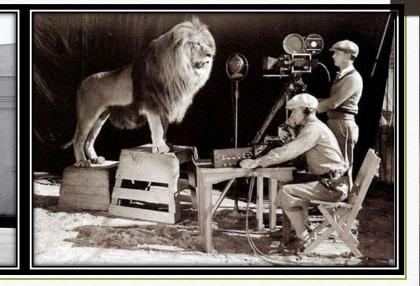


HOLLYWOOD STUDIO SYSTEM -

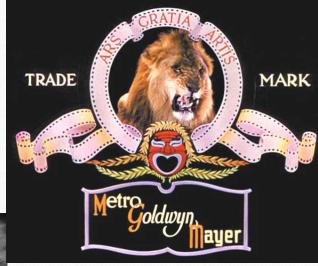
- Mid-1920s through early 1950s
- Dominated film production more than 95% of all films during this period were made within the studio system
- Centers of business, innovation, creativity





THE MAJORS

- Production
- Distribution
- Exhibition











THE MINORS

- Production
- Distribution
- Did *not* own theaters





Vertical Integration

- Studios own and operate all facets of the process of making, distributing, and exhibiting films. Studios have their own in-house marketing and distribution departments, and they own the theaters in which their films are shown.
- Contract system writers, directors, actors, creative personnel are all under contract they work exclusively for that studio for the full term of their contract, and are assigned to specific films by the studio
- This is a stabilizing and lucrative process for the studios: personnel are always available; no need to constantly renegotiate contracts; the success (or failure) of an individual film matters less, because the studio reaps the profit from all of them

THE PARAMOUNT DECISION OF 1948



- 1948 Supreme Court rules that the 8 major and minor studios were in violation of the Sherman Antitrust Act
- Orders major studios to divest themselves of their theater holdings, and to end block-booking and other practices that hurt independent filmmakers and independent exhibitors
- Paramount Pictures split into two different companies: the film company Paramount Pictures, and the theater chain United Paramount Theaters

Aftermath of Paramount Decision

- Loss of revenue from theater chains
- Loss of many creative personnel to independent filmmaking companies
- Each film had to be competitive in the marketplace on its own merits
- Smaller studios now have access to making bigger films with major stars
- Weakening of regulations that govern filmmaking and exhibition (because studioera rules do not apply to independent exhibitors)



MOVIE ATTENDANCE

1940s-1970s

1946 – 90 million per week

1950 – 60 million per week

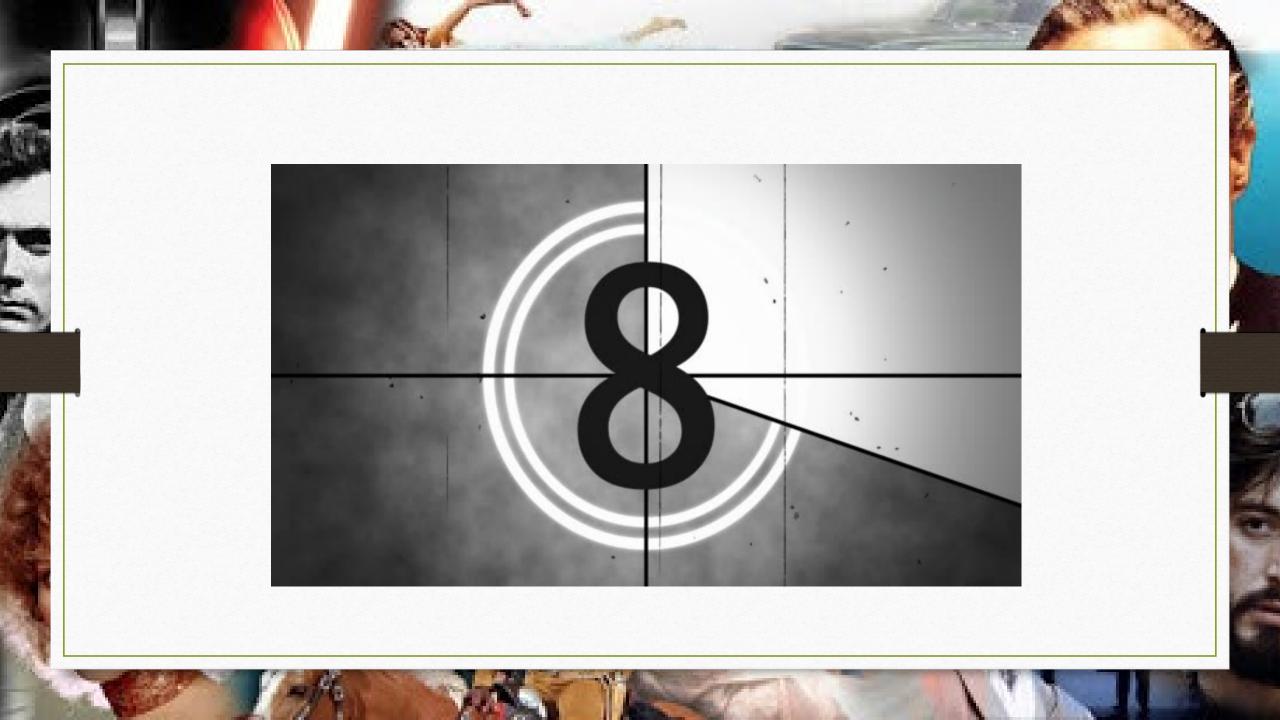
1971 – 15 million per week

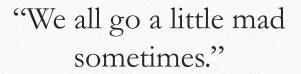
Late 1970s – 20 million per week



The Film Industry in the Age of Television



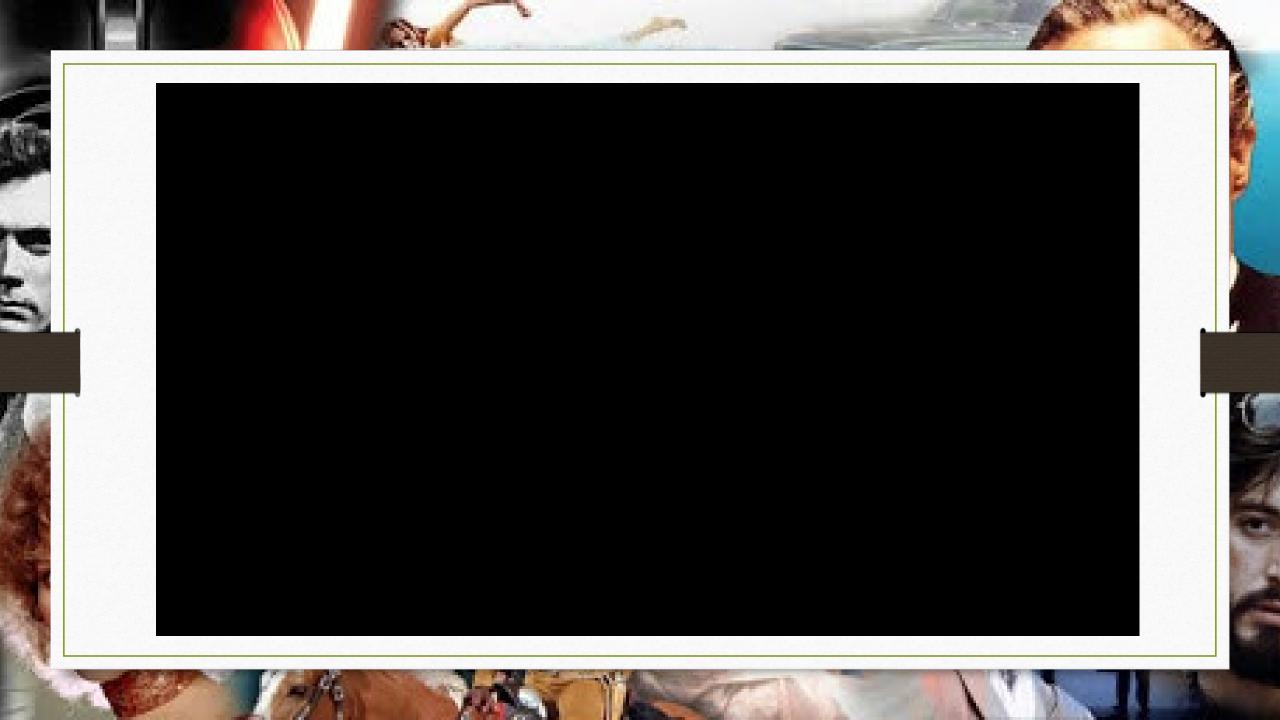




- Norman Bates (1960)

And, with that, the 1960s have begun!





Mid-1960s "Buying Frenzy" — many studios sold to multinational corporations

- Gulf + Western buys Paramount
- Bank of America buys United Artists, and absorbs it into its Transamerica Corporation subsidiary
- Kirk Kerkorian buys MGM and sells off most of its real estate holdings and memorabilia MGM suspends moviemaking for the next 10 years
- These buyouts and mergers turn film studios into subsidiaries of conglomerates no longer the entrepreneurial and creative heads of filmmaking industry, but checks and balances on another corporation's ledger

Example – Paramount – Gulf + Western

Gulf + Western holdings in 1970s (partial list)

Miss Universe Pageant Catalina Swimwear

New Jersey Zinc Stax Records

Sega gaming Simon & Schuster

Madison Square Garden + NY Rangers + NY Knicks

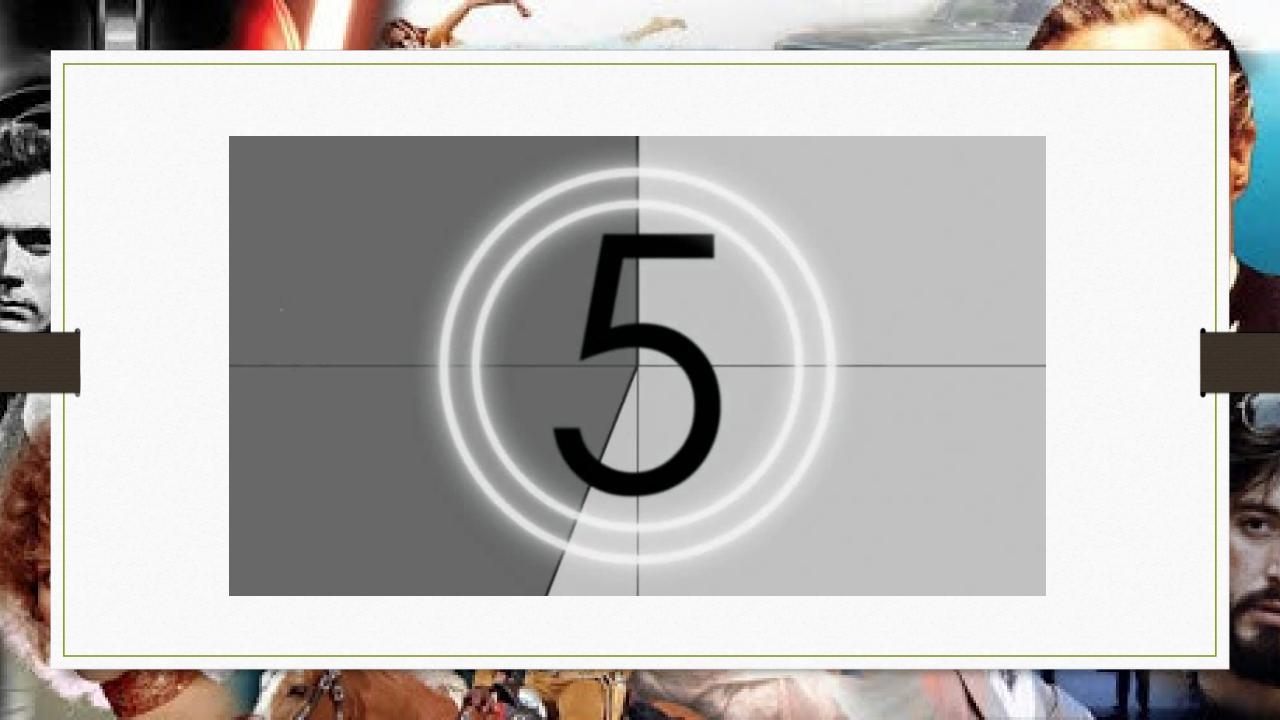
Simmons bedding Auto parts & cigar companies

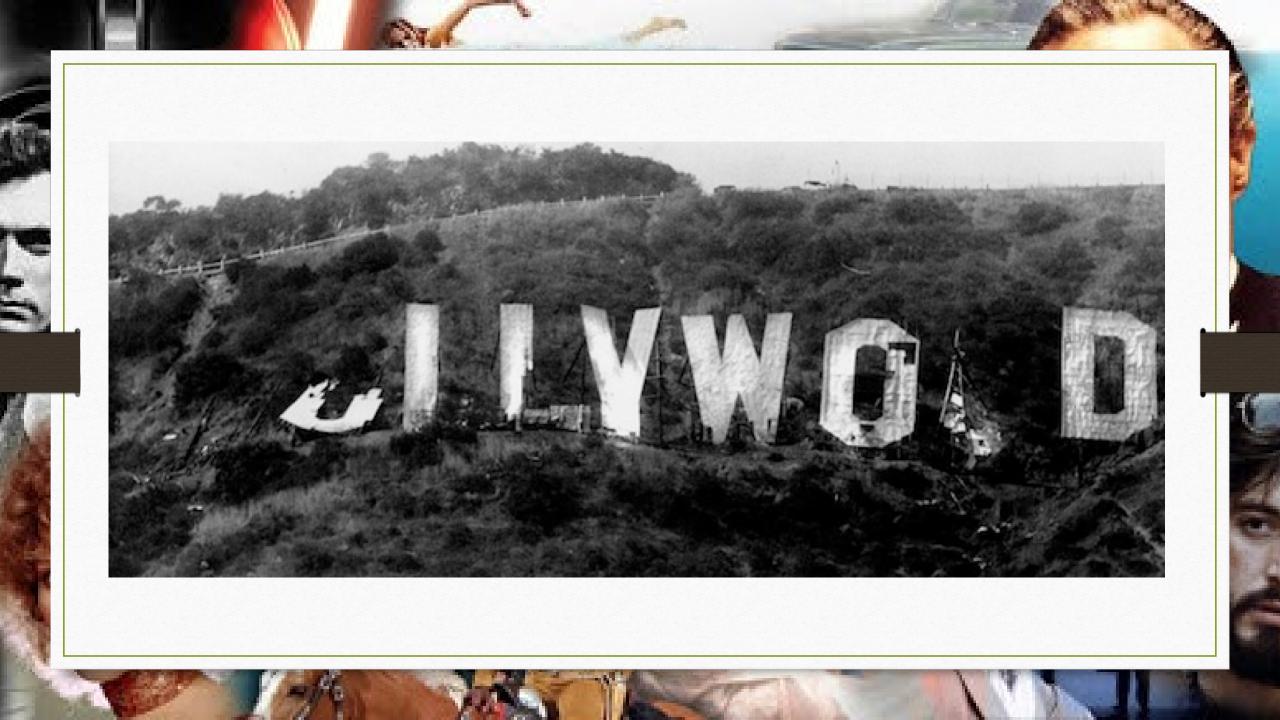
Sugar cane refinery Financial services companies

Paramount Pictures, including its music publishing companies

Film and television production libraries, including Lucille Ball shows, *Star Trek*, and *Mission: Impossible*







Five Films

