

the something else NEWSLETTER

Volume 2, Number 7

April, 1973

40¢

Distributing Books

by Dick Higgins

A long time ago I promised myself I wouldn't write about business. But the corruption in my "industry" is so total that I figured I'd better do so, as part of my promise to spend '73 talking about Literature. Because books are part of literature. So I must break one promise to myself to keep another to other people.

The book industry is the most stupid and the most corrupt of all in the country. What should be part of an information flow is part of a very possessive information monopoly. For reasons I'll shortly explain, publishers don't make money on books. They make them on rights, reprints, movie permissions, magazine serializations. And every time an independent publisher gets bought up by an information conglomerate, even if the Big Corp leaves the publisher alone pretty much and doesn't really interfere with it editorially, the motivation is removed to do important work or, in fact, to do anything besides turn a profit. That isn't very good for work that isn't likely to be serialized, or that would be hard to "do" in French or Spanish or German or Japanese.

Start the analysis. You read this newsletter, so you probably like books. You can buy as an individual or you can borrow from a library. Individual first. You read about things from time to time. Friends tell you about our books and other things they've been reading. Mostly they tell you about the who. This isn't McLuhanish, really. You don't set out to buy a book, usually. You're interested in the particular person's ideas (or in a field). One sits down for an evening of TV, but one reads

"Fuller," "ecology," or "feminism" whenever and however one can fit it in. One writes literature fairly often, but reads it less so. You read a literary book only when you can't help it. Really that's the result of the corruption, but I'll address myself more to that later.

So you go to a library and you take out the thisses and thats which you've been thinking about. If you live in the country—or if you want to have for working with—the books you need, you buy them. You don't trust the mails (who'd dare?), so you go to a bookstore. This brings us to the second link.

A bookstore. The people who work in it have to be fairly literate. That costs. The store has to be fairly central, if it's to handle any off-the-street traffic (of course some stores specialize in mail order, but they're special nowadays). And to get a good place they have to compete with hamburger joints, hi fi shops, etc. That costs. A grocery gets a 60% discount on some items, and others come in on consignment. A bookstore gets around 40% a little more if they can take on enough books. And it has to carry a very large inventory if it's to satisfy your request when you come in the door. Maybe 8,000 different titles if it's a little store. And these probably come from 500 different publishers, at least—which means keeping up 500 accounts. And the books have to be paid for after 30 days, ideally, though in practice it usually works out to 60 days. And often the store simply can't pay for a book it knows it might need but doesn't happen to have an immediate customer

for, so the store has to pay part of its bills by returning the books. Just for the record, here's the discount schedule and return policy that Something Else Press offers to stores:

Discount Schedule to the trade: (Single or Assorted Titles)

1- 4 books, 20%	200-299 books, 44%
5- 24 books, 40%	300-399 books, 45%
25- 49 books, 41%	400-499 books, 46%
50- 99 books, 42%	500-749 books, 47%
100-199 books, 43%	750-up books, 48%

Return Policy: Books in resaleable condition may be returned for full credit in not less than 90 days nor more than 12 months from the date of invoice. Requests to return must be made in advance. If the invoice number and date are supplied at the time of return, 100% of the invoice price will be credited. Otherwise it will be assumed that the original discount was 42% and a handling charge of 10% will be deducted.

So you go into the store. You want a book that is important. Naturally they don't have it. So you ask them to get it. They phone a wholesaler, perhaps one of the best, like Diamondstein's or Bookazine. Most likely the wholesaler doesn't have it either. So they tell you the book is "out of print," and you go home thinking it was. Even if the wholesaler had it, a single book order would probably come in giving them only a 20% discount—how could the wholesaler offer more?—and if the book's a paperback, the bookseller would be lucky if he broke even on the transaction, considering his overhead costs, the cost of the phone call, postage, etc. Recommendation to the industry: book stores should not special order but should refer this kind of thing to the publishers—very few publishers can or should refuse a prepaid order.

Well what *does* the wholesaler do? Actually he isn't a warehouse for huge titles. He's a common stocker of well-selling titles. He gets his profit from the perhaps 50% and sometimes more that he gets from the publisher. But he has a huge warehouse to support. He can't do it from 50% of a 35¢ magazine — and he won't. He does it by ordering and returning to the publisher (if they don't sell, and both publisher and wholesaler lose money on this) on a large volume basis. Say, now, you're a small publisher. You were lucky: a big metropolitan newspaper reviewed you. You have no sales force. You put out feelers, the wholesaler picks you up. But by the time the books get to the wholesaler, the people who were in the stores asking for your book aren't going in asking for it any more. So the books come back to you. In the meantime maybe you've had to go back to the printer and get him to do a few thousand more books, because they're all out at the wholesalers'. Then when they come back — financial disaster for all.

You're the publisher. You do a thousand books. They cost \$2.25 each to produce. That's a \$2,250 printing, binding, typesetting and paper bill. If you had done 5000 copies, it would have cost perhaps \$3600. This would be 72¢ each. But it's still a lot more money for you to invest. (And this would be a very small book.) So you just stop doing books that would only be done in a thousand copies — poetry, first novels and (even more) second or third novels, literary essays, etc.

That's why bigger publishers are often more able to take a chance than smaller publishers. Or why they can afford to do a better production job, give better royalties.

But let's look what this means. It cost \$2.25 to produce our book, we've said. To get a proper retail price, we multiply by four and by five and make a compromise between them for best selling price. That would mean this book should cost between \$9.00 and \$11.25, if production is to be between 20% and 25% of the price of the book. For comparison, it costs about 16¢ each to manufacture a typical phonograph record edition of 4000, apart from editing — it is then sold for \$4.95. Rather a more favorable situation, isn't it? Back to the book: let's assume you've decided on \$10 as a price. Well, the store will get upwards of 40% if it orders a few copies. If you have a salesman, he'll get another 15%. If he sold to a wholesaler, the discount would be 50% + 15% 65% total.

if you go sort of half in half, the average amount the publisher receives is about 45% (including mail orders). And if our manufacturing cost was 23% for production, then the publisher and author must split 22%. Suppose the author gets 10%, a usual arrangement. On the edition he'd then get 10% of \$10,000, or \$1000. The publisher would then have \$1200 to pay the (not-yet-mentioned) designer, any editor involved, and all promotion. He'd be lucky if he were left with a penny. But we're talking about a literary book, remember. People don't pay \$10.00 for books like that. They wait for the publisher to go out of business and buy them at remainder (that doesn't stop them from trying to get the publisher to publish their things). Or they growl. Or they simply can't afford them, because they're buying so many phonograph records, which are ever so much more elegant and party-oriented. Like I said, people think they can write, but they simply won't read, so as not to disillusion themselves.

So the publisher has a book which, theoretically, would give him a little profit. But not at \$10.00. So he makes the price \$2.95. The salesman, then, gets 44¢ commission on the book. But he'd rather sell silly Admiral Nohow's *Exposé* of the Vietnam War (Private Seaman Nudnik being dead) for \$10 and get \$1.50 a copy. He *has* to, even. The biography is easier to sell, and he has a living to make, not to mention travelling expenses. He can dream at night of the \$2.95 book being another Ginsberg *Howl*, but it doesn't happen every week. In the meantime, at \$2.95, the publisher isn't necessarily selling any more books than he would have at \$10 — maybe a few, but not enough, really, to make up the difference, so he's in a sweat. So the salesman lives on dreams, and the publisher gradually grows broker and broker. He's forced to offer insultingly low advances to the authors he publishes — \$400 is average at this writing, because it has to be, but it really is an insult to give a person so little for a year of concentrated effort. *Recommended to the industry*: a program via the National Endowment, which could double the amount of advance royalty, given as an advance, upon publication of any literary work as such (over yeah many yeah many pages or some such qualification). As it now stands, the publisher has to do it all, and what this means is he won't publish serious literature. Fewer do each year. And what gets done is of an increasingly low quality, with only a few token things

standing out to reap in the appropriate prizes.

This publisher discussion has pretty much included the author. But just to summarize, it is pretty discouraging to be an author. A person has something to say, he works a year to say it, and he gets about \$400 — from a big, commercial publisher maybe \$1000. His cousin is a painter, maybe, and receives about \$2000 on the sale of a \$4000 canvas (or does even the most iconoclastic art, e.g. Acconci, and is well supported by galleries and media and, by no means, treated as the interesting but derivative semi-this-and-that which he is). This is amiss. A collaboration between Daniel Spoerri and Robert Filliou: Spoerri, the artist, got the cheese, Filliou, the writer, got the toast. There was a lot of money afoot on that exhibition, but the writer didn't see it. Artists live in villas, writers live in very small apartments. You can decide for yourself which you'd rather support morally.

The printer. What's his role? Well, he's paid about \$8.00 an hour around the country, for doing books he often doesn't understand or like, and if he were paid less, he'd probably quit his job and join the army. You can't blame the unions for this, except maybe for their rather myopic policies about bringing poor people and minority people into their programs. The various book unions have not been too outrageous. After all the book printer charges \$20 an hour for typesetting and the like, because he has a tremendous capital investment. His labor being so high, he has to make do with a level of equipment and technology that would give a German or a Dutchman the giggles. When I was in a shop in Turkey in 1963 I saw more modern presses than I had ever seen in any single shop in the USA. If he, this USA printer, can't get any additional write-offs on his taxes or credits to buy new machines, there's very little he can do. You can't really blame the union, though it could help. You can't blame the printer — he has to work on a 5% profit margin at best, with brutal hours for management. You can't blame the author — maybe he's already earning so little — I say this ironically and as an author — he should donate all his royalties to a Central Foundation to support appropriate projects (and make his own living from people who appreciate him like Writer-in-Residence programs, readings circuits, lectures and, well, *Real* people). You can't blame the public (they have their habits),

the book store people (they're in a horrid crunch), or the wholesalers (their role isn't really understood). And the publishers make the least money of all, normally, yet are called on to take the most responsibility. (A small publisher's dream is always to get a bigger publisher to do the selling and coordinating — but the big publisher can't do that without a 65% discount, which would mean the small publisher could only do sure-thing best-sellers in minimum editions of 11,000.)

So much for my outline draft. Now let me give my own experience. In 1967-68 I began to work on a coöp arrangement of a number of small publishers. We could pool sales force, perhaps pay less than 10% commission (justified by volume), share ads, and so on. (Sometimes I think the major media, such as the *New York Times* and the *Village Voice*, via their advertising — and the shortage of advertising outlets — are the only ones that make money on books, and it's they, not printers, publishers, wholesalers, salesmen or booksellers, who are ripping off the entire literary world.) It was a fine dream. So the editor of a fine photo magazine (the pictures, not the captions which remain ridiculous, but that's apparently the editor's taste) put together such a group. He rented an office in New York, and our orders were sent through there on a basis that was essentially a shared overhead. We had just introduced concrete poetry — on the heels of happenings, and just before we introduced cumulative prose and chance poetry. So our sales were at a peak, about \$65,000 a year, not bad for a little press. (A little press is one which does its own thing, including its own business, — but all the employees can share a taxicab after hours: if you need two cabs, you're big business.) Well, I believe in collectivism, but that coöp didn't turn out to be collective, really. What it meant was that the photo fellow was getting our money towards an office pool without any real need (only a spiritual commitment) to sell our books. Well, let me make one thing clear: he was no crook. No rip-off. He was and is a good person. But he wanted to do \$15 photography books, and I wanted to do \$6-\$7 Something Else books. So our books fell to a low in 1972 of about \$22,000 — still not bad for a small press, but much less than before and nowhere near enough to meet our obligations. In 1970, when we were working closely with this distributor, I figured it was okay to move

to California, to "Mickey Mouse University," Cal Arts, but I later learned that was unwise. At that time at the Press there was only myself on payroll regularly, plus Emmett Williams, occasionally but welcome whenever possible. It turned out not to be a saving. The Cal Arts institute was kind of a dud too (they're still using the names of those of us who have since left to advertise the place), so I returned to Vermont. It took a while to really get into the Press situation again. And what I found was this: the *more* books we sold through a collective, the *less* money we got. And there lay the problem, because I came back with a lot of really valuable books. We did various Steins, we started our new natural history program, and began to develop towards what was now obvious, doing our own distribution again. We hired people, opened new lines of credit, etc. And when the time came, gave word. Then to find that — a) our old distributor wouldn't let us go (why should he? we were paying much more than our share of his office expenses). b) he has used us to get a mailing subsidized by the National Foundation and the New York State Council on the Arts, an incredible and overpriced catalog for which we were assessed way over the proportion of our inclusion in the thing: we didn't even have any say over what things of ours were included (and a few were left out) — I saw rough proofs at 7:30 AM at our distributor's New York City apartment, but that was all. I doubt he would have gotten his grants to do the mailing, even, if we had not been included to make it a bit more catholic than his collection of publishers doing Benjamin Franklin and other ultramodern authors. The few pennies that governments give to modern literature really ought not go to dear old Ben Franklin, no matter how much one may honor his memory. That's what I meant when I said "corruption" at the beginning of this article. They use the living to support the safely dead: for me, that's hard to live with. *Recommendation*: those with funds to support literature should try hard to support the risky and the vital, not just what's safely past (few people kill each other any more about attitudes concerning Alexander Hamilton)—and where they have a choice, they should support the *who* that need—any author or publisher (on a small scale) especially for risky projects, not the *what* that needs (white-led study groups on non-white projects, etc.). Safe, safe, safe!

After all, it's not the Eternity-Watchers, the This-is-gooders-and-that-isn't crowd, that are hurting. It's the authors and their publishers. Anything can safely be studied. But the best literature cannot safely be published (economically). It is to this need that funds should be addressed, not to Ben Franklin, not to the safe.

So our distributor took our books on consignment, and, as I've said we contributed every month towards his office overhead. In principle this was fine, but in fact he had no initiative to originate sales—we still had to do most of that: his goal was to get a lot of people into his coöp so the overhead would be well paid for and he could draw a substantial salary.

Result: we would plan a book. He'd be enthusiastic. Then, once it was ready, he would go through a mysterious disillusionment. And the books wouldn't be sold. This was the fate of our *Fantastic Architecture* anthology, for instance, one of the most important books we ever did—dreams of non-architects about space, environment and buildings. Or, as with our Stein reprints, he would "sell them all out," sending us back to press. But the sales would have disappeared by the time the sales report came through. So we'd get colossal printing bills, which we couldn't pay. And what with postage charged to our account, salesmen's commissions, all that kind of thing, it became true that the more of our books our distributor sold, the more in debt to him (they called it "overpayment") we came to be. I don't know on what terms our books were sold—perhaps I never will. But as of now, we haven't received moneys from our distributor for months, but because he had an exclusive, neither would he sell nor could we sell our books, which everybody agreed were salable.

Then, with the complications of pulling out from him, not only will we now have insane freight bills to pay, getting our stock to our warehouse (it took our distributor nearly a month to pack and ship to us, though he had had instructions since October), but his bookkeeping is such a mess that we have to sacrifice all the back orders he wrote up on our forthcoming reprints—so as not to have to pay him another 15% commission on those orders. Insane? Of course. I doubt we'll see our money he owes us till the end of March—which hurts our authors, among other things. And how much of it will really materialize is hard to say.

All in all it was a supremely bad scene. Working with him left us thousands and thousands of dollars in the hole, not even including lost sales because his organization was not equipped to sell large numbers of our titles. His very sales force was only set up to handle the same kinds of deluxe art books he did himself, not the more lively kind of writing and science that we are interested in—which is almost inherently geared away from the coffee table and into the work room.

So simply to find a distributor isn't the answer. Especially not a coö্প distributor. It may work for Italian wine growers, but it doesn't work for a large number of heterodox little publishers of big books. The best kind of coö্প would have to be a sort of salesman who kept stock, who took in "members" that he liked, sold only to "his" list of stores, worked on a consignment/55% basis, had an exclusive in his area—a sort of limited, regional jobber. That would guarantee pretty much that the right kind of books would get to the stores that could sell them (that needed them and would therefore pay for them). Such a person could build a fabulous organization, probably employee operated, without a great deal of capital needed. And as long as he moved slowly and with a good deal of caution, he could come out in a fairly healthy way. That would be a real coö্প, in the long run.

But today's ferocious, competitive jobbers are probably on the way out. They're too big. They should wholesale what they know about—then the other things wouldn't get lost along the way. Dinosaurs may get a little benefit from mass production, but when they start bleeding, who can dam the blood? At least they're sensible enough not to merge with other kinds of wholesalers.

And the stores? Well, the whole scene would be helped by this *recommendation*: stores should be allowed to deduct unsold books at the end of their fiscal years as an uncollectable expense in an amount not exceeding the amount of inventory paid for in the previous year. This would be tremendously advantageous in allowing them to take chances on new titles, to carry serious works. It would reduce the pressure to return anything that didn't sell right off and it would have a culturally uplifting effect. Some modification would be needed, to prevent unfair advantage being taken of such a rule,—but the unsalable book should be a deductible

cost, even if, later, it was, in fact, sold. Perhaps it should even be allowed that it be deducted twice (after all, books need space and space costs a lot) or even more. If, in effect, a book-store could deduct its inventory, within reason, from its income (much more than depreciation would allow), this would do more for literature of all kinds than a thousand grants to the Documenters of Yack-Yack and the propagators of the same.

Now, on to libraries. What are libraries? Well, they're places that information is stored in, and they're organizations where information (often books) is stored and retrieved according to a person's need. Nowadays they spend a very large part of their funds on postage. If the government can get free franking to try to sell us its Pan American magazines, and congressmen to try to get us to vote which one of them is to raise our taxes and misuse our money, why can't libraries get free postage? This would allow them to circulate information much more effectively, and it would mean that the people whom, as an author, one wants to reach, could never say "I can't afford . . ." Which is usually a put-on, in any case. Take a 52-page book and mark it down to \$4.95 from \$10.00 and people will buy it: try to sell it for \$3.47 without saying it's marked down and they won't. I know, I did that once. Illogical? Yes. Any cloth book is automatically too expensive, no matter what is the price, while the buyer seldom looks at the price of a paperback. But if only you could get the books you really want at the library! That's always cheap. And it would lead to increased demands for the books we care about.

Some publishers offer libraries discounts to keep the libraries from ordering through library wholesalers. I think this is kind of silly—the library wholesalers consolidate orders, and may take forty books from the publisher, to be paid for in thirty days. They're earned their discount. The individual libraries if they "order direct" from the publisher will get a 10% discount only, maybe, but good heavens what a lot of bookkeeping. And the forms—required by the states of New York or California, for instance,—are quite a proverbial pain to fill out. Besides, the wholesalers are sellers first and foremost—they issue newsletters to the libraries, and they let libraries know what will be needed. Better to work with them, then, so long as it doesn't mean

Distributing Books, by Dick Higgins

your weekly order of one copy.

What this means is you've got two structures, serving the same public. You've got library reader, library wholesaler, distributor, publisher, author. Also book buyer, bookstore, commercial wholesaler (jobber), distributor, publisher, author. Two chains. The only one that ever get grants to make work more available are: author, publisher (for special projects) and library. This is one reason why the field is in such a bad way. Millions are given to support ballet companies, and maybe 2% as much for all literary projects altogether, in all the USA, the rich country where the writers starve. The other links of the chain shouldn't have to fight with authors, publishers and libraries for existing funds. But tax advantages should be created to help the weak links—the libraries and the bookstores. (Unless the whole system could be changed altogether.) For the individual author, he is best off eliminating one or another link in the chain. Often he should self-publish (do his own books), and sell when and where he finds it profitable. Looking for a publisher may be a guarantee of poverty. Looking for a distributor except on the special basis I outlined may be no saving at all—he may never see his money again. But publicizing his special production (seeing to it that reviews appear in appropriate places) and then seeing to it that the "goods"—his works—are available when the reviews appear (and sharing energies with like-minded souls), this may allow a reasonable living. Or at least a reasonable return on his work.

Ultimately there's one more thing that has to be done, though, that will make all this academic. The world has to learn to read, if mind-art (words) is to be as important as see-art or hear-art. Literature is a poor cousin. Where's the sense in that? It used to be otherwise. And it's silly to blame labor unions or publishers or some such. The art got ingrown: its prestige was sick. Concrete poetry and other related developments cleared the air. Now we are free to use words again. But we should create an economic basis for something besides frustration.

Barton
January 30, 1973