crease for the six leading firms, of which McGraw-Hill was one, as distinguished from all textbook firms was 8 percent.

Am I wrong about that?

Mr. LOCKE. You may be correct. The average profit last year after taxes of the six or seven largest elementary and secondary publishers was about 8 percent; the average of all was more like 7 percent. These figures are available from the American Textbook Publishers Institute. I would doubt, frankly, if the profit this year was as high as 10 percent.

All are selling more books, and especially films, than we expected. We are glad we are; but frankly I doubt if profit margins will go up that much.

Mr. BRADEMAS. If you would like to submit a corrected or additional information, I am sure the committee would be glad to have it.

Thank you again for your statement.

(The information follows:)

McGRAW-HILL BOOK COMPANY,
New York, N.Y., September 7, 1966.

Hon. JOHN BRADEMAS,
House of Representatives,
Washington, D.C.

MY DEAR MR. BRADEMAS: To pursue the matter of publishing profits that came up last Tuesday during the hearing on the representation of minority groups in textbooks, I checked the figures developed by the American Textbook Publishers Institute through its regular independent statistical study. In 1965 the average net profit after taxes of 32 elementary and secondary publishing operations was 7.9 percent. This is not the average profit of all of the firms that have some educational publishing activities, but rather the profits of those activities themselves. For instance, in McGraw-Hill's case, we report the profits of our educational divisions but not of the whole company since we aslo publish in other areas. Since your concern is the sale of instructional materials to schools, and the profits therefrom, the ATPI figures are really more relevant than the figures quoted in the Times. Incidentally, the ATPI does not make these figures public, although some other parts of the annual statistical survey are released to the press.

I will find out for you what percentage of our sales at the elementary and secondary level are to Catholic schools, but this will take a little more time. We don't break our figures out this way so they are not readily available.

I enjoyed the opportunity to testify before the subcommittee on Tuesday, and I particularly enjoyed the exchange with you since you obviously understand a lot about our business. I hope that we will have an opportunity to meet again in the future.

Sincerely yours,

ROBERT W. LOCKE.

Mr. BURTON. Congressman Carey?

Mr. CAREY. Thank you, Mr. Chairman.

I should like to pursue the point just covered by Mr. Brademas at a little greater length. I, too, read the recital in the business section of the New York Times of the attractive prospects in stock purchases of textbook publishing concerns, which was developed by those interested in selling stocks.

Since I first raised this point on the increased cost of text materials and increased profits for textbook publishers in the very early days of the hearings on the Elementary and Secondary Education Act, I am entirely satisfied that you have a clean slate. But, could you tell us something about the small textbook publishing firms you have acquired in the last few years?

How many small companies have you acquired?