

## Letters

To the Editor:

I am dismayed to see another article by economists who use imaginary situations to analyze the serials price crisis, and then tell librarians where we have gone astray (*College & Research Libraries* 53[Nov. 1992]:523-35).

From their toy model, Kingma and Eppard infer that "The Solution" is "to increase the demand for private journal subscriptions by increasing the cost of photocopying." This is superficially plausible given the numbers they use: on the order of \$30 for a library subscription and on the order of \$10 for a personal subscription. Although examples like that exist, they are not at the core of our problems.

The crisis is almost entirely due to the large number of very expensive scientific and technical journals which have come to dominate scientific publication and our acquisitions budgets. A fairly typical example is the Elsevier publication *Chemical Physics* (*CP* hereafter), which in 1992 cost \$2,029 for something over 6,000 pages. There is no separate price to individuals since Elsevier long ago decided that only libraries would purchase this title; we can safely assume that the number of individual subscribers is zero, or close enough as to make no difference. The number of library subscribers is harder to determine but a plausible estimate is between 1,000 and 2,000, let us say 1,500 (this would give a total subscription income of \$3,043,500). A more prestigious (based on impact-factor) society-published journal, the *Journal of Chemical Physics* (*JCP*) sells to individual members of the American Physical Society for \$180 and a reasonable guess is that half of the 2,500 members of the Chemical Physics section of APS subscribe; this suggests that *CP* could have on the order of 1,000 personal subscribers (in addition to their perhaps 1,500 library subscribers) if they set an individual price of \$180. (It is doubtful that more than 1,000 individuals would subscribe even at a lower price, since few people want or have space for 6,000 pages of journals added to their offices every year).

Since Elsevier doesn't bother to offer *CP* to individuals at \$180, perhaps this is less than their marginal cost (but, of course, they keep such information confidential). Even if they did, added revenues of \$180,000 would allow them to reduce the cost of a library subscription only by a bit more than \$100 (and it is unlikely that such revenues would be used to reduce library costs).

More significantly, there is no plausible way to increase photocopying charges enough to prod individuals into subscribing to *CP* at the current price of \$2,000. "The Solution" of Kingma and Eppard leads nowhere in trying to address the problems of science and technology libraries, and this is where the serials crisis has its bleeding edge.

If instead we look at the real origin of the problem, commercial publishers abetted by our faculties, we may begin to find our way to a solution. Faculty for the most part do not want their own set of *CP* or of *JCP* even at a modest price. They want instead only the small subset of articles that interest them, and in pursuit of this elusive (impossible) goal they propose ever more specialized journals, which commercial publishers are delighted to publish since these publishers aim to maximize their market shares. However, today all the articles in, let us say, Elsevier journals are in electronic format before being published. A large publishers could extract all the articles on a given micro-specialty and offer a "virtual journal" in this micro-specialty, without the costs associated with launching a new real journal. Articles in the "virtual journal" would

have citation information from their parent real journals, and only the real journals would ever be cited. "Virtual journals" needn't even ever appear in printed form; they could be electronically sent to their subscribers who might make hard copies of some individual articles for convenience. Since articles would have been refereed, accepted, set in electronic format, and subject-indexed for the parent journals, and since printing and binding costs could be avoided and mailing costs replaced by much cheaper electronic transmission, there would be very few costs involved in creating an almost limitless array of new micro-topical "virtual journals," with new vj's created almost instantly as new research areas are born. Individual vj subscriptions would provide revenue to defray the costs of the parent, real journals—and to ensure that such revenue will be put to this good end, all research institutions should institute the proposal of Scott Bennet and Nina Matheson (*Chronicle of Higher Education*, May 27, 1992) and have their researchers retain republication rights to their articles.

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To the Editor:

I have just read with interest the article by Kingma and Eppard, "Journal Price Escalation and the Market for Information: The Librarians' Solution" (*College & Research Libraries*, 53[Nov. 1992]:523-35). There are three issues that need to be raised to help prevent the reader from coming to incorrect conclusions as to the proper strategic response to journal price escalation.

First, what are the goals of publishers and what do these goals have to do with journal pricing? While society may be better off with a different journal pricing structure (and this, is often what may underlie library arguments), in a free market, publishers will do what they think is in their own best long run self-interest. Thus, publishers facing multiple market segments with different elasticities of demand are acting in what they think is their own self-interest when they charge different prices in different markets.

Both publishers and subscribers are trying to produce benefits to society—publishers through publishing and subscribers by using the information. Publishers are likely to believe that an important measure of their service to society is the level of their profits. Subscribers are likely to believe that an important measure of their service to society is the level of information provision or knowledge expansion. Since the different groups view differently the measures of their service, we would expect (and get) different behaviors in trying to meet those measures.

In their article, Kingma and Eppard apparently are willing to believe that publishers seek some satisfactory level of profits—not maximum profits. The profit levels illustrated in table 2 (p.329) all reflect some nonoptimal profit level. Publishers, however, seem to act in a profit maximizing fashion. The authors themselves provide the data to illustrate profit maximizing price discriminatory behavior (Tables 1-3, p.329). Consider a "Case 5" where libraries are charged \$30 and individuals are charged \$14.50. In this case the publishers' profits are \$11,837.50; the benefits to libraries are \$9,800; the benefits to individuals are \$11,556. Net societal benefits are thus \$33,193.50. While society overall would seem to be worse off than in any of the other cases, publishers would be much better off. (Actually, given the authors' figures, a profit-maximizing publisher would be most likely to charge \$50 to libraries and \$19 to individual subscribers and receive a total profit of \$17,450.)

Second, is raising photocopy costs a viable solution to the problem of rising costs of journals? The belief that increased photocopy costs will cause some faculty members to obtain personal copies of journals rests on the assumption that individual faculty members actually now bear the costs of photocopying. It seems reasonable to assume that most colleges and universities provide subsidized photocopying (both costs and labor) for faculty. Thus, faculty typically do not feel the complete direct financial costs

of photocopying. As a consequence, raising photocopy rates in the library will do little to change the photocopy behaviors of faculty. Removal of faculty subsidies would seem to be what the authors would need to have done to produce the effect they are looking for. Students and other unlikely potential subscribers will end up paying the increased photocopy costs.

Finally, would libraries use additional photocopy fees to subscribe to additional journals and thereby increase access? Journal subscriptions by libraries may rise in the short run if the additional photocopy funds are directly allocated to the serials budget. However, given past behavior and the underlying goals of publishers, my belief is that increased photocopying fees would ultimately be passed on to publishers in the form of increased ability of libraries to pay for more expensive journals.

In an ideal world all parties would work toward the same goal using the same measures. However, in the real world, it is unrealistic to expect publishers to use the goals of libraries or individual subscribers as a direct guide to action. Any policy that expects publishers to act in other than in their own short- and long-term economic self-interest is doomed to failure.

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To the Editor:

Bruce R. Kingma and Philip B. Eppard's article entitled "Journal Price Escalation and the Market for Information: The Librarian's Solution" (*College & Research Libraries*, 53:523-35, Nov. 1992) provides some insights into the market for scholarly journals. Their discussion of the relationships between the library and individual markets and the library's role as an alternative provider, and their discussion of how social benefit that can be provided, in some situations, with dual pricing, are particularly useful. However, their policy recommendations are severely flawed. Had the idea not appeared in the pages of a respected library publication, one would be tempted to laugh off as a jest the suggestion that increasing the cost of library photocopying was the way to halt escalating journals prices. Because of the place this solution was proposed, a response is required.

To begin with, Kingma and Eppard assume that in the individual market, journals are priced at marginal cost. At least where for-profit publishers are concerned, this is an unrealistic assumption. For-profit publishers can be expected to attempt to maximize profit in both sectors of the market. The same logic indicates that for-profit publishers have no incentive to reduce prices for libraries simply because individuals are paying more. Again, they will appropriately seek to maximize profits in both sectors. Thus the additional social benefit that they postulate is unlikely to materialize.

Kingma and Eppard also suggest that increasing the cost of photocopying will provide the incentive for faculty to subscribe to journals on their own. In fact, the largest cost that an individual faces in making a photocopy for a library journal is not the costs of the photocopy, but the cost of the time invested in going to the library, finding the issue, and making the copy. It is unlikely that doubling or even tripling the cost charged for photocopying would significantly alter this. If the cost is charged to departments, there might be some grumbling, but certainly no changes in behavior. Without a behavior change, Kingma and Eppard's scheme fails.

A final flaw in Kingma and Eppard's logic is to disregard students. For students the library is the only viable means of acquiring access to the scholarly journal literature. It is extraordinarily unlikely that any increase in photocopying costs will provide sufficient incentive for students to subscribe to scholarly journals. However, if photocopying prices are raised above the marginal cost, which is what most libraries charge, social benefit will be lost. If we make what I believe is the reasonable assumption that student demand is very elastic, then even small increases in photocopying cost could have a significant impact on the demand and a similar decline in social benefit. The

suggestion that note taking will instill better research habits is as reasonable as suggesting that Kingma and Eppard give up their calculators and return to doing their division longhand—neither makes sense. In fact, if one were to follow Kingma and Eppard's logic to its conclusion, libraries would best serve society if they did everything in their power to segment the market for faculty photocopying from that of student photocopying, and charge faculty very high prices.

The problems of scholarly publishing have little or nothing to do with the price of library photocopying. The root problem is that the scale and nature of scholarship have outgrown the traditional mechanisms for distributing scholarly information. We are in a period of adjustment and are struggling to find a reasonable replacement. What scholars need is easy and prompt access to the articles relevant to their work. They don't much care about the journal issue as a package. It is unlikely that most scholars can reliably keep up in their fields by subscribing to three or four, or even eight or ten titles, and mailing them packages of a dozen or so largely unrelated articles each month is neither an effective nor efficient means of scholarly communication. This approach might have been reasonable when disciplinary boundaries were firmer and when there were fewer scholars producing fewer articles, but those times are gone. Because articles can be purchased only in batches and only if you pay beforehand, incentives have been created which lead us to where we are today. There is no incentive to limit publication of marginal material, or to limit the exploitation of the library market.

Scholars need a better mechanism for distributing information, one that provides articles, not journal subscriptions. When articles are delivered and paid for one at a time, especially if this is done electronically, cost structures will change, systems can become more efficient, and there will be less incentive or need to distribute marginal scholarship. Cheap library photocopying and interlibrary loan services made delivery of articles a reasonable alternative. Services such as CARL's Uncover, RLG's CitaDel, and Faxon's Finder (see *Chronicle of Higher Education*, Nov. 11, 1992, p.A19-A21) are making it quick and easy. Rather than being the root of the problem, cheap library photocopying was the first step towards the solution.

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#### To the Editor:

It is good to read that strategic planning is going well in academic libraries (Meredith Butler and Hiram Davis, "Strategic Planning as a Catalyst for Change in the 1990s," *College & Research Libraries*, 53:393-403, Sept. 1992), but not so good that some early pioneers are still being overlooked in the current literature of library planning.

In their useful review of the foundation of strategic planning, Butler and Davis appropriately cite authors in librarianship: "Building on this foundation . . . [these authors] began to focus on the importance of planning for academic libraries." Their earliest reference to strategic planning in libraries is 1978, yet its foundation had been laid out well before then.

One of the founders was David Kaser, director of libraries at Cornell University in 1972, and formerly distinguished editor of this journal. Kaser had the courage and vision to introduce concepts of strategic planning in a major library when many in the profession were quite comfortable in the belief that libraries needed no planning. Everybody knew what libraries were for. Libraries were already well structured and self-perpetuating and, therefore, whatever "plans" were made, would go right on doing what had always done. To overcome this entrenchment would not be easy.

Kaser's work, begun with a grant from the Council on Library Resources and in contract with the American Management Association, was carried out in a series of executive retreats away from campus and in many intensive meetings with staff and department heads over a year's time beginning in December 1972. Novel about the Cornell effort was Kaser's

willingness to pull the library's top executives and department heads away from their demanding routines and schedules for extended periods to thrash out whether those routines warranted priority within the library's overall mission. All of that activity was fully reported and the effort well-documented in a formidable long-range strategic plan. Though never formally published, it was issued by Cornell University Libraries and made available through ERIC.<sup>1</sup> Its influence was felt well beyond Cornell, serving as impetus and model in other libraries for several years afterward.

Now it seems that this landmark effort has been either ignored or forgotten and the document itself seems to have fallen through the cracks. It has not been cited in library literature since Johnson and Mann's excellent summary in 1980.<sup>2</sup> Interestingly, articles are being written with strikingly similar titles but without any reference to the Cornell effort.<sup>3</sup> Butler and Davis do cite Kaser as coauthor of a peripheral document, which only testifies to Kaser's wide-ranging scholarly output.<sup>4</sup>

Still earlier work has been overlooked: Kemper (1967 and 1970), no doubt two of the scholarly sources driving Kaser's effort; the landmark study, "Problems in University Library Management" by the consulting firm Booz, Allen & Hamilton (1970), and a series of planning documents by other universities cited by Kaser in his original proposal to CLR, some of which date back to 1965.<sup>5,6,7</sup> Johnson (1981) remarks that academic library planning can be traced back to at least the early thirties.<sup>8</sup>

The Cornell effort was going on at about the same time that Duane Webster (now executive director of Association of Research Libraries), who was an observer, as I was, throughout the Cornell meetings, was developing the highly successful and long-running Management Review Analysis Program (MRAP).<sup>9</sup> Many large libraries conducted management reviews and long-range planning through this program. Butler and Davis do not cite it.

Surely, David Kaser, now Distinguished Professor at the University of Indiana, deserves recognition for his pioneering effort in long-range strategic planning.

Directors Butler and Davis, as head catalysts, should be commended for reporting their approach to planning and how they do it well at their respective universities. But now David Kaser should be commended for being one of those who started the process twenty and more years ago.

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#### REFERENCES AND NOTES

1. William E. McGrath, *Development of a Long-Range Strategic Plan for a University Library; The Cornell Experience: Chronicle of the First-Year's Effort* (Ithaca, N.Y.: Cornell Univ. Libraries, Feb. 1973, 185p. [ERIC Document ED077511]). Though I am the author of this document, I had nothing to do with the effort. I was merely an observer/reporter. This was Kaser's work and citations to it should really have included him. Cataloging copy should have included him as an added entry. The irony was that the Cornell effort probably had a greater impact in other university libraries than it did at Cornell.
2. Edward R. Johnson and Stuart H. Mann, "The Cornell University Libraries," *Organization Development for Academic Libraries: An Evaluation of the Management Review and Analysis Program* (Westport, Conn.: Greenwood, 1980), 31-34.
3. Bonnie Gratch and Elizabeth Wood "Strategic Planning: Implementation and First-Year Appraisal," *Journal of Academic Librarianship* 17 (Mar. 1991): 10-15
4. Larry Hardesty and David Kaser, "What Do Academic Administrators Think about the College Library?" *Library Issues* 11, no.4 (Mar. 1991): 397, 403.
5. Robert E. Kemper, "Library Planning: The Challenge of Change," *Advances in Librarianship*, vol.1, 207-39 (San Diego, Calif.: Academic, 1970); *Strategic Planning for Library Systems* (Unpublished dissertation, Univ. of Washington, 1967).

6. Booz, Allen & Hamilton, *Problems in University Library Management* (Washington, D.C., Association of Research Libraries, 1970).
7. David Kaser, "The Development of a Long-Range Strategic Plan for a University Library: A Proposal to the Council on Library Resources," in McGrath, *Development of a Long-Range Strategic Plan*, 70-88.
8. Edward R. Johnson, "Academic Library Planning, Self-Study, and Management Review," *Journal of Library Administration*, 2, nos.2/3/4 (Summer/Fall/Winter 1981): 71. This was the only one of fourteen articles on "Planning for Library Services" appearing in a special issue of *Journal of Library Administration* edited by Charles R. McClure to mention the Cornell experience. In none of the references cited by Butler and Davis is there any reference to Cornell or Kaser.
9. Duane E. Webster, "Description of the Management and Review Analysis Program," in Johnson and Mann, *Organization Development for Academic Libraries*, 52-64.

To the Editor:

I find it rather ironic that Herson, in his article "Literature Reviews and Inaccurate Referencing" (*College & Research Libraries*, 53:499-512, Nov. 1992) is not able to correctly cite another article of his.

Footnote 22 (p.512) gives the citation for his earlier study as 55:507-19 (Nov. 1992).

To date, there is no volume 55 of *C&RL*.

The November 1992 issue does not contain an article by him on pages 507-19.

I have neither the time nor inclination to check this out, but it certainly bears out the thought that reviewers should check the references.

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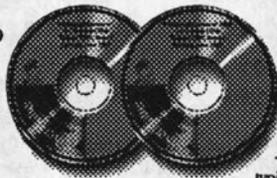
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