

FRED MEDART

MANUFACTURING Co.

POTOMAC AND DE KALB STREETS SAINT LOUIS, Mo.

E. J. MEDART
PRESIDENT

September 27, 1939

Dr. Forrest C. Allen,
Director of Physical Education and Recreation
University of Kansas
Lawrence, Kansas

My dear Dr. Allen:

Roy has shown me your letter of September 25 and I am answering it without any suggestion on his part that I do so.

We did not strike accidentally upon the prices we contemplate applying to the several types of Goal-Hi. These prices all resulted from very careful calculation.

First of all, we have to give a dealer or distributor discount up to 33-1/3%; we pay the freight; we pay royalties, and we hope they will be substantial; and we start off with a higher cost unit than the one you were comparing the Goal-Hi with.

Now, the next question is who is going to know anything about Goal-Hi unless we pump a lot of money into advertising and sales promotion. You talk about the cost of \$200.00 for the rules book. That, my dear man, is only a drop in the bucket. My first appropriation made to Roy the other day for sales promotion on Goal-Hi was \$5,000.00. We have to sell quite a few units to get that back at an average of a few dollars per unit allowed for advertising and sales promotion.

When this \$5,000 is used up and it appears to me that additional funds are necessary to promote this new game, then new funds will be appropriated.

We go into this thing gambling considerable money on possible success. We think we are right but this will either be a big thing or nothing. I can drop a "dead one" as fast as anybody in the world.

When you were in St. Louis recently, I thought I explained to you, to your understanding, how we could sell our standard equipment at a figure comparatively close to our cost; the difference between selling standard equipment in that manner and selling an item like Goal-Hi as a result of intensive and expensive advertising.