By JAMES FELTON

Scared by red labels and red ink, cinema tycoons can't decide whether to make better pictures—or worse.

IN HOLLYWOOD, U. S. A., where last year's mink coat is normally as pedestrian as warmed-over cabbage, there exists a state of panic. From 12,000 to 16,000 studio employees are out of work. The domestic box office is off approximately 20 per cent. The British government, by assessing a 75 per cent ad valorem tax, has knocked the props from under a market estimated by Donald Nelson as "40 per cent of the Hollywood gross." And a congressional committee under J. Parnell Thomas has subjected it to another witch-hunt. But whatever the contributing factors, the reason for Hollywood's present state can be summed up in one word: fear.

Some of the effects of this fear are already apparent. Aside from the mass unemployment, the most serious reaction to the events of the past twelve months is the change in picture planning. Until the economic and political climate improves, there will be no movies with messages. Twentieth Century-Fox wouldn't think of starting production today of *Gentleman's Agreement*. It is doubtful whether R-K-O would consider filming

York, voted to discharge the ten who had been cited for contempt—even before they were tried.

This decision stunned Hollywood and many U. S. liberals. But the reason behind it was not political, it was financial. Hollywood's "frightened 48" ran away for fear of profit loss.

Between the time of the hearing and the New York meeting, Hollywood's producers (and banker backers) had received reports "from the field." Theater managers said audiences booed newsreel pictures of the Hollywood writers who defied Thomas. Financial backers, afraid the government might proceed further with investigations, demanded some immediate action to show that the industry was not influenced by Communists. And the producers, already suffering from the poor box office and the British tax, were afraid that the association of a writer, director, or producer, cited for contempt of Congress or branded a Red by Thomas, might affect some future movie. Had their motive been political, they would have found excuses long before for letting the ten go.

The three-way siege that Hollywood has undergone has left the industry sick and frightened. For the third quarter of 1947, Twentieth Century-Fox, for instance, reported earnings of only $10,608,000, compared to $16,219,000 for the same period in 1946. Fourth quarter domestic box-office returns were the worst of the year, and the first effects of the British tax were felt.

But the Hollywood panic may bring changes for the better. Instead of easy, cheap films, Hollywood could produce some original dramas with new and less expensive talent, with lower executive salaries, and with fewer billboards and spot radio commercials that say: "This year Christmas is really important—*Captain from Castile* opens on December 25th."

It is impossible to determine

how low the movie industry may sink financially.

But artistically, the only direction left for it is up. —48—

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Crossfire now. Metro-Goldwyn-Mayer wouldn't touch *Song of Russia*, innocuous as it was, nor would Warner's spend $2,500,000 on *Mission to Moscow*. In fact, Warner Brothers recently announced that it planned to devote much of its production to musical comedies and westerns, forgetting, temporarily, its lofty slogan: "Combining Good Pictures With Good Citizenship." Instead, Hollywood will concentrate on "entertainment" in the least admirable sense of the word. Its product will be designed to appeal to the greatest mass with the lowest mentality, to guarantee profits. Its product will also be fit for J. Parnell Thomas.

No other industry or community is so susceptible to fear and panic as Hollywood. It fears investigation by the Government: if Mr. Thomas and his Un-American Activities Committee fail to knock it silly, there is always the threat of the Justice Department's pursuit of monopoly. It fears the labor unions, whose confused jurisdictional strike has kept upwards of 5,000 men out of work for four years. Hollywood fears the eastern bankers, who own the major studios and who have often asked about the matter of production waste. Finally, it has a chronic fear of such self-appointed censors as the Legion of Decency, the W.C.T.U., and the American Legion.

WITHOUT THESE FEARS, Hollywood might well have entrenched, in good order and with dignity, and stood its ground. But the leaders of the industry behaved like weak men with bad consciences. They were panicked. They stampeded, throwing away their arms—their best writers, thousands of their skilled artisans and craftsmen, and many good

stories that would have been a credit to their honesty and courage.

At the beginning of 1947, Hollywood was riding a peak of profits. The estimated world gross on American motion pictures in 1946 set an all-time high of nearly three billion dollars. As one screen writer put it: "Times were so good that even a good picture made money." Theater owners raised admission prices to new highs and David O. Selznick set a precedent by road-showing, at premium rates, the $8,000,000 western, *Duel in the Sun*. As in other lush years, studios decided to take fliers on a few "prestige pictures" that would be worth nominating for the Academy Award. Into preliminary production went such stories as *Gentleman's Agreement* and *Mourning Becomes Electra*.

Then, almost overnight, the bonanza ran out; the long queues at first-run theaters disappeared; good seats were available at almost any performance. Theater managers, always the first to note a box-office trend, complained loudly to the studios and demanded better pictures. The producers blandly blamed low box-office receipts on inflation. It's only temporary, they said. But when second quarter earnings fell off sharply, the industry looked to its bellwethers again. What was the nation's fare? In April of last year, the big houses were showing *It Happened in Brooklyn*, with Frank Sinatra; *Johnny O'Clock*, with Dick Powell and Evelyn Keyes; *That's My Man*, with Catherine McLeod and Don Ameche; and such other pictures as *Nora Prentiss, Tarzan and the Huntress, My Favorite Brunette, Pursued*, and *The Mighty McGurk*.

From the point of view of critics, most of the good films were foreign. Only Goldwyn's winner of nine Academy Awards, *The Best*

Years of Our Lives, seemed to be able to hold its own with such English productions as *Brief Encounter* and *Henry V*; the French movie, *The Well Digger's Daughter*, and the Italian *Open City*.

MGM was one of the first to concede that perhaps part of the slump was due to mediocre movies. They reissued *Gone with the Wind* and it has played to standing-room-only crowds. Various studios did the same with *The Grapes of Wrath*, *A Bell for Adano*, *The Great Waltz*, *Scarface*, and *Fantasia*. This was the clearest confession the producers ever made that the American movie product was not up to what has often been called "the 12-year-old I.Q." of the U. S. public.

Beside poor products, there were two other factors that contributed to the bad box office: inflation and peace. Many patrons stayed home because the cost of living ate up money ordinarily available for entertainment. Some attended only those theaters which resurrected such depression come-ons as "Bank Night," "Keeno," and free dishes. Still others renewed an interest in miniature golf, the depression fad that frightened the movies. During the war, there was little to do but "go to the movies." Now the public once more spent its time and money on automobiles, and there was an unprecedented boom in sports activity.

Crossfire *cost only $650,000, won critical acclaim, and will gross $2,500,000. But its daring theme (above), murder by an anti-Semite, might be taboo today.*

But in their hearts the producers knew that a better product, distributed more economically, would have competed more effectively with these other interests. When the big attack came in August, Hollywood, always slow to reach important decisions, had just begun to talk about making good pictures. Just as the producers began to repair their center, someone turned their flank.

No one in Hollywood honestly expected the British tax. Later on, at the year's end, a message to stockholders from Twentieth Century-Fox declared that the studio had "anticipated" the 75 per cent embargo, and had fortified itself accordingly. The hysteria at Fox in August hardly jibes with this. In every studio, there was disbelief—not a Hollywood make-believe disbelief, but a genuine feeling of complete defeat. The day after the tax was announced, one independent producer sat exhausted in his leather chair at the incredibly early hour of 9 A.M.

If Oscars were granted for extravagance rather than quality, winner would be Duel in the Sun, *starring Gregory Peck, horse, and Jennifer Jones. This sexy horse-opera cost $8,000,000.*

"I'm all through," he said. "I'm stopping production on both of my pictures. Without the British market, I can't even get my money back."

This is true of many Hollywood movies. In fact, it is frequently remarked that studios only break even in the domestic market and

depend on the foreign distribution for their profits. Although this is an exaggeration, 1946 figures show that of the $316,000,000 profits before U. S. taxes, $100,000,000 came from the foreign market. And nearly 90 per cent of the latter sum came from England.

Paying no attention to England's reason for levying the tax, Hollywood retaliated spitefully, banning all film exports to Britain. The studios hoped that this would force England to lift the embargo. After all, 80 per cent of the showing time in Britain's 6,000 movie theaters is filled by U. S. films. And Britain's young movie industry cannot possibly meet the demand for pictures within the next three years. Realizing this, Hollywood refused to settle for 25 per cent of its previous profits.

Eric Johnston, who has shown a talent for scaring easily since he became president of the Motion Picture Association of America, voiced Hollywood's reaction: "If the British don't want American pictures, that is one thing; if they do, they shouldn't expect to get a stand this. It refused to lift its ban on exports, but turned, instead, to a panicky retrenchment. Metro-Goldwyn-Mayer slashed its payroll a flat 40 per cent. Columbia cut its force 25 per cent. Goldwyn cut executive salaries in half. Other studios trimmed in similar fashion. The production of movies was only slightly reduced. No matter how poor the market, Hollywood must meet the demands of exhibitors for new pictures. Studios do not produce fewer pictures—they merely produce a larger percentage of cheaper and, usually, indollar's worth of films for 25 cents." (One Hollywood wag observed that Britain had suddenly decided to pay the true worth of the average American film.)

The truth, of course, is that Britain, caught in the worst finan-

cial crisis in its history, cannot afford to let from sixty to one hundred million dollars a year leave the country. As Robert Shaw, a screen writer, said: "When the choice is between bread and Bergman, England must choose bread." After two months of wishful thinking, Hollywood began to underferior pictures. The easy way in a pinch is to reissue old films, or do over old stories, using stock settings and characters, or give a big star the lead in an inexpensive story.

This time, the producers also gave some thought to reducing waste and extravagance, often estimated to consume as much as a third of a picture's budget. It is not uncommon for a studio to reshoot one scene from five to ten times. And there is one story that a studio recently re-shot a short sequence fifty-six times. Nor is it unusual for a producer to consume 75,000 to 100,000 feet of film for a picture that eventually is released with 9,000 feet. Samuel Goldwyn scrapped the entire early footage of *The Bishop's Wife* because he was dissatisfied with it; the decision cost him $800,000. Again, the story is told of a writer who suggested a certain scene for a picture. "What will it cost?" the producer asked. "Only $30,000," said the writer. "H-m-m, $30,000," said the producer. "Well, be careful; $30,000 here and $30,000 there . . . it all adds up to money."

TODAY, A $30,000 item represents very important money to a studio. The forthcoming Henry Morgan picture, *So This Is New York*, includes a trick scene that saved the producing company $35,000. The script called for a New York street scene, with Morgan talking in the background. Instead of sending a camera crew, with extras, to New York, or building a set in Hollywood, the company merely shot a closeup of walking

feet. The effect was surprisingly humorous—and the cost was pleasantly small.

This need for craft instead of lavishness may prove to be one of the most salutary effects of the British tax, or of the entire Hollywood panic, on the Hollywood product. Dore Schary, the executive vice president of R-K-O, and his writing - directing - producing team of Adrian Scott and Edward Dmytryk, became the heroes of the town when they produced *Crossfire*, a story of anti-Semitism, in twenty-three days at a cost of less than $650,000. Good pictures can be made economically, and Hollywood knows, when it stops to think, that the American market, with its 95,000,000 weekly attendance in 19,000 theaters, is more than enough to bring a profit for good films.

But Hollywood, of course, may not stop to think, if there is an unfavorable political climate, a J. Parnell Thomas, and a combination of frightened producers.

The Thomas committee hearing was all Hollywood needed to make the panic complete.

When J. Parnell Thomas first announced that his Un-American Activities Committee was going to investigate Communism in Hollywood, few in the movie industry took it seriously. There had been numerous other attempts to link motion pictures and their wealthy —and, in many cases, Jewish— producers with propaganda. Investigating Hollywood's ideologies had been a favorite sport of Congressman Martin Dies and even such senators as Gerald P. Nye and Burton K. Wheeler. When the senators, during the great debate on U. S. foreign policy preceding our entry into the war, investigated Hollywood and accused the producers of being war-mongers, Wendell Willkie, defending the industry, declared:

"The motion picture screen is an instrument of entertainment, education, and information. Having been pioneered and developed in our country, it is peculiarly American. The motion picture industry has always been permitted freedom of expression. The impression has now arisen, and very naturally, that one of the hoped-for results of the pressure of your investigation will be to influence the industry to alter its policies so that they may accord more directly with the views of its critics. The industry is prepared to resist such pressure with all of the strength at its command."

The investigation immediately collapsed. But hardly more than half a dozen years later, Congress and Hollywood had forgotten Mr. Willkie's words.

When the hearings opened in Washington last year, the producers made a brave show at first, but it was soon evident that they were full, not of strength, but fear. They feared censorship; they feared Fascism and a resultant anti-Semitic wave. So they opposed Thomas for a while, and defended their writers and directors. But both fears were soon subordinated to the fear of financial loss.

The producers hoped that a strong defense at the outset, led by Eric Johnston, would rally public opinion to Hollywood's side. By retaining former Secretary of State James F. Byrnes and Paul V. McNutt, they also hoped for White House intervention. They failed in both maneuvers. The political climate favored Thomas, and all the White House did was to issue the report of the President's Committee on Civil Rights.

So the nineteen writers, directors, and independent producers subpoenaed by Thomas were left on their own. At first it appeared that they had successfully defied the committee, but the forty-eight top producers, meeting in New