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Copyright and the Profitability of Authorship

Evidence from Payments to Writers in the Romantic Period

Megan MacGarvie and Petra Moser

To encourage creativity, copyright creates intellectual property rights for “original works of authorship” in literature and music, computer software, web content, and many other important sectors of the digital economy.¹ Extensions in the length of copyright have emerged as a key policy lever by which national governments attempt to strengthen property rights in ideas. For example, the US Copyright Act of 1998 and the UK Copyright Act of 2011 extended the length of copyright protection for music from “life of author” plus fifty years to “life of author” plus seventy years. Proponents of longer copyrights argue that such shifts encourage creativity by increasing expected profits from writing (Liebowitz and Margolis 2005). Scott Turow, president of the American Authors’ Guild warned that regimes that weaken copyright, such as digital piracy may cause the “slow death of the American author” (Turow 2013). Empirical analyses of file sharing, however, reveal no significant effects on the quantity or quality of recorded music (Oberholzer-Gee and Strumpf 2007; Waldfogel 2012, [chapter 14, this volume]), which suggests that the importance of copyright protection may be overstated.

Systematic evidence on the effects of stronger copyrights on the profit-

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1. Title 17, US Code 2011.

ability of authors, however, is scarce because data on payments to authors is typically not available to the public.² Evidence from a sample of 93 payments between 1746 and 1800 to authors of the Scottish Enlightenment indicates that payments to authors increased independently of the establishment of temporary monopoly rights for authors in 1774 (Sher 2010 258). Case studies of European composers Giuseppe Verdi (1813–1901) and Robert Schumann (1810–1856), however, indicate that composers of operas and songs benefited financially from the introduction of copyright protection for music. Scherer (200811) argues that, after copyright was introduced in parts of northern Italy in 1837, Verdi “saw the possibilities of copyright and exploited them to the full” to amass a fortune and reduce his efforts at the “exhausting drudgery” of composing operas.³ The most systematic evidence comes from DiCola’s (2013) survey of 5,000 US musicians, including composers, performers, and teachers. In this survey, the average respondent reported drawing 12 percent of their revenue from copyright-related sources.

This chapter adds to existing evidence by introducing a new, systematic data set on payments that publishers made to writers in Romantic Period Britain. These data include payments for 207 works of fiction to 105 authors by 11 publishers between 1800 and 1829. We have collected these data from digitized excerpts of ledgers of transaction, correspondence, and other types of archival materials for nineteenth-century publishing houses in Britain made available in the online database *British Fiction 1800–1829: A Database of Production, Circulation, and Reception*.⁴ Longman & Co. of London, one of the largest publishing houses in Romantic Period England, published 133 of these titles, by 68 authors. Competing publishers include John Murray, Archibald Constable & Co., Cadell & Co., William Blackwood, and Oliver & Boyd.

This data collection is part of a broader research agenda, which examines the role of copyright as well as contractual agreements between authors and publishers on the creation of literary works. Once complete, a new quantitative data set for Romantic Period writers will include information on counts of physical copies, production costs, price, revenue, and publishers’ advertising efforts. A complementary data set, which we collect from the cor-

2. For example, a recent study of the movie industry notes, “One of the reasons that IP contracts have not attracted much academic attention is the lack of adequate data” (Harris, Ravid, and Basuroy 2013, 2).

3. Scherer (2008, 11) reports a reduction in Verdi’s count of operas per decade from fourteen in the 1840s, seven in the 1850s, two in the 1860s, and one in each of the succeeding three decades. Verdi, however, produced more influential operas later in his career, and may have used his wealth to produce a smaller number of high quality works. With the exception of *Nabucco* (1842), Verdi composed his most influential operas after 1850, thirteen years after the introduction of copyright: *Rigoletto* (1851), *La Traviata* (1853), *Simon Boccanegra* (1857; second version in 1881), and *Aida* (1871).

4. Garside, P. D., J. E. Belanger, and S. A. Ragaz. *British Fiction, 1800–1829: A Database of Production, Circulation & Reception*, designer A. A. Mandal. <http://www.british-fiction.cf.ac.uk>.

respondence of publishers and authors, will include information on contract negotiations and other interactions between publishers and authors.

In this chapter we examine changes in payments to authors after a substantial increase in the strength of copyrights in 1814, starting from low levels of protection. Intended to clarify a requirement to deposit copies of all new books with research libraries, the UK Copyright Act of 1814 also increased the length of copyright from twenty-eight years to the remainder of the author's life, and from fourteen to twenty-eight years for dead authors. Li, MacGarvie, and Moser (2014) exploit the fact that this change created a differential increase in the length of copyright for *dead* authors as a result of the Act to identify the effects of stronger copyright terms on price.⁵ Difference-in-differences analyses of a new data set of book prices between 1790 and 1840 reveal a large and robust increase in price in response to longer copyright terms. Historical evidence suggests that publishers exploited the extension in copyright to practice intertemporal price discrimination, thereby increasing the average price of books.

Our research for this chapter exploits the fact that extensions in copyright terms under the 1814 Act allowed authors to sell a longer stream of expected revenues to publishers to examine whether—starting from low levels of existing protection—stronger copyright terms may in fact increase payments to authors. Data on payments to authors for 207 titles between 1800 and 1829 confirm that payments to authors increased significantly after 1814. Payments to the author of the median title increased by nearly 100 percent from 83.81 pounds between 1800 and 1814 (*l*, converted to 1800 real terms) to 166.48/*l* between 1815 and 1829. On average, payments to authors almost tripled, with an increase from 163.59/*l* for sixty-five titles until 1814 to 493.54/*l* for 142 titles after 1814. Some of this increase was driven by high payments to the successful poet Sir Walter Scott, whose first novel was published in 1814. Excluding sixteen titles by Scott, payments to the author of the median title increased by 59 percent from 83.0/*l* to 131.6/*l* after 1814, and payments to the average author nearly doubled from 155.0/*l* for sixty-four titles until 1814 to 248.21/*l* for 127 titles after 1814.

Our data also make it possible to distinguish lump sum payments and income from profit sharing. These data show that the increase in payments was driven primarily by an increase in lump sum payments to authors. A total of 108 observations are for lump sum payments, thirteen include both types of payments, and eighty-six include income from profit sharing only.

5. Existing empirical analyses have found no effects of copyright on price or documented counterintuitive correlations (Khan 2005; Heald 2008). For example, price data for the US publisher Ticknor and Fields indicate that pirated books by European authors sold for a higher price than copyrighted books by US authors between 1832 and 1858 (Khan 2005, 252). Similarly, books that were bestsellers in the United States between 1913 and 1932 sold for roughly the same price in 2006, regardless of their copyright status, possibly because books that are in print seventy-four years after the initial date of publication are a heavily selected sample (Heald 2008).

Lump sum payments for the median title, including thirteen titles with income from profit sharing, more than tripled from 111.91/ to 361.73/ after 1814. For the average author, lump sum payments increased from 175.81/ to 670.40/. Excluding Scott, lump sum payments increased from 110.58/ to 304.99/ for the median, and from 173.54/ to 370.71/ for the average author.

12.1 Copyright in Romantic Period Britain

Copyright was first formalized in Britain's Act for the Encouragement of Learning of 1710, commonly known as the Statute of Anne. The statute granted publishers of new books fourteen years of exclusive rights, with an extension to twenty-eight years if the author was alive at the end of the first fourteen years.⁶ In return for exclusivity, publishers were required to register all new books with the Stationers' Company and deposit copies with the British library and eight university libraries in England and Scotland:

Enacted that nine Copies [*sic*] of each book or books upon the best paper that from and after the tenth day of April One thousand seven hundred and ten shall be printed and published as aforesaid or Reprinted and published with additions shall by the printer and printers thereof be delivered to the Warehouse Keeper of the said Company of Stationers for the time being at the hall of the said Company before such publication made for the use of the Royal Library the Libraries [*sic*] of the Universities of Oxford and Cambridge the Libraries [*sic*] of the four Universities in Scotland the Library of Sion College in London and the Library commonly called the Library belonging to the Faculty of Advocates at Edinburgh respectively Which said Warehousekeeper [*sic*] is hereby required within ten days after demand. (Statute of Anne 1710)

When the first copyrighted books approached the end of their twenty-eight-year term, booksellers who had purchased copyrights sought injunctions from the Court of Chancery to stop competing publishers from printing copies of books that came off copyright. Their argument was that, as a "natural right of the author," copyright was a perpetual common law property right (Patterson 1986, 153; Feather 1988, 79). A decision in the House of Lords in *Donaldson v. Becket* in 1774 ended this "Battle of the Booksellers" (1743–1774; Patterson 1986, 153) and established that, unlike other types of property rights, copyright was limited to a certain number of years, defined by the duration of the copyright term. During these years, infringement was punishable by substantial fines. In 1801, for example, a printer who had violated copyright lost all infringing copies and paid a fine of 3d per sheet, "half to the crown, and half to whoever sued for it" (Seville

6. Booksellers had pushed for the Act, and "Except in the preamble, authors were not mentioned at all. . . the Act was a booksellers' act" (Feather 1988, 74–76). For books that had been published before the Act, booksellers received exclusive rights for twenty-one years starting in 1710 (Statute of Anne, §2, London, 1710).

1999, 239). Printers who imported infringing books were fined £10 (Seville 1999, 239), roughly twenty times the average weekly wage of working-class men in the early 1800s (Bautz 2007, 12).⁷

In 1798, a decision in *Beckford v. Hood* (1798, 7 D. & E. 620) called into question the deposit requirement as it established that books were eligible for infringement damages even if they had not been registered with the Stationers' Company. As a result of this decision, the number of book deposits per year fell by 40 percent between 1793 and 1803 (Deazley 2007, 816).

12.1.1 Extensions in the Length of UK Copyright in 1814

On July 29, 1814, to reaffirm the deposit requirement, Britain's Parliament passed

A Bill [as recommended on third re-commitment] to Amend the several Acts for the Encouragement of Learning, by securing the Copies and Copyright, of printed Books, to the Authors of such Books, or their Assigns

It required that—in order to be protected by copyright—publishers had to deposit copies with the British Museum and ten university libraries within twelve months of publication (§2). It also extended the length of copyright to twenty-eight years or the remaining length of the author's life, if the author was alive at the end of the twenty-eight-year term. For books within fourteen years from the first edition by authors who had died within the first fourteen years after first publication, this change implied an increase in the length of copyright from fourteen years under the Statute of Anne to twenty-eight years.

12.2 Data

The main data for the current analysis consist of payments to 105 authors by eleven publishers for 207 works of fiction published in Britain between 1800 and 1829. We have collected these data from a digital depository of archival records in *British Fiction 1800–1829: A Database of Production, Circulation, and Reception*.⁸ These data include information on publishing for 441 titles, drawn from the records for nineteenth-century publishing houses Longman & Co (from the Special Collection of Reading University Library), William Blackwood, Cadell & Co., Constable & Co., John Murray II, and Oliver & Boyd (from the National Library of Scotland), as well as authors' correspondence and historical accounts of Britain's publishing industry.

To extract information on payments to authors from these sources, we first

7. In continental Europe and the United States, however, UK copyrights were not respected. To prevent the importation of pirated copies into Britain, excise officers were instructed to search luggage for books that may have been intended for resale (St. Clair 2004, 200).

8. Available at <http://www.british-fiction.cf.ac.uk/>, accessed January–March 2013.

performed an automatic search for keywords for “payment to author,” “paid to author,” “half profits to author,” “cash,” “interest,” “pounds,” “guineas,” “copyright,” and other terms connected with payments to authors. This algorithm identifies payments for 203 of 441 titles; we read these records individually to collect information on types, amounts, and dates of payments for each of these titles. We also examine the remaining 238 titles to search for payment and accounting information, which an automatic search may miss.⁹

For example, Longman’s entries for Amelia Opie’s *Tales of Real Life* (1813) read:

Divide Ledger Entry, Longman & Co.

10 June 1813. The impression consisted of 2000 copies.

...

Jan 1814. By this date, 1693 copies had been sold, for a total of 973. 9. 6. [Jan 1814]. Half profits to author, 272. 8. 9; half profits to Longman & Co, 272. 8. 9.

...

Jan 1815. A further 172 copies had been sold by this date, for a total of 98. 18. 0.

Jan 1815. Half profits to author, 43. 15. 8; half profits to Longman & Co, 43. 15. 7.

...

[Jan 1816]. The remaining 120 copies had been sold by this date, for a total of 69. 0. 0.

[Jan 1816]. Half profits to author, 34. 9. 5; half profits to Longman & Co, 34. 9. 4.

...

[June] 1820. Half profits to author, 10. 12. 4; half profits to Longman & Co, 10. 12. 3.¹⁰

A careful reading of these entries allowed us to identify four additional observations with payment data. Detailed accounting data are available for ninety-eight additional titles. For eleven of these ninety-eight titles, accounting data report a loss for the publisher and no payment to authors. We exclude six titles for which payment is to a translator of a volume of a collected work rather than to the original author.

We then check the genre for all 207 titles; 206 of 207 titles are novels. The remaining title is John Banim’s *Revelations of the Dead-Alive*, a collection of fictional essays (published in 1824 by Simpkin & Marshall).

Each of these observations covers a single book, and the large majority are for first editions (200 of 207). Three of the remaining seven observations

9. Out of 320 titles with dated information, records for an additional 69 titles include no information on payments to authors or other information on revenue and expenses. Thirty-three records for Oliver & Boyd include detailed data on advertising, which we plan to explore in future work.

10. Longman Divide Ledger 1D, p. 300, and Longman Divide Ledger 2D, 214.

are for first editions of new *volumes*. For example, an agreement between the author Charlotte Smith and the publisher Longman in 1802 covers volumes 4 and 5 of *The Letters of a Solitary Wanderer: Containing Narratives of Various Description* (both published in 1802).

Lags between payments and years of first editions occurred when publishers reviewed draft copies of a new book and agreed to purchase the rights to that book. For example, Longman wrote in a December 3, 1812, letter to Amelia Opie, concerning the author's *Tales*:

We sent you a parcel by Coach on Tuesday which we hope you have received ere this. In the parcel we put a note informing you that we had paid the £4. 10. 0 agreeable to your request. // Your title pleases us; & we shall be happy to see the MS as soon as you can favor us with a perusal of it. (Longman Archives, Longman I, 97, no. 383)

And two days later, on December 5 of the same year, warning the author:

We have certainly been playing somewhat at cross purposes. Perhaps your first note was not quite as clear as it ought to be to the weak capacities of booksellers; & they, by conning it frequently over, rendered the subject less clear to their comprehension. However now we understand that you have finished one of the *series* of *Tales*, & that the others are not written; on consideration, we would not advise you to put any part of the collection into the hands of the printer till you have written the whole that are to be published at one time; as, in this case, you would be harrassed [*sic*] out of your life both with writing & correcting the proof sheets. (Longman Archives, Longman I, 97, no. 387)

In addition to the editors' own reviews, editors also asked other authors to comment on new manuscripts. For example, Longman writes to Amelia Opie on October 11, 1813, in reference to Elizabeth Benger's *The Heart and the Fancy* (published in 1813 by Longman):

pray accept our best thanks for your remarks on the Heart & the Fancy (Longman Archives, Longman I, 98, no. 75).

The median payment to an author is made in the year in which the first edition of a book is published; fifty-five payments are made in the year before the first edition, and five payments are made two years in advance.

For most titles, publishers submitted payments to authors for a decade or less; for some titles, however, payments to authors span up to thirty-five years for profit-sharing payments. For example, in June 1836, Longman recorded a payment of 1.23/ to Amelia Opie for *The Father and Daughter*, which was first published in 1801 (Longman Divide Ledger 3D, 259.) In June 1840, Opie received a payment of 2.41/ from Longman for her novel *Temper* (published in 1812; Longman Divide Ledger 3D, 261).

Among 207 titles, 133 include the publisher Longman; another eighteen include both publishers Blackwood and Cadell & Co., and three titles each

include Blackwood and Cadell & Co. alone. Constable is a copublisher on six of Longman's titles, including three with Sir Walter Scott, and Colburn is a copublisher of one title with Longman.

Sixty-nine of 105 authors appear only once as an author in the data set. Six authors publish more than five books. Among them, Anna Maria Porter (1780–1832) accounts for nine novels, including the popular love story *The Hungarian Brothers* (published in 1807 by Longman, set in the French Revolutionary Wars). Porter collaborated with her sister Jane Porter on two volumes of stories *Coming Out* and *The Field of the Forty Footsteps* (published by Longman in 1828) and *Tales Round a Winter Hearth* (published in 1826 by Longman).¹¹

The data include two books that were first published after the death of the authors. For William Williams's (d. 1791) *Journal of Llewellyn Penrose* (published in 1815 by Murray), Murray paid a lump sum of 200*l* in 1814 to the author's estate (173.27 in year 1800 pounds), and published *Journal* in 1815.¹² For Joseph Strutt's (d. 1802) *Queenhoo-Hall*, published in 1808, Murray records a payment of 25.03*l* to Strutt's son.¹³ Strutt died before the novel's completion, and the final chapter of the novel was written by Walter Scott.¹⁴

To calculate lump sum payments to authors and income from profit sharing, we tally individual entries from the ledgers of publishers. For example, Longman's archives record a lump sum payment to Opie of 400*l* for the copyright of her *Simple Tales* on April 23, 1806: "Payment to author: 400. 0. 0. Longman. Impression Book No. 3, fol. 53." Revenues from profit sharing are recorded in publishers ledgers, such as:

Jan 1814. By this date, 1693 copies had been sold, for a total of 973. 9. 6 . . .
 [June 1834]. By this date, the remaining 8 copies had been sold as follows:
 4 sold at 0. 3. 0 each, for a total of 0. 12. 0; 4 sold at 0. 11. 6 each, for
 a total of 2. 6. 0. Total sum from the sale of these 8 copies: 2. 18. 0.
 (Longman Divide Ledger 1D, 300; Longman Divide Ledger 2D, 214)

the total of which adds to nominal income from profit sharing of 413.27*l* for Amelia Opie from the *Tales of Real Life*. Nearly all profits are shared equally between authors and publishers. The exceptions are William Godwin's *Mandeville* (published in 1817 by Longman), which earned its author

11. In addition to the two books by the Porter sisters, three remaining titles were coauthored: *Coquetry*, by Charlotte Champion Pascoe and Jane Louisa Willyams; *Body and Soul*, by George Wilkins and William Shepherd; and *Tales and Legends*, by Marion and Margaret Corbett. One additional title may have been coauthored by a male and female author within the same family, *The Hebrew: A Sketch in the Nineteenth Century: With the Dream of Saint Kenya* (1828; by Charles William Chaklen and/or Miss Chaklen [E, MS 4016, fol. 170]).

12. Divide Ledger Entry, John Murray II, 15 Aug 1814, MS letter, Murray archives.

13. Murray Archives, Divide Ledger A, 45.

14. MS letter (copy), Murray Archives, Letter Book (Mar. 1803–Sept. 1823), pp. 200–01.

25 percent of profits (in addition to a lump sum payment of 453.41*l*), and twelve titles published on commission—the author was responsible for the costs of the edition and received all the profits after the publisher took a 10 percent commission on the book's sales (St. Clair 2004, 165).

To control for inflation, we convert all amounts into real single unit pounds using Clark's (2013) Retail Price Index with 1800 as the base year. One single unit pound (*l*) equals 20 shillings (*s*) or 240 pence (*d*). To calculate income from profit sharing, we convert each payment to year 1800 pounds, using the year of the payment as the base unit for the conversion, and then add the converted amounts to calculate the authors' total income from profit sharing for that title. For example, Opie's nominal income of 413.27*l* is equivalent to 374.19 year 1800 pounds.¹⁵

To normalize payments to authors by the size of books, we collect information on the length of each title, measured by the total number of pages. These data are available for all 207 titles. The median author earns a total income of 15.17*l* for 100 pages, with an average of 40.74*l* and a standard deviation of 77.86.

To examine whether the 1814 Act may have created a differential increase in payments for authors in different age brackets, we collect data on birth and death years of authors from the *Oxford Dictionary of National Biography* and online sources if no information is available from the latter source. Demographic data are available for sixty of 105 authors (or 152 of 207 titles).¹⁶

12.3 Lump Sum Payments to Authors

In a lump sum contract, publishers assume all risk and pay for the entire costs of printing and distribution. In return, authors give up any claims on future profits, and transfer copyright to the publisher (St. Clair 2004, 161). For example, Longman & Co. assert their property rights in Jane Porter's historical novel *The Scottish Chiefs* (published in 1810) in a letter to Mr. Barclay on August 12, 1824:

15. Available at <http://measuringworth.com/ukearnncpi/>. Accessed on April 24, 2013. An 1820 contract between Scott and his publisher Archibald Constable covered four separate titles: *Ivanhoe*, *the Monastery*, *The Abbot*, and *Kenilworth* together were paid an amount of 5,000 guineas for copyright as part of Constable's plan to issue the four novels as part of an octavo set (Letter from Archibald Constable to Scott, 3 Nov 1821, Grierson, VII, 13).

16. The share of authors for which demographic data are available is roughly equal across time periods and across different types of payments. Demographic data are available for twenty-seven authors of forty-six titles until 1814, including twenty authors of twenty-eight titles with lump sum payments only, nine authors of sixteen titles with profit sharing only, and two authors of two titles with both types of payments. Demographic data are available for forty-six authors of 106 titles after 1814, including thirty authors of sixty-one titles with lump sum payments only, nineteen authors of thirty-six titles with profit sharing only, and seventy-six authors of nine titles with both types of payments.

The Copyright of the Scottish Chiefs is our property, we having purchased it of Miss Porter, as we have done all her other writings: and we consider it of so much value, that we should not be disposed to deligate [*sic*] the right of printing an edition to any one. We should however have no objection to sell you an edition of 1000 or 2000 copies. (Longman Archives, Longman I, 101, no. 459B)

Representatives of Longman continue to assert their rights for 21 years in another letter on the 9th of March 1831 (Longman Archives, Longman I, 102, no. 165A).¹⁷

Across all years, authors of 108 titles receive lump sum payments only, eighty-six receive only income from profit-sharing agreements (without a lump sum payment) and thirteen receive both types of payments.¹⁸ The share of titles with profit-sharing agreements remains roughly constant over time. Until 1814, authors of thirty-eight in sixty-five titles received a lump sum payment; after 1814, authors of eighty-three in 142 total titles received a lump sum payment.¹⁹

The author of the median title (George Wilkins, *Body and Soul*, published in 1822 by Longman & Co.) received a lump sum payment of 224.45*l*.²⁰ The average lump sum payment across 121 titles with lump sum payments is 515.07*l*, with a standard deviation of 866.61*l*.²¹ By comparison, a working-class male earned a nominal 23.58*l* in 1800 and 32.26*l* in 1829 (35.16 in year 1800 pounds).²² The smallest lump sum payment is 4.23*l*, for Margaret Hurry's *Artless Tales* (published in 1808 by Longman);²³ the largest lump sum payment is 5928.08*l* for Walter Scott's *The Pirate* (published in 1822 in Edinburgh by Constable & Co. and in London by Hurst, Robinson & Co.).²⁴

17. By comparison, copyright for less than one-third of 144 titles by Scottish Enlightenment authors between 1746 and 1800 remained registered in the name of the author (Sher 2006, 243). Registered titles may, however, be more valuable titles; only 40 percent of 360 titles in Sher (2006) were registered.

18. Three in thirteen titles with both types of payments are by Barbara Hofland: *Integrity* (1823), *Decision*, *A Tale* (1824), and *Self-Denial* (1827). The other ten titles are: Jane Porter's *Thaddeus of Warsaw* (1803), Miss M. G. T. Crumpe's *Isabel St. Albe* (1823), Orton Smith's *Sketches of Character* (1808), Robert Mudie's *Glenfergus* (1820), Scott's *Rob Roy* (1818), William Godwin's *The Seventeenth Century in England* (1817), George Wilkins' *Body and Soul* (1822), James Justinian Morier's *The Adventures of Hajji Baba, of Ispahan* (1824), William Henry Pyne's *Wine and Walnuts* (1823), and Scott's *Waverley* (1814).

19. The share of titles with lump sum payments only also remains roughly constant, with thirty-five of sixty-five titles until 1814 and seventy-three of 142 titles with lump sum payments after 1814.

20. Letter from James Fenimore Cooper to Francis Moore, August 10, 1827.

21. The average lump sum payment across 108 titles with lump sum payments only is 552.75*l*, with a standard deviation of 899.98*l*.

22. Bautz (2007, 12) reports that the typical wage of a working man was between nine and, very exceptionally, forty shillings. If a typical wage was 10s, and workers were able to work fifty weeks per year (which will probably lead us to overestimate total wage), a typical annual wage may have been 500s or 25*l*.

23. Longman Impression Book No. 3, fol. 111.

24. Letter from Joseph Ogle Robinson to Archibald Constable, National Library of Scotland, MS 326, fol.92.

Data on lump sum payments reveal a substantial increase in payments for the median author after 1814. Among thirty-eight titles with lump sum payments between 1800 and 1814, the median payment was 111.91/ (between Robert Charles Dallas, *Percival*, 1801, and Charlotte Smith, *Letters of a Solitary Wanderer*, 1800, both published by Longman & Co.). Among eighty-three titles with lump sum payments between 1815 and 1829, publishers paid a lump sum of 361.73/ to the author of the median book (Anna Maria Porter, *The Fast of St. Magdalen*, published in 1808 by Longman), more than three times the median payment between 1800 and 1814. Normalized by page counts, payments to the median author increased from 11.40/ per 100 pages until 1814 to 32.22/ per 100 pages afterward (with an average of 16.91/ per 100 pages and a standard deviation of 16.27 until 1814, and an average of 71.96/ per 100 pages and a standard deviation of 102.63 after 1814).²⁵

The data also indicate that the increase in lump sum payments was heavily skewed toward a small number of authors (figure 12.1). On average, publishers paid authors 175.81/ in fixed payments until 1814 (with a standard deviation of 221.33, table 12.1) and 670.40/ after 1814 (with a much larger standard deviation of 999.59). Sir Walter Scott received the largest lump sum payments after 1814, with an average of 2,443.53/, 6.60 times the lump sum payments of 370.71/ for other authors.

This differential change is consistent with survey data for US musicians in a 2011 (DiCola 2013) survey of US musicians, which suggests that more successful musicians draw a larger share of their revenues from copyright-related sources. For example, composers in the top income bracket reported drawing 68 percent of their revenue from copyright-related sources, compared with 12 percent for all musicians (including music teachers, as well as performers).

Even excluding Scott, lump sum payment to authors increase by more than 100 percent from an average of 173.53/ for thirty-seven titles until 1814 to 370.71/ for seventy-one titles afterward and from a median of 110.58/ to 305/. Until 1814, the highest lump sum payments are 1,270.41/ (Frances D'Arblay, *The Wanderer*, published in 1814 by Longman) and 579.56/ (Sydney Owenson, *Woman: or, Ida of Athens*, published in 1808 by Longman). After 1814, the highest lump sum payments are 1,716.61/ (Washington Irving, *Tales of a Traveller*, published in 1824 by Murray) and 1,501.15/ (Sydney Owenson, *The O'Briens and the O'Flahertys*, published in 1827 by Colburn).

25. Among thirty-five titles with lump sum payments only between 1800 and 1814, the median payment was 110.58/ (Smith's *Solitary Wanderer*). Among seventy-three titles with lump sum payments only between 1815 and 1829, publishers paid a lump sum of 396.01/ to the author of the median book (Amelia Opie, *Tales of the Heart*, published by Longman in 1820), nearly four times larger than the median payment between 1800 and 1814. Normalized by page counts, payments to the median author increased from 11.19/ per 100 pages until 1814 to 37.08/ per 100 pages afterward.

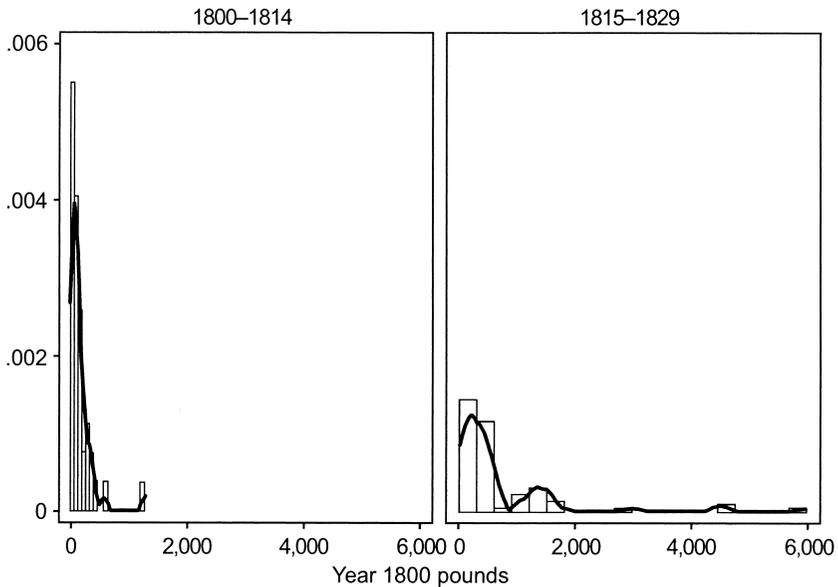


Fig. 12.1 Lump sum payments to authors

Notes: Histogram with Epanechnikov kernel density of lump sum payments per title in year 1800 unit pounds before and after the UK Copyright Act of 1814. The 1814 Act extended the length of copyright from twenty-eight years to life of the author for books whose authors survived more than fourteen years after first publication, and from fourteen to twenty-eight years for books whose authors died within fourteen years of first publication. Data include payments for 121 titles from eleven publishers and sixty-five authors. We have collected these data from archival records, including bookkeeping entries in publishers' ledgers and personal letters from P. D. Garside, J. E. Belanger, and S. A. Ragaz, *British Fiction, 1800–1829: A Database of Production, Circulation & Reception*, designer A. A. Mandal.

There is a clear shift in the distribution of lump sum payments to authors after 1814 when we exclude Scott (figure 12.2). Overall, we see a movement toward higher lump sum pay, with an increase in the standard deviation from 229.93 to 370.71 and a reduction in the share of small payments. Until 1814, 43.2 percent of the sample earned 100/ or less; after 1814, 23.9 percent earned 100/ or less.

12.3.1 Differential Changes in Payments to Younger Authors after 1814

Considering the life expectancy of Romantic Period writers, the 1814 Copyright Act implied a larger increase in copyright for younger compared with older authors. The author of the average title in our data set was 43.1 years old at the time of publication, and the author of the median title was 43 years old. The Act extended the length of copyright from twenty-eight years to “life of author” for living authors, but even based on optimistic calculations, a forty-two-year-old writer could only expect to live another

Table 12.1 Lump sum payments and income from profit sharing

		1800–1814	1815–1829	Diff.
Lump sum payments	Average	175.81 (221.33)	670.40 (999.59)	494.59 (164.31)
	per 100 pages	16.91 (16.27)	71.96 (102.63)	55.05 (16.78)
	<i>N</i>	38	83	
Income from profit sharing only	Average	124.49 (182.02)	180.68 (487.14)	56.19 (105.66)
	per 100 page	17.19 (25.30)	18.09 (40.90)	0.90 (8.55)
	<i>N</i>	27	59	
Total payments	Average	163.59 (216.82)	493.54 (914.02)	329.94 (114.96)
	per 100 page	17.88 (21.13)	52.65 (92.16)	34.77 (11.58)
	<i>N</i>	65	142	

Note: In year 1800 unit pounds. Data on lump sum payments include 108 titles with lump sum payments only and 13thirteen titles with both types of payments. Data on profit sharing are for 86eighty-six titles with profit sharing only. Total payments equal the sum of lump sum and profit-sharing payments. Collected from bookkeeping entries in publishers' ledgers, letters, and other types of archival sources for nineteenth-century publishing houses.

twenty-nine years in 1814.²⁶ Younger authors, however, could expect to live additional years, and therefore benefited more from the extension to “life of author.” At the opposite extreme, authors above sixty-five years benefited more from the extension for books by dead authors from fourteen to twenty-eight years, which allowed them to sell a longer revenue stream to publishers. Only four titles in the data, however, are by authors above sixty-five, so we cannot credibly estimate a differential effect for older authors.

Consistent with a differential increase in the length of copyright, payments to authors below the age of thirty increased by a factor of four after 1814, from an average of 85.08/ for five titles until 1814 to 426.99/ for five titles after 1814 (table 12.2). These titles include only lump sum payments. Payments to the median author under age thirty (Francis Lathom, *Very Strange, but Very True!*, published in 1803 by Longman)—increased by a factor of 4.5 from 67.86/ until 1814 to 304.99/ after 1814.²⁷

By comparison, lump sum payments to authors thirty years of age or

26. Based on calculations of life tables in Li, MacGarvie, and Moser (2014), which estimate years of remaining life conditional on living conditions in five-year intervals and on the authors' survival to a five-year age bracket. Forty-two is also the age of the average author at the year of the first edition in a data set of 1,072 book titles with information on price and other characteristics in Li, MacGarvie, and Moser (2014).

27. The median lump payment after 1814 is 304.99/ (Mary Shelley Wollstonecraft, *The Last Man*, published in 1826 by Colburn).

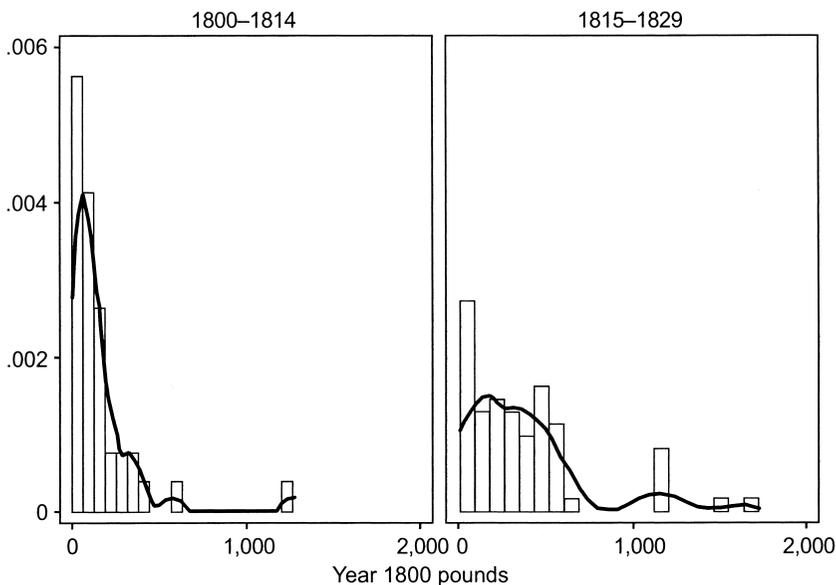


Fig. 12.2 Lump sum to authors, excluding Scott

Notes: Histogram with Epanechnikov kernel density of lump sum payments per title in year 1800 unit pounds before and after the UK Copyright Act of 1814. The 1814 Act extended the length of copyright from twenty-eight years to life of the author for books whose authors survived more than fourteen years after first publication, and from fourteen to twenty-eight years for books whose authors died within fourteen years of first publication. Data include payments for 108 titles from ten publishers and sixty-four authors. We have collected these data from archival records, including bookkeeping entries in publishers' ledgers and personal letters from P. D. Garside, J. E. Belanger, and S. A. Ragaz, *British Fiction, 1800–1829: A Database of Production, Circulation & Reception*, designer A. A. Mandal.

above increased by roughly a factor of 3.29 from an average of 226.48/ for twenty-five titles before 1815 to an average of 746.30/ on average for sixty-five titles after 1814. Payments to the author of the median title increased from 173.24/ (Jane West, *The Loyalists*, published in 1812 by Longman) to 381.47/ (John Galt, *Rothelan*, published in 1824 by Oliver and Boyd).

The increase in payments to older authors was in large measure driven by lump sum payments to Scott, who was forty-three years old in 1814, and published fifteen novels after 1814. Excluding Scott, lump sum payments to the average authors above twenty-nine years of age increased by 69 percent from 225.09/ for twenty-four titles until 1814 to 362.02/ for fifty-three titles after 1814. Payments to the median author, excluding Scott, increased from 152.01/ (between Robert Charles Dallas's *Aubrey*, published in 1804 by Longman & Co. and West's *The Loyalists*) until 1814 to 316.76/ (John Galt, *Sir Andrew Wylie*, published in 1822 by Oliver & Boyd).

Table 12.2 Payments to authors by authors' age

	Author age	1800–1814	1815–1829	Diff.
<i>Lump sum payments</i>				
All authors	Under 30	85.08 (39.82)	426.99 (472.33)	341.91 (211.98)
	Thirty and above	226.48 (256.14)	746.30 (1,090.57)	519.82 (221.13)
Excluding Scott	Under 30	85.08 (39.82)	426.99 (472.33)	341.91 (211.98)
	Thirty and above	225.09 (254.28)	362.02 (305.17)	136.93 (72.50)
<i>Total payments</i>				
All authors	Under 30	74.21 (38.36)	309.51 (434.77)	235.30 (153.56)
	Thirty and above	238.59 (254.52)	621.84 (1045.05)	383.24 (171.81)
Excluding Scott	Under 30	74.21 (38.36)	309.51 (434.77)	235.30 (153.56)
	Thirty and above	225.70 (245.13)	273.84 (285.17)	48.14 (54.00)

Note: Lump sum payments for ten titles with authors below age thirty and for ninety titles with authors age thirty and above. Total payments, including lump sum payments and profit sharing for fifteen titles with authors below age thirty and for 137 titles with authors age thirty and above. Data for all authors include information on one title by Sir Walter Scott, first published in 1814, when Scott was forty-three years old, and fifteen titles first published *after* 1814. Data on the age of authors are collected from the *Dictionary of Literary Biography*, the *Oxford Dictionary of National Biography*, and online sources. Total payments to authors calculated from bookkeeping entries in publishers' ledgers, letters, and other types of archival sources for nineteenth-century publishing houses.

12.4 Income from Profit Sharing

For eighty-six of 207 observations on payments to authors, authors only receive income from profit sharing, without lump sum payment; almost all of these authors receive 50 percent of profits.²⁸ For example, Longman's ledgers list a series of payments for Opie's *Tales of Real Life*:

Jan 1814. Half profits to author, 272. 8. 9; half profits to Longman & Co, 272. 8. 9 . . .

June 1834. Half profits to author, 1. 9. 0; half profits to Longman & Co, 1. 9. 0.

To calculate income that is purely from profit sharing, we convert each of these to year 1800 pound units and sum all payments in year 1800 pounds.

28. St. Clair (2004, 164) explains that profit-sharing arrangements allowed authors and publishers to share profits "either by half or in some other proportion, after all the costs of publishing had been met."

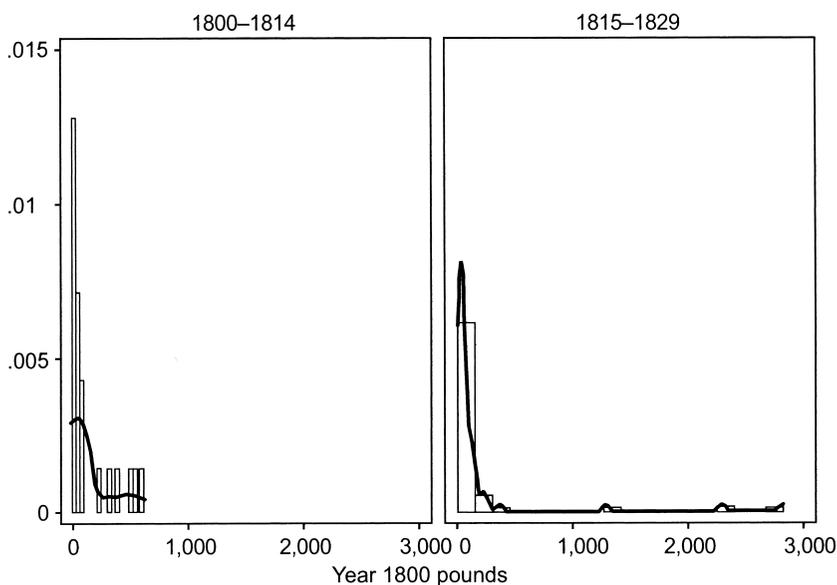


Fig. 12.3 Income from profit sharing

Note: Histogram with Epanechnikov kernel density of authors' income from profit sharing for titles without lump sum payments in year 1800 unit pounds before and after the UK Copyright Act of 1814. The 1814 Act extended the length of copyright from twenty-eight years to life of the author for books whose authors survived more than fourteen years after first publication, and from fourteen to twenty-eight years for books whose authors died within fourteen years of first publication. Data include payments for eighty-six titles from six publishers and fifty-two authors. We have collected these data from archival records, including book-keeping entries in publishers' ledgers and personal letters from P. D. Garside, J. E. Belanger, and S. A. Ragaz, *British Fiction, 1800–1829: A Database of Production, Circulation & Reception*, designer A. A. Mandal.

For Opie's *Tales*, this adds to 374.19*l*.²⁹ Across all eighty-six titles with positive income from profit sharing, the median title earned 46.74*l* (Jane West's *Ringrove*, published in 1827 by Longman & Co.);³⁰ the average title earned 163.04*l*, with a standard deviation of 415.63.³¹

Income for the average title increased by 45.14 percent from 124.49*l* (for twenty-seven titles, with a standard deviation of 182.02) until 1814, to 180.68*l* (for fifty-nine titles with a standard deviation of 487.14). *Per page*, however, income from profit-sharing payments increased by only 13.5 percent from an average of 17.19*l* per 100 pages (with a standard deviation of

29. Longman Divide Ledger Entry 1D, Longman Co., 300 and Longman Divide Ledger 2D, 214.

30. Longman Divide Ledger 2D, 48, 301.

31. The smallest amount of income from profit sharing is 2.17*l* for Elizabeth Ogilvy Benger's *The Heart and the Fancy, or Valsinore* (published 1813 by Longman; Longman Divide Ledger Entry 1D, 296).

25.30) to 18.09/ per 100 pages (with a standard deviation of 40.90). Payments to the median title declined from 47.65/ (Margaret Roberts's *Duty*, published in 1814 by Longman)³² to 46.49/ (Barbara Hofland, *Patience*, published in 1824 by Longman).

A potential explanation for the lower increase in payments for titles with profit sharing is that they had more uncertain revenue streams, and therefore benefited less from the extension. For example, Longman's Owen Rees writes to Anna Bray on September 26, 1827:

We very much regret that the sale of [your previous work] *De Foix* has not been such as to warrant our purchasing the copyright of your new work [*White Hood*]; but we would with pleasure undertake it on the plan of dividing the profits.³³

Then, payments from profit sharing may have failed to increase after 1814, because expected benefits from additional years of exclusivity were small.

12.5 Total Income, Payments to Sir Walter Scott, and Titles without Income

To calculate total income, we add lump sum payments and income from profit sharing for all authors. The median total income—including lump sum payments *and* profit sharing is 130.53/ (William Henry Pine, *Wine and Walnuts*, published in 1823 by Longman & Co.).³⁴ The largest total income is 5,928.08/ (Walter Scott, *The Pirate*, published in 1822 by Constable & Co.) and the smallest total income is 2.17/ (Elizabeth Bengier, *The Heart and the Fancy*, published in 1813 by Longman). The observed increase in profit-sharing payments is heavily skewed toward a small number of titles (figure 12.4). Excluding Scott, however, the distribution is substantially less skewed (figure 12.5).

12.5.1 Sir Walter Scott

Four titles earned Scott more than 4,000/ each in total income (including lump sum payments and profit sharing): *Rob Roy* (1818; 4,417.028/ in total payments), *The Pirate* (1822; 5,928.08/), *Chronicles of the Canongate*, vol. II (1828; 4,503.44/), and *Anne of Geierstein* (1829; 4,455.31/). Total payments for Scott's other titles are nearly seven times greater compared with the average 127 titles by other authors after 1814: *The Monastery* (1820; 1,385.81/), *Ivanhoe* (1820; 1,385.81/), *The Abbott* (1820; 1385.81/), *Kenilworth* (1821; 1,385.81/), *Peveiril of the Peak* (1822; 1,472.97/), *The Fortunes of Nigel* (1822;

32. Longman Divide Ledger 1D, 73.

33. Longman Archives, Longman I, 102, no. 52B. Bray earned 26.37/ in profit-sharing income for *De Foix* (1826, by Longman & Co) and 14.92/ for *The White Hoods* (1828, by Longman & Co).

34. Longman Divide Ledger 2D, 224.

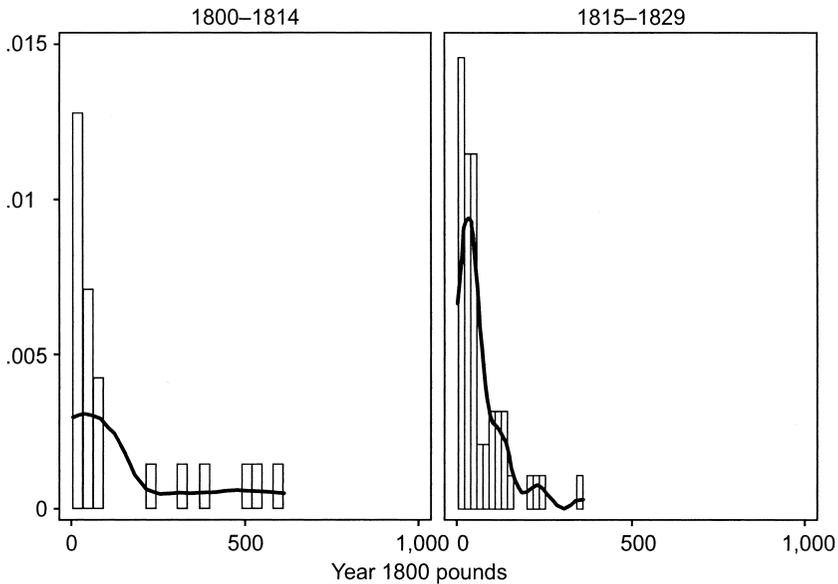


Fig. 12.4 Income from profit sharing, excluding Scott

Note: Histogram with Epanechnikov kernel density of authors' income from profit sharing for titles without lump sum payments in year 1800 unit pounds before and after the UK Copyright Act of 1814. The 1814 Act extended the length of copyright from twenty-eight years to life of the author for books whose authors survived more than fourteen years after first publication, and from fourteen to twenty-eight years for books whose authors died within fourteen years of first publication. Data include payments for eighty-three titles from six publishers and fifty-one authors (excluding Scott). We have collected these data from archival records, including bookkeeping entries in publishers' ledgers and personal letters from P. D. Garside, J. E. Belanger, and S. A. Ragaz, *British Fiction, 1800–1829: A Database of Production, Circulation & Reception*, designer A. A. Mandal.

1,472.97*l*), *Quentin Durward* (1823; 1,472.97*l*), and *Chronicles of the Canon-gate*, vol. I (1827; 2931.66*l*).³⁵

A celebrated author of poems, such as *The Lay of the Last Minstrel* (1805) and *The Lady of the Lake* (1810), Sir Walter Scott's first novel was published in 1814, with the anonymous publication of *Waverley*. After 1814, the British Fiction data include fifteen novels by Scott, for which he earned an average of 2,570.60*l*.

Constable had initially offered Scott a lump sum payment of 700*l* for the copyright for *Waverley*, but Scott declined Constable's offer, allegedly arguing that Constable's proposed payment was "too much" (Lockhart 1838, 255). Instead, Scott and Constable agreed to a profit-sharing agreement for

35. In 1821, Scott sold the copyrights of four novels—*Ivanhoe*, *The Abbot*, *Kenilworth*, and *The Monastery*—to Constable for 5,000 guineas, equivalent to 5543.22 year 1800 pounds. Constable also purchased the remaining copyrights of *The Pirate*, *The Fortunes of Nigel*, *Pevevil of the Peaks*, and *Quentin Durward*, for 5,000 guineas in 1821 (Lockhart 1838, 168).

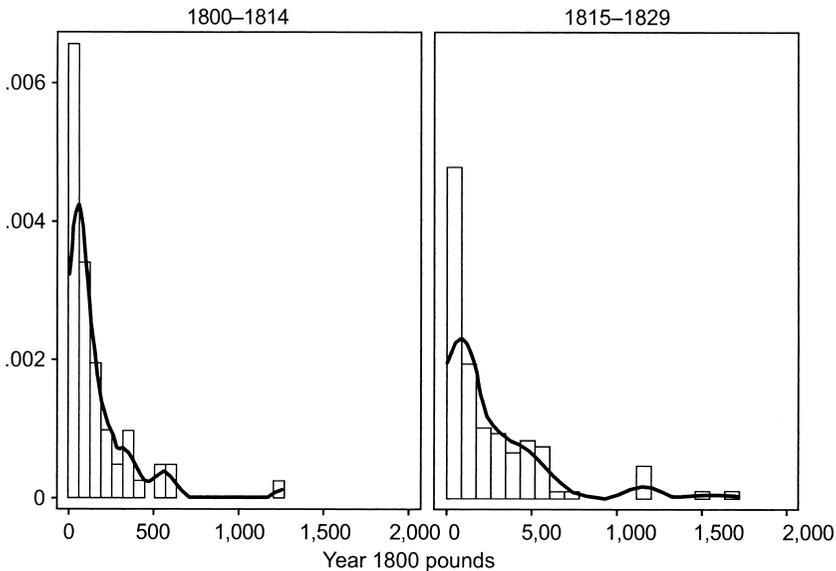


Fig. 12.5 Total payments to authors, excluding Scott

Notes: Histogram with Epanechnikov kernel density of total payments to authors in year 1800 unit pounds before and after the UK Copyright Act of 1814. The 1814 Act extended the length of copyright from twenty-eight years to life of the author for books whose authors survived more than fourteen years after first publication, and from fourteen to twenty-eight years for books whose authors died within fourteen years of first publication. Total payments equal the sum of lump sum and profit-sharing payments. Data include payments for 191 titles from ten publishers and 104 authors (excluding Scott). We have collected these data from archival records, including bookkeeping entries in publishers' ledgers and personal letters from P. D. Gardside, J. E. Belanger, and S. A. Ragaz, *British Fiction, 1800-1829: A Database of Production, Circulation & Reception*, designer A. A. Mandal.

the first edition of *Waverley*, earning the author 455.72*l* in profit sharing for the seventh edition alone.³⁶ After the *Waverley* novels proved successful, Scott received large lump sum advances with additional income from profit sharing:

For most of the novels after *Waverley* the method adopted was somewhat different. Scott sold to Constable and Co. the right to print two thirds of the first impression of 10,000 (in some cases 12,000) books for a fixed sum. Until 1822 or thereabouts the price of the two thirds was £3,000, but it seems to have been thereafter reduced to £2,500. The remaining one third was reserved for James Ballantyne, but in regard to one half of this third James acted as Trustee for Sir Walter. (Grierson 1938, 146)

36. The 455.72*l* for the seventh edition is the only payment for *Waverley* in the British Fiction data. St. Clair (2004, 245) reports "When a ship bringing the first copies of the latest *Waverley* novel from Edinburgh docked in London, the books would be distributed by noon the next day, even breaking the rules against working on the Sabbath."

Scott's experience, however, was unusual. For one, Scott was able to use an inheritance in 1805 (Grierson 1938, 33) to purchase a third share of Ballantyne & Company, a publishing house that was owned by Scott's childhood friend James Ballantyne and James's brother, John Ballantyne (Ballantyne 1838, 17). Following this purchase, many of Scott's works were copublished by Constable and Ballantyne, leaving Ballantyne in control of the production (Kelley 2010, 13).

Scott's novels were also extremely long-lived and frequently earned Scott substantial amounts of additional payments for later editions. For example, *Guy Mannering* (published in 1815 by Longman and Constable, printed by Ballantyne) was published in eleven editions (Garside 1999, 391). The British fiction data include payments in half-profits between March 1815 and November 1817 for the first through fourth edition; Scott received 1,278.08/ for these editions.³⁷ For *Rob Roy*, Longman paid Scott 2,280.00/ for the first edition in 1817, and 848.00/ for the second edition in 1818. For *Tales of my Landlord*, copublished by Murray and Blackwood in 1816, Scott received 2,805.60/ in profit sharing.³⁸

12.5.2 Novels without Payments to Authors

Ten titles by Longman & Co. record a loss and no payments to the author. For example, Longman reports capital outlays, sales, and other expenses for Mary Anne Neri's gothic romance *The Hour of Trial: A Tale* (published in 1808 by Longman) without any references to payments to the author:

[June 1808]. The impression consisted of 750 copies.
 21 June–Dec 1808. Total outlay (paper, printing and misc. expenses):
 155. 0. 0
 June 1808. To advertising: 17. 5. 0.
 . . .
 [Feb–July 1811]. To further advertising: 1. 2. 0.
 [Feb–July 1811]. To boarding 39 copies: 1. 19. 0.
 [n.d.]. Loss on the production of this novel: 0. 6. 1.³⁹

Anecdotal evidence suggests that authors of books without payments were less popular and unfavorably reviewed. For example, *The AntiJacobin Review and Magazine* (1808; 192) describes Neri's *Hour of Trial* as

37. A sixth edition appeared in 1820, published by Constable alone (Garside 1999, 391). There are no records of a sixth edition, but the fifth edition was published in two parts (Garside 1999, 400).

38. Murray Archives, Ledger B, pp. 37–38 and Copy Ledger 1809–47 (part publishing), pp. 167–68.

39. Longman Divide Ledger 1D, p. 95, June 1808. Data on expenses are most detailed for Longman. There are two titles by other publishers with losses to publishers and positive payments to authors: *My Grandfather's Farm*, by Gabriel Alexander (paid 21.22/), published 1829 by Oliver and Boyd, and *St. Aubin*, by Janet Stewart (paid 8.72/), published 1821 by Oliver and Boyd.

rather calculated to deaden the energies, and excite desponding thoughts in the minds of youth, than to offer them the amusement for which they turn the pages of a Novel.

Four years earlier, *The Monthly Review of November 1804* (315) had described Neri's *Eve of San Pietro* (published in 1804 by Cadell & Co.) as "a work of imitation . . . in many respects inferior to the original" (*The Monthly Review 1804*, 315).

Six of ten titles with negative profits and no payment to author were first published between 1800 and 1814, four were published after 1814. The average loss was 20.72*l*, with a standard deviation of 13.44, a maximum loss of 41.25*l* (Edward Trevor Anwyl, *Tales of Welsh Society and Scenery*, published in 1827 by Longman) and a minimum loss of 3.39*l*. The median loss is 19.98*l*.

12.6 Conclusions and Directions for Future Work

This chapter presents a new historical data set on revenues to publishers and payments to authors, which we have collected from archival sources, including ledgers of transactions, as well as letters between publishers and authors. Comparisons of publishers' payments to authors before and after 1814 indicate that payments to authors increased after the 1814 Copyright Act, which increased the length of copyright protection for authors. The data also show that younger authors, who benefited more from the extension in copyright from twenty-eight years to life of author, experienced a larger increase in payments compared with older authors.

Although our findings are primarily descriptive and cannot establish a causal effect of copyright, they are consistent with the view that *in principle* shifts toward stronger copyright laws can help to strengthen the economic incentives for creativity. It is important to keep in mind that the 1814 Act increased the length of copyright starting from a low base of preexisting rights at fourteen and twenty-eight years. By comparison, modern changes increase the length of copyright starting from a high base of preexisting rights, at fifty years or more beyond the death of authors. At extremely high levels of preexisting rights, the incentive effects of an additional year are likely to be small. The costs of stronger copyrights in terms of limiting diffusion, however, may be substantial. Diffusion effects may be as critical as incentive effects in determining the welfare implications of copyright, making them an important topic for future research.

Among all writers in Britain's Romantic Period, Sir Walter Scott received the largest payments. On average, Scott earned 10.3 times as much for fifteen novels after 1814, compared with 127 novels by other authors after 1814. Scott's works, such as *Waverley* and *Rob Roy* were particularly long lived, and the creation of long-lived copyright terms for these works allowed Scott's publishers to charge higher prices for an additional number of years

(Li, MacGarvie, and Moser 2014). Data on payments to Romantic Period authors suggest that Scott and other authors were able to extract some of the additional revenue stream from publishers. Other authors may have been inspired by Scott's example to invest in creative work. In fact, preliminary results of a related project on the gender and social background of new authors indicate a significant shift toward male authors, who may have been attracted by the increased profitability of writing. Some of these new entrants may have been overly optimistic in assessing their chance of emulating Scott's success, but this is a topic for future research. Additional data are needed to examine whether an increase in the profitability of writing helped to encourage the creation of additional books and higher quality books. Such analysis will investigate variation in creative output across genres as well as across quality levels.

The data also show that publishers used different payment schemes to strengthen authors' incentives to support the sales of their books, and we observe a substantial amount of variation in the timing, as well as in the size and in the types of payments across different types of authors and books. Exploring this variation requires additional data collection; once the data are complete, we hope to examine how publishers varied payment schemes to create incentives to create new works.

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Comment Koleman Strumpf

It is often stated that intellectual property (IP) protection is essential for the production of creative works. The argument is that artists have incentives to produce only if there is an initial period during which they have exclusive control over the sale of their books, music, or similar products. Quantifying how important such incentives are is necessary for setting appropriate IP policy, since the monopoly sale period can potentially result in lower consumer surplus as many potential buyers are priced out of the market (it

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