May 14, 1968

Mrs. Nell Dorr
Villa Serena
Nettleton Hollow Road
Washington, Connecticut 06793

My dear Nell:

Thank you for your letter of a day or so ago, which I shall try to answer as clearly as possible. The figures I'm giving you are true figures with nothing laid on. I take you into our confidence in the matter of our own affairs because I hope it will help you to understand the basic arithmetic of our business, and it seems the fairest way of explaining how we can operate with your book in a professional way.

To go over the questions you raise point by point: 1.) Never mind about the $10.00 figure already printed on the jacket flap. These can be cut off or over-printed to impose the higher price of $12.50. 2.) 2000 books would measure in cubic feet a box 5 feet long and 5 feet wide and 6 feet high, or 150 cubic feet. I think I had better visit you shortly and see the place you so kindly offer for storage, simply to make sure that the load can be carried of these books while they stay with you. I imagine they will be delivered either by a trucking company, or by our own truck. But in either case we would let you know.

Thank you for your list of review suggestions. Some of them of course are repeats and some of them are very good suggestions. I am planning to send you 25 or 30 books as soon as available, with labels for your own use and the mailing bags.

Now to your questions about finances. Here are the facts and here is where we must be realistic together: 1.) The cost of the book comes out to $5.50 per copy, delivered to Greenwich. I get this by adding the three bills for the cost of production: Photogravure & Color - $17,380; Spiral Press - $4,860; and Russell Rutter - $5,200; then I divide the total by 5000, which comes to $5.48, plus 2¢ for shipping.

2.) Now, some basic figures which I enclose for your help on a chart. We start with the following absolutes: List price, $12.50; discount to the book-seller across the board, 40% of list, equals trade-discounted at $7.50 net price; average commission, across the board, for all selling costs 7½% (57¢).

Now please look at my chart. I have given you four columns listing all the costs of manufacturing, selling, advertising and promoting, and

handling a book to total a figure in each case, and called them immediate costs. At the top of each of the four columns is shown a figure for cost of manufacture only.

A. In the first column, your book.

B. In the second column books we buy from museums and only distribute, like the Metropolitan Museum in New York, at 1/3 of list price.

C. In the third column books we buy (produce), at 1/4 of list price, where the production and editorial costs are shared between ourselves and foreign publishers.

D. In the fourth column are books that cost 1/5 of list price to manufacture, which are those books we originate ourselves and do all the work on from start to finish.

Now adding up all the costs in these 4 columns we reach a total cost per book (immediate costs) at the bottom of these figures, just above the red line.

The last figure in the four columns is a gross of what is left for New York Graphic Society to pay all other expenses. These include overhead of our staff and building, and costs of operation.

These figures do not include any losses through returns of damaged books, or bad debts.

OF NIGHT AND DAY, I assure you will bring no profit in money to New York Graphic Society. If every copy were sold of the 5000 bound and there was a gross left over of $5,000, this figure would not cover the time we have all spent in helping you do the book until publication, and then in carrying the book in our catalogue and selling it until it is out of print. The truth of this is that we could not possibly afford to do this book in any other way, except for the fact that you are paying for the cost of manufacture.

To answer your question about your selling the book directly to your friends. So long as we do not need to handle <u>any</u> part of the transaction here, this is perfectly acceptable to us, but we naturally would expect you to adhere to the list price of $12.50.

Otherwise, in this case since there is nothing left over to share as with your other books, after the final costs have been tallied, we will return to you $5.50 a book in regular installments at the time of our semiannual royalty payments.

I do hope this clarifies this matter of selling the book once it has been produced and paid for through the regular trade channels with the assistance of New York Graphic Society. Anyway, enough for now and if you have any questions I shall be glad to do my best to explain further.

As ever,

B.

Burton Cumming