THE INSIDE STORY

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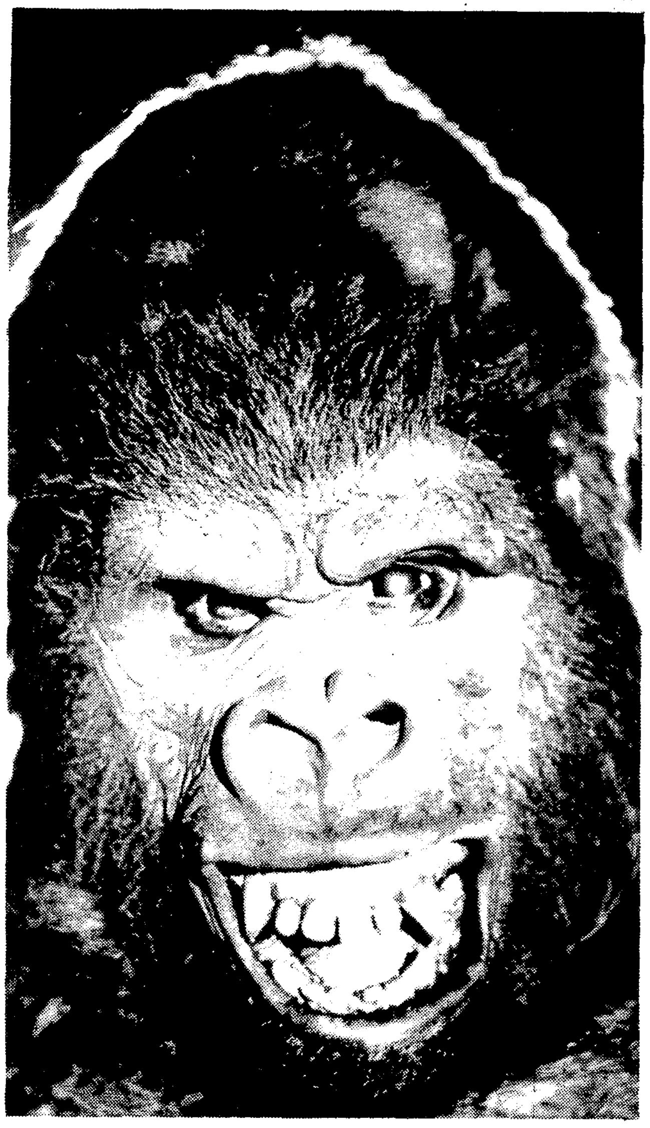

Monkey business in the movie business

American movie-making has always been in business, but unlike television, which from the beginning was entirely owned, controlled, and shaped by large corporations, the movies always left a little room for the artist. In the midst of all the shlock, mountainous achievements like *Citizen Kane* or *Godfather II* have suddenly appeared—along with a host of smaller achievements like *Mr. Deeds Comes to Town, The Wild Bunch, Cabaret.*

But the days might be numbered for art in the movies. Always a business, it has never quite been the business that it has recently become.

Beginning in the late '60s, movies entered the era of the conglomerate, along with books, records, and Wonderbread. New names began to appear alongside the old on the screen credits: next to Paramount, there was Gulf and Western; next to United Artists was Transamerica.

In the '70s, the unpleasant effects of the new era are being felt. Fewer films are being made; more emphasis is being placed on the big-budget blockbuster; and theater-owners, actors, directors, and the unknowing public are being squeezed with an unprecedented ferocity.

Enter the conglomerates.

In the '30s, movies were already big business. Five studios exercised "vertical monopolies" over the industry, controlling everything from film laboratories to the theaters in which the films were shown. Each studio had its "stable" of actors, directors, producers, writers and technicians under longterm contract.

In anti-trust court decisions during the late '40s, the studios were ordered to divest themselves of their theater chains. "Block-booking," in which theaters signed up for a series rather than a single film was also declared illegal. Coming at the same time as the rise of television, the decisions ushered in a period of crisis for the industry from which it did not fully recover until the '70s.

During this period, the studios not only divested themselves of their theaters, but of the studios themselves. Increasingly, they became distribution and promotion outlets for independent producers. But with costs of production and marketing increasing, independent producers have had to turn to the studios for the bulk of their capital. (The Tax Reform Act of 1976, which eliminated the tax shelter for a rich individual's movie investments, dried up a key source of the independents' funds.

In the '60s, the seven majors—Warner's, Paramount, Columbia, MGM, Twentieth Century Fox, United Artists, and Universal—were swept up in the wave of mergers that shook the financial world. Some were gobbled up by conglomerates like Transamerica; others became conglomerates by buying up other interests.

Search for stability.

Ben Bozeman, a prominent screenwriter, told me a story that illustrated the attitude of the conglomerates toward making pictures. Bozeman was talking with a Wall Street Financier who had been investigating Twentieth Century Fox. The financier was impressed with the worth of Fox's film library, which could be sold to television, and with its real estate holdings, but he saw one hitch: whoever bought Fox would have to continue making pictures. "They won't permit us to destroy the industry," he complained.

From the conglomerate's standpoint, making pictures is too risky. With its captive audience taken by television and with "block booking" prohibited by law, the majors tend to live or die one picture at a time. "The business will always be fickle," a securities analyst told *Business Week.* "With each film you have to start all over again."

In spite of the enormous profits that are possible, movies are not a safe investment, and that is reflected in the stock prices of movie companies, which tend to be lower in relation to their earnings per share than the price of more "stable" corporations.

As a result, the movie companies, and the conglomerates of which they are a part, have tended to plow their profits into the acquisition of businesses that, in the words of *Business Week,*" promise more stable and predictable earnings."

For instance, Warner Communications, which used to be Warner Brothers, recently bought up the Knickerbocker Toy Company and a Coca-Cola bottling plant with its movie earnings.

Saturation booking.

They have also changed their marketing strategy. To minimize their risk and to create a seller's market in relation to the theater-owners, the majors have sharply limited their production of films and confined their release to the peak season. Where they used to make 50 films a year, they now make 12 to 20. In 1976, Hollywood producers made a record low of 210 movies.

They eschew the moderate or low-budget film in favor of high-budget potential block-busters whose success they try to ensure through "saturation booking." For instance, Columbia spent $9 million producing *The Deep.* It then booked to open in 800 theaters across the nation and launched a $4 million advertising campaign to get people to see it right away. "The idea is to have everyone see it before word can spread about how bad it is," one publicity man told *Business Week.*

They then demand an advance guarantee of 70 percent of the take, and 90 percent of the profits from theater-owners. In some cases, theater-owners have to submit "blind bids" before they even see the movie. In this way, United Artists was insured for its investment in the $24 million *A Bridge Too Far* before the movie even opened in 450 theaters.

The immediate victim of the conglomerates has been American theater-owners, who have 20,000 screens to fill. The major's cut of the profits has risen from 25 to 30 to 90 percent in the last five years. With the 70 percent guarantee, theater-owners can make money with a film like *Star Wars,* but with *A Bridge Too Far,* they will lose their shirts.

Many theaters have closed under the new arrangement. Others have raised their ticket and refreshment prices and divided their theaters into multiple screening rooms in order to save overhead expenses. Still others have abandoned American first-run films either for foreign art films or for pornography, depending on their potential clientele. Both offer owners a better deal.

One independent theater-owner that I talked to described the owner who introduced porno films: "Most of these guys were not in that policy originally," he said. "They went to it out of desperation."

A natural war.

The effect on film-makers has also been profound. In her 1974 essay on "The Future of Movies," Pauline Kael describes "the natural war in Hollywood between the businessmen and the artists." The businessmen want directors "who won't surprise them" and who will produce something that "will resemble the latest big hit." She cites Peter Yates, the director of *Bullitt* and *John and Mary,* as the studio's ideal. This year Yates brought forth *The Deep.*

According to Kael, the businessmen "want solid imitations, pictures that reek of money spent and money to come, pictures that look safe—like those Biblical epics that came rumbling off the assembly lines in the '50s."

In 1974, Kael could cite *The Towering Inferno, The Hindenburg, The Poseiden Adventure,* or *Papillon.* Today we have *The Deep, A Bridge Too Far, The Heretic (Excorcist Part II), Rollercoaster, Airport '77, The Other Side of Midnight, Sorcerer, MacArthur,* and, of course, *Star Wars.*

Even outsiders have heard numerous stories of destructive corporate intervention in film-making. Arthur Penn's *Night Moves* and Nicholas Roeg's *The Man Who Fell to Earth* were both butchered at the order of the distributor, in the latter case without the director's knowledge or consent. Paramount pictures, which has the distribution rights for Bernardo Bertolucci's widely-acclaimed five-hour epic *1900,* has refused to release it unless two hours are cut, even though it was shown in Europe in two parts. Bertolucci, with the support of American film critics, has insisted in vain that "the American audience should have the right to judge the work of art as the artist conceived it."

Alternative to TV.

But while the conglomerates increase the tendency to subordinate artistic to marketing values, there is one factor that militates against the total destruction of American cinema.

The movies must continue to compete with television by showing its patrons what they cannot see on TV. This means more explicit sex and violence. It also can mean frank treatment of sexual themes that television won't touch, such as the treatment of homosexuality in the 1971 release, *Sunday Bloody Sunday.*

Given past box office success, distributors are also willing to give directors substantial artistic freedom—again with the assumption it will provide something that television cannot. After turning a gangster story into an epic of American immigrants that broke all box office records, Francis Ford Coppola won the right to make *The Conversation, Godfather II,* and *Apocalypse Now.*

But directors like Coppola are the exception, and should they produce a flop or two, they will be back where they started. After Richard Lester made the Beatles films, he was given free reign with *The Bed Sitting Room.* When it flopped, he was reduced to doing TV commercials for the next five years.

It is also doubtful whether Kael's solution to business domination, the banding together of film-makers to produce and distribute their own pictures, will be easy to achieve as the costs of making and promoting films rise prohibitively and as the tax law dries non-studio funds. But if there is hope in the present, it has to be in that direction.

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Gearing up for full employment

Even with its problems, Full Employment Week represents a new step for labor.

By Dan Marschall
Staff Writer

Organized labor, in a renewed effort to place full employment in the national political spotlight, is groping towards a strategy that emphasizes popular mobilization on the model of the civil rights movement as well as creating coalitions with minority, religious, community and women's organizations.

While this approach is in its early stages of formulation, it represents a significant attempt by labor to rebuild its alliance with liberal Democrats and civil rights organizations, an alliance that fractured over the Vietnam war, the recession and the presidential campaign of George McGovern.

"Full Production and Full Employment Under Our Democratic System of Private Enterprise" by Michael Lenson, 1944.

Full Employment Week.

Both the possibilities and deficiencies of this strategic trend are evident in labor's rather haphazard preparations for Full Employment Week, Sept. 4-10, when the AFL-CIO, the United Auto Workers and other unions will be involved in public events around the country to dramatize the need for full employment and pressure elected officials to take long-delayed action.

Local coalitions in over 50 major cities are planning rallies, citizen's hearings, work demonstrations, 24-hour vigils, petition drives, press conferences, parades and other activities. Under the slogan "Jobs—Not Promises," they hope to show President Carter and Congress that their electoral constituencies are vitally concerned about the effect of unemployment on all aspects of American life.

"Full Employment Week is aimed at moving the whole discussion of unemployment back into the national agenda as a priority," says Jim Sheehan, field director for the Full Employment Action Council. "We're going after newsworthy events that will attract significant attention both to the fact of unemployment and to the problems it causes among senior citizens, young people, minorities, women, the handicapped, the mentally disturbed—all those people who have a stake in full employment."

"What we're trying to do is create a political base, a groundswell, to reintroduce the issue," adds Paul Geffert, FEAC media coordinator. "The issue is so complex, there are so many variables, that if we just get the concept before an expanded audience, that'll be a big accomplishment."

Late start and disorganization.

Attaining this goal may be hindered, however, by the late start of Full Employment Week organizing (it was only declared in July), by the lingering resentment of some groups towards the AFL-CIO's previous actions on the issue, and by political differences on key questions.

Specific activities, along with the forces primarily involved, vary widely across the nation. Religious groups are the main organizers in some 18 cities, while labor unions spearhead coalitions in others. In Chicago the Urban League and other minority-oriented groups are key, while in New York there has been a notable lack of black and Hispanic participation.

In Buffalo labor and church organizations have planned an extensive program, including full employment proclamations by area mayors, special television shows, a 24-hour vigil in Niagra Square and a rally where 100,000 petition signatures will be handed to Sen. Patrick Moynihan (D-NY).

But in Chicago no one took prime responsibility for the Week's activities after the first call went out. When the director of the Chicago Urban League reluctantly agreed to chair the local coalition, the groups involved decided there was only enough time to pull together a press conference with Mayor Michael Bilandic and a two-hour public hearing featuring testimony from unemployed people.

Pre-legislative stage.

Coordinating these local activities, and serving as a national clearinghouse for information and contacts, is the task of the Full Employment Action Council, an umbrella organization founded three years ago by the AFL-CIO and headed by Coretta Scott King and Murray Finlay, president of the Amalgamated Clothing and Textile Workers union.

FEAC's initial purpose was to "educate and inform" people about the need for full employment. It later got behind the "Full Employment and Balanced Growth Act," the Hawkins/Humphrey bill, which originally guaranteed a job for those "willing and able" to work. After four major revisions to placate congressional and business opposition, observers agree that the bill is dead. (*ITT*, June 8).

"We are in a pre-legislative stage now where the important thing is to generate a popular groundswell and local community organization focused on full employment," says Arthur Keys, chairman of the Full Employment Committee of the National Council of Churches. "We also see the legislative agenda as more than Humphrey/Hawkins, including manpower training, youth employment, workfare, the minimum wage, unemployment compensation and other public employment."

"There's enough groundwork to reintroduce the issue without getting caught in the usual hairsplitting about where you stand on Humphrey/Hawkins," says Geffert. "We tried to move on this during the Nixon administration and really got nowhere. In fact there have been a lot of compromises in the bill, so it's not something that many people feel very comfortable with."

Delicate issues.

While Hawkins/Humphrey is not the focus of the week's activities, the attitude of different groups on the bill "has become a very delicate issue," says one full employment organizer.

Some AFL-CIO officials are still pushing it, he says, and Leon Keyserling, an economist who formerly headed the Council of Economic Advisors and is very close to George Meany, has reportedly negotiated with the Carter administration to gain their support by further watering down the bill.

Keyserling also believes, other observers say, that business groups belong in the coalitions. The Chamber of Commerce is participating in Washington, D.C., activities and the Chicago coalition will extend invitations to pro-full employment businessmen because, in the words of one member, "it would not be responsible to exclude any element because we've had problems with them in the past."

In the past FEAC has been accused of having a cavalier attitude towards non-labor forces, as well as a penchant for back-room politicking rather than mobilizing labor's troops. The former head of FEAC, Art Gundershein of the ACTWU, was generally considered an incompetent administrator who "ran around bad-mouthing non-labor people on the full employment issue," according to an observer.

Women's groups were especially put off by FEAC's go-it-alone approach. When FEAC proposed a women's conference last year, for instance, members of the National Organization of Women (NOW) were prepared to raise serious questions about the compromising of Hawkins/Humphrey.

When FEAC received only lukewarm response, they cancelled the conference altogether. "A certain spirit of coalition was just not there," explains Sara Nelson, head of NOW's Labor Task Force. "We had the feeling the conference was more of a public relations push for the bill than a place to thrash things out and plan strategy. There was an exclusionary quality to FEAC's process."

New factors.

Several factors have provoked a "qualitative change" in the last six months. The AFL-CIO has apparently recognized that without popular pressure the Carter administration will not follow through on campaign commitments to combat unemployment.

The UAW is also putting more energy into full employment work. "Full employment is Irv Bluestone's baby more than anyone else's," says a union insider. Since there is reportedly more of a parity of power in the new UAW administration, Bluestone has had more space to set the union's political priorities.

UAW activists and religious groups are credited with the administrative shakeup that ousted Gundershein as FEAC head and installed Russ Leach, a highly-respected UAW retiree who served as administrative assistant to Walter Reuther.

A leftward push is also coming from members of the Democratic Socialist Organizing Committee, a national organization led by Michael Harrington that has initiated a separate "Democratic Agenda" conference in Washington, D.C., Nov. 12-13, to "plan for full employment through the satisfaction of human needs..."

DSOC sees full employment as a transitional demand that would move society in a progressive, socialist direction if enacted. They stress democratic national planning of the economy and a fairer distribution of wealth and income, and say that a "systematic bias in favor of human needs must replace the current systematic bias in favor of corporate profit."

Failure of old methods.

Labor's tentative steps towards a coalition building strategy are also the result of the increasingly youthful composition of American unions and the obvious failures of AFL-CIO political methods. The unexpected defeat of common site picketing last March led to a major legislative reassessment by labor leaders and has impelled them to reach out to other groups to fight for the minimum wage, repeal of the Hatch Act, and labor law reform. (*ITT*, Aug. 24).

"Labor's political capital, both in active rank and filers and in politicians who stood behind labor legislation, was built during the 1930s but slowly dissipated in the '50s and '60s when a new generation of workers came on the scene," says Alex Spinrad, a DSOC member in Washington, D.C., who is a co-coordinator of the greater Washington Full Employment Action Coalition.

"They've found that they had less and less solid votes, and fewer volunteer workers, to the point where labor as an institution has been threatened. That's why they've had to get into activities like Full Employment Week—to get their rank and file into motion again. The implications for the future of the labor movement are very large indeed."