

Mr. Carter: Billy indicated to Ben and me yesterday that he would take a \$50,000 fee for producing the show and gamble on the other \$50,000 for managing it; the second \$50,000 to be paid from revenues from whatever source obtained.

I have discussed it with him at length today. He makes the point that if on a percentage of gross receipts he runs the risk of getting less than 50, should the percentage run more than 50 he should have the break. Also that if it is the intention to pay him the second 50 with a proviso ~~that~~ ^{not} the percentage should exceed 50, there should be a proviso that if it doesn't equal 50 the difference should be made up. Such a percentage contract would merely mean a \$50,000 guarantee to be paid out of operating revenues and the percentage figure would mean no more than window dressing X

Billy says he's perfectly willing to gamble on the second \$50,000- a straight out percentage with no strings attached whatever- but thinks he should have 10 percent of the gross revenues from all sources (except bond holders, note lenders, subscribers etc).

Attached is a table showing what this might mean. If we did the same gross business as last year a 10 percent contract might give him \$92,000, instead of \$50,000;; if we did half as much business it might still give him \$47,000; but with a ~~50,000~~ ⁷³⁰ per week overhead we should make as much as made the past year on half the gross business.

Billy is looking for the extra \$50,000, of course and though the figure is high a straight out 10 percent gamble might be ~~preferable~~ ^{preferable} to any form of guarantee

Then if ~~he~~^{he} made more it would be due to producing a show and getting the business; if it flopped he'd lose accordingly. In any event the deal should be handled in my opinion as two separate items: \$50,000 for producing the shows; the balance for operating them. The balance should be paid from revenues apart from subscriptions, should be treated as a payroll item and setup and paid weekly.

Billy wants to get away tonight. Wonder if you'll have time to talk with him, together with Ben? JMN

1936 Show

--Income

Operating (including all ticket sales, concessions and General Motors)	\$1,158,415.70
Other revenue (including US Centennial, Chrysler donation, unredemed tickets and discounts earned)	78,392.48
Total income from all sources	\$1,236,808.18
Deduct as non recurring revenue:	
Jumbo	\$114,317.50
Last Frontier	97,595
Horse Show	22,023.32
US. Centennial, Chrysler etc	78,392.48
Total non-recurring revenue	312,328.30
Revenue expectation 1937 based on same attendance as 1926	\$952,872.36