Unionism and labor problems in the motion picture industry

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UNIONISM AND LABOR PROBLEMS IN THE
MOTION PICTURE INDUSTRY

by

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Chairman

Dr. Walter L. Daykin

A thesis submitted in partial fulfillment of the requirements
for the degree of Master of Arts in the Department
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The writer wishes to express his deepest appreciation to Professor Walter L. Daykin not only for his helpful criticism in the preparation of this thesis, but also for his assistance throughout the entire period of graduate study.
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INTRODUCTION

During recent years there has been a tremendous amount of literature written about labor and the labor movement, and there is little reason to suspect a discontinuance in the publication of the voluminous amounts of material on this aspect of our American economy. In the various writings on labor much attention is accorded to the truly large industrial and craft unions representing the steel and auto workers, the miners, the building and construction workers, and the transportation workers. Perhaps it is only natural that the larger unions should attract more attention than do the smaller labor groups, since it is the large and powerful organizations that exercise a greater influence upon the nation's economy.

However, one may easily get a distorted view of the entire picture of the labor movement, more specifically, the trade union movement, if undue emphasis is placed upon the "big" unions. The student

1. According to Professor Carroll R. Daugherty, labor problems "exist because of a lack of harmonious relationship among the factors concerned in the human situation.... Maladjustments in the human relationships in industry may be regarded from two points of view: they may be considered broadly, as a whole, or narrowly, in segments. Those who take the former approach speak of 'the labor problem' and define it.... as the problem arising out of the conflict between employers and employees over the division and control of the product of industry. From the other point of view men speak of 'labor problems,' meaning certain definite areas of maladjustment - such as industrial accidents or long hours within the whole picture."2 However, in most instances throughout this thesis the phrase "labor problems" will be used to refer to problems confronting labor in the exhibition branch of the film industry rather than maladjustments in human relationships. Emphasis is intended to be placed upon problems of labor instead of problems with labor.
of labor who neglects to devote part of his study to the smaller organ-
izations will surely have an incomplete understanding of his field. For
it should be remembered that many of the large unions in existence today
had modest beginnings and grew from small associations of workers. The
study of the smaller crafts might well be considered the study of one
phase in the evolution of trade unionism from relatively insignificant
societies of craftsmen to the gigantic and powerful trade organizations
of today. Moreover, the minor crafts, too, are essential to the smooth
functioning of our economy. Frequently, the importance of the smaller
craft is not appreciated until the public has been deprived of its serv-
ices as a result of a dispute.

Furthermore, as a general proposition, a more thorough under-
standing of the union organization, whether it be large or small, is an
essential prerequisite to the reduction of friction between labor and
management. One of the chief problems of management has been getting
along with its employees and encouraging them to perform at maximum
effort. While this may involve more than an understanding of the union
by-laws, a thorough knowledge of the organization which represents the
workers around the bargaining table is a step towards understanding the
workers' point of view - their side of the picture. Employees have at-
titudes, beliefs, desires, and ambitions like other normal human beings,
and manifestly they will resist those policies of management which at-
tempt to thwart or interfere with these motives. Consequently, without
an adequate understanding of both sides, the employees' as well as their
own, management may find it difficult to maintain good labor relations
and inspire the workers to peak performance. There is, indeed, con-
siderable justification for an intensive study of both the labor or-
organization and its problems. In so doing the student should give re-
cognition to the smaller labor groups as well as the large.

There is much to be learned about trade unionism from an
intensive study of the organization, government, membership requirements,
functions, and problems of the small craft union. Many have unique po-
licies quite unlike those found in the larger craft organizations. For
example, restriction of membership may be practiced to a much greater
extent through the establishment of rigid admission requirements. This
may be made possible by a higher degree of skill required, the peculiar
nature of the work involved, and a lack of competition from other labor
groups. It is justified through the belief that there is greater
strength and unity in a smaller, compact group of workers. In addition
to more strict membership requirements, there may be greater emphasis
placed on self-government for the various locals rather than concern
for a high degree of centralization of power in the national or inter-
national organization. In many respects, the policies of the minor
crafts differ from those of the larger ones.

Typical of the minor craft unions are the so-called "amuse-
ment crafts" represented by the Associated Actors and Artists of
America, the International Union of Circus, Carnival, Fair, and Rodeo
Workers, the American Federation of Musicians, and the International
Alliance of Theatrical Stage Employees and Moving Picture Machine
Operators of the United States and Canada. The following is a list of the claimed or reported membership of these various crafts:

- Actors and Artists of America: 15,000
- Circus, Carnival, Fair, and Rodeo Workers: 300
- American Federation of Musicians: 110,000
- Theatrical State Employees and Moving Picture Machine Operators: 42,000
- Total: 167,000

In view of these membership figures, it is not difficult to understand why the "amusement crafts" have been classified as minor unions.

**Labor Organization in the Film Industry**

The motion picture industry is divided into three closely interrelated parts: production, distribution, and exhibition. The production branch, of course, is responsible for the actual making of the motion pictures. It may be more conveniently thought of as the manufacturing end of the industry. This segment of the industry is concerned with the artistic phases such as acting, writing, directing, and photographing. The distribution branch channels the completed product from the studios to the various local theatres. It is the wholesaler and as such is responsible for the marketing of the films. Its functions include routing the films to the local theatres for showing on specified dates, transporting the films to the theatres, and inspecting the films upon return for improperly made splices, missing footage, and scratched surfaces. Exhibition is the retailing function. As is the case in most industries, production is geographically centralized and the retail outlets are widely scattered.
The scope of this thesis will be limited mainly to a consideration of unionism and labor problems in the exhibition branch of the film industry. This special emphasis may be justified through the desire to give a more intensive consideration to a representative segment, rather than a broad, general discussion of unionism and labor problems in the entire industry. Narrowing the scope to a representative part will thus enable a more thorough consideration of the organization, as well as the problems peculiar to it, representing the employees in the motion picture theatre. The exhibition branch was selected for study because it was the first to become unionized and later served as the foundation for further unionization of the film industry.

Any discussion of unionism in the exhibition branch of the motion picture industry must largely be a discussion of the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada. While the working force of the motion picture theatre includes such personnel as cashiers, doormen, ushers, janitors, stage hands, and projectionists, it is only the latter two groups who have been successful in their attempt to form a strong union. In the following pages the history, functions, membership, government, and finance of the Alliance, as well as some of the current problems facing this organization, will be fully discussed.

Problems Facing the Alliance

The International Alliance is currently faced with three major problems. First, the Alliance is engaged in vigorous competition with several other unions in organizing the radio and television field.
Second, the Alliance is vitally concerned with certain anti-labor legislation and is actively supporting Labor's League for Political Education in an effort to gain the repeal of certain laws not in the best interests of labor. Last, and most serious, is the problem presented by the exhibition branch of the film industry. The motion picture theatres throughout the nation have been engulfed in an industry recession since the close of World War II. This situation has threatened the very existence of jobs held by the members of the Alliance as well as hampered contract negotiations. It is with this problem that this thesis will be primarily concerned.

The Recession Within The Film Industry

Within the space of a few short years the once secure position of the motion picture theatre in the entertainment world has been seriously threatened. Relative to other forms of recreation, expenditures for motion picture entertainment have declined drastically for which television has been given the largest share of the blame. This industry recession in the midst of prosperity has created certain bargaining problems. The projectionists' locals have demanded wage increases justified by the rising cost of living, while at the same time management has requested relief in the form of wage reductions because of declining box-office receipts.

An obvious solution to the problem, of course, lies in the possibility of the industry reviving theatre attendance and returning to the level of prosperity enjoyed by business as a whole. This is exactly what the industry is attempting to do with the aid of theatre
television and the various three-dimensional processes of reproduction. With the possibility of drastic change thrust upon the industry certain additional problems will be created that will have to be solved if the goal of industry prosperity is to be achieved. With the process of motion picture reproduction becoming more complex and the motion picture projectionist becoming more highly skilled, the effectiveness of the traditional manager-projectionist relationship of direct responsibility may be challenged. While this is a problem for management to solve, it will be subsequently discussed because of its concern to the projectionist. Presently, there are more than six different processes of three-dimensional reproduction, all requiring different types of equipment. The problem of standardization is another problem with which management will have to cope.

The International Alliance has an important part to play in the future success of the film industry. The quality of reproduction will play no small part in the acceptance of three-dimension pictures by the public. Since it controls the human factor, the Alliance must encourage its members to maintain the quality of motion picture reproduction at a high level. In addition, the Alliance will also be responsible for training its members in the operation of the new equipment required for television and three-dimension projection.

To reiterate, it is not the purpose of this thesis to offer a general discussion of all the various craft unions and their host of individual problems found in the motion picture industry, but it is intended to give a more specific consideration of a representative craft,
the Moving Picture Machine Operator's Union and the problems peculiar to this group.
Chapter I

THE INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES AND MOVING PICTURE MACHINE OPERATORS

A Brief History of the I.A.T.S.E.

The development of the International Alliance closely parallels the development of the theatre. The first semblance of organization consisted mainly of stage hands banded together to protect themselves from such grievances as arbitrary wage cuts and discriminatory practices in the assignment of work. In the early beginnings of the organization the stage hands became associated with the Knights of Labor, an organization designed to benefit the working class as a whole rather than the members of exclusive craft unions. The Knights emphasized the "one big union" aspect of labor organization and sought to include everyone regardless of occupation.

Because of the erroneous assumption that the interests of all groups of workers are the same, the unusually high degree of centralization of power in the hands of the national officers, the extremely idealistic program, and the several inopportune sympathetic strikes, membership in the Knights of Labor declined. With the ensuing decay, the stage hand locals followed the general movement of the craft unions to the American Federation of Labor. At a convention held at New York City in 1893 the National Alliance of Stage Employees was formed, and in 1894 the Alliance was chartered by the A.F. of L. During its initial year the Alliance consisted of 11 local unions and has since
increased its membership to 932 locals with a total membership of 642,000.

By 1902 Canadian locals were admitted and the organization became known as the International Alliance. In 1914 the Alliance was awarded absolute jurisdiction over the moving picture machine operators by a decision of the A.F. of L. and the name was expanded to the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators of the United States and Canada, its present-day title. Although the first members of the Alliance were stage employees, such craftsmen as cameramen, studio mechanics, laboratory technicians, and projectionists were subsequently admitted, and it was the motion picture workers who gradually became the most important group.

August 6, 1928 is an important date in the history of the Alliance for it was on this date that sound motion pictures made their debut. The introduction of sound pictures was not a gradual process, but was dropped upon the projectionists in a nearly completed state. This necessitated a nationwide training program to indoctrinate the projectionists in the operation of the new sound equipment. To cope with the problem, the Alliance hired instructors under traveling contracts to perform the job of training. In some cases the larger locals conducted projection schools of their own for the instruction of their members.

During the early 1930's the Alliance became involved in a series of strikes and jurisdictional disputes. Because of mass
unemployment and rival unionism, in 1932 the slogan "work at any price" was adopted. However, by 1935 the Alliance was a prosperous organization and it dominated practically all skilled labor in the exhibition branch of the film industry. Under the leadership of George E. Brown, who was elected president by the 1934 convention, the power and prestige of the International Alliance in the film industry was firmly established by 1940.

The post-war period saw the Alliance confronted with a host of new problems. The year 1947 brought the passage of the Taft-Hartley Act. Later, television was introduced and it too posed some knotty problems. Motion picture films became a very important part of television programs. As a result, projectionists were required to reproduce the films before the TV cameras. The problem of organizing the television industry immediately arose. Then, the exhibition branch of the film industry gradually saw its audiences disappearing and box-office receipts falling. An industry recession followed and exhibitors put up increased resistance to union demands for wage increases and fringe benefits. Furthermore, the Alliance was faced with the possibility of mass unemployment for its members should the motion picture theatre go the way of the old vaudeville house. Under the impetus of the industry recession, three-dimension pictures were introduced. As was the case in 1928, the Alliance was again confronted with the problem of training its members in the operation of the new equipment. These, then, are the problems confronting the Alliance today.
The Purposes and Functions of the I.A.T.S.E.

The early purpose of the Alliance was stated in simple terms. “It is the principal purpose of this convention to get some system to connect the various theatrical employees in the United States, and to boycott fly-by-night managers and 'fakes' of all kinds.” With the changing times the purposes of the Alliance have become more complex in order that the growing needs of its members might be met. The purposes of the Alliance as stated in its constitution today reads as follows:

To achieve, by organization and mutual endeavor, the improvement of the social and economic conditions of workers identified with the theatrical, television, moving picture industries of the United States and the Dominion of Canada; to insure the maintenance of a fair rate of wages for services competently rendered; to assure the employment of all members in these industries, and to secure for ourselves by unity of action such benefits as are rightfully ours, pledging ourselves in all difficulties to accept wise, honorable, and conservative mediation, that equity may be maintained.

Not only have the stated purposes been increased in number, but the coverage of the organization has been expanded to include those members in the motion picture industry and the television industry as well. To carry out these objectives requires a complex organization.

The following is a list of the more important functions of the International Alliance:

1. Issue charters to new local unions capable of meeting certain minimum requirements.

2. Regulate the number of apprentices a local may carry on its roll at any one time.

3. Aid local unions in collective bargaining.

4. Provide for a grievance procedure.
5. Discipline local unions.

6. Settle disputes between local unions.

7. Raise funds to finance the operation of the Alliance by levying a per capita tax as well as assessments and fines.

The first two functions are discussed in the following section on membership.

Collective Bargaining by the Alliance

The general objectives or purposes of collective bargaining as carried on by the Alliance are not unlike those of other unions. These general objectives are threefold:

1. To fix the price of labor services.

2. To provide for a system of jurisprudence.

3. To provide a means whereby employees may be represented in decisions affecting their individual and group interests.

Generally, the Alliance has been successful in achieving these objectives.

Bargaining by the Alliance covers two different fields - local and national. For the most part, local negotiations with the various theatres are carried on by the local union officers subject to certain restrictions imposed by the international body. Agreements thus reached cover only those theatres and places of amusement within the territorial jurisdiction of the local union. On the other hand, officers of the Alliance handle negotiations for those members employed by traveling attractions, which amounts to bargaining on a national scale.
The Alliance imposes a number of limitations upon the local unions in the performance of their bargaining functions. For example, oral agreements are not permitted. All affiliated locals are required to execute written contracts with the local theatre managers covering the conditions of employment for all members within their jurisdiction. Moreover, the duration of these contracts may not be for a period in excess of two years, unless provision is made for a graduated increase in wages and an improvement in working conditions for each year. The Alliance also requires that all contracts be executed upon an official contract form supplied by the General Office, and that each contract contain the following clause: "As the party of the second part is a member of the International Alliance of Theatrical State Employees and Moving Picture Machine Operators of the United States and Canada, nothing in this contract shall ever be construed to interfere with any obligation the party of the second part owes to such International Alliance by reason of a prior obligation." This clause has the effect of incorporating the constitution and by-laws into the written agreement, since each member obligates himself to the Alliance by pledging to "accept and abide by the provisions of this constitution, as now in force and as hereafter legally amended." As a result, management may not require a union projectionist to perform any act that would violate the provisions of the constitution and by-laws which he has pledged himself to uphold. Furthermore, the above clause makes it possible for the Alliance to unilaterally alter the agreement between the affiliated
local union and the theatre operator merely by amending the constitution or by changing the by-laws.

Classification of the local theatres according to size, location, and ability to pay is the first step in bargaining on a local level. In this manner the wage differential that is to exist between the various theatres located within an affiliated local's jurisdiction is determined. Since each local is free to make its own wage bargains, no fixed wage differential exists between the different classifications of theatres. In smaller communities where there are perhaps only two or three theatres all essentially on the same competitive level, the local union may attempt to establish a uniform wage policy by placing all of the theatres in one classification.

The next step in bargaining on a local level is for the members of the local union to meet and determine the demands and proposals concerning conditions of employment to be submitted to the various theatre operators. The desired changes in working conditions to be incorporated into the final agreement may be general in nature in that they apply to only one individual theatre. Typical of the first type are requests for wage increases, longer vacation periods, and shorter hours. Requests for better ventilation to protect the projectionist from harmful arc fumes and for the installation of rest room facilities in the booth are examples of the second type. However, items such as these may be settled through the grievance procedure rather than waiting until the negotiation period.
If the membership of a local union is large there may be a great many demands and proposals suggested by the members; perhaps too many to submit to the employers. Under these circumstances a contract committee may be appointed to determine which demands are the most valid and should be submitted to the members for a final vote of approval. Only after the list of proposals has been approved by the local members may the business agent submit it to the various employers.

The third step in the bargaining process is to submit the list of proposals to the employers and arrange for a conference at some date in the near future.

During the conference the union representative "explains any points not clear to the managers, endeavors to discover just how far the managers will go in acceding to the demands of the local, and receives counter-proposals." Further meetings are held until an agreement is finally reached. Before the union seal can be impressed upon the final agreement as a symbol of acceptance, the agreement must first be ratified by the local members. Thus, throughout the entire bargaining process it is the individual members who have the final word concerning the conditions under which they are to be employed.

The Alliance may be considered unique in its policy of carrying on collective bargaining in two different areas - local and national. This situation is adequately explained by Mr. F. T. Stockton in the following quotation:

In most unions the influence exerted by the central body in the sphere of action assigned to it largely determines the degree of success that can be had by the subordinate locals.
In the Stage Employees the national union aids the locals in bargaining and has complete jurisdiction over traveling contracts. While the central organization helps materially in making local bargaining effective, its national collective bargaining with traveling shows is of little, if any, advantage to the local unions. In fact, here is an instance where the great power of the local unions is what gives force and meaning to the national bargaining problem. In all probability the local unions would be able to handle most matters essential to their welfare quite satisfactorily without the assistance of national control over traveling shows. Such control gives added force to the entire organization, but it does not constitute the basic union strength.19

Thus, while the Alliance does carry on collective bargaining at two different levels, it is from the bargaining on the local level that the union derives its greatest share of power.

Grievance Procedure and Strikes

In the event of a serious disagreement between a union member and his employer, the first step in the grievance procedure is to notify the local union officers. It then becomes the duty of the local union to first try to obtain an equitable settlement with the employer. If a settlement cannot be obtained the next step is to notify the international president of the grievance. Investigation of the disagreement by the Alliance is the third step. After the facts in the case have been secured, the international president or his representative then attempts to adjust the disagreement with the employer, the result of which is subject to the approval of the local union. If agreement still cannot be reached and there is ample justification, the international president will authorize a strike. However, when the controversy involves the employees of three or more theatres, a strike may be called only with the consent of the
General Executive Board. Local unions are ordinarily not permitted to make demands upon an employer which might result in a strike or lockout during the first year of their affiliation with the Alliance.

After a strike has been authorized, a strike vote must be taken at a special meeting called by the president of the local union. A three-fourths majority vote of the members present is necessary before a strike may be officially called. The General Office of the Alliance must be notified at any strike action taken. Once the decision to strike has been made, the strike call is strictly enforced. Any member who fails to obey the strike call or returns to work before the strike is officially terminated is subject to fine, suspension, or expulsion. The same penalty is attached to those members who remain on strike after the call has been officially ended. A strike may be terminated only by a majority vote of the local.

Discipline of Local Unions

The violation of the constitution or by-laws by any local union constitutes grounds for discipline. Specific penalties have been established for various types of violations. Minor penalties consist mainly of fines. However, in the case of a repeated violation or one that is of a gross or wilful nature, the local union found guilty of such unlawful acts is subject to severe additional penalties and may include the revocation of its charter.

Charges may be filed against an affiliated local union by any member, officer, or other affiliated local union. The charges must be
in the form of a sworn affidavit and presented to the international president, who sets the time and place of the trial. The accused local union officers have 21 days in which to prepare their defense after having received notice of such charges from the president. At the trial both sides, the accused union and the accuser, are given a fair hearing.

In addition, the president of the Alliance has the power to settle disputes that occur between local unions. All grievances and disagreements between locals over jurisdiction, membership, or policies must be submitted to the I.A. president for his decision. The president's final verdict is binding upon the local unions involved.

Membership in the Alliance

Because of the many restrictions placed upon membership, it is extremely difficult to gain admission into the Alliance. Restriction of membership is practiced to the fullest extent. The applicant must not only meet certain occupational and residential requirements, but he must also demonstrate his mechanical ability by passing a thorough written examination. Moreover, he must agree to appoint the union as his sole and exclusive bargaining agency. If the applicant can meet the requirements and he can afford to pay the initiation fee, he is then eligible for membership. Eligibility, however, by no means guarantees admission into the union. First, the eligible applicant must be voted upon by the regular members of the local. They may accept or reject the proposed applicant. Next, definite restrictions are placed upon the number of apprentices a local may have at any one time. If there are no openings the applicant will not be admitted. And last, the accepted applicant
must successfully complete an apprenticeship period, which is currently three years, before he receives a card granting him full membership in the Alliance.

Membership in the Alliance consists of those members in good standing of the various chartered locals throughout the U.S. and Canada. Only through membership in a chartered local can membership be gained in the Alliance. Honorary membership is extremely rare.

The power to grant charters is vested in the convention when in session and in the president during the interim. A local union charter may be issued only to a group of seven or more applicants who possess the qualifications required for individual membership. All charter applications are carefully investigated by I.A. officers to determine the competency and eligibility of the applicants as well as the advisability of issuing such a charter. In addition, the charter applicants must agree to recognize the supreme jurisdiction of the International Alliance and, in exercising their right of self-government, make no laws that will conflict or be inconsistent with the constitution and by-laws of the international union.

The trade jurisdiction of each local union is limited to that defined in its charter, while the geographical jurisdiction includes the territory extending to half the distance to the nearest local. Thus, an effort is made to protect the local affiliated union from competition from unionists in other trades, and also from locals in the same trade but in a different locality. By imposing these jurisdictional
limitations, each local is aided in insuring that only its members receive the available work within a given area. In order to make the jurisdictional limitations effective the following article was written into the constitution:

Any affiliated local union which refuses to order its members to withdraw from the jurisdiction of another affiliated local union when ordered to do so by the International President, shall be punishable by the suspension of its charter for a period of not less than five (5) years, and shall not be readmitted to good standing in this Alliance except upon a two-thirds vote of the delegates in Convention assembled.

It is this section which makes "home rule" effective and aids in curbing jurisdictional disputes. Because of strict enforcement in the past, recent violations of this section of the constitution have been infrequent.

The Alliance issues a total of twenty-five different classes of charters of which the following are included:

1. **Stage Employees** - confers jurisdiction over stage carpenters, property men, stage electricians, and all other stage employees.

2. **Moving Picture Machine Operators** - grants jurisdiction over all employees working in projection rooms and operating projection equipment.

3. **Moving Picture Cameramen** - confers jurisdiction over those persons engaged in photographing motion pictures.

4. **Moving Picture Laboratory Technicians** - gives jurisdiction over all workers engaged in the development, printing, and cutting of motion picture film.

5. **Motion Picture Studio Sound Technicians** - grants jurisdiction over all employees engaged in work related to the transmission and the recording of sound in the production of motion pictures.
Once issued, the charter of any local union may be revoked for any one of the following reasons: decline in membership below the stipulated minimum, failure to pay the imposed per capita tax, neglecting to hold regular monthly meetings, or for the violation of the rules set forth in the constitution and by-laws.

The Alliance imposes certain occupational and residential requirements upon all applicants for membership. It is required that all applicants be either employed in the theatrical, television, or motion picture industry, or must be capable of obtaining employment in one of these industries. Moreover, the applicant must be a resident within the jurisdiction of the local in which membership is sought for a minimum of eighteen months preceding the date of application.

As an additional restriction placed on membership, all applicants must possess sufficient knowledge of their respective crafts to be able to pass a written examination. These examinations are administered by a board of examiners selected by the local union and must be uniform for all applicants. The following is a list of sample questions which are typical of those asked of applicants for membership in the locals of the Moving Picture Operator’s Union:

1. Define the "keystone" effect. How may it be eliminated?

2. Discuss the importance and the operation of the intermittent movement. How does it work in conjunction with the shutter?

3. Discuss how the soundhead transforms a beam of light into audible sounds.

4. Outline the steps you would take to restore the operation of an amplifier in the event of a power transformer failure.
5. What steps would you take if a film fire should occur in the projector mechanism?

The examination requirement is effective in weeding out those applicants who do not possess adequate knowledge of their respective crafts and limiting membership to the most competent and experienced workers.

Like most trade unions, the Alliance has established certain restrictions on the number of apprentices a local union may have at any one time. According to article 26 in the I.A. constitution, "no local shall be permitted to register as 'Junior' or 'Apprentice' more than one person for each five regular members of the local and in no case shall any local be permitted more than a total of twenty such 'Junior' or 'Apprentice' members...." In addition, no local may carry an apprentice on its role for more than three years. At the end of this period, the apprentice must either be elected to full membership or be relieved of his duties.

One rather unique policy toward apprentices is in regard to the payment of wages. Many trade unions start their apprentices at a wage rate considerably below the rate received by the journeymen. The typographical and stereotyper's union adhere to this policy. However, in the projectionists' union apprentices ordinarily receive the same rate of pay as do the regular members. One effect of this wage policy is to reduce somewhat the harshness of the restriction of membership practiced by the Alliance relative to other trade unions.
For in no small way apprentice wage differentials act as a membership barrier to those persons with family responsibilities.

**Government of the International Alliance**

The constitution and the by-laws represent the supreme law of the I.A.T.S.E. The governmental powers are vested in the national convention and, when not in session, the international officers chosen by the delegates to the convention. The convention is both a "parliament and a court" in that legislation is enacted for the government of the various locals and individual members, and it also serves as a final court of appeal for any case involving a local union or individual member. Each affiliated local receives representation at the convention on the basis of membership. One delegate is awarded to each chartered local and additional delegates are granted on the basis of one delegate for every hundred members.

The international officers elected by the convention are the president, nine vice-presidents, a general secretary-treasurer, and a board of trustees. The General Executive Board, which has entire supervision and authority over the Alliance, is made up of the president, the vice-presidents, and the general secretary-treasurer. It is the duty of the board of trustees to perform a semi-annual audit of the books of the general secretary-treasurer and prepare a report to the affiliated locals of the Board's findings.

The president of the Alliance is granted broad and extensive power. Included in his vast powers are certain appointive powers,
the power to call meetings of the General Executive Board, and the power to interpret and apply the constitution and by-laws. In addition to his executive powers, the international president also exercises certain judicial powers. The president is given original jurisdiction to try charges against an individual member when these charges have been wrongfully neglected by the local union. The international president may also examine the books of any local union, order any member to refrain from rendering service to an unfair employer, and control any local during an emergency.

Between conventions the General Executive Board exercises all executive powers not exclusively granted to the president. Legislative powers of the board consist of the power by unanimous vote to amend, enact, or repeal any by-laws, provided such action does not conflict with the constitution. By exercising its judicial powers, the Board may act as an appellate tribunal for the Alliance to hear all appeals from decisions of the president in the exercise of his right to interpret and apply the constitution and by-laws.

The international organization only has that authority which has been conferred upon it by the various affiliated local unions. "Home rule", or local autonomy, in respect to the control of working conditions and wage scales has always been the fundamental policy of the Alliance. Moreover, under the "home rule" policy each local is given the right to insist upon the employment of its own members within its jurisdiction ahead of the members of sister locals.
The constitution of the Alliance specifically states that each local union is to be granted the authority to exercise full and complete control over its own affairs. To protect this right of self-government, the "home rule" policy may be repealed only by a two-thirds majority vote of the delegates present at any convention.

Finance

The International Alliance derives its revenue from a per capita tax, assessments, charter fees, and fines. The per capita tax, however, is the chief source of revenue. The tax is levied through the sale of quarterly receipt stamps to the affiliated locals. The local union is required to purchase one stamp per quarter for each member carried on its roster. To encourage the prompt purchase of these stamps, the local union is subjected to possible charter suspension if it becomes delinquent in an amount equivalent to three month's per capita tax. In addition, the I.A. has established a minimum quarterly amount to be collected from each member in order to keep both the local union and the international union on a firm financial basis. The current minimum dues are $5.55 per quarter for each member of which $3.75 goes to the purchase of the required quarterly receipt stamps. When the income from the sale of these stamps is insufficient to cover approved expenditures, the deficit is overcome through the use of special assessments.

Of the $3.75 collected from the sale of quarterly receipt stamps by the Alliance, $3.10 is credited to a general fund for the payment of operating expenses. These operating expenses include such items as officers' salaries, traveling expenses, legal fees, insurance,
and auditing fees. The remaining $0.65 is credited to a convention transportation and per diem fund used for the purpose of paying transportation expenses of the delegates to the convention, as well as wages lost while attending the convention. The International Alliance makes no provision for insurance funds or general strike benefits.

In studying the receipts and expenditures of the Alliance, one is immediately impressed with the large amounts of money collected from the membership for which, at first glance, it appears there are no tangible benefits. Moreover, the large sum expended for officers' salaries, traveling expenses, and per diem appear to be extraordinary. The members appear to be willing to spend any amount of money in the field of collective bargaining in order to keep the amusement field organized.

The system of financial administration in the early years was crude and defective. The system was gradually improved, however, and the financial accounting of the Alliance today is more than satisfactory. Like most union accounting systems, the Alliance relies on fund accounting for recording financial transactions. Under this type of accounting receipts earmarked for a particular purpose are set aside in a special fund. Accordingly, each fund so established represents an independent accounting entity for which its specific income, expenses, assets and liabilities are recorded. This method of accounting provides protection against the misappropriation or misuse of funds because the bookkeeping required is simpler and offers less
opportunity for errors. In addition, the fund method of accounting enables the union leader to present the financial status to union members in a simplified manner, since only the cash status of each fund need be reported.

The method of collecting the per capita tax was one of the leading defects in the early accounting system of the Alliance. Because each local had its own style of dues card and the per capita tax was paid to the General Office simply by mailing in the amount due with the quarterly report, there was no adequate check on the number of members in a local union. This situation also made it difficult to audit the records of the secretary-treasurer in order to determine if all cash receipts had been properly recorded. It was not until 1919 that the stamp system was finally installed. Since the receipt stamps are pre-numbered, an accurate check on all cash received from the sale of quarterly receipt stamps is possible. Furthermore, because a stamped membership book is the only official evidence of paid up membership in the Alliance, a local must purchase enough stamps for all of its members. From the viewpoint of the auditor, the stamp system provides excellent internal control over the collection of dues from the various locals and protects the members from defalcation on the part of those responsible for the physical handling and the recording of receipts.

As an added protection against the misappropriation of funds, the constitution of the International Alliance requires that the books kept by the secretary-treasurer be audited by an independent public
accountant, and that a complete financial report be submitted to the members at each convention.
Chapter II

PROBLEMS CONFRONTING THE INTERNATIONAL ALLIANCE

Anti-Labor Legislation

In the realm of anti-labor legislation the Alliance is violently opposed to the Taft-Hartley Act and is assuming its share of the burden in working for its complete repeal. While the members of the Alliance have been less affected by this piece of federal legislation than have other union members, they have, nevertheless, been held to come under the jurisdiction of the Act in a number of instances.

Shortly after the passage of the Taft-Hartley Act, the General Executive Board of the I.A. took the position that the law did not apply to theatrical exhibition on the stage or screen. There was ample precedent upon which to base this assumption. First, the administrators of the superseded Wagner Act had never sought to include theatres under its provision. Second, as a possible parallel, virtually the whole field of retail merchandising was exempt from the coverage of such laws. In addition, the Board felt that since the motion picture exhibitor renders a local service and does not sell interstate merchandise, the Taft-Hartley Act would not be applicable to Alliance members. Furthermore, when the Department of Labor, the agency which administers the Wage and Hour Act, announced that minimum wage provisions do not apply to theatres because their work was not of an interstate nature, the Board reasoned that surely if one federal law,
honestly designed to aid workers, was lacking the power to assist
Alliance members in the exhibition field, then, by the same token,
these members would not be subjected to another federal law, designed
to prevent their assisting themselves. The Board's contention, however,
has not been borne out.

Some insight into the general feeling of the Alliance towards
the application of the Taft-Hartley Act to the theatre is gained from
the following excerpt from the Proceedings of The 1950 Convention:

Now, our steadfast hope, as expressed to you in my report,
was that the new law's effect could be limited to those of
our members who work for employers clearly engaged in inter­
state commerce. That was traditionally supposed to be the
only type of commerce within the county which the Federal
government is allowed to regulate. But the framers of the
Taft-Hartley Act wanted to take a bigger bite. They follow­
ed a modern tendency by making their statute apply not only
to the businesses 'engaged' in interstate commerce, but also
those 'affecting' it. And since the American economy is all
pretty well interlocked these days, most any activity under
the sun could be interpreted as 'affecting' interstate
commerce. In this instance, the National Labor Relations
Board and its independent General Council were given the job
of determining what does and what does not - of asserting
jurisdiction, in a sense, wherever they saw fit.42

Accordingly, the policy of the Alliance has been to prevent any exhi­
bition case involving it from going to the N.L.R.B. as long as possible.
When test cases could no longer be avoided, every effort was made to
convince the Board that theatrical labor should be exempt from the cover­
age of the Federal law.

The efforts of the Alliance have been partly successful.

Through various rulings of the N.L.R.B. the following three precedents
have been established. (1) The Board has said, in effect, that it will not apply the Taft-Hartley Act to single theatre operations. (2) The Board has said, in effect, that it will not apply the Taft-Hartley Act to circuits of theatres operated entirely within a single state. (3) The Board has further stated that even where an owner has theatres in more than one state, these theatres must be integrated into a single operation before the Board will apply the Taft-Hartley Act to them. Briefly, the policy followed by the National Labor Relations Board has been to claim full jurisdiction over the film exhibition field but not to accept those cases where the impact on interstate commerce was considered to be slight. More recently, the Board has continued to follow the policy of exempting smaller circuits contained within a single state. However, the Board has accepted cases involving theatres which are a part of multi-state circuits operating as integrated enterprises, as well as those belonging to single state circuits when the out-of-state film purchases of any such circuit exceed $500,000 for films bought directly from outside the state or $1,000,000 for those bought indirectly from outside.

According to the president of the I.A., the effect of the Board's rulings has been to protect its members from the inroads of the unjust Federal law at the points where the law threatened to do the most damage. For it is usually the smaller exhibitors who cause the most trouble on wages and working conditions.

In spite of the limited coverage by the Taft-Hartley Act of its members in the exhibition branch, the Alliance has been
violently opposed to the Act on several counts. The number one objection is the ban on the closed shop. The I.A. is willing to concede that the union shop may be satisfactory in certain mass production industries where labor is always accessible and need not be skilled and also in certain fields of the arts, where inborn talent is such a basic factor that a system of apprenticeship would prove ill-advised. But in the I.A.T.S.E. crafts, which are naturally subject to an oversupply of manpower that could be trained to do the work, the closed shop is the only protection.

Another aspect of the Taft-Hartley Act considered to be almost as equally damaging, is the ban on the secondary boycott. This weapon has been used by the I.A. with considerable effectiveness in the past. It was first used as one of the means to organize the studio crafts in Hollywood. When a studio refused to come to terms the Alliance merely threatened to pull its projectionists out of the theatres playing its pictures and thus shut off the flow of income. The secondary boycott has also been effectively used to encourage individual theatres to come to terms. In the past the sound servicemen, who belong to an I.A. craft, have been helpful in bringing an unfair theatre into line. By issuing a strike notice, the Alliance could prevent the sound engineers from entering the unfair theatre and thus deprive the theatre of sound service. With the outlawing of the secondary boycott, the sound men could no longer be compelled to skip a theatre that had been assigned to them.
Short-run action taken by the Alliance against the Taft-Hartley Act has consisted mainly of rendering legal aid to those locals who become entangled with the act. On the preventive side, the Alliance has recommended that the locals take certain steps to reduce the harsh effects of the law. These steps are four-fold:

1. All members should be kept on the job wherever possible. If the members leave their jobs the Taft-Hartley Act makes them vulnerable to replacement by non-members.

2. Every theatre within the local's jurisdiction should be organized to prevent the recognition of any new union. The Taft-Hartley Act is quick to recognize any new union that crops up.

3. Members should be expelled only when absolutely necessary and only after a fair trial has been given. Then if the expelled member claims to rely on his rights under the labor law, he may be defeated in the courts.

4. When drawing up seniority regulations, natural rights should be observed. Under the Taft-Hartley Act, people removed from jobs can charge unions as well as employers with unfair labor practices and get their jobs back if the charges are proven.

The long-run approach to combating the Taft-Hartley Law has been through the vigorous campaigning for complete repeal of the Act. In this respect, the efforts of the I.A. have been directed toward the active support of Labor's League for Political Education, an organization formed by the American Federation of Labor in 1947 after the passage of the Taft-Hartley Act. Through this organization an attempt is made to reward the friends of labor and defeat its enemies in every state and federal election. Because the Taft-Hartley Act makes it illegal for a union to use treasury funds for political purposes, the
League is entirely dependent upon voluntary contributions. While the primary goal of bringing about the complete repeal of the Taft-Hartley Law has not been achieved, this nevertheless remains the number one objective of the Alliance.

The Problem of Organizing the Television Field

The problem of organizing the television field has been the main topic of discussion at the last three conventions held by the International Alliance. During the last two years this newest branch of the entertainment industry has grown tremendously. "To look into the future and try to predict how much further it will grow and how much it will affect the Alliance in the long-run is the task ahead of us."

The staging of live shows and the use of motion picture films in the television studios has become a substantial source of employment for members of the I.A. On the other hand, television adversely affects the exhibition branch of the film industry and may form a bottleneck, which, unless controlled by the Alliance and the locals, could prove to be very troublesome.

Because of a series of adverse decisions by the National Labor Relations Board, it is frequently impossible for the Alliance to control projection jobs in the television studios without controlling all electronics work there as well. There has also been some reluctance on the part of the local unions to organize this new field. As a result, the General Executive Board of the Alliance has deemed it necessary to create a Radio and Television Department to facilitate organizing the TV field.
Organizing the television field presents a difficult problem for the Alliance since it has been inactive in the related field of radio. As a consequence, most of the radio field's technical personnel situated in the areas of vital control have become members of either the International Brotherhood of Electrical Workers, A.F. of L., or of the unaffiliated National Association of Broadcast Engineers and Technicians. This has enabled the I.B.E.W. and the N.A.B.E.T. to get a head start on the Alliance in organizing the television field because their long-standing contracts contain clauses which could be interpreted as applying to television. In addition, these two labor organizations have the prior allegiance of many of the workers in the radio field.

The approach of the Alliance to date has been to protect the traditional I.A. crafts from an organizing battle, if possible, and to seek a jurisdictional compromise. The result of this approach has been the reaching of a tentative agreement with the I.B.E.W. over the control of certain jobs in the television studios. This agreement provides that the I.B.E.W. is to have jurisdiction over the electronic camera and all apparatus behind it, while the International Alliance is to have jurisdiction over all equipment in front of the camera. The motion picture projection machines are considered to be in front of the cameras, and therefore the projectionists employed in television studios come under the jurisdiction of the Alliance. While the compromise agreement with the I.B.E.W. is a step in the right direction, the problem of organizing the television field remains to be solved.
The Problem in the Exhibition Branch of the Film Industry

Another problem confronting the Alliance, which is perhaps the most serious one at the present time, is the current recession engulfing the exhibition branch of the film industry. The industry recession is of grave concern to the Alliance because it not only affects the job of the motion picture projectionist but also the jobs of those I.A. members in the production and distribution branches as well. It is the prime objective of this thesis to give a thorough consideration to the industry recession problem and the role of the Alliance in the future of the motion picture theatre. The remainder of this thesis will be devoted to the discussion of these two topics.

The magnitude of this problem is disclosed in the following words of the I.A. president:

...Unfortunately, the exhibition branch of the film industry presents us with a problem of gravest magnitude. Our employers in the theatres claim that business has not improved. They are after us with constant requests for wage relief. In my position I must naturally consider any difficulties they may have, but my foremost concern, of course, is the welfare of the members of the International Alliance.......

Not only has the present recession strongly influenced wage bargaining, but it has also threatened the very existence of the jobs held by projectionists in the various theatres throughout the country. Already many of the marginal houses have been forced to close their doors, and, as a result, projectionists have found themselves without jobs. Moreover, there is a prospect that many more theatres will be forced to close. Since the motion picture theatre occupies the position of a
retailer, declining box-office receipts could have repercussions in the production and distribution branches of the film industry. With smaller profit margins or actual losses it may become necessary for the studios to curtail operations, which in turn may mean fewer jobs for Alliance members in those branches.

The Alliance is vitally concerned with the industry recession for several reasons. First, the present welfare of its members has been seriously threatened - not only from the standpoint of wages but also to the extent of actually endangering the very existence of their jobs. While the nation as a whole is enjoying prosperity, the theatre industry has been in a slump. However, the cost of living, which has been the union's main argument for resisting wage cuts, has continued to rise. At the same time, wage increases and fringe benefits have been increasingly difficult to secure in the light of declining box-office receipts. The fact that other unions have been obtaining wage increases and greater fringe benefits for their members is of little comfort to Alliance officers. Needless to say, this presents a serious problem, since the success of the union is closely related to the welfare of its members. The following quotation is an expression of the union's attitude towards accepting lower wages: "I say that the time for general wage relief has not come. Individual hardship cases we are willing to consider, but as a general proposition - no." According to the president of the Alliance, local unions around the bargaining table have been faced with the constant exhibitor complaints of poor
business. Because of long stalemates in negotiating new contracts, it was necessary for the General Office of the Alliance to dispatch field men on more than 1300 occasions to assist local unions in bargaining with employers and to grant permission to strike whenever circumstances warranted this step.

Secondly, because exhibitors strongly resist union demands based on economic conditions in the industry, the union must be keenly aware of management's problems and seek to obtain their employer's viewpoint. This is essential if the union is to anticipate management's arguments and demands and be prepared to meet them with their own demands and counter-proposals. Only by thoroughly understanding their employer's viewpoint can the union bargain effectively on behalf of its members.

And lastly, the final decisions made by management are bound to affect the future job of the projectionist, particularly from the standpoint of technological development. Ordinarily, technological change precedes technological unemployment. However, this is not likely to be so in the case of technological change in the exhibition branch of the film industry. Recently there has been a rush towards the development of theatre television and three-dimensional reproduction. These two new processes of theatre projection employ equipment of greater complexity than the type required for conventional projection. The persons in the best position to operate the new equipment are those projectionists now on the job. However, these projectionists will require additional training. Not only will technological unemployment be avoided, but employment may actually be increased, since the increased
complexity of the equipment may require the services of more than the present booth staff of one or two operators.

In the past, the Alliance has handled the necessary training programs when a new technological improvement was installed. This was true in the latter twenties when sound motion pictures made their debut. Usually, in other industries, technological development and the introduction of new equipment take place at a gradual rate. However, in 1926, sound equipment for projecting talking pictures was dropped upon the projectionist in a nearly perfected state. This necessitated a rapid training program to instruct the former silent picture projectionists in the operation of the new sound equipment. The Alliance immediately took command of the situation and not only demanded that all sound equipment installation be supervised by members of the Alliance instructors and not by engineers of the equipment manufacturers. The Alliance was very emphatic in its position that the right to instruct its members belonged solely to the union.

Because of the Alliance's concern with the present industry recession, the answers to such questions as, "What are the causes of the present recession? Will the motion picture theatre give way to the pressure of television and disappear as did the old vaudeville house? What are some of the future problems confronting both union and management? What will be the union's role in the future of the motion picture theatre?" become of major significance. Although the current recession may be a problem for management to solve, the union cannot
afford to ignore both sides of the picture, since its own welfare is so closely related to the success of management.
Chapter III
THE CAUSES OF THE RECESSION IN THE EXHIBITION BRANCH OF THE FILM INDUSTRY

Before attempting to determine the causes of the recession, it may be well to determine the extent of the decline in expenditures for motion picture entertainment. Table I shows the amount of decline in box-office receipts from 1946 to 1951.

Table I
Expenditures for Motion Picture Entertainment 1946-1951

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>1512</td>
</tr>
<tr>
<td>1947</td>
<td>1407</td>
</tr>
<tr>
<td>1948</td>
<td>1364</td>
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<td>1950</td>
<td>1235</td>
</tr>
<tr>
<td>1951</td>
<td>1166</td>
</tr>
</tbody>
</table>

Since 1946, receipts have declined steadily, and in no year has there been an increase in receipts over the preceding year. By 1951 receipts had dropped 23% below the 1946 level. Moreover, by 1951 receipts had receded to a level below that achieved in 1943. It can be concluded on the basis of these figures, then, that the exhibition branch of the film industry is actually in a period of recession.

There have been many attempts to explain the cause of the fall in expenditures for motion picture entertainment. Of the various explanations, the largest share of the blame has been placed upon
television. This new entertainment medium has been held directly responsible for declining theatre attendance and falling box-office receipts. While television may be an element in explaining the slump in attendance, probably too much weight has been accorded to this factor.

There is evidence to indicate that the emphasis placed upon the so-called "TV menace" may have been exaggerated. For example, theatre attendance began to decline as early as 1946, but it was not until about 1949 that television expansion actually got under way. This would seem to suggest that the major cause of the current recession was present before television made its debut. Furthermore, a poll conducted by the Applied Psychology Associates revealed that merely because a person owned a television set he did not cease to attend the motion picture theatre. The poll was conducted by a staff of psychologist-interviewers in Los Angeles, an area blanketed by television stations. Of those persons interviewed, 37% owned television sets or had access to one. Of these 37%, 1% percent attended the theatre more than once a week; 23% attended "about" once a week; 26% attended "about" every two weeks; 24% "about" once a month; 16% "about" once every two months; and 10% less than once every two months. While the sample may have been small and isolated, the poll does serve to indicate that owners of television sets still attend the theatre.

Shifting population and loss of glamor have also been cited as possible causes of falling box-office receipts. According to Theodore H. Silbert, president of the Standard Factors Corporation, the
Failure of the theatre to follow the shift in population to the suburbs has been the chief factor in declining theatre attendance. In a recent pamphlet issued by his firm, Mr. Silbert states:

The movie industry overlooked the whole population shift to the suburbs in the 1940-50 decade, with a result that movie houses in once crowded areas showed sparse attendance. While this was heralded as the beginning of the end for Hollywood, the wake was postponed when it was noticed that drive-in movie theatres in outlying areas were booming. ... The movie industry was awakened to the fact that more theatres (like department stores) have to move where people are moving, i.e., to the suburbs.

That the drive-in theatre boom was due to its proximity to suburban residential districts rather than its appeal to the human desire for convenience, particularly for those families with children, and its novelty is questionable. That a shift in population to the suburbs is the major cause of the industry recession is equally questionable on the grounds that during the first part of the decade of so-called population shift, the motion picture theatre reached its peak in prosperity. It was not until the latter half of the 1940-50 decade that receipts started to decline. (Chart III, Appendix C) In any event, however, the population shift to the suburbs is a factor that deserves consideration.

Failure to glamorize the motion picture theatre has been one of the deciding factors in the box-office decline, according to Colonel H. A. Cole, prominent member of the exhibition branch of the film industry. The following is an excerpt from a recent address by Colonel Cole.
Television may have hurt some, but it has not been the 'villain' in the story of falling box-office receipts. Pictures really have been better than ever, so it isn't a case of a (poor) product. We have lost our glamor— one of the biggest assets the theatres ever had— because we have not had the capital to maintain ourselves in competition with others who have stolen our thunder. Motion pictures must definitely sell excitement, emotions, and adventure; and how can that be done unless the setting, the theatre itself, is glamorous? 

Colonel Cole implies that the motion picture theatre has depreciated in appearance and has failed to keep pace with other community enterprises in construction and architecture. This is a broad generalization and is not wholly justified for there are a number of instances where theatre corporations have set aside substantial portions of their earnings for remodeling programs. For example, the Fox West Coast Theatre Corporation has recently established a multi-million dollar reserve for remodeling several theatres throughout the chain. In addition, newly constructed theatres have generally been built along ultra-modernistic lines, which tends to set them well apart from neighboring structures.

The president of the International Alliance of Theatrical Stage Employees has also advanced a theory to explain falling expenditures for motion picture entertainment. In his report to Alliance members Mr. Walsh states:

...Nor should we forget that many former patrons have stayed away because they have little cash left for entertainment after their essential needs have been met at inflationary prices. This I think, even more than television, has been to blame for the slump....
The available statistics do not appear to support Mr. Walsh's contention that inflation is perhaps the chief cause of failing theatre attendance. If this theory were correct, we might expect recreation expenditures in general to be declining rather than merely expenditures for motion picture entertainment alone. The reverse of this situation is true. While expenditures for motion picture entertainment have declined steadily during the period 1916-1951, total recreation expenditures have been increasing during the same period. (Chart II, Appendix C.) Thus, it appears inflation has not absorbed any considerable portion of the cash available for entertainment.

A host of other factors have been cited as contributing to falling box-office receipts and shrinking profit margins. A poor quality of product and excessive taxation resulting from the 20% federal amusement tax on theatre admissions have been suggested as factors to be considered. Strife within the industry has also received attention. The distribution branch, through the use of competitive bidding, through the maintenance of film rentals at high levels not commensurate with the quality of the product or with box-office receipts, through the demanding of excessive terms of unusual pictures and thus compelling the exhibitor to advance admission prices, and through employing multiple-runs to enable a quick return on the investment of the producer has created considerable ill-will in its relationship with the exhibition branch at a time when unity is vitally important to the existence of the industry.
These, then, are some of the factors which seek to explain the vanishing theatre audience. Perhaps one of these theories is correct. On the other hand, maybe all have a certain amount of validity and each contributes a part to the explanation of the industry recession. Then, again, perhaps all of the causes that have been suggested are merely a part of a much broader explanation, which has heretofore been overlooked. Certainly, these various theories may be valid in particular instances, but the common flaw seems to be the attempt to reason from a few particular instances to a general statement; that, for example, television is the chief factor in explaining the industry recession; or that a population movement to the suburbs is the major cause of declining theatre attendance; or that failure to glamorize the motion picture theatre is the main reason for the slump in box-office receipts. One might be justified in asking "How about those areas which do not have adequate television coverage? How about those smaller communities which do not have suburban residential districts? And how about those newly constructed or recently remodeled theatres? What explanation is given for failing theatre patronage in these instances?"

Obviously, there must be some other underlying cause, a more general explanation for the so-called "lost" audience.

The Industry Cycle as a Cause of Recession

The industry cycle and the relationship between income and expenditures for motion picture entertainment are two aspects of such an explanation. In regard to the industry cycle, the various phases to
be considered are birth, adolescence, maturity, and decline. Motion pictures had their beginning during the early 1900's, reached adolescence during the 1920's, attained maturity during the years of World War II, and started their decline during the second half of the 1940-50 decade, according to the industry cycle theory.

In a brokerage house bulletin, The Shields and Company subscribe to this theory in evaluating investments in the film industry. However, because of recent technological developments, the company predicts a return to box-office popularity and a resurgence of motion picture attendance. Without new technological innovations the firm has taken a dim view of the future of the industry. The bulletin states:

Left to the old familiar technological pattern, (two-dimensional reproduction) the industry seemed destined to live out the industry cycle of birth, adolescence, and maturity within a 50-year span, followed by a steady and painful decline thereafter.

Public apathy and indifference toward the motion picture theatre would manifest itself during the latter period of decline.

There are several signs of growing public apathy. First, and probably the most important, is the fact that dollars spent for recreation are increasing, while expenditures for motion picture entertainment are decreasing. This situation is graphically illustrated in Charts II, III, and V in Appendix C. During the period 1946-1951 total recreation expenditures increased steadily, with the exception of 1951 when these disbursements leveled off, while expenditures for motion picture entertainment took a drastic turn downward during the same period.
According to these statistics, the motion picture theatre is rapidly losing ground to other forms of recreation. Interest in motion picture entertainment appears to be declining while the demand for other forms of amusement is rising. The validity of this statement, of course, is based on the assumption that expenditures for motion picture entertainment are an index of theatre popularity.

It is interesting to note the trend in expenditures for other forms of recreation. From 1946 to 1951 admissions to all spectator amusements, with the exception of theatre admissions, increased nearly 10%. During this same period expenditures for motion picture entertainment dropped nearly 17%. Generally speaking, the trend was away from the lower priced spectator amusements (motion picture theatres) to those with higher priced admissions. Expenditures for commercial participant amusements, which includes bowling, dancing, swimming, skating, and golf, increased more than 21% from 1946 to 1951. Informal recreation accounts for over 50% of the total recreation expenditures and includes expenditures for such items as books, newspapers, magazines, radios, television sets, and sports supplies and equipment. These expenditures increased by nearly 45% from 1946 to 1951.

However, these figures do not show the true picture. The volume of recreation expenditures is directly related to disposable income. As disposable income rises, expenditures for recreation can be expected to increase. Since disposable income rose sharply during the 1946-1951 period (Chart I, Appendix C), recreation expenditures
also increased. Therefore, the above figures reflect changes in total recreation expenditures caused by changes in income as well as changes in consumer habits. It is necessary to remove the yearly change in total recreation expenditures from the statistical data to enable a closer study of the shifts in consumer demand and changing recreational habits for the 1946-1951 period. In Table II, an effort is made to remove the effects of increasing recreation expenditures caused by rising income. From Table II it is possible to determine the extent of variation caused more by changing consumer habits and desires.

The largest variation is shown in expenditures for motion picture entertainment and informal recreation. On the other hand, considerable stability is shown in expenditures for spectator amusements other than the motion picture theatre, participant amusements, and the various miscellaneous types of recreation such as clubs and social organizations, camping, and gardening. Because the greatest amount of fluctuation is confined to expenditures for motion picture entertainment and informal recreation, attention may be focused upon these two items.

From 1946 to 1951 the portion of total payments for recreation going to the motion picture theatre steadily declined, while at the same time the share allocated to the informal types of recreation continually increased. It appears that expenditures for informal recreation increased almost solely at the expense of those for motion picture entertainment. As a general proposition, then, it may be stated that there was a decided shift in the recreational habits of the public.
<table>
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<td>4.5</td>
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</tr>
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<td>3.8</td>
<td>3.8</td>
<td>3.8</td>
<td>3.5</td>
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<td>100.0</td>
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<td>100.0</td>
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</tbody>
</table>
during this period. This shift took the form primarily of a decline in theatre attendance accompanied by an increasing interest in the more informal types of recreation.

Perhaps a major reason for the emphasis on television as the chief cause of declining box-office receipts has been the failure to closely examine the available statistics for recreational expenditures in general, and admissions to motion picture theatres in particular. The theatres were blessed with prosperity during the World War II period as receipts soared to an all time high. Since both box-office receipts declined and television made its debut during the post-war period, it was easy to say that television was the cause of falling theatre attendance. However, the possibility is frequently overlooked that World War II may have created an artificial prosperity and that the motion picture theatre was slipping relative to other forms of recreation prior to the post-war period.

If it is assumed that expenditures for motion picture entertainment are an index of theatre popularity, then it is discovered that the motion picture theatre actually began losing ground relative to other forms of recreation during the early part of the 1930-40 decade. This is not readily apparent from merely studying the recreation expenditures from 1929 to 1951. As noted in Chart III, Appendix A, there is an upward secular drift in theatre admissions during this period until 1946. This trend does not, however, reveal the complete picture of what was actually taking place. When these same admissions
are expressed as a percentage of the total recreation expenditures, an entirely different view is obtained. Rather than an upward secular trend as illustrated in Chart III, the trend is actually downward for the entire period except for the abnormal war years. This downward trend is shown in Chart V.

The sharp rise in the percentage of recreation expenditures going to the motion picture theatre during the World War II years may be explained by the increase in government restrictions on other forms of recreation, by the increased interest stimulated by the numerous war pictures produced during this period, and by the fact that less leisure time was available for recreation in general because of the intensified war effort.

Chart V would seem to indicate, then, that the seeds of the current recession were planted nearly two decades ago, and the present plight is not merely a spontaneous occurrence of the post-war period. The relative decline in expenditures for motion picture entertainment lends added weight to the industry cycle theory.

Another sign of public indifference toward the motion picture theatre is the fact that just any picture will no longer draw the crowds that theatre owners had become accustomed to during the war period. Even though box-office receipts have been generally declining, it has been demonstrated time and time again that the truly outstanding productions attract crowds to the theatres. On the other hand, it has been the westerns and the "B" pictures that have caused the "lost" audience to remain lost. As a result, those theatres
booking these types of pictures have probably been hit the hardest by the industry recession. For example, in the northern Ohio region twenty-seven second-class houses failed during 1952. It is interesting to note, however, that these closings have been attributed to competition from the newer and larger houses and the lack of modern equipment and facilities rather than a decline in public interest. According to the Boxoffice magazine, "their closing was determined by the natural evolution of progress, not by any growing lack of interest in motion pictures." Whether this conclusion is based on actual statistical evidence and not the result of the usual unwillingness on the part of those associated with the industry to concede to the possibility of declining public interest is not known.

It may be contended that the motion picture theatre has become commonplace, perhaps too commonplace, in the eyes of the entertainment-seeking public. The "movies" are no longer a novelty because the novelty has long since worn off. Those who regard television as the main factor in the boxoffice slump point with optimism to the belief that after the newness of television wears off the "lost" audience will again return to the theatre, but at the same time give little regard to the possibility that perhaps the novelty of the motion pictures has worn thin after two decades of "static" progress. That this situation may exist has been frequently overlooked. However, the motion picture theatre should not be considered immune to the forces of changing consumer tastes and entertainment habits.
The psychological makeup of the individual provides a basis for an explanation of a decline in interest in the motion picture theatre. It is well known that the desire for change is present in most individuals. Interest can be stimulated or maintained by appealing to this desire. For this reason we have changing styles and designs as well as new innovations continually coming on the market.

In discussing the reason for a wide variety of products on the American market, Professor Franklin E. Folts says this is due largely to "the typical American demand for change. The American producer senses this demand, makes changes frequently....."

Now consider the question, "What has the motion picture industry given the theatre-going public in the way of change in the technique of reproduction in the past twenty-five years?" Previously, reference was made to "static" progress within the film industry. This paradoxical phrase should be explained more fully. Few will disagree with the contention that outstanding achievements have been made in the process of motion picture reproduction. The reduction of flicker, the synchronization of sound and picture, and the development of colored films represent great advancements in the art of motion picture reproduction. One has only to compare the motion pictures of today with the flickers of the past to recognize the progress that has been made.

However, one should not lose sight of the fact that these achievements have been merely refinements of a process of reproduction already invented. In spite of these advancements we still have
the same flat, unimaginative, and unrealistic type of reproduction that has existed for several decades. In this respect the development of motion picture reproduction has truly been "static."

Until very recently little has been done to introduce such revolutionary changes in the process of motion picture reproduction of the type suggested by three-dimensional reproduction and theatre television. The blame for this inaction cannot be placed wholly on a technological lag because many of the three-dimensional processes have been in existence for many years. For example, the Cinerama process was first introduced back in the early thirties. Since that time three-dimensional reproduction has failed to impress the industry with its potentialities largely because of the success of two-dimensional pictures up to the post-war period. In most industries the failure to examine all aspects of a new innovation merely because there was no need for it would surely be considered a shortsighted policy to pursue. One can only speculate as to what the effect on box-office receipts might have been had three-dimensional reproduction been in widespread use by the time television was introduced.

**Disposable Income as a Factor in the Decline of Theatre Attendance**

In an effort to explain the post-war recession in the motion picture industry, the relationship between disposable income and the portion of total recreation expenditures paid for motion picture entertainment deserves careful consideration. As was previously stated, there is a direct relationship between disposable income and recreation
expenditures, that is, as disposable income rises payments for recreation will also increase. The close correlation between income and recreation expenditures, particularly at the lower levels of income, is illustrated in Chart IV, Appendix C.

After plotting the data for the 1929-51 period on the graph in Chart IV with the X axis (disposable income) representing the independent variable and the Y axis (recreation expenditures) representing the dependent variable, a least-squares regression line was fitted. This regression line is described by the equation:

\[ Y = -0.546 + 0.054X \]

The amount .054 is the regression coefficient and as such discloses the number of units of change in the dependent variable (recreation expenditures) that will accompany a change of one unit in the independent variable (disposable income), if the degree of correlation were perfect.

In Chart IV the amount of correlation between disposable income and total recreation expenditures is indicated by the degree of concentration of the various points about the regression line. If the degree of correlation were perfect all of the points would fall on the line. Since they do not, the degree of correlation is something less than perfect. Nevertheless, there is enough concentration about the regression line to disclose a direct relationship between income and recreation expenditures.

As was pointed out, the percentage of total recreation expenditures going for motion picture entertainment has varied from year to year. Since 1931, this percentage has steadily declined,
except during the abnormal war years. (Chart V) This would seem to indicate that there is an inverse relationship between the percentage of total recreation expenditures going for motion picture entertainment and disposable income. That this inverse relationship actually exists is illustrated in Chart VI, Appendix C. Again a regression line was fitted to the data to determine the degree of correlation. This regression line is described by the following equation:

\[ Y = 24.6 + (-0.064) \]

The inverse relationship is shown by both the downward slope of the regression line and the negative regression coefficient.

After eliminating the abnormal war years from 1942 to 1945, a remarkable degree of correlation is found to exist between disposable income and the motion picture theatre's share of the total recreation expenditures. This is evidenced by the fairly high degree of concentration of the various points about the regression line at practically all levels of income for the period. Moreover, in the actual computation of the degree of relationship between these two variables, the coefficient of correlation was found to be \(-0.95\). (A perfect inverse relationship would be \(-1.00\)) Because of this high degree of correlation, the following principle may be established: as disposable income rises, the percentage of total recreation expenditures going for motion picture entertainment will decrease.
There is also evidence to suggest that the reverse of this principle is true. By referring once more to Chart V, it can be seen that during the early part of the depression period the theatre's share of the total recreation expenditures increased from 16.6% in 1929 to 21.9% in 1933. During this same period disposable income dropped from 82.4 billion dollars to 45.2 billion dollars. A similar occurrence took place during the 1937 recession.

However, as the nation began to pull itself out of the depths of the depression the percentage of recreation expenditures going to the motion picture theatre slowly declined. This downward trend continued until 1941. By this time the motion picture theatre was receiving as its share 17.9% of the total payments for recreation. This was a drop of approximately 4% since 1933. With the advent of World War II people began to devote more of their leisure time to the war effort. Because of its convenience and easy access relative to other forms of recreation, the public showed an increased interest toward the theatre as a source of entertainment. By 1945 this increased interest began to wane once more. The decline in box-office receipts reached serious proportions by 1951 as the motion picture theatre received only 10.3% of the total recreation expenditures during this year.

It appears, then, that when incomes are low and people cannot afford the more expensive types of recreation they are content to rely more on the motion picture theatre for entertainment. On the other hand, when incomes are high, people can generally afford a greater variety of recreation and tend to devote a smaller portion
of their expenditures for motion picture entertainment. This would seem to indicate that the motion picture theatre, like the city transportation company, is a victim of prosperity.

To summarize, there have been many theories advanced in attempting to explain the box-office slump in the theatre industry. Television, a shift in population, loss of prestige, and inflation all have been cited as major causes of the post-war recession by various associates of the film industry. Conspicuous by its absence among these theories is the idea of changing consumer habits and declining interest as being a major cause of declining receipts. There appears to be an unusual desire to avoid the consideration of this idea in the many articles written on the subject and appearing in the various trade magazines. Those writers who do give consideration to the possibility of declining public interest make a strenuous effort to reject such an undesirable occurrence. Nevertheless, there is strong statistical evidence to support this contention. At a minimum there is at least sufficient data to warrant a consideration, if not the acceptance, of the idea that the major cause of declining receipts has been a shift in consumer habits and a decline of interest in the motion picture theatre. Obviously, the cure cannot be applied until the illness has been properly diagnosed, and in attempting to find the cause or causes of the industry recession no stone should be left unturned.
It is believed that the post-war recession is best explained by the "industry cycle" theory, mainly because it is more firmly supported by statistical evidence. According to this theory, the box-office slump is merely the result of the film industry entering the last phase of its cycle - decline. That this decline came immediately at the close of World War II is thought to be caused by the removal of government restriction and a reduction in the war effort, a continued rise in disposable income, which meant that the motion picture theatre would receive a smaller share of total recreation expenditures, and the failure of the industry to satisfy the consumer's desire for change.
Chapter IV

THE FUTURE OF THE MOTION PICTURE THEATRE

Another question of major concern to both the projectionist and the Alliance is "will the motion picture theatre survive the current crisis or will it disappear as did its predecessor - the vaudeville house?" Obviously, the answer to this question can only be based upon the available opinions and educated guesses of those individuals closely associated with the film industry.

Fortunately, in the light of present circumstances the industry has not thrown up its hands in defeat, but has retaliated by abiding by the adage "if you can't lick 'em, join 'em." As a result, theatre television has made its appearance and is being rapidly expanded. As an additional reprisal against the competitive threat of television, the industry has concentrated its attention upon the three-dimensional processes of reproduction in a vigorous effort to regain its original status. Probably more important than neutralizing the effect of television on the theatre is the fact that these new technological developments are an aid in stimulating renewed interest and enthusiasm toward the motion picture theatre. With three-dimensional reproduction the theatre will be able to give its patrons entertainment with realism never before experienced from mere light and shadows. Moreover, with theatre television timeliness can be added to the program by enabling the reproduction of current events on the theatre screen as they actually happen.
Certainly, a problem of drastic change has been thrust upon the industry. At no other time in its history has the possibility of such revolutionary change from the standpoint of picture reproduction confronted the motion picture theatre than it has today - nor has the need for such a change ever been more apparent. The industry might well consider itself in the early period of transition characterized by experimenting, testing, and developing; by question, doubt, and bewilderment; by interest, excitement, and enthusiasm. This period of transition will see a change from rapidly becoming obsolete methods of reproduction to more efficient and effective ones; from flat, unimaginative reproduction to reproduction with astounding realism.

Current Attitudes

The one word that best describes the current attitude existing throughout the industry is optimism. Few members actually feel that the motion picture theatre will drop out of existence. Rather than accepting as inevitable the decline of the theatre, these members point to encouraging guideposts of progress. For example, in recent months there have been a lessening of the television "menace" to the future well-being of the motion picture theatre. As was the case with radio a quarter of a century ago, each is borrowing talent from the other; and each is showing an increasing degree of dependence upon the other as allied, rather than competitive arts. According to Mr. Ben Shlyen, television constitutes a challenge, not a threat, and has been a spur to improvement in production, exhibition, and showmanship.
Other signs of progress are the development of three-dimensional reproduction, the expansion of theatre television, and the success of the drive-in theatre.

The preponderance of opinion is that the popularity of the motion picture theatre will not continue to wane and later cease to exist. In a recent address, Mrs. Grace Thomas, a member of a leading cinema organization, stated that motion pictures and television can live amicably together, and emphasized three important assets that motion pictures have that television lacks. They are (1) color, an increasing factor in the success of any picture; (2) continuity of entertainment without interruption by commercials; and (3) the advantage of a wide screen over a relatively small television screen with its limited scope of presentation.

In a bulletin issued by the Shields and Company, one of the many brokerage houses displaying an increasing interest in the third-dimension developments in the film industry states:

A return to boxoffice popularity for companies producing and exhibiting three-dimensional films has been indicated. To the extent the art of presentation is perfected, this will not be attendance motivated by curiosity or the novelty of the method. It could well cause a resurgence of motion picture attendance, aided by the human desire to dress up and go out of the house.

Furthermore, the Wall Street Journal, which has been extremely pessimistic in its appraisal of the future of the film industry for the past several years, finds the outlook definitely on the bright side. According to the Journal, the industry will be helped by the anticipated admissions tax repeal, the use of improved larger screens, the
widespread renovation of theatres, and the introduction of three-dimensional pictures.

A report issued by the Standard Factors Corporation, a firm which deals in accounts receivable financing and has considerable sums of money invested in both the motion picture and television industry, draws the conclusion that television will not mean the end of the motion picture theatre any more than radio did. The report states:

The logic was unassailable, exact, and awesome. Radio would make available the best entertainment, and carry its listeners into a land of opulence and romance - all of this free, at the fireside. All competing forms of entertainment were written off as finished.... Despite the competition of radio the movie industry did extremely well.

The report concludes that television has not hurt any other industry, and while the movie industry has said to have felt tremors, these are not connected with television.

Mr. S. H. Fabian, head of the former Warner theatre organization, has no misgivings about the future of the picture business. According to Mr. Fabian, "its future will be as great as its past and national grosses this year will be larger this year than last. The business hasn't reached its full potentialities. Motion pictures will always be wanted by the American people."

These, then, are typical of the opinions held by those people associated with the film industry. If these various opinions and predictions have any foundation, it appears that the motion picture industry is at the threshold of a new era of prosperity.

Probably the chief factor in producing the change in attitude from pessimism to optimism has been the introduction of not one,
but several, three-dimensional processes of reproduction. According to one writer, "its like 1927 all over again - this time its third-dimension and not sound." The latest technical developments have truly given the industry a boost.

The Motion Picture Theatre and Three-Dimensional Reproduction

There are more than six different processes of three-dimension reproduction. As a result, a very real problem of standardization confronts the industry. Before three-dimensional reproduction can be put into widespread use this problem will have to be solved peacefully. To achieve a smooth transition from two-dimension to three-dimension pictures will necessitate a spirit of cooperation among the major film studios rather than a struggle to gain a monopolistic advantage. It has been suggested that each company in a competitive spirit should try to come up with the best workable system, but, like the automobile manufacturers, an agreement should be reached whereby any new discoveries are made available to the other companies so that the production of three-dimension pictures by the best and most economical method can begin at the earliest possible date.

There is evidence, however, that some film companies intend to use three-dimension as a weapon for establishing a monopoly rather than advancing the interests of the industry as a whole. For example, one major film studio has been cited as having refused to consider any method to which the independent exhibitors could convert in favor of a system which would cost as high as $100,000 for a theatre to install. The seriousness of such a struggle for monopolistic
power has been stressed by Mr. A. F. Myers, chairman and general
counsel for the Allied States Association Board. Mr. Myers states:

Unless a standardized 3-D product can be devised, the entire industry will come crashing down and the responsibility will rest upon those now striving for mastery.78

The same problems confront the independent exhibitors now that faced them in 1927 when a similar attempt was made to "corner the market" on the latest technological innovation—sound and sound reproducing equipment. At this time a warning from the Attorney-General was required to discourage attempts to gain monopolistic control.

Despite the confusion within the industry concerning standardization, equipment manufacturers have recommended that the exhibitor make an early, but small, investment in three-dimensional reproducing equipment because of the existing opportunity for quick profits. According to these manufacturers, the exhibitor can afford to spend about $1,000 on equipment with the expectation of getting his investment back almost immediately, if not with the first show. Investment in excess of this amount is definitely discouraged because of the danger of this equipment becoming obsolete within a few months.79

As to the future of three-dimension pictures, some insight is gained from the statements of two prominent motion picture producers, one a pioneer in three-dimension pictures and the other a pioneer in two-dimension pictures. According to Arch Obler, producer of "Bwana Devil," the first full length 3-D feature, fifty percent of the output of Hollywood will be in three-dimension within two
years. Within five years Obler predicts that all pictures will be made in three-dimension.

Mr. Obler is a staunch supporter of the Natural Vision process, which involves the super-imposition of two pictures on the screen. He firmly believes that the best and only practical way for audiences viewing three-dimension pictures to maintain a separation of images, that is, each eye seeing only the picture meant for it, is through the use of Polaroid glasses. (see Appendix D for a description of the Natural Vision process) As a result, Obler feels that 3-D viewers will need glasses for several years to come.

Mr. Cecil B. DeMille, veteran producer sometimes referred to as the "modern Barnum," is also impressed with the potentialities of three-dimensional reproduction. However, Mr. DeMille has issued the sober warning that the motion picture theatre deals in drama not gadgets. He feels that the theatre should never have to rely on gadgets to attract audiences to see the picture on the screen. DeMille has continually emphasized that it is the story that is of greatest importance - not the dimension in which it is produced. Regarding the current success of three-dimension, the veteran producer has this to say:

One thing matters above all else. If the picture is good, it will have an audience; if not, it won't. Permanent success cannot be judged by the successes of the first five or six pictures utilizing any special process because the element of novelty is present. That was true in the early days of the movies and is now.

Mr. DeMille does not stand alone in his conviction that the story is all important. Samuel Goldwyn, another veteran producer, is also a
supporter of this belief. At a recent conference, Mr. Goldwyn stated:

In the rush of excitement about the new processes, we must not forget that over any long run the public will not accept novelty in the place of real values. The public may today rush to see something new on the screen, ... but tomorrow the public will want to have motion picture entertainment that is based upon telling a story that keeps the audience interested and entertained. Out of all this process of change I see larger audiences and a greater future for motion pictures than ever before.63

Thus, while three-dimensional pictures may be the answer to achieving future prosperity, the basic objective of motion pictures, which is providing entertainment, must not be forgotten if the future prosperity once attained is to be permanent.

In summary, one can conclude on the basis of the foregoing statements that three-dimensional reproduction is considered to be savior of the motion picture theatre. Furthermore, the industry leaders predict a prosperous future in contrast to prolonged recession. Despite the varied diagnoses of the cause of the industry recession, it does appear that the right cure is being applied. It was contended that the most justifiable explanation of declining theatre attendance was a general waning of interest on the part of the public toward motion picture entertainment in favor of other forms of recreation. Declining expenditures for motion picture entertainment, both in dollars and percent, accompanied by increasing recreation expenditures was considered to be the chief symptom of this declining interest. If both this contention and the assumption that the new technological developments will stimulate public interest in motion pictures are
correct, then theatre attendance can be expected to increase and industry prosperity will be achieved.

Since the industry leaders paint such a prosperous future for the motion picture theatre, the International Alliance may justify its refusal to accept general wage cuts on the grounds that the present recession is only temporary and that to do so would merely subsidize the theatre owners at the expense of its members during the period of transition to three-dimension pictures. The film companies have not deemed it necessary to grant the exhibitor relief in the form of lower film rentals and by the same token the employees should not be expected to accept lower wages. This had been the line of reasoning by the Alliance.

To date the Alliance has been more content to forego the demanding of fringe benefits for its members in an effort to maintain the present wage level. As the condition of the industry improves, however, the Alliance may no longer be content with merely resisting attempts to cut wages, but may present management with demands for wage increases, longer vacations, and pension benefits. The increased technical requirements for the projection of three-dimension pictures should greatly enhance the union's bargaining position, since it is likely that union projectionists will be the first to acquire the additional skill and knowledge required. As a result, theatre owners may find themselves with no other alternative than to grant the union's demands if they hope to successfully promote the widespread acceptance of three-dimension motion pictures.
The smooth transition from two-dimension pictures to three-dimension pictures will depend not only upon the degree of cooperation between the film studios in regard to process standardization, but also upon the emphasis placed on maintaining good labor relations. For if the change over to the new process of reproduction is continually interrupted by labor disputes, the future success of three-dimension motion pictures may be seriously handicapped. In no small way, then, the maintenance of good labor relations will play an important part in the future success of the motion picture theatre.

The Importance of Maintaining Good Projection in the Theatre

The maintenance of the quality of reproduction at a high level is important for at least two reasons. First, the quality of reproduction is of significance to the theatre in its struggle with television. The motion picture theatre holds at least one superior advantage which television will find difficult, if not impossible, to equal because of its physical limitations. In spite of the tremendous technological gains, television picture quality still does not approach that of the picture reproduced by film. The television image lacks the definition, contrast, color, naturalness, and size of the image found on the theatre screen. In some respects the television image may be compared with the course 65-line newspaper photograph, whereas the image projected on the theatre screen may be paralleled with the fine 133-line magazine engraving. In both media there is an absolute difference in the quality of reproduction. Nor should the importance of image size be discounted. The huge size of the theatre screen
lends much to the entertainment value of a picture. Truly, the motion picture theatre holds a decided advantage over television in reproduction quality. Blessed with this superiority, the theatre should attempt to exploit this advantage to its fullest extent through the maintenance of good projection.

Second, the entertainment value of a motion picture is closely related to how well it is reproduced on the theatre screen. If a patron is frequently annoyed with blackouts, misframes, and improper sound level and becomes stricken with headaches caused by poor picture focus and picture vibration, he will be unable to derive the maximum entertainment value from the picture—nor can he be expected to enthusiastically return to a theatre offering sub-standard projection. Despite a picture's many favorable attributes, poor projection can seriously impair the intended illusion and minimize entertainment value.

The importance of the success of a motion picture has been indicated. Regardless of how outstanding the story may be, however, the quality of reproduction on the theatre screen will play an important part in its acceptance by the audience.

Causes of Sub-standard Projection

There are four possible causes of sub-standard projection. First, the condition of the film as it arrives at the theatre will affect the quality of reproduction. A new print which is heavily waxed and has a tendency to "chatter" in the projector can be just as troublesome as an older print, which is brittle with age and
littered with splices. This cause is largely beyond the power of the individual theatre manager to control.

The condition of the projection equipment is also an important factor in determining the quality of motion picture reproduction. Worn intermittent movements, tension shoes, sprokets, and gear trains may make it impossible for the projectionist to produce a steady and sharply defined screen image. This factor is within the power of management to control.

The human factor should not be overlooked as a possible cause of sub-standard projection. Considerable technical proficiency and a constant alertness are required to place and maintain an image on the screen free from defect. Technical incompetency and low morale may be factors contributing to poor picture reproduction. Technical incompetency is ordinarily not a problem in those theatres employing union projectionists because of the long training and apprenticeship period involved, but in non-union theatres it may be the direct result of a depressed wage policy which attracts inferior personnel. Low morale may be present in any theatre, union or non-union, and should be given serious consideration by management. This trait may gain expression as an indifferent attitude on the part of the projectionist towards his job, frequently missed changeovers and other defects in projection, neglect of equipment maintenance, absenteeism, and a high turnover of projection room personnel.

And a last, but by no means least important, possible cause of inferior projection is the lack of adequate supervision
over projection room activities. Without adequate supervision it is impossible to exercise proper managerial control over the quality of the work emanating from the projection room. As a result, the projectionist is not encouraged to perform his best work, and neither is he held completely accountable for his actions. Moreover, inadequate managerial control does not recognize or reward the projectionist who does outstanding work. Thus, the incentive to continue producing high quality projection is removed.

Lack of adequate supervision and managerial control manifests itself in those situations where the projectionist is directly responsible to the theatre manager, who in turn lacks intensive training in or a comprehensive knowledge and understanding of projection room routine. This is due largely to a quirk in the organizational structure, particularly that of the chain theatre, where the line of authority flows from the top down through the theatre manager to the projectionist without any intervening staff assistants in the area of projection.

That this situation is in harmony with the principles of sound management is questionable. Rarely in other industries are persons lacking a thorough technical knowledge placed in charge of a group of highly skilled workers, and yet this very thing not infrequently happens in the theatre industry.

The maintenance of efficient operation and superior picture reproduction will require the exercising of effective managerial control over projection room activities. If effective managerial control
is to be achieved, however, the theatre manager may have to be given assistance. According to Henry Fayol, French industrial engineer, authority is the right to command and make oneself obeyed. There are two kinds of authority; statutory authority, which belongs to a position, and personal authority, which is the result of, among others, intelligence and knowledge. A man cannot be a good leader unless he possesses both statutory and personal authority. It is questionable, therefore, that the theatre manager who lacks a thorough technical knowledge of projection room operation should have complete authority over the staff of projectionists and be held completely responsible for the quality of their work. It would seem that under these circumstances sound management principles dictate that the theatre manager be relieved of some of his authority and responsibility related to projection room operation.

An industry about to undergo a period of transition should attempt to appraise its past record, determine its shortcomings, and correct its inefficiencies. Present managements might well ask themselves, "Are we capable of meeting the problems involved in undergoing a period of revolutionary change and taking up the challenge presented by the latest technological developments? Can present management, (in the organizational sense) which has characterized the industry in the past, successfully carry this same industry through the transitional period and the new era of motion picture entertainment which lies ahead? Or must it out of necessity adjust to the
changing times and in the process undergo a revolutionary change it­
self? More specifically, will the traditional manager-projectionist
relationship of direct responsibility be adequate to supervise the
highly skilled technicians required to operate the more complex pro-
jection equipment used in theatre television and the projection of
three-dimension pictures? Or will it be necessary to shift and re-
align present lines of authority throughout the various theatre organi-
zations? These are some of the questions to which present management
must supply the answers.
Chapter V

THE ROLE OF THE ALLIANCE IN THE FUTURE OF THE MOTION PICTURE THEATRE

While the provision for proper equipment and adequate supervision is a problem of management, the quality of reproduction, in so far as the human factor is concerned, should be considered a personal responsibility of each and every projectionist. Nor is the Alliance a disinterested party in the effort to achieve perfection in the art of motion picture reproduction. This is true for several reasons. First, the Alliance assumes the complete burden of training its members in operation of projection equipment. Since the advent of sound pictures, the right to train its members has been jealously guarded. During the period in which sound was introduced, all training in the operation of the new sound equipment was handled exclusively by Alliance instructors under traveling contract. The General Office of the Alliance was very emphatic in its position that the instructional work belonged to the union and not to the engineers.

Along with the assumption of the right to train goes the responsibility for the skill of and the quality of the work produced by its members. As a result, any deficiency in the work produced by union projectionists will reflect unfavorably upon both the local union and the Alliance. Therefore, the I.A. has a moral responsibility to do everything within its power to maintain and promote the skill of its members as well as encourage the adherence to high standards of motion picture reproduction.
On the more practical side, the quality of projection produced by the union operators may influence bargaining between union and management. If changeovers are frequently missed, misframes often occur, or the picture is not kept in sharp focus, it is likely that the theatre manager, confronted with patron complaints, will be more reluctant to yield to union demands. The theatre manager might well justify his refusal on the basis of the union's own constitution in which one of the stated purposes of the Alliance is "to insure the maintenance of a fair rate of wages for services competently rendered." If a theatre is plagued by substandard projection management may justify its refusal to grant union demands by challenging the competency of its projectionists.

An even more practical reason for the Alliance taking a strong interest in the quality of work performed by its members is that the future success of three-dimension pictures and the theatre will in no small way be dependent upon the quality of motion picture reproduction. Since the job of the projectionist in turn is dependent upon the future success of the industry, it would seem that the active promotion of high quality reproduction would be a good investment in job security for Alliance members.

Exhibitors have received repeated warnings that poor projection can nullify any recent gains made through the use of new projection techniques. One such warning was issued by Mr. M. L. Gunsburg, president of the Natural Vision Company. Mr. Gunsburg
cautions that if theatre operators permit "improper projection and faulty equipment," there is a strong possibility that audiences now being regained through three-dimension pictures may again be lost.

Because of the significance of good projection in the final acceptance of the new techniques of motion picture reproduction by the public, the Alliance will have an important role in the future success of the theatre. This role consists of (1) providing training for its members in the operation of the new projection equipment and (2) promoting high quality reproduction and projection room efficiency.

Training

In carrying out its program of training members in the operation of television equipment the Alliance has been less emphatic in its position that the right to train belongs solely to the union. In some instances locals have established television schools for instructing their members. To supplement these undertakings, a special agreement has been reached with the RCA Service Company, producers of theatre television projection equipment. Under this agreement company engineers instruct representatives of I.A. locals at the factory in the operation of the latest equipment. The representatives then return home and pass on their newly acquired knowledge to other members of their local.

The magnitude of the training program required for familiarizing members with the operation of three-dimension projection equipment is yet to be determined. The amount of training that will be necessary
will be dependent upon the degree of acceptance of this new reproduction process and which method finally wins out over the others to become the standard process. Some methods of three-dimensional projection are more complex than others and therefore more training will be required for their operation. The Cinerama process, for example, utilizes six projectors with three operating simultaneously, while the Natural Vision system requires only two projectors, both operating simultaneously. On the other hand, the Cinemascope process is very similar to the conventional method of reproduction with the exception of a special lens adapted to the projector. Should this method become the standard process, less training will be necessary since little change will be required in present operating routine.

Promoting Good Projection

The importance of maintaining the quality of reproduction on the theatre screen at high level has been noted. The Alliance is a logical organization to promote good projection and encourage the adherence to the high standards of reproduction since it exercises considerable control over the human factor.

There are several factors which enter into the quality of motion picture reproduction. At no time should the audience ever be aware of the mechanical aspects of projection. If the actual process of reproduction attracts attention in any way the quality of projection is below par. On the other hand, the quality of projection may be substandard and still go unnoticed by the audience. Instead of distraction, the effect may be eyestrain and headaches.
Extreme caution must be exercised by the projectionist to keep the screen image in focus at all times. Care must also be taken to keep the focus of the two projectors in balance to avoid attracting attention on changeovers. In addition, even light distribution over the surface of the screen is essential to a well-balanced image.

Probably the greatest opportunity for attracting attention arises during the changeover from one projector to another. Careful consideration must be given to many details if the changeover is to go unnoticed by the audience. Not only must the focus of the projectors be equal, but also the light intensity and the sound level must be in balance. Moreover, the changeover must be carefully synchronized so that the first frame of the new reel hits the screen when the last frame of the previous reel has been projected. Because film travels through the projector at the rate of 24 frames per second, timing must be perfect. An unsynchronized changeover will cause the screen to be blacked out or cause several words of a conversation to be eliminated.

Repairs and adjustments on projection equipment must be made promptly if good picture reproduction is to be maintained. When vertical or horizontal movement develops in the screen image, tension shoes showing signs of wear must be quickly replaced. The shutter must be synchronized at once when vertical streaks of light, called "travel ghosts," appear in the screen image. This is essential to the prevention of eyestrain. In short, the projectionist must be alert at all times to detect any irregularities that may develop.
In promoting good projection and encouraging the adherence to high standards of motion picture reproduction, it would seem that the promotion of projection room efficiency would be an essential corollary function for the Alliance to perform. These two functions are closely related in that good projection may be the direct result of efficient work habits and a well-organized booth layout. While an alert projectionist may produce acceptable work with a poor booth arrangement, in most cases projection room efficiency is an essential prerequisite to achieving a high quality of motion picture reproduction. Therefore, the Alliance may well consider the possibility of including a course in efficient work methods and projection room layout in its apprenticeship training program.

For example, the principles of motion economy as applied to industrial operations may also be applied to the work of the projectionist. However, the objectives in each case would be different. In industry the main objectives of applying the principles of motion economy to certain operations are to increase efficiency, increase output, and lower costs. Because of the nature of the work, output manifestly cannot be increased through the application of the principles of motion economy to the projection room; nor can costs be materially reduced. Instead, the sole objective would be to increase the quality of output through greater projection room efficiency. More efficient methods and layout would enable the projectionist to perform his cycle of duties after each changeover more quickly, for example. As a result, the projectionist's attention would be directed away from the screen.
for shorter periods of time, and any irregularities that may develop could be more quickly detected.

One of the several principles of motion economy, which applies to the arrangement of the workplace, is that there should be a definite and fixed location for all tools and materials. Another states that tools, materials, and controls should be located close in and directly in front of the operator. Still another emphasizes that tools and materials should be located to permit the best sequence of operations. Applying these principles to the projection room, all trailers, spare leaders, date strips, and spare parts should be stored in a definite and fixed location to enable quick and easy access. Tools, such as pliers, screwdrivers, and wrenches should be returned to their fixed location after use so that they will be readily available when needed. Curtain controls, auditorium light dimmers, volume controls, and changeover levers should be located on the forward wall within easy reach of the projectionist. (For illustrations of what constitutes good projection room layout see Appendix D.)

Although the work of the projectionist is repetitious, he is not confined to one workplace during his cycle of operations. Therefore, to enable the best sequence of motions it may be necessary to provide duplicate sets of tools at each of the various workplaces. For example, a small tool such as a pair of pliers is used at each arc lamp for trimming the carbons, they are frequently used at the workbench, and at various other workplaces. Since they are repeatedly used at regular
intervals in at least three different locations, time could be saved by providing for a pair at each workplace. These are only a few of the many ways in which the principles of motion economy might be applied to the projection room.

The projection room is a fertile field for the application of the modern industrial techniques for increasing efficiency. Moreover, with the coming of the new processes of reproduction and the increasing need for greater quality in projection, the present is an excellent time for the consideration of new projection room methods and layout.

The International Alliance might well consider the possibility of instituting such a program in cooperation with management. While it is unusual for a labor organization to assume what has been traditionally a problem for management to solve, this action may be justified from several standpoints. First, the position of the Alliance is unlike that of many labor organizations in that it exercises a much greater control over the product of its members. As a result, the Alliance also possesses greater responsibility for the quality of the produce produced by its members. Consequently, it would be more justified in attempting to promote the use of methods which would aid in maintaining and increasing the quality of this product. Second, because management is generally engrossed in the problem of falling box-office receipts and the future of three-dimension picture, the improvement of projection room techniques, methods, and layout may be overlooked. This neglect could actually be detrimental to the future of
the theatre and to the welfare of the members of the Alliance. Third, the attempt to promote greater projection room efficiency and a high quality of motion picture reproduction would be labor's contribution to improving the present status of the industry. And last, this action would be a step towards maintaining and improving labor-management relations and at the same time enhancing the bargaining of the Alliance. The union would have much to gain from the undertaking of such a program.

Summary and Conclusion

In studying the labor union, the student of labor should not fail to devote part of his time to the study of the organization and problems of the smaller union. Typical of the smaller craft union is the International Alliance of Theatrical Stage Employees Union. The development of the Alliance closely parallels that of theatre. Its early purpose was to protect its members from the discriminatory practices of employees in the assignment of work and from managers who stranded their shows and left the wages of the traveling employees unpaid. Since its early beginning, the stated purpose of the Alliance has been expanded to meet the increasing needs of its members. The purpose of the Alliance as declared in its constitution today is primarily to improve the social and economic conditions of its members in the theatrical, television, and motion picture industries.

Some of the policies of the Alliance are unique and are unlike those one would expect to find in the larger unions. For example, the I. A. places great emphasis on "home rule," or local autonomy.
Each local is permitted to exercise control over its respective members and jurisdiction. It has always been the fundamental policy of the Alliance to grant the authority to each local union to determine the wage scales and working conditions within its own jurisdiction. The Alliance also practices membership restriction to the highest possible degree. Not only must the applicant for membership meet certain occupational and residential requirements, but he must also demonstrate his mechanical ability by passing a written examination on the craft in which entrance is sought. In addition, rigid apprenticeship restrictions are imposed to further limit membership. The number of apprentices a local may carry on its roll at any one time may not exceed one for each five regular members or a total of twenty, whichever is smaller.

The Alliance bargains with employers on two different levels - local and national. The latter consists of bargaining on behalf of the members employed by traveling shows. In many unions the influence exerted by the central body largely determines the degree of success that can be had by the various subordinate locals. However, in the case of the I. A. bargaining on the national level is of little aid to the local unions. Instead, it is the power of the local unions which makes the national bargaining effective.

Of the problems confronting the Alliance, three stand out as most important. First, there is the problem of anti-labor legislation; namely, the Taft-Hartley Act. For a number of reasons the officers of
the Alliance felt their members in the exhibition branch of the film industry would be exempt from coverage by this Act. Subsequent N.L.R.B. rulings, however, proved otherwise. For this reason and because of certain undesirable features, the Alliance is on record as favoring complete repeal of the Taft-Hartley Act. Second, there is the problem of organizing the television industry. Because the television studios provide a new source of employment for its members, the Alliance is highly interested in organizing this newest addition to the entertainment industry. To date, the Alliance has not met with outstanding success, since it has been inactive in the related field of radio in the past. The policy has been to seek a jurisdictional compromise with the more firmly entrenched unions rather than engage in open warfare. And finally, there is the problem of the recession in the exhibition branch of the film industry. Of the three, the latter is considered by the Alliance to be the most serious, and, as a consequence, has received the greatest amount of attention. The effect of the industry recession has been to force the Alliance to divert its attention from demanding wage increases and fringe benefits to resisting attempts to cut the wages of its members.

There have been many attempts to explain the causes of the industry recession. Although the largest share of blame for declining theatre attendance has been placed on television, several other contributing factors have been suggested. Among these other various factors advanced as possible causes have been shifting population,
loss of prestige, and inflation. According to one report, the theatre industry failed to recognize the shift in population to the suburbs, and, as a result, attendance at the downtown theatres fell off. In addition, the motion picture theatre failed to keep pace with the construction and design of other enterprises. This lack of investment has cost the theatre a considerable amount of prestige, and consequently is no longer the most attractive enterprise relative to other businesses. Finally, inflation was considered to be an important cause of the industry recession because it absorbed cash which was formerly available for recreation.

It was thought that each of these factors failed to give a complete explanation of the decline in theatre admissions. Attendance has declined in nearly every section of the country; some sections unaffected by television or shifting population. While the factors that have been advanced are not considered to be invalid or unworthy of consideration, it was believed that there must be a more general and underlying explanation for the recession. For this reason, the industry cycle theory, with its accompanying decline in public interest toward the motion picture theatre, and the rise in indisposable income, which enabled more people to afford other forms of recreation, were considered to offer the best explanation of the fall in expenditures for motion picture entertainment.

As for the future of the motion picture theatre, if one can rely on the opinions of those persons associated with the industry,
as well as such sources as investment houses and trade journals, there can be little question that the film industry is at the threshold of a new era of motion picture entertainment and prosperity. The advent of the new process of reproduction has been responsible for the general change in attitude from pessimism to optimism.

There are, however, certain obstacles which may prevent the smooth transition from two-dimensional to three-dimensional reproduction in motion picture theatres. First, there is the problem of standardizing the process of 3-D projection and eliminating the struggle for monopoly power. There are currently more than six different processes for projecting images in three-dimension, all requiring certain modifications in equipment. Before this type of reproduction can be placed in widespread use, agreement as to which process is to become the standard one will have to be reached. Second, because the theatre manager is ordinarily not versed in the technical aspects of projection and with the process of reproduction becoming more complex, it may become necessary to revamp the present theatre organization in order to provide for greater managerial control over projection room activities. And last, as conditions in the industry improve, management will find itself confronted by union demands for higher wages and fringe benefits. To enable a smooth change over to the new reproduction processes uninterrupted by labor disputes, great emphasis will have to be placed upon maintaining good labor relations.

Because of the influential part the quality of projection will play in the acceptance of the new processes of reproduction by
the public, the International Alliance will have an important role to fulfill in the future success of the motion picture theatre. This role consists of providing training for its members in the operation of the new equipment required for three-dimensional and television projection and encouraging its members to adhere to the high standards of motion picture reproduction.


25. Ibid., art. 21.
26. Ibid., art. 18, sec. 2.
27. Ibid., art. 18, sec. 9.
28. Ibid., art. 13, sec. 11.
29. Ibid., art. 21.
30. Ibid., art. 3.
31. Ibid., art. 10, sec. 1.
32. Ibid., art. 7.
33. Ibid., art. 11, sec. 5.
34. Ibid., art. 23, sec. 1.
35. Ibid., art. 14, sec. 1.
36. Ibid., art 14, sec. 3.
42. Ibid., p. 76.
43. Ibid., p. 81.
46. Ibid., p. 78.
47. Ibid., p. 81.
48. Ibid., p. 83.
50. Ibid., p. 48.
52. Ibid., p. 87.
54. Ibid., p. 4.
55. Ibid., p. 33.
65. Ibid., pp. 196-197.


78. Ibid., p. 8.


81. Ibid., p. 39.


84. Alfred and Bangs, Production Handbook, pp. 1383-1384.


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Chart I - Disposable Income 1929-1951.
Chart II - Total Recreation Expenditures for the Period 1929-1951.
Chart III - Dollar Expenditures for Motion Picture Entertainment 1929-1951.
Recreation Expenditures (in billions of dollars)

Chart IV - Linear Correlation Between Disposable Income and Recreation Expenditures 1929-1951.
Chart V - Expenditures for Motion Picture Entertainment Expressed as a Percentage of Total Recreation Expenditures 1929-1951.
Chart VI - Linear Correlation Between Disposable Income and the Amount of Total Recreation Expenditures Going for Motion Picture Entertainment.
Images are photographed from two different points of view, just as they are seen in nature. Each lens, focusing and converging on an object almost precisely as do the human eyes, provides a separate and complete 2-dimensional picture.

In the theater, the normal two projectors in a booth project the two separate pictures onto the screen in superimposition, much as in nature they are projected onto the "brain eye" (see diagram).

The right and left images pass through Polaroid light filters placed in the portholes of the projection booth.

The two images are superimposed almost as one on a reflective type screen.

The images are reflected back to the viewer who is equipped with Polaroid glasses, which serve to accept the correct image intended for each eye, while rejecting the image not intended for that eye.

ILLUSTRATION I - The Natural Vision process of three-dimensional reproduction.  
(courtesy: BOXOFFICE Magazine)

ILLUSTRATION II - Two 35 mm. Projectors synchronised for showing Natural Vision Three-Dimension pictures. The projectors are synchronised by means of a mechanical interlocking device (see horizontal bar). (courtesy: BOXOFFICE Magazine)
ILLUSTRATION III - PROJECTION ROOM LAYOUT

Everything is at the projectionist's reach at the center observation port. Directly below the port are curtain control switches and machine motor switches. The light control panel is at the side and below that are the controls for a turntable to handle intermission and exit music.

(courtesy: BONOFFICE Magazine.)
ILLUSTRATION IV - PROJECTION ROOM LAYOUT

Washbasin and toilet facilities are recommended for every projection room. Recommended items, shown in this photo, include a comfortable chair for the projectionist, a shaded light directly over the work area, and a concrete floor covered with battleship linoleum.

(courtesy: BOXOFFICE Magazine)
ILLUSTRATION V - PROJECTION ROOM LAYOUT

The general lighting in the booth should be indirect, but over work areas there should be a shaded light. The round table should have film cabinets below.

(courtesy: BOXOFFICE Magazine)