

Monday-January 16, 1933

Dear Dad:

I haven't been able to find time to write the installment letter I thought of some time ago; so I am putting it all in here.

First of all let me remind you that you have on many occasions mentioned the value of thinking right. I have tried to do that and am placing a few of my recent deductions in this letter. I am expecting you to think right about what you are going to read.

A great retrenchment of all expense is vitally necessary to the existence of the Z.G. financial stability. I shall attempt to show you why; and then follow it up with my suggestions for your part of the deal. I shall not go into details as to what will happen if we do not retrench as they are rather gory. And I expect you will agree with me and comply to the best of your ability, we have practically no cash. (This "we" includes all the corporations, Mother and you.) We have no certain contracted income with the exception of four payments of \$2500 each from Paramount. There is a possibility of some cash from the "West of the Pecos" deal, but no surrity. Harpers will keep 75% of your book royalties to pay both loans, and possibly they may take more. We can't sell any stories to magazines- they all find some excuse to send them back-and I will say that I believe if we could I doubt if we would get \$10,000 for a serial now. We cant sell any motion picture rights because the studios are using up their old material, and not spending any money on new story material. "Westerns" come back and then

"went out" again because they are so rottenly made the public couldn't stomach them. I seriously doubt if we could get \$10,000 for a picture just at this point.

This isn't due to conditions being any worse, but to uncertainty, and to the result of all the studios, magazines, etc. finding out how much money they lost last year. I think things will get better; but I can't be sure and neither can you. Nor can we be sure how soon they will get better.

Of course--with regard to what I outlined as to what money we were sure of--we may and very probably will get more. Yet I feel we should plan only on what we are sure of.

Now as to what has to go out--that is what expenses there are to meet. Mother must have money for insurance on you, herself, Betty, Loren and I. This is vitally important to us all; she must pay interest on this place (Altadena) and principle payments on the mortgage; she must pay taxes on all your property such as the yacht, houses, and various other property. (These are \$2,000 delinquent now) incidentals such as Loren's expenses, food, gas and oil, utilities are not to be sneezed at; you left over \$2500 in bills that have to be paid. The corporation has to pay \$300 a month to the Mac ae account; \$125 a month to Andy's wife and \$60 a month to Emil's brother. I suppose the attorney's fees will amount to \$100 a month to keep you from being sued on various accounts: my salary and Ed's has to be paid--and to these I attribute the only possibilities for either a stock proposition or a picture deal right now; our first consideration is of course to send you money enough to keep going.

We have reduced every possible outgo to its least possible minimum. If you can aporoportion your expenses during the next few months to meet your income--or rather to meent what part of it we can send you--we shall certainly come out with colors flying. The less we have to send you the more we can pay on debts and thereby reduce interest payments. The question of raising outside capital at the present is undoubtedly on the shelf. I mean by this that simply Ed cannot go to New York to raise the preferred stock money until we can afford that expense, and until the general uncertainty of peoples--particularly investors--minds has been overcome by an upward trend in values, and a noticable reaction in business. The only thing that can raise values is an increase in profits. This cannot happen at once. It will take time. If we are careful, and can hold out a while longer, we will be in a great position to make a lot of money.

I would suggest that you keep your outfit down as much as possible. Watch the food and gas. Drift as much as possible when fishing and don't run all over the ocean searching for something you already have achieved. Watch out that you don't get stung on transportation charges to the Tongariro. Don't go to the South Island. And leave the Frangipani in New Zealand for the present. I can just hear you saying,

"But God damn it I want it in Tahiti".

Dad you can't have everythln you want. Even Jesus Christ couldn't.

And when you get to Tahiti don't drive all over the island. Stay at your camp, fish and write. Fish as close to home as

you can. Is there any way you could get along without taking the New Zealanders to Tahiti?

We won't be able to send you a Ford if we don't make some kind of a deal for a serial or a picture. I'll be damned if I can see where the money is going to come from--but we'll have to trust to luck.

If you think right you will never take another trip without having the money in the bank. I told you a year ago you shouldn't go to New Zealand this fall, but you went blithely on. Of course my opinion isn't much--but I am a sort of statistician and I couldn't figure out how cost could be met without wither income or credit. I still can't.

If we keep expenses down, keep paying on liabilities, keep going, why surely we'll get to take the big trip and make the pictures we have planned; but take my advice and don't let a little inconvenience or temporary change of your plans stand between you and your ultimate goal. Don't risk losing the background you have built up. You need it. You will do bigger things but you won't get a quarter as much for doing them. So hang on to what you already have.

Enough for now. I'm tired. Don't let this fuss you-- but for Christ's sake do something about it.

Regards to all--we are working like hell here. Love