

The Velikovsky Affair

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The year is 1950. Assume that you are a senior editor (analogous to a marketing manager) of the MacMillan Company, which publishes textbooks for the college trade and also commercial books for the general public. A psychiatrist, Immanuel Velikovsky, has submitted a book to you called *Worlds in Collision*. It is a non-fiction book based on years of research during which Velikovsky read the Old Testament, Roman and Greek mythology, Hindu writings, and folklore from many different peoples. His main conclusion is that between the fifteenth and eighth centuries B.C. the world experienced a series of global catastrophes brought about by comets and planets (e.g., Mars and Venus) that nearly collided with the Earth. If what Velikovsky claims is true, then a number of implications were apparent—e.g., there were many serious errors in historical records, the existing views on the universe that were held by scientists were incorrect in a number of critical areas, the universe is not “orderly,” and there exists the possibility that the Earth might be affected by near collisions with other heavenly bodies, which could again wipe out much of the earth’s civilization, similar to what happened about 1500 B.C.

Your market research department estimates that the book has a high probability of being a best seller to the general public. You concur with this, as the topic is interesting and the book is well written. You also have a letter from a well-known scientist who supports publication of the book and feels that this book may represent one of the most important achievements in the history of science. Thus, the book will not only be a best seller, but may also be a major contribution to scientific knowledge.

You have also learned, however, that Velikovsky’s book has been turned down by eight other publishers. The reason for this is as follows: An interview with Velikovsky was published in *Harper’s* that sketched out the key thesis of *Worlds in Collision*. On the basis of this preview, a number of the world’s leading scientists have become upset. They have carried out a campaign to prevent the publication of *Worlds in Collision*.

The “concerned scientists” have recently written to MacMillan and threatened a boycott if MacMillan goes ahead with its plans to publish.

Your Assignment

1. It is up to you to decide whether or not MacMillan should go ahead with publication. Top management has let you know that they will follow your recommendation. What should you recommend? (Be sure to identify the key issues and clearly structure your approach. How did you solve the problem? What advice could you give to others to help them in approaching similar problems?) Provide a one-page summary of your decision.
2. Predict:
 - a) What decision was made by MacMillan?
 - b) What was the outcome, given your prediction in a)?
3. How would you predict the likelihood of a boycott actually being attempted? That is, what methods would you use?

Marketing Research Report on Velikovsky Book Supplementary Information

The marketing research department has established that the expected value of profits to MacMillan from *Worlds in Collision* might be in the neighborhood of 40% per year after taxes for a five-year period. They feel fairly confident on this prediction as the threat of a boycott is not present. Thus, they feel 95% confident that the profits would be between 20% and 50% after taxes. In dollar terms, expected profits would be about \$200,000 per year from the book alone. If they don't publish the book, total company profits would be almost \$9 million per year. After the first five years, returns are expected to be small.

There is some uncertainty about whether the boycott would be successful. If it were successful, the results could be serious since \$8 million of MacMillan's profits per year come from the textbook division. However, it is doubtful that the leading scientists could bring about a complete text boycott as their influence resides within a small number of universities and is limited primarily to the hard sciences. From a study of the scientists involved, it is estimated that beyond the 20% chance of no boycott, there is a 20% chance of a \$1 million loss to the textbook division, a 30% chance of a \$2 million loss, a 20% chance of a \$3 million loss, a 5% chance of a \$4 million loss, and a 5% chance of a \$5 million loss. These figures represent the total loss over the five-year period. After that, it is felt that the loss would be negligible. These estimates by the Marketing Research Department represent the best information that is available, in your opinion.

Note: Assume all estimates are after taxes.