

## Brno Lecture 5: Reconsidering Classical Hollywood

### Cinema History

**My central proposition** is that it is not only feasible but highly productive to construct a history of cinema that is not centrally about films. If the very statement sounds odd, then I would simply point out that it is not at all unusual to think of a history of broadcasting that is not centrally about the content of radio or television programmes, or a history of newspapers that is not centrally about the content of news stories. I want to discuss some the methodological and historiographical issues involved in the construction of such a history, and then sketch out what I think are some of the revisionist implications of such a history for our understanding of the trajectory of Classical Hollywood.

Film studies has a long tradition of ignoring its viewers. At the last meeting of the Society for Cinema and Media Studies, only three of the over 300 panels seemed by their titles even to touch on issues to do with the social experience of cinema, while perhaps two-thirds of the 1000 papers offered “readings” of individual films or television programs.<sup>1</sup>

As **Kate Bowles** has suggested, film studies has most often imagined its spectators as captive and captivated creatures of its texts,

stumbling into the theatre out of nowhere, watching the movie as a cinephile might, absorbed in dialogue and mise en scene to a point of dangerous suggestibility, and then vanishing back out into the crowded street and a life imagined chiefly as the place that the escapist is escaping *from*, not as a life furnished with other media, other pressures, or other people.<sup>2</sup>

Our preoccupation, even in reception studies, with the individual movies that audiences have watched, has isolated cinema from other media and everyday

practices, and in the process has explained little about the overall historical relevance of cinema to its audiences, or about the place that cinema has taken in the social and cultural history of the twentieth century.

Instead, film studies has made the movies themselves proxies for the missing audience," able by themselves to tell us about the social past, and also able to tell us about "the generalisable characteristics of an imaginary viewer who is compelled by the big cleavages of identity (gender, ethnicity, class, race, sexuality, and nationality) but who nevertheless floats above the specifics of social history, and who therefore remains the same spectator wherever the same movie plays." Few audiences are either as abstract, as homogenous or as coherently segmented as this imaginary mass audience, however. Few scholars of film studies would, of course, deny this, but the questions it raises have been pursued in the main only by a band of dedicated enthusiasts, not only because of the difficulties of researching empirical audiences, but also because in a number of respects it offers significant challenges to the established paradigms of film studies' engagement with history.

Ignoring the differentiations of the audience forms a significant component in the strategies that have led film studies to transform the **most transient** and disposable element of the experience of cinema – the evanescent images on the screen, literally here today and gone (and probably forgotten) tomorrow, into the central object of its study. (Lawrence Alloway in the 1960s began to construct an aesthetic for commercial cinema that acknowledged that it was **expendable** – inherently ephemeral and largely forgettable.) Our curatorial history of cinema emphasises the formal properties of films, and draws on these to illuminate the political or aesthetic motivations of the movements that

have produced them. But it has less to offer us in thinking about the cultural work undertaken by distributors, exhibitors and audiences, and it has, as a result, constructed an ironically inverted form of quantitative histories, a film history without people.

**In part**, I think, this situation has been the consequence of film history's ambition, to produce the *histoire totale* that Jean Mitry proposed in 1973:

simultaneously, a history of its industry, its technologies, its systems of expression (or, more precisely, its systems of signification), and aesthetic structures, all bound together by the forces of the economic, psychosocial and cultural order.<sup>3</sup>

This unattainable *Annales* School version of film history as simultaneously medium-specific and totalising remains a common ambition for much contemporary film historiography. Its proponents, such as French film historian Michèle Lagny insist that films are central to film history: "the core is the film text, because only the film is the sign that cinema does exist."<sup>4</sup> In a similar vein, James Chapman, Mark Glancy and Sue Harper suggest that what differentiates film history from other types of historical investigation is that the central object of its enquiry, and simultaneously its primary source document, is "the film text ... the nexus of a complex and dynamic set of relationships between producers and consumers." [7]<sup>5</sup> While this approach may be appropriate to the development of an art history of film, it is much more problematic for the construction of cinema's social history. Lagny proposes that films should be seen "socially and historically ... as symptoms."

I have grown increasingly unpersuaded that we can advance the cause of cinema history by insisting that films themselves can stand as symptomatic evidence of a social circumstance or cultural condition they may – or may not

– reflect, represent, or allegorise. Like the “symptomatic interpretation” that David Bordwell criticised in *Making Meaning*, these historical symptoms appear to lack an analytical epidemiology with which we might examine their inferred relationships between “narrative motifs, social contexts, and intended audiences.”

The response of some of the most eminent film historians has to been to consciously narrow the field of their enquiry. In 1985, David Bordwell wrote at the end of the Preface to *The Classical Hollywood Cinema*:

If we have taken the realms of style and production as primary, it is not because we consider the concrete conditions of reception unimportant. Certainly conditions of reception form a part of any mode of film practice. An adequate history of the reception of the classical Hollywood film would have to examine the changing theater situation, the history of publicity, and the role of social class, aesthetic tradition, and ideology in constituting the audience. This history, as yet unwritten, would require another book, probably as long as this.<sup>6</sup>

More recently, however, in a critique of Lee Grieveson’s contribution to the 2004 *Cinema Journal* forum on “the historical turn in film studies,” Bordwell has asked:

Does regulation, or response to “reform anxieties” ... tell us why we have dialogue hooks, montage sequences, goal-oriented protagonists, and a switch from orthochromatic to panchromatic film stock? It seems unlikely. ... I suspect that many of the norms we trace [in *The Classical Hollywood Cinema*], at various levels of generality, are satisfactorily explained without invoking modernity, reform anxieties, moral discourse, or other factors—simply because every explanation must stop somewhere, and it’s impossible to spell out all the preconditions for any historical event.<sup>7</sup>

Such an attitude, however, produces not merely a narrow version of film history, but an almost exclusive one, as if questions of regulation or reform anxieties belonged to a different field of enquiry, or were otherwise simply methodologically too difficult to encompass. But if, as Charlie Keil proposes, the form of classical Hollywood cinema can be sufficiently explained by what

he calls the “proximate forces” of “industrial maturation and attempts at standardizing production practices” without engaging with the history of cinema as a social or cultural institution, then there is little reason for historians in other fields to be much concerned with the topic.<sup>8</sup> So long as cinema history remains solipsistically committed to medium-specificity, starting and ending with the film text, then the history of entertainment will remain itself an entertaining diversion occupying, at best, the illustrative margins of other histories.

I have already hinted that I do not find the solution to my methodological dilemma to lie in the path of historical reception studies – at least not exclusively. Reception studies certainly offer a mediating position that examines the “horizon of expectations” that an audience might bring to their interpretative activity. My reservations are perhaps threefold, the least consequential of which is that in practice, many reception studies rely primarily on reviews or similar printed sources for their evidence. My second reservation follows this: reception studies also tend, in the main, to investigate the reception of individual movies: that is, as Janet Staiger suggests, Reception studies, “try to explain an event (the interpretation of a film), while textual studies are working towards elucidating an object (the film).”<sup>9</sup>

While I applaud the understanding of cinema as an event, I continue to maintain that if we seek to write social histories of cinema, we need to examine “the set of relationships—social, economic, cultural, legal, environmental, discursive”—that governed the circulation of cinema and produced the experience of cinema. This goes beyond examining the impact of key films on the audiences who might have seen them, when those

audiences were likely to have seen (and forgotten) hundreds more movies than the few that we have been interested in.

To think about cinema audiences without studying the movies they have watched – to write cinema history that is not centrally about films – is to step to one side of reception theory. This inevitably demotes “the significance of individual movies to the circulation of cinema, particularly in the era of regular attendance, in places where there was neither choice between venues nor between programs at venues, which for reasons of transport as much as content would have been the situation for many – perhaps most – movie goers in the first half of the twentieth century. Douglas Gomery estimates that of the 25,000 movie theaters in operation in the U.S. in the mid-1920s, three quarters of them were in **small towns**. In most locations for most of the period of Classical Hollywood, the normative experience of cinema did not involve choosing which film to see, but rather whether or not to “go to the show” and see whatever there was to be seen. In these circumstances, exhibitors aimed to promote the consistency of motion picture standards as a whole, and to attract patrons by means of the amenity, familiarity, and reliability of the picture-going experience, rather than ballyhoo the exceptional qualities of particular pictures.

In the second edition of *Global Hollywood*, published in 2004, Toby Miller and his co-authors suggest that screen studies has so far failed “to engage political and social history and social theory on the human subject, the nation, cultural policy, the law and the economy.”<sup>10</sup> “What would it take,” they ask, “for screen studies to matter more?”<sup>11</sup>

In several recent papers, I have argued for a terminological and methodological distinction between film history and cinema history: between an aesthetic history of textual relations between individuals or individual objects, and the social history of cinema as a cultural institution. The history of the American cinema is not the history of its products any more than the history of railroads is the history of locomotives. The development of locomotive design forms part of the history of railroads, but so, far more substantially, do government land policies and patterns of agricultural settlement. For cinema history to matter more, I would argue that it must begin by acknowledging that for most audiences for most of the history of cinema, their primary relationship with “the cinema” has not been with individual movies-as-artefacts or as texts, but with the social experience of cinema-going.<sup>12</sup> It must engage with the social history of which it is a part, less through practices of textual interpretation than by attempting to write cinema history from below; that is, to write histories that are concerned not with the “great men” and women of Hollywood but with their audiences, or what **Jeff Klenotic** has called “a people’s history of cinema,” that would seek, to paraphrase E. P. Thompson, to rescue the undistinguished membership of cinema’s audiences from the condescension of a posterity that has presumed that we can comprehend the experiences of those audiences from a “reading” of some of the “texts” they may have viewed, with no substantive knowledge of the conditions under which those viewings took place.

On the basis of their oral history research, Nancy Huggett and Kate Bowles suggest that the routines and rituals of cinema-going in the 1930s – ‘who sat where each week, and with whom, and what they wore’ – were more

significant to local audiences than the particulars of the movies they saw. The picture show provided an occasion at which existing social, economic and religious distinctions could be projected onto the informal social segregation of cinema seating arrangements. Such studies of who saw which movies where also describe how cinema functioned as an instrument of local social power.

Microstudies of historical audiences such as these are necessarily particular, and they can too easily be dismissed as merely local history, or worse. But these microstudies provide an essential and corrective counterweight to the mythopoetic analysis of American films as representational forms, reminding us that if our goal is to speculate on the historical cultural meaning of the movies, we need to ask: for whom, and when?.

The larger comparative analysis that should characterise this new cinema history rests on a foundation of microhistorical inquiry, and this requires us to work out how to undertake small-scale practicable projects which also have the capacity for comparison, aggregation and scaling. To understand the intimate micro-geographies of the encounters of audiences with movies and with each other, we must also start to conceive of the distribution flows that have caused particular prints of particular movies to arrive, mostly on time, at their appointed destinations.

Ironically, one means of restoring the people to a people's history of cinema seems to me to involve the very quantitative research methods of the demographic and economic histories that constructed a "history without people." **As a third version of cinema, in addition to cinema** as text and cinema as event, I want to suggest a business model of cinema as service, a model



that acknowledges that throughout the movie-going epoch, the viability of the global exhibition industry – Hollywood’s supply of double bills changing two or three times a week to the neighbourhood and suburban theatres of Sydney, Stockholm and Sullivan, Indiana – was sustained by product flow, not by individual products. As well as everything else we have to do, then, to develop histories of the circulation of cinema, we need to develop a much more elaborated understanding of the history of distribution.

In an article on the motion picture industry published in *Annals of the American Academy* in 1926, William A. Johnston emphasised that motion picture production “is utterly apart from production in other industries,” he observed, “Production is the show business, just like making stage plays. But the moment the prints of the show are made and the films go into the cans, then the business enters a regular industrial phase.”<sup>13</sup>

From a perspective with which we are all now very familiar, the Classical Hollywood cinema was the construction of a set of conventions about continuity editing, narrative structure, lighting practices and performance styles. From the perspective that I am arguing, the Classical Hollywood cinema was also the construct of a matrix of political and legal decisions, negotiations, agreements and temporary resolutions of continuing disputes and structuring oppositions between its component businesses. Unlike its aesthetic conventions, the political and legal matrix that underpinned and structured the American cinema was principally concerned not with the content of its productions but with the processes of its circulation and display, and most particularly with the terms of trade operating between its distributors and its exhibitors.

It is worth registering the scale of these negotiations, and the potential for conflict that they represented. **During the course of every** year in the 1920s, somewhere between 500,000 and 750,000 separate contracts, covering approximately 11 million film bookings were written between distributors and exhibitors in the US. Governing which pictures were available to which audiences at what time, the terms of these contracts involved continuous negotiation between exhibitor groups and distribution companies and were the subject of frequent intense scrutiny by federal government agencies, and three major court cases eventually decided by the Supreme Court.

The number of movie theatres in the US was already close to its peak as early as 1914 or 1915 when almost every town with a population of 2,000, and many smaller places, had a regularly operating movie theatre. The distribution policies of the MPPC's General Film Company and its immediate independent imitators aimed to provide enough one-reel films for a program change on a daily basis. This created a relatively flat exhibition network: effectively, a collection of retail outlets for industrially produced goods, wholesaled and retailed at a more-or-less flat price structure – what we might describe as the reliable provision of novelty –with price variations determined – like vegetables – by the freshness of the product. The MPPC conceived of its desired audience as a “transient audience” “interested in “the movies” as cheap, convenient entertainment, not in a particular film.<sup>14</sup> The GFC's strategies of renting pictures in groups as undifferentiated commodities – like “bread or cloth” – were “based on the needs of the small-theater exhibition market,” and allowed the exhibitor to differentiate his screening space on the

basis of its features as a venue, rather than on the products presented, and to tailor the show to community needs through its other components.

This system spread cinema rapidly and broadly, at minimal investment through “the independent planning of thousands of entrepreneurial showmen, successful largely because film exhibition began with precisely the radical decentralization that mass production of celluloid entertainment allowed.”<sup>15</sup>

Itinerant exhibition, a low-cost cash business reliant on existing entertainment venues, was critical to the establishment of cinema almost everywhere except the major cities, and continued much later than is usually acknowledged. The “nickelodeon boom,” on the other hand was a transitional phase in exhibition history, lasting not much more than seven years in even the smallest towns, before converted storefront theatres were replaced by larger purpose-built structures, which often usurped the functions of the town opera house.

Once the profitability of equipment sales – hardware – peaked, attention turned to increasing the profitability of software, which was achieved by differentiating both product and venues, and creating a price hierarchy. This entailed developing more elaborate exhibition outlets, initially using vaudeville and legitimate theatres, and eventually leading to the cycle of building expansions in the late 1910s and 1920s. The production and distribution **strategies of Famous Players**, and subsequently Paramount, were developed to cater to this differentiated market, and while these changes are conventionally attributed to the appearance of the feature-length film, it seems to me far more convincing to suggest that the audience occasioned the venues, and the venues occasioned the product, than to believe that the product invented its audiences. Feature film programming represented an

alternative, differentiated strategy opposed to the GFC's role in standardizing an industrial system of production and distribution around small-theatre exhibition.

In 1914, the most common view expressed by industry figures and in the trade press was that these two strategies were irreconcilable and that exhibition would eventually divide into feature theaters attracting middle-class audiences "who have the leisure and inclination to view photo-plays of great length," while one and two reel pictures "will always by the main strongholds of the photo-play theatre," the program theatre attracting poorer and working class audiences.<sup>16</sup>

If we write a production-based history, it would seem obvious that the trade press and the industry got it wrong: the feature film, understood in terms of its duration, became the dominant product in all venues, and subsequently the dominant object of film history. Viewed from a perspective focused on exhibition, however, this case is somewhat less clear. Feature programming, as initially developed by Famous Players from 1912, was crucially concerned with attracting another audience than the "transient audience" for the small theatre, in another set of venues. The product was a means to this end, but the strategy of differentiation had as its purpose the differentiation of an audience segment, ultimately based on capacity to pay.

Famous Players' strategy evolved into Paramount's block booking program, which, as the double-page advertisement announcing the company's formation in the *Saturday Evening Post* made abundantly clear, aimed to rise above "the low levels of the Nickelodeon and "penny-dreadfuls," and promised "the best plays and best stories, interpreted by the best talent, presented in

the best theatres for the entertainment of the best people.” While Paramount’s appeal incorporated production elements, it was premised on W.W.

Hodkinson’s vision, which the advert quoted from 1907, of “picture theatres running entire performances, programs changed weekly, pictures accompanied by orchestra, lectures, effects, in every large city; price up to fifty cents and attended by people in evening dress.” ... What was being differentiated here was that audience, on its capacity to pay: “tell the manager that you are looking for the best and ask him to get it. Tell him you are not attracted by cheap admission or numerous pictures— that you want quality and are willing to pay a little more for it.”

This suggests that the “transitional period” can be seen as being as much a contest over distribution practices and access to exhibition outlets as over production formats. **From this perspective**, the products being differentiated were not simply the pictures themselves, but were more substantially the exhibition venues, and the social and economic benefits they brought with them.

And those better motion pictures just naturally brought with them:

- Handsome Modern Theatres All Over the Country.
- Bigger Business for Local Merchants.
- Broader Happier Life to Every Man, Woman and Child.<sup>17</sup>

In the little old movie show of years gone by you caught colds, eyestrain and stiffness. In the modern motion picture theatre you sit in the lap of luxury and catch the spirit of eternal romance.<sup>18</sup>

**However much Paramount’s** rhetoric emphasized the democracy of standardized consumption between the “million-dollar palace of the screen in the big city” and the “tiny hall in a backwoods hamlet,” its standardized systems of distribution emphasized the differentiation of venues through

systems of wholesale pricing and sequential access to new product, both based on the venue's earning capacity.

Over the ten to fifteen years following the founding of Paramount, the exhibition sector was extensively reconfigured, through the repurposing of existing theatrical and vaudeville houses and new and increasingly extravagant building. These waves of building programs, culminating in the post-sound neighborhood palace building boom that carried the industry through the first eighteen months of the Depression, amounted to a replacement of theatre stock, rather than an augmentation of existing facilities. Seating capacity expanded throughout the period and expanded exponentially in the late 1920s, but this happened through the construction of new, larger, theatres, and the opening of one of these theatres led inexorably to the closing of a larger number of smaller theatres.

By 1920, two clearly divergent views were emerging as to how the industry's development should progress. One view, most evidently practiced by Adolph Zukor, moved towards the complete vertical integration of the industry through the combination of a national distribution network and theatre ownership, particularly the ownership of the industry's prime real estate, which could be variously identified as the roughly 250 "million dollar" picture palaces of the mid-1920s or, more broadly, as the roughly 2,000 "key" theatres. Another view firmly held that economic efficiency in the industry was best maintained by the separation of its sectors. While this view is now associated with industry history's losers such as Hodkinson, the man who lost Paramount to Zukor, it is important to bear in mind that the issues of sectoral separation and the propriety of vertical integration remained the central legal and legislative

concerns from the Federal Trade Commission's first action against Famous Players Lasky in 1918 to the conclusion of the Paramount Case in 1948.

From 1920 onwards, the industry was fundamentally structured by two underlying tensions. One was a struggle for relative dominance, expressed as market share, among the major vertically integrated companies.

Nevertheless, these companies developed complementary and co-operative policies towards their business practices and trade relations, and shared positions in relation to almost all the external forces facing the industry. These positions were usually represented, in both public and private arenas, by the Motion Picture Producers and Distributors of America, Inc., and its President, Will H. Hays.

The second underlying tension was the continually hostile relationship between the major companies and the independent exhibition sector. This tension was in part an inevitable commercial opposition between wholesaler and retailer over the division of profitability and risk, and the exercise of economic control, expressed in disputes over the specific trade practices of block booking, blind buying, and so on. It was intensified by the particular nature of the business, where products were leased rather than sold, and where the wholesale price was determined more by the location and condition of the theatre than by the quality of the picture, and exacerbated by the more or less continuous restructuring of the exhibition industry from 1915 to the Depression, and in particular by the distributors' application of chain-store methods to their construction of large first- and second-run chains of theatres.

**Sam Morris**, Vice-President and general sales manager of Warner Bros.

expressed the distributors' underlying position in a meeting to discuss relief for small exhibitors threatened with ruin by the introduction of sound in July 1929:

We don't give a blank about the exhibitor agitation and we think the talk about public interference with this business is all bunk. What counts in the world is money - money - and the money of the country is in chain banks. Chain banks, chain stores, and chain theatres are here to stay and if the little exhibitor has to go to the wall, that is his hard luck. If it is a choice between his buying a picture at a loss or us selling it without a profit, we are in favor of his buying it at a loss.<sup>19</sup>

In two articles in the *Annals of the American Academy of Social and Political Science* in 1926, William Johnston, editor of *Motion Picture News*, offered an overview of the industry's structure. Using figures for 1925, he estimated that that 50% (51%, to be exact) of the weekly audience (which Johnston estimated at 47 million) attended the 3,300 theatres in the 79 cities of more than 100,000 population. The other 50% attended the remaining 11,373 theatres in the country. Extrapolating from his figures, I deduce that the 10% of theatres that earned 75% of the distributors' income played to around 18 million of the 47 million weekly audience, or 38.3% of the audience – give or take 1 million. Which also means that between 60 and 65% (29 million) of the audience saw movies in subsequent-run theatres, and theatres outside the large 100,000 cities. And that means that the metropolitan audience generated about five times as much rental income per head as the non-metropolitan audience.

While you can easily see the logic of Sam Morris' position, these figures also contained the core of the industry's political problem, in the existence of what were effectively two exhibition markets, which for want of better names we might call the feature market and the program market.



The industry's growth had created a large but not particularly profitable audience, who nevertheless expected to receive quality entertainment at low prices. As Morris' comments suggest, the chain theatre movement sought to reorganise significant portions of this market, in part through a concentration of theatrical outlets. The exhibition industry's constant state of change and concentration in this period meant that economically marginal theatres closed throughout the period. Figures produced by the Film Boards of Trade in 1928 recorded 12,000 transfers of ownership of theatres in the previous three years, affecting about 20% of the country's theatres each year.

**“while the number** and quality of theatre seats is fast increasing, the total number of theatres is decreasing. The smaller house is steadily giving way to the larger and more attractive theatre wherever population – and in the country, good roads – justify the change.” (Johnston)

Johnston argued that very few of “the twenty thousand places of amusement that had sprung into existence by 1914 ... were really making money.” He estimated that 90% of the 5,000 theatres operating in towns of less than 1500 population had never made “anything more than a precarious living,” and were closing rapidly, particularly in those states where “good roads have been built.” He quoted one country editor's comment that “Every mile of new macadam spells the doom of the small town theatre.” Johnston extrapolated the logic of concentration to suggest, for example, that Kansas City (1925 population c 360,000) “will support seventeen or eighteen houses, most of which should be situated in residential sections.” He also indicated a similar concentration in “the smaller cities and in the country districts,” to a point where “a thousand or more such theatres, averaging a thousand seats,” would be sufficient to “show a picture to nearly all the theatre-going population of the country.” Writing in 1931, journalist Reginald Tavinor asserted that while silent

movies had been made with one eye on the small town theatres, talkies and the closure of many small, late-run venues in rural communities had “changed all that:

Si and Mirandy, instead of going to the crossroads schoolhouse or the Bijou, now crank up the Ford and drive twenty miles instead of two, pay perhaps thirty cents and up, instead of ten — and demand real entertainment in return for their time, money, and effort. From going to the towns and cities, they have learned to judge entertainment from city standpoints. That is why a picture that is a success among the ‘city folks’ nowadays will be a success in Gopher Prairie, too.<sup>20</sup>

The elimination of late-run exhibition also meant that a talkie’s commercial life was much shorter than that of a silent picture, and its profits lower. ‘One medium-sized theater now takes the place of ten former smaller ones, audiences and all ... the ‘rube’ viewpoint has gone the way of all flesh.’<sup>21</sup>

This macro-scale economic logic of concentration envisioned something resembling the freeway-intersection multiplexes of the 1980s and 1990s, but it ran some way ahead of more parochial economic and political logics. But as Greg Waller and Kathy Fuller-Seeley have shown, the picture theatre had become an integral part of the local economy. In the small towns and “big little cities” where *Variety*’s “Hix” lived, exhibitors were embedded in their communities, boosting the town and its retail enterprise as members of the Chamber of Commerce and co-operating with the churches, the Women’s Club and the PTA in special screenings and children’s matinees. In these locations, movie theatres were “tightly woven ... into not just the town’s social and cultural life but its civic life as well.”<sup>22</sup>

It is hard to imagine how the crucial financial relationship between small independent theatre owners and the major companies, acting as both suppliers and competitors, could be anything but hostile. The outcome of a purely economic struggle was inevitable, since all the economic power was located with the majors. The exhibitors, therefore, intermittently, used other tactics, which fell into four categories:

- State legislation, which was frequently found to be unconstitutional, but only after taking up a couple of years of corporate lawyers' time
- Lobbying at both state and national level – which kept a variety of legislative projects in being, including the endless cycle of anti-block-booking-cum-industry-regulation bills (Upshaw, Swope, Brookhart, Pettengill, Neely, etc), and embedded the independent exhibitors in “an alliance of convenience” with Protestant reform groups seeking federal regulation of the industry.
- Court cases, which reached the Supreme Court three times in the Classical Hollywood period.
- Probably most effectively, a constant stream of complaints to the Federal Trade Commission and the Department of Justice citing instances of alleged anti-trust behaviour by the majors.

A ten-minute tour of the history of trade relations in the 1920s:

**Until 1923**, according to the MPPDA (which is the principal source of industry statistics during the period) 35-40% of pictures contracted for were not played and therefore not paid for – contracts were defaulted. According to Hays, “Until 1922, the producer with \$10 million worth of orders on his books did not

know whether they might result in 5 million or \$6 million worth of completed transactions,” and it this degree of financial unpredictability made institutional investors wary of the industry as a whole.

- Caused by overbuying:
  - Aggressive selling (including block booking)
  - Poor business competence
  - Competitive behaviour by exhibitors, contracting for pictures in order to keep a competing theatre from getting any product for its use.
- Law's delay rendered these practices unassailable and contracts effectively unenforcible, because of the time factor.

From 1919, the Distributors tried to solve their problem – which was the unenforcibility of contracts – by requiring that exhibitors (some exhibitors) pay advance deposits – usually 25% – on their bookings. Exhibitors objected to what they saw as their being required to subsidise production by having their capital at risk in their suppliers' businesses. They responded by using their local political influence to pass state laws making advance deposits illegal.

Until 1922, each distributor had his own Exhibition Contract, each with varying terms and conditions. To supply a two- or three- change weekly program, an exhibitor would normally deal with up to a dozen different distributors, and sign anywhere between 30 and 50 contracts per year. Contracts were generally negotiated well in advance of a picture's availability, and in most cases before the picture had been made. Actual playing dates were not included in contracts, and were negotiated on a week-by-week basis,

generally two to four weeks ahead of playing date. As Hays observed, “Every delivery of every picture in every theatre was a potential lawsuit.” In 1922 there were approximately 4000 law suits before the courts, with the number steadily increasing.

One of the principal aims of the MPPDA was to stabilise this situation, which it did by first negotiating and then effectively imposing the **Uniform Exhibition Contract**, and with it a system of compulsory industry arbitration of contract disputes. About 3% of the industry’s contracts – or about one contract per year for every exhibitor – went to arbitration. The Contract’s arbitration mechanisms, which were widely recognised and publicised as being cutting-edge industrial practice, indicated the continuing level of contention over contracts in the exhibition sector.

**What the arbitration system** meant in practice was that the distributors could impose a “play and pay” regime on exhibitors, and whatever level of stability the arbitration system brought to the general terms of trade between distributors and exhibitors, it operated overwhelmingly to the benefit of the major distributors who ran it. The vast majority of the claims were brought by distributors seeking redress for exhibitors’ breach of contract in not exhibiting pictures. Exhibitors objected to arbitration as a distributors’ court, and to the contract’s giving distributors power to impose play dates on exhibitors. While these objections were certainly in large part to do with the financial implications of the contract, they and other objections were also significantly to do with their attempts to retain some degree of control over the content and composition of the show that they put on.

The contract prohibited exhibitors from editing pictures to fit their community's tastes, and required them to use only advertising material supplied by the distributor, establishing tight controls over the product's appearance in each theatre. William A Dillon, an exhibitor in Ithaca, NY, wrote to Hays complaining that "the many houses in smaller cities" like his, running five acts of vaudeville lasting for an hour "cannot run features longer than five reels and keep shows within time 7 to 9 pm, allowing two hours for complete show. Today's features for vaudeville must be cut when over fifty-five hundred feet."<sup>23</sup> In the dispute raised by this clause and the clause requiring exhibitors to use the distributors' advertising materials, both sides resorted to morally-related rhetoric, with the exhibitors claiming they better understood community tastes while the distributors claimed that it protected their product against bad exhibition practice that "might use vulgarity or other questionable stuff in his advertising, thus injuring the product and inviting censorship agitation."<sup>24</sup> Underlying these arguments, however, were issues of local control, as Dillon's expectation that he should be able to run "a five act Vaudeville show and Feature Picture in two hours" if his public demanded it – while the distributors regarded cutting pictures to fit the length of the bill as "unwarranted ... to the detriment of the dramatic or narrative continuity of the piece."<sup>25</sup>

The Standard Contract, and therefore the arbitration system, also did not encompass the fundamental, underlying issues around clearance, protection and pricing that were at the core of the exhibitors' complaints of unfair treatment by the distributors. These complaints escalated massively in the late 1920s, around sound, when the major companies simultaneously increased first-run clearance windows, prices – often quadrupling both – and

the degree of distributor intrusion into exhibitor business, and greatly expanded their theatre holdings, particularly in suburban and outer metropolitan areas. Thousands of independent exhibitors went out of business. As one small-town Oklahoma theatre-owner expressed it, 'The exchange houses have taken all the business, and exchanges continue to rob the small exhibitor for all that it is possible for them to get in.'<sup>26</sup> This seems to me an aspect of the history of the introduction of sound that has been little explored in the existing histories, and one that may, indeed, provide us with an alternative account of the introduction of sound itself.

During the 1920s, the major companies sought and secured greater control of the more profitable first- and second-run tier, while servicing the other sector of the exhibition market at minimum cost, and while seeking to redirect audience share from the outer to the inner, more profitable sector. Sound was a huge boost to this strategy: numbers of admissions soared, more or less doubling from the plateau of 1925-26 (50 million) to 1929 (95 million; 110 million in 1930); these admissions were concentrated in the 9,000 theatres wired by 1929, rather than the 12,000 unwired theatres, many of which were closed. It is, therefore, at least arguable that the economic rationale for the adoption of sound – particularly at the moment at which the decisions to adopt the technology occurred, lay principally in the major's strategies for maximising audience profitability and avoiding the stagnation of the market's growth that appeared to be happening in 1926 and early 1927.

Let me rush you through a very rapid version of the remainder of the story, up to what I think might be a counterfactual exit-point in 1943. The distributors' policies, at both national and local levels, triggered massive independent

exhibitor complaint, leading to the creation of a new national exhibitor organisation, another Department of Justice investigation, and a court case settled in November 1930 when the Supreme Court ruled both the Standard Exhibition Contract and arbitration – the mechanisms of industrial order in the 1920s – illegal. Industry trade relations again descended into chaos, with contracts effectively unenforceable, at exactly the moment when sound's temporary protection of the industry from the full impact of the Depression evaporated, and a further wave of theatres that had overinvested in conversion and **product descended into bankruptcy**. This specific commercial context is, I think, critical to an understanding of both the kinds of movies produced in the early 1930s, of the audience segments for whom they were primarily made, and of the arguments over their content.

The studios were making movies to keep their own theatres solvent – and therefore making movies that played primarily to metropolitan audiences – at what *Variety* called the “flapper” trade – “the Woolworth sirens” who made up “the stenographer trade,” and read the fan magazines in largest number. The “extra saucy lines and business” inserted into movies—what Main Street called “smut” — were aimed at them, and caused grief in the neighbourhoods and small towns, where Hollywood became increasingly unreliable, and therefore unable to deliver the occasion for the social interactions it was designed to sustain in the program market. Much of the exhibitors' protest against what one exhibitor called “dirty, salacious, suggestive pictures that the exhibitors are compelled to play under the block booking system” in the early 1930s is best understood as what *Motion Picture Herald* editor Terry



Ramsaye called “An awkward expression of demand”: a view that pictures are being made with an eye singly to city patronage.”<sup>27</sup>

The industry emerged from this chaos in late 1933, when the National Recovery Administration Code re-established effective distributor control over contractual and trade relations, although at the cost of further and persistent independent exhibitor discontent, and the resultant political and public relations battle. By the time the Supreme Court ruled the NRA unconstitutional in May 1935, the industry was emerging from the worst of the Depression, but the distributors reverted to type, triggering a further wave of independent exhibitor complaint to a more sympathetic Department of Justice, resulting in the initiation of the Paramount suit in 1938. Since no-one involved in the process was actively seeking the dismantling of the industry through the divorcement of distribution and exhibition, the majors negotiated a consent decree in 1940, which most importantly re-established a system of arbitration within the industry. As we know, however, the consent decree did not hold beyond its initial period of three years, and the government resumed the suit, leading to the 1948 divorcement decision. This outcome was far from inevitable, and as had also happened on several occasions in the previous twenty years, a few judiciously-timed concessions – particularly a 20% cancellation clause – might have prevented the disruption. The implications of this possibility are intriguing: at the very least, the majors would have been in a far stronger position to bid for a significant, perhaps even a controlling stake in the emerging television industry, and we might have seen a level of media consolidation in the early 1950s that actually took another forty years or more to come about.

So by way of conclusion, I've tried to show, in no more than a sketchy outline, how a reorientation of historical perspective toward a consideration of exhibition, distribution and the industry's governance might significantly revise our understanding of three key moments in cinema history: the "transitional era," the introduction of sound, and at least counter-factually the organisation of the television industry

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<sup>1</sup> Allen paraphrased

<sup>2</sup> Kate, "Limit of Maps," p. 2

<sup>3</sup> Jean Mitry, "De quelques problèmes d'histoire et d'esthétique de cinéma," *Cahiers de la cinémathèque* 10-11 (Summer-Autumn 1973), p. 115. Translated and quoted in Richard Abel, 'Don't Know Much about History,' or the (In)vested Interests of Doing Cinema History," *Film History* 6:1 (1994), p. 111.

<sup>4</sup> Michèle Lagny, "Film History: or History Expropriated," *Film History* 6:1 (1994), pp. 27, 41

<sup>5</sup> Thomas Kuhn, *The Structure of Scientific Revolutions* (Chicago: University of Chicago Press, 1962). David Bordwell describes "ordinary criticism" as being, like Kuhn's "normal Science," "the ongoing program of a group of researchers using approved problem/solution routines to expand and fill out the realm of the known." David Bordwell, *Making Meaning: Inference and Rhetoric in the Interpretation of Cinema* (Cambridge, MA: Harvard University Press, 1989), p. 25.

<sup>6</sup> *The Classical Hollywood Cinema*, p. xiv.

<sup>7</sup> Bordwell, "Film and the Historical Return"

<sup>8</sup> Keil, p. 52.

<sup>9</sup> {Staiger, 1992 #1278@9} quoting Culler.

<sup>10</sup> Toby Miller, Nitin Govil, John McMurria, Richard Maxwell and Ting Wang, *Global Hollywood 2* (London: British Film Institute, 2004), p. 31.

<sup>11</sup> Miller *et al*, *Global Hollywood 2*, p. 45.

<sup>12</sup> Kate Bowles and Nancy Huggett, "Cowboys, jaffas and pies: researching cinemagoing in the Illawarra," in *Hollywood Abroad*, eds Maltby and Stokes (London: British Film Institute, 2004), pp. 64-77.

<sup>13</sup> Johnston, *Annals* September 1926

<sup>14</sup> Quinn, p. 42.

<sup>15</sup> Moore.

<sup>16</sup> Quinn, p. 45

<sup>17</sup> SEP advert, Dec 28, 1918, p. 31

<sup>18</sup> SEP advert, Apr 5, 1919, p. 59

<sup>19</sup> [07-1019]

<sup>20</sup> Taviner, p. 26.

<sup>21</sup> Taviner, p. 105.

<sup>22</sup> Allen

<sup>23</sup> William A Dillon to Hays, 2-28-23, MPPDADA 01-1082 – 01-1085

<sup>24</sup> *Exhibitors Trade Review*, 3-3-23, MPPDADA 01-1082 – 01-1085

<sup>25</sup> Kirchway, press statement, 2-25-23, MPPDADA, 01-1101 – 01-1102

<sup>26</sup> *Ibid.*, 17 August 1929, p. 42.

<sup>27</sup> 'How far is Broadway from the United States?', *MPH*, 3 June 1933, p. 19.