-

28. *Publishers Weekly*, January 16, 2000, 312.
29. Whiteside, *The Blockbuster Complex*, 71.

ucts mentioned earlier. In this abundance, culture seems almost indistinguishable from not-culture—i.e., from the multiplying services and products on offer to help us make and save money, stay fit, cure our ills, travel, communicate, and choose which to buy among the millions of things flexible capital puts before our eyes and at our fingertips. An ever-finer segmentation of markets accompanies this cornucopia. Before 1970, for instance, we tended to imagine the huge audience of prime-time TV as where all commercial culture was tending. Now, that audience is thinned out and redistributed over hundreds of cable channels, thousands of videos, millions of web sites, just about all the music ever recorded, and so on. The mass market of the Fordist epoch exfoliates into a constantly shifting array of niche markets. Three thousand publishers and a million books in print are well adapted to niche production; from this perspective it scarcely matters (though it does matter politically) that 2 percent of American publishers sell 75 percent of the books, and almost all the blockbusters.[30] Both the 2 percent and the remaining 98 percent are deeply committed to niche production and marketing. Furthermore, when a relatively undifferentiated mass audience does come together, for a planned sensation like Titanic or the Olympics, or to participate in a media spasm (such as occurs after the unexpected death of a John F. Kennedy, Jr., or a Princess Diana, or during a scandal such as the O.J. Simpson trial or Clinton-Lewinsky saga, or after an undecidable vote for president), books are always part of the mix, helping create the gee-whiz aura, or squeezing out the last profits when the spasm subsides.[31] Books are well suited to flexible accumulation because they can accommodate and advance agile design at various stages of the process, and contribute both to the assembly of mass audiences and to the satisfaction of niche demand.

30. Harvey, *Condition of Postmodernity*, 160.

31. For a while it looked as if publishers would forego instant books about the Oklahoma City bombing, in unaccustomed deference to grief and loss. Then Random House, followed by Ballantine, announced plans for books that would pay tribute to the dead or the heroic living, with part or all of the profits going to relief and charity (*Publishers Weekly*, May 15, 1995, 16).

Before moving to my conclusion, I note that other media owned separately during the Fordist regime and now incorporated in media empires have tended to converge in their practices. Magazines, already owned and managed in groups back then (Curtis, Hearst, and so on), are now increasingly part of conglomerate empires.[32] On the other hand, most magazines were always niche products, and since the demise of such 'general' Fordist dinosaurs as *Look*, *Colliers*, the old *Life*, and the *Saturday Evening Post*, all magazines are more specifically targeted. The process goes on apace, with over 4,000 consumer magazines and 8,000 trade magazines on the market today, and with such mass circulation periodicals as *Time* putting out regional and ever more finely customized editions. It seems likely that soon you will be able to have your own personalized versions of national magazines, with digital help. Television, by contrast, was the most concentrated media industry before 1970, but on the Fordist model. Now it, too, swims in the conglomerate sea and it, too, multiplies channels and programs catering to every subgroup with enough disposable cash to be of interest.

One may, incidentally, discern an analogous shift in strategy even in businesses where products do not change or proliferate. Take Coca-Cola: it sells few brands, and sells the main one partly by celebrating its secret and historically invariant formula. The company has long been thoroughly global. According to Ira Herbert, who was involved in the marketing of Coca-Cola for many years, thirty years ago the company made its advertisements for the U.S. market and distributed them globally. In the late 1970s it developed 'pattern advertising,' which 'could be adjusted to fit the local environment . . . and could be changed or edited as long as the concept wasn't changed—as long as the feel wasn't changed. . . .' In the early 1990s the company adopted 'a more fragmented approach, based on the assumption that the

32. Though many conglomerates do not own magazines, and a few magazine companies own nothing else, see Charles P. Daly, Patrick Henry, and Ellen Ryder, *The Magazine Publishing Industry* (Boston: Allyn and Bacon, 1997), charts, 22–23.

media today is fragmented and that each of those groups that are targeted by that media core should be communicated to in their own way, with their own message, with their own sound, with their own visualization.'[33] In short, the company now promoted its chemically unchanging soft drink as many different products, with the differences magically created by advertising. As the capitalist market expands into more and more areas of life—becomes 'universal,' in Marx's forecast—it apparently wants to offer each consumer his or her unique gratifications, achieving flexible accumulation through personally tailored consumption.

I have strayed far enough from books, and from my historical speculations. To resume the latter: I have asked you to consider a narrative of the past hundred and some years, divided into three tidy chapters with three main actors:

1. The Industrial Entrepreneur (–1900)
2. The Giant, Vertically Integrated Corporation (1900–1970)
3. The Agile Corporation (1970–)

In Chapter 1, mass production is king, but profits, though often large, are also mercurial. Around 1900, and after a time of crisis, capital makes its world safer by concentrating on the sales effort and guaranteeing the realization of profit on its mass-produced goods. But after the postwar boom, the creaky Fordist corporation itself becomes the problem, and in Chapter 3, under hostile fire from Japanese and European competitors, it either modulates into a nimble, shape-changing outfit or gives way to leaner new entrants.

I propose that this scheme organizes a variety of events and processes in the conceptually satisfying way we expect from epochal periodization. During the first of the three epochs, for instance, we find raw exploitation of labor and outbreaks of class warfare. By the end of the second, labor and capital achieve a benefit-sharing truce—from which capital defects under pressure, seeking and largely achieving in the third epoch a downsized,

33. Interview with Ira Herbert, in *Making and Selling Culture,* Richard Ohmann, ed. (Hanover, N.H.: Wesleyan University Press, 1996); I owe this observation to Gage Averill, whose essay, 'Global Imaginings,' appeared in the same volume.

more flexible, less unionized, global work force. Closer to the initial subject of this essay: in the first chapter there is no regularized, national, commercial culture. The culture industry emerges along with brand-named commodities and national advertising around 1900, helping the new corporation achieve stability and market control. A good deal of concentration takes place across the culture industry, too—radio and television, movies, magazines, newspapers—but within discrete media. Before 1970, culture-making companies (along with their partners in other sectors) once again take the lead in reorganizing the economic order. They form conglomerates that seek agility through strategic niche marketing and the synergy of media spasms and blockbusters. The culture they sell spans the globe and serves as a vehicle for agile marketing of other goods, knowledges, and services.

I have broadly sketched the evolution of trade book publishing from the Fordist to the flexible regime, but have ignored an obvious question about this industry in the earlier transition from entrepreneurial to corporate capitalism: why did it not participate in that change? My answer is that books had nothing to offer the new corporations of 1900: books could not, like magazines, serve as a dependable medium through which to sell the attention of audiences to makers of toothpaste and canned soup; nor could books themselves be turned into brand-named products for repeat purchase. They could not become Fordist commodities.[34]

They could, however, figure in the combinatory possibilities sought by flexible media corporations, which partially solved the brand name difficulty by turning a few authors' names (James Michener, Barbara Cartland, Stephen King, and so on) into brands, or by letting the book's fame sell the movie, and vice versa. And the niche appeal of the overwhelming majority of books, a drawback for the Fordist corporation, became an attraction for the agile company skilled in strategic marketing. Media

34. I make this argument in my chapter, 'Books and Magazines,' for Volume Four of *A History of the Book in America*, eds. Carl Kaestle and Jan Radway, under the direction of the American Antiquarian Society. It will be published by Cambridge University Press and the Society.

conglomerates have not always been able to digest publishers without heartburn, but I do not see a reversal of the general trend.

Where in fact is the industry headed next? This essay has already exceeded the limits of my competence and of my capacity for precision. But two recent articles by Jason Epstein in the *New York Review of Books*[35] provoke me to an afterword. Epstein predicts that electronic means will soon allow producers to bypass the centralized, physical production of books, creating texts in various forms, available at many sites, to satisfy the wants of individuals, and thus bring an end to the 'hit or miss distribution' that still bedevils the industry. If so, it will have attained the farthest horizon of niche marketing.[36]

Epstein also thinks that in the face of such developments, media conglomerates 'face certain extinction.' Reorganization, maybe; but I hope to have shown that there is no contradiction, in the epoch of flexible accumulation, between great corporate size and rapid response to shifting market challenges.

35. Jason Epstein, 'The Rattle of Pebbles,' *New York Review of Books* (April 27, 2000), 55–59, and 'The Coming Revolution' (November 2, 2000), 4–5; see also, Jason Epstein, *Book Business: Publishing: Past, Present, and Future* (New York: W. W. Norton, 2001).

36. Dawson Church put out a similar vision, including the idea of book machines on the model of ATMs, that print and spit out the book you want and charge it to your credit card: 'Information for Sale,' *Publishers Weekly*, May 29, 1995, 39–41.