Hollywood's Overseas Campaign: The North Atlantic Movie Trade, 1920–1950 examines how Hollywood movies became one of the most successful U.S. exports, a phenomenon that began during World War I. Focusing on Canada, the market closest to the United States, on Great Britain, the biggest market, and on the U.S. movie industry itself, Ian Jarvie documents how the fear of this mass medium's impact and covetousness toward its profits motivated many nations to resist the cultural invasion and economic drain that Hollywood movies represented. The national sentiments used to justify resistance to Hollywood imports are shown to be essentially disingenuous, in that they were motivated by special-interest groups that felt their power threatened by U.S. movies or considered themselves entitled to some of the profits. The efforts of various Canadian and British interest groups to limit film imports and foster domestic production failed because of lack of capital, mismanaged propaganda campaigns, and audience resistance. Indeed, as Ian Jarvie argues, Hollywood's ability to exploit their weaknesses derived, to a great extent, from its mastery of supply, distribution, and the coherent orchestration of the component parts of the industry through the Motion Picture Producers and Distributors of America.

"Ian Jarvie has dug up a mountain of primary documents and if by no other criterion ***Hollywood's Overseas Campaign*** stands as a major book in the history of the cinema as a world institution."

– Douglas Gomery, University of Maryland, College Park

Timeline

	Canada	Great Britain	United States
1920			
1921			
1922			Fordney–McCumber tariffs MPPDA formed
1923			
1924			
1925	MPDEC formed		
1926	⟵ Imperial Economic Conference ⟶		Canty appointed
1927		Cinematograph Films Act	
1928	⟵ Motion picture industry converts to sound ⟶		
1929			Hawley–Smoot tariffs
1930			
1931	White Report		
1932	Trial of Famous Players Ottawa Imperial Conference imposes Imperial Preference Tariffs		
1933			
1934	Ontario Film Bureau wound up		
1935			NRA Code for motion picture industry
1936		Moyne Report	
1937			
1938	National Film Board founded	Cinematograph Films Act renewed	Antitrust suit launched against U.S. major producers
1939		⟵ Anglo–American Film Agreement signed ⟶	
1940			
1941			
1942		⟵ Lend–Lease begins ⟶	
1943			
1944		Palache Report	Berle memorandum
1945		⟵ Lend–Lease canceled ⟶	Johnston succeeds Hays MPEA formed
1946		⟵ U.S. loans G.B. $3.75 billion ⟶	
1947		⟵ MPEA boycott of British market begins ⟶	
1948		⟵ Boycott ends with agreement ⟶ Cinematograph Films Act renewed	
	⟵ GATT finalized ⟶		Antitrust suit settled by consent decrees HUAC investigates the movies
1949	Canadian Cooperation Project launched	NFFC started	
1950			

Hollywood's Overseas Campaign
The North Atlantic Movie Trade, 1920–1950

Cambridge Studies in the History of Mass Communications

General Editors:

Garth S. Jowett and Kenneth R. M. Short, University of Houston

Advisory Board:

Erik Barnouw, Columbia University, Emeritus
Lord Asa Briggs, Worcester College, Oxford University
Jean-Noël Jeanney, University of Paris
Frederick Kahlenberg, University of Mannheim
Everette Dennis, Gannett Center for Media Studies, Columbia University
Thomas Cripps, Morgan State Univeristy

Cinema and Soviet Society, 1917–1953, Peter Kenez, University of California, Santa Cruz

Hollywood's Overseas Campaign: The North Atlantic Movie Trade, 1920–1950, Ian Jarvie, York University, Toronto

Hollywood's Overseas Campaign
The North Atlantic Movie Trade, 1920–1950

Ian Jarvie
York University, Toronto

CAMBRIDGE
UNIVERSITY PRESS

CAMBRIDGE UNIVERSITY PRESS
Cambridge, New York, Melbourne, Madrid, Cape Town, Singapore, São Paulo

Cambridge University Press
The Edinburgh Building, Cambridge CB2 8RU, UK

Published in the United States of America by Cambridge University Press, New York

www.cambridge.org
Information on this title: www.cambridge.org/9780521415668

First published 1992
This digitally printed version 2007

A catalogue record for this publication is available from the British Library

Library of Congress Cataloguing in Publication data

Jarvie, I. C. (Ian Charles). 1937–
Hollywood's Overseas Campaign: The North Atlantic Movie Trade, 1920–1950 /
Ian Jarvie.
p. cm. – (Cambridge studies in the history of mass communications)
Includes bibliographical references (p.) and indexes.
ISBN 0–521–41566–7 (hc)
1. Motion pictures, American – Marketing. 2. Motion picture industry – United States – History. 3. Motion pictures – Canada. 4. Motion pictures – Great Britian. I. Title. II. Series.
PN1993.5.U6J3 1992
384′.8′0973–dc20 92–7723

ISBN 978-0-521-41566-8 hardback
ISBN 978-0-521-04143-0 paperback

To the memory of
Brian Sanders
(1937–1987)

The act of perceiving or conceiving the past can be undertaken in many different ways, few of which can legitimately be described as historical. The behaviour and goals of the public prosecutor are not to be confused with those of the historian, no matter what parallels can be found between the investigatory methods of the historian and those of the professional detective. The discovery of guilt and the rebuking of sin are exercised in criminology and theology not historiography. The historian who chooses to indulge in these activities is stepping aside from or outside the responsibilities, duties and obligations of his craft.

– D. C. Watt, *Personalities and Politics*

To an extraordinary but understandable extent, the history of inter-war imperial economic policy is the history of negotiations with respect to objectively insignificant goods.

– Ian N. Drummond, *British Economic Policy and the Empire, 1919–1939*

Contents

Tables and Figures

Tables

Figures

Preface

This is a study of the growth, structure, and direction of trade in motion pictures between Canada, the United Kingdom, and the United States over the period 1920–50. It is largely based on official documents; press reports and other secondary materials have been used sparingly. A few remarks about the spirit in which the research was undertaken may be helpful.

At the time covered by this book, British and American film critics and historians displayed ambivalence when writing about Hollywood and its works. They admitted that in the silent-film era much interesting entertainment and film art was created but claimed that after the arrival of sound, creative directors were constrained and even sometimes silenced by commercial considerations. (The unsatisfactory careers of Stroheim, Von Sternberg, and Welles were frequently cited.) These critics and historians loved art and distrusted commerce, so the public's manifest liking for Hollywood commercial films needed explanation. Condemning public taste was an option to be used with caution. It was preferable to condemn commerce for minimizing the art available to the public, while lavishing praise upon enclaves where art was said to flourish, such as documentary or avant-garde films. A similar ambivalence toward American films lives on in some present-day film scholars. The devotions of the screening room and the keyboard yield exposés of American commercial films as oppressive and reactionary.

By contrast with this ambivalence, I share the positive attitude of the public toward American films. Whether Hollywood produced art or commercial products, its dominance of world film trade was a fact – a fact deserving historical explanation. One advantage of this point of view is some detachment from cultural and nationalist concerns. The philosopher R. G. Collingwood argued that the point of view of the losers in history is almost impossible to retrieve (1939, p. 70). That is not my experience of studying the film trade across the North Atlantic. Canada and Britain were the losers, and their film-historian scribes have blamed lack of national will, philistinism, fifth columnists, various stabs in the back, and the like, assuming that some strategy existed that, had it been adopted, would have

stemmed American film exports and neutralized their effects. This is a fond illusion. Different strategies could at most have delayed the outcome. The structural, entrepreneurial, and financial advantages of the U.S. firms, combined with the experience gained from catering to a diverse domestic audience, sanction a compelling explanation of the domination of world screens by the United States.

Distrust of commerce has often gone together, in writing about the national cinemas of Britain and Canada, with nationalist indignation about the dominant influence of American films. Such indignation is foreign to me. Born in the United Kingdom, a Canadian by naturalization, I have since school days shared with my friends an interest in and attraction to the United States and its civilization. Our primary means of contact was, of course, the movies (which, I would insist, we always knew romanticized, rather than accurately depicted, American society). It seemed to us odd that the films we liked and the civilization they depicted (which we also liked) were so regularly denigrated, and even denounced, by elites among our compatriots. Still, that raised an interesting question: Why were children growing up in the mother country of a great empire extensively exposed to American films? An obvious answer was that non-Americans like ourselves enjoyed them. A follow-up question then was, Why did we enjoy American films more than we enjoyed British films?

This book concentrates on the first problem. It gives relatively short shrift to the films themselves, being mainly concerned with the industrial strategies used to market U.S. films and the complementary national policies Canada and Britain developed to resist them. Although there is some discussion of the nature of overseas demand for the American film product, this is not the main emphasis. We, the overseas audience, preferred U.S. films to our own and readily cooperated with whatever schemes Hollywood devised.

I find nothing to apologize for and nothing incorrect about my youthful (and to some extent continuing) preference for American films over all others, including British. Similarly, trying to explain the course of the trade struggle, I see no reason to pretend that U.S. dominance owed much to British and Canadian mistakes. The United States did indeed have a fifth column in Britain and Canada – namely, the strong demand for American movies among overseas audiences. In the course of the book I venture some ideas on the source and strength of this demand. But American success still needs explanation. After all, the U.S. film industry could have blundered and failed to exploit the demand for its products. From time to time there were episodes of bungling, but none so serious that American dominance was jeopardized. How is that dominance to be explained?

Studying these matters through the medium of official documents disclosed a multiplicity of viewpoints. This posed problems for the book's structure. Events and processes were viewed differently by observers in each country.

The Imperial Conference of 1926, for example, looked different to each participating country: To the Dominions (of which Canada was one) it appeared an occasion to affirm Empire loyalty but also an opportunity to lobby, and perhaps even to assert some independence of, the mother country. To the United Kingdom it appeared an occasion to rally Empire support of the mother country and to further policies aimed at maximizing British influence. To the United States, which was of course an outsider country looking on, it appeared to be an episode of conspiracy to, among other things, discriminate against American exports. These differing appearances impaired the attempts of official and other elites in each country to grasp how the conference was viewed in the other two. Thus the important statement of policy regarding the desirability of British motion picture production made at the conference (reproduced as Figure 2.A.) was variously interpreted.

The historian with access to at least some documents from all three countries, and some inclination to find a coherent explanation of events, tries to put together a big picture that makes sense of all the partial views: why they were held, why they were partial, and how action based upon incomplete assessments fell out in practice. Able to read both sides of all the bilateral exchanges, we can try to assess whether one or the other side saw matters more clearly or whether both were mistaken. Yet it is also important to try to see matters as they seemed to participants, with the partial information available to them and the interpretations they chose to put upon it. How the actors view the situation they are in is vital to grasping its logic (Jarvie 1972, Chap. 1).

The structural narrative problem presented to the historian by this multiplicity of viewpoints is the question of how to sustain narrative momentum and coherence while also giving voice to the many, overlapping views of the participants. A strictly chronological structure would move intolerably slowly, since each event or process would have to be rotated through all points of view. It would also require constant digression, to draw out from the detail the overall historical interpretation of the successive views the different countries were taking. My first thought was to try crosscutting, that venerable editing device perfected in two classic films of D. W. Griffith. At the end of *Birth of a Nation* (1915), he cut back and forth between scenes showing marauding soldiers closing in on helpless people and others showing the hooded KKK riding to the rescue. He modified this pattern in his next film, *Intolerance*, where four stories of intolerance from different periods of history were set up in parallel and then intercut at an increasing pace as they reached their denouements. What Griffith could do with fictional narrative where form and content were one did not suit the historical purpose of doing justice to real events. These real events have some shape to them, perhaps, but certainly not that of narrative closure.

It was in Christopher Thorne's magisterial work *Allies of a Kind* (1978)

that I found a model for the present topic. That book is a study in Anglo–American relations as refracted through the war against Japan (1941–5). The book's four main parts are chronological divisions. Thorne covers each period by giving first an overview, then an account of the events in the war, then American and British views on China, on empire in Southeast Asia, on India, and on Australia and the southwestern Pacific. Of course, his model needed modification for my purposes. Although my time span – 1920–50 – is longer, both the subject and the events and processes are far less portentous. Therefore I could afford to organize by country first, then by period. In lieu of three overviews, I have one – the General Introduction – and I commence the study of Canada (Part I) with a close examination of a single episode of 1930–2, the investigation of Famous Players Canadian Corporation for monopolistic practices, their trial and acquittal, an episode that contains within it the central problems of the international film trade as they affected and were affected by Canada (Chapter 1). Having thus plunged into the problems, I subsequently present a chronological narrative of film-trade matters in Canada, splitting it into a flashback to events before the emblematic episode of the antitrust trial (Chapter 2), followed by an account of subsequent events (Chapter 3).

The British and American parts (Parts II and III) follow a more orthodox temporal organization. The three countries are arranged in the book in ascending order of economic importance and also, not incidentally, ascending order of volume of official documentation. Thus events and processes covered sketchily at first in Part I are returned to with more detail and, I hope, more complete explanations, in Parts II and III. The American part specifically revisits some earlier matters to broaden the perspective. This is because I believe that a full grasp of American actions is the key to explaining much that went before. Although Canada and Britain were responding to U.S. actions as they understood them, the Americans, by contrast, were initiating events for reasons that need to be worked out and with successes and failures that need to be assessed carefully. Such working out and assessment are woven into the narrative of the American part, a narrative that is, of course, without closure.

My structure, then, reveals a thesis: Studies of the Canadian film industry such as those by Peter Morris and Pierre Berton, studies of the British film industry such as those by Rachel Low, Michael Chanan, Margaret Dickinson and Sarah Street, and the contributors to Curran and Porter (1983), lack a crucial explanatory dimension. Many events in the history of the film industry in those countries were driven by real or anticipated American actions. But those American actions cannot be explained using only the point of view of officials, journalists, and historians working within their own country. With the exception of Dickinson and Street, none of the histories just mentioned saw fit to examine the U.S. materials. Dickinson and Street used them selectively, and their controlling interpretations were entirely

British-centered. At the risk of my interpretations striking the reader as American-centered, I shall argue that a broader explanatory framework is possible when one takes into account materials from all three countries. Only then can one venture to suggest that there is a difference between how things seemed in the three countries and how they were, and it is this methodologically crucial discrepancy between the views in the materials and the viewpoint of the book that warrants hope that it is a contribution to history.

This book has been in the making for almost ten years, ensuring that my list of debts is long. A great deal of travel and study away from my home university was necessary and was made possible by Canada's Social Science and Humanities Research Council (Grants 410-85-0209, 410-86-0548, 451-86-288), York University's internal research funds, and St. John's College, Cambridge, which granted me two terms in residence as a Visiting Overseas Student in 1987. To each of these, my thanks. I made use of the facilities of numerous libraries and public archives, most of which are included in the list of sources in the References. Over this long haul I have benefited from discussions with, among others, Robert Allen, Gregory Black, Marybelle Burch, Noel Carroll, Richard Collins, Thomas Cripps, David Culbert, Charles Harpole, Florence Jacobowitz, Richard Jewell, Garth Jowett, Richard Kozarski, D. L. LeMahieu, Robert Macmillan, John O'Connor, Nicholas Pronay, K. R. M. Short, Peter Stead, Sari Thomas, William Ulriccio, and the anonymous readers for Cambridge University Press. Beatrice Rehl, Michael Gnat, and Christie Lerch did wonders in the final stages. Although I thank them all, it is important to be clear that the responsibility for what is herein claimed and argued is mine. It remains to note the dedication to the memory of my oldest and dearest friend, Brian Sanders. Brian was a diplomatic historian, and he and I often talked out historical matters and ideas. He lived in Washington, DC, and I enjoyed his hospitality on many research trips to the National Archives. It grieves me deeply that because he was the victim of a senseless and unsolved street murder he will not see this book, and it and I will not have had the benefit of his keen and good-humored criticism.