

The Washington Post's coverage of the launch of *PublicAffairs* in 1997.

Big-Picture Books

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By David Streitfeld

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Washington investor Frank Pearl must have been having a good time with Counterpoint, his literary press here, because yesterday he announced the creation of a second publishing house.

More imprints—"either formed from scratch or acquired"—will be announced in the coming months. "We are encouraged that our idea that you can do high-quality publishing profitably is correct," said Pearl, who made his fortune doing leveraged buyouts in the 1980s with former treasury secretary William Simon and other partners.

The new house is called *PublicAffairs*, and will naturally specialize in books by public figures and journalists. It is the brainchild of Peter Osnos, who was head of Times Books until last fall. His authors included Jimmy Carter, Bill Clinton, Robert McNamara, Paul Volcker and Boris Yeltsin, as well as many journalists.

These are, as ever, rocky times in the publishing world, and serious books that specialize in Washington-oriented issues are finding the going especially bleak. Earlier this month, HarperCollins folded Basic Books, one of the leading nonfiction imprints, into the parent company. Addison-Wesley, another former fount of serious nonfiction, has also announced severe cutbacks. Other houses are cutting back more quietly.

When Osnos left Times, he said it was increasingly difficult to publish the kinds of books he wanted within the confines of its parent company, the Random House conglomerate. More and more crossword puzzle books and brain-twister compilations had to be acquired to pay for books on, say, tax reform.

PublicAffairs is an attempt to control costs and manage distribution in ways that are difficult for the large publishers, which have huge overhead. Deals are being worked out with PBS's "Frontline" documentary show and the Twentieth Century Fund to develop properties jointly, while marketing, accounting and other support staff will be shared with Counterpoint and the future imprints.

"We want to provide authors with the means to be able to write these books, and we want to be able at the same time to meet all the costs and demands of running a business. That's the equation we have to bring together," Osnos, 53, said yesterday from New York, where *PublicAffairs* will be based.

While the 54-year-old Pearl is the majority owner of *PublicAffairs* through the Perseus Capital investment firm he runs, there are a half-dozen minority investors, including ABC News anchor Peter Jennings, former C-SPAN chairman Robert Rosencrans and Osnos himself. The press will issue 25 to 30 books a year, starting in the fall of 1998.

PublicAffairs, Osnos said, is “a tribute to the standards, values and flair of three persons who have served as mentors to countless reporters, writers, editors and book people of all kinds, including me”: the late muckraker I.F. Stone, former Washington Post executive editor Benjamin C. Bradley and former Random House chairman and Human Rights Watch founder Robert L. Bernstein.

Indeed, for a while Osnos toyed with the idea of naming the publisher BSB, after the trio’s initials. While that notion was ultimately rejected, each book from the press will have an emblem with the initials BSB, and a note at the back explaining its significance.

“Well, God love him” Bradley commented yesterday. “It’s original. Because it means something to him, it means a lot to me, too.” Stone and Bernstein were, he added, “good company.”

The press is a tribute to a fourth pioneer as well: Morris B. Schnapper, who for decades ran a now-defunct outfit called Public Affairs Press. Schnapper, now in his eighties and living in Silver Spring, gave his blessing to the enterprise.

Schnapper published Harry Truman, Gandhi, Arnold Toynbee and over 1,000 others, but things have changed since his heyday. The problem, Osnos said, is that costs are out of control. “If I give you \$100,000 to write a book, you’ll give 10 percent to your agent and \$30,000 to Uncle Sam. If it takes 18 months to write the book, you’ll be working essentially for minimum wage,” he said.

Say the book sells 12,000 copies, which is often considered a good sale. This doesn’t earn the publisher enough money to cover the expenses as well as the author’s advance. For everyone, it’s a losing game.

Said Osnos, “The author isn’t getting what the author needs, and the publisher isn’t getting what the publisher needs. The only way it can work is if there are books that significantly exceed the royalty advance, and pick up the slack for all the others”—a high-risk style of operating that can yield big losses more easily than it brings bonanzas.

Adam Bellow, editorial director of the Free Press—owned by Simon and Schuster, it is the most prominent public affairs imprint—said he wished Osnos luck and hoped the venture would succeed. He added, however, that “there’s a reason why the big publishers are turning away from this type of books, and it’s not just the celebrity author system or the high cost of doing business in a conglomerate. There’s still a limit to how many copies of a serious book you can sell on a policy issue.”

These days, political books are in a trough. “I just don’t think there’s an audience for them,” Bellow said. “People are not paying attention to politics, because there doesn’t seem to be anything at stake. There’s a mood of distemper.”

Lynn Chu, literary agent for House Speaker Newt Gingrich and other Washington figures, concurred. “I just got really sick of reading the same repetitive tripe,” she said. “Conservatives are so boring. They keep repeating themselves. Who cares? And the

Democrats are even worse, as usual. The left is dead. I supposed that's good. But somehow, it's no fun anymore. What you like to see is a good hand-to-hand fight."

Osnos, who spent the early part of his career as a reporter and editor for The Washington Post, firmly believes there is a market for Washington-oriented books. "The audience I'm interested in are the millions of people who listen to NPR, C-SPAN, 'Frontline' and Jim Lehrer." He's convinced he can make the economics work. So is Frank Pearl. His attempt to form a new style of publishing conglomerate ranks among the most ambitious in the field in the past decade, which has tended to see more shutdowns than start-ups. It will probably push the deeply private Pearl further into the spotlight. "I hope not," he said uneasily.

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