

PRODUCTION

CHAPTER 1

CODE BASICS

FOR MOVIE STILL

COLLECTORS

THE CINEMA BEGINS

To understand the use of production codes, you really need to look at HOW and WHY it was started. To do that you need to go all the way back to the very beginning.

French Film Domination

Contrary to popular belief, the United States was not always the dominant country in filming. In the beginning of the cinema, it was the French.

The Lumiere Brothers began their marketing in France around the same time as it began in the United States. The early films consisted of scenes of everyday occurrences such as waves crashing on shore, trains arriving and departing, factory workers at lunch, etc.

The public soon tired of these actuals, and the popularity of films began to wane. Fortunately for the movie industry, two French film pioneers took the fledgling cinema into a whole new direction.

France's Alice Guy worked as the secretary to film producer Leon Gaumont. During her private time, Guy borrowed Gaumont's camera to shoot stories on film for her garden club. These movies were so popular that they led to the development of narrative film.

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Frenchman George Melies would take the concept of storytelling on film one step further when he introduced the public to special effects such as stop motion, fade in and out (and even the first nudie movies), etc.

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While Thomas Edison was spending the majority of his energy trying to stop other filmmakers in the United States, the Lumiere Brothers used the 1897 Belgian World's Fair to reach out to all major countries around the world. (See our **Learn About International Movie Posters** book for more details).

Soon afterwards, the Pathe Brothers bought out the Lumiere Brothers and created the first mass production of films. Pathe established seven different production companies each taking a week to produce a film. Their output was seven films a week equating to one new film released EVERY DAY.

It was stated in court at the famous Motion Picture Patents Company ("MPPC") trials that in 1906, Pathe ALONE had an estimated 60% share of the U.S. market. And it was estimated that by 1908, the French film companies controlled 70-80% of the WORLD market.

By 1907, independent production companies began popping up all over the United States. So much so that in March of 1907, a new magazine, Moving Picture World, was launched.

The first issue was primarily about the Edison - Biograph court battles. There were 12,000 copies of MPW's first issue printed, which sold out immediately. (All of the early MPW magazines are

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available online in the advance member section of GlobalCinemaResearch.org.)

By 1908, Edison realized had he lost the battle fighting alone. He tried another tactic by creating the Motion Picture Patents Company, better known as “The Trust.”

The goal of this coalition of all the major American film companies was to maintain control and form a front against the French film invasion. While it worked temporarily, it backfired and ignited the rebellion of the independents. This, however, is a topic for another day.

Distribution of Early Films

During the formative years of the cinema, films were made by the production company and then SOLD by the FOOT. This was fine for travelling showmen who exhibited to changing audiences, but horrible for stationary theaters that relied on repeat business.

As old films piled up at the theaters, film exchanges were introduced. These exchanges would rent or exchange films so that theaters could swap out movies, getting something new without shelling out large amounts of money each week for new films. These film exchanges were extremely popular.

During the pre-studio era (before the fall of the Edison Trust in 1915), movie releases were generally handled in one of two ways—either by road show or states rights.

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Road show meant that the film would travel around the country stopping at specific theaters for special showings, one after the other. For larger productions, several teams would travel around the country at the same time.

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States Rights meant that the production company would sell the rights to distribute their film in a particular territory to a distributor or exchange.

Both roadshow and states rights created spotty distribution across the country and were extremely taxing on the production company. But BOTH methods also proved ineffective for wide-scale national feature distribution.

Below is an ad from a new independent exchange in Philadelphia in 1911 that was buying the output of films from Imp, Thanhouser, Reliance and Bison.

ATTENTION, EXHIBITORS

A New Independent Exchange for Philadelphia

1. We wish to announce to the trade that we have opened an Independent film exchange at 23 N. 9th Street, Philadelphia, Pa., and that we offer exhibitors of the city and surrounding territory an

EXCEPTIONAL UP-TO-DATE FILM SERVICE

2. We are buying the output of the Motion Picture Distributing and Sales Co., and we can guarantee for every week the entire output of the Imp, Thanhouser, Reliance, Bison and American manufacturers.

3. *We have absolutely no dead stock on hand. All our films are new.* Think of the great advantage of dealing with a new exchange, to be able to secure clean, new films of almost any subject desired.

4. We have a triplicate checking system and we furnish you with a typewritten list of your daily program so you can file same and at all times have a record of your past exhibitions.

5. We can book you on a definite date from date of release.

6. We furnish posters with every reel, also a ten-foot banner for the feature reel.

7. We invite you to our offices to inspect our system and our examining department. We thoroughly examine and put in first-class condition every reel before leaving our place and therefore assure you of no broken sprocket holes which tend to wrench your machine and spoil your show.

8. Come and see us and let us quote you our price, or write, wire or 'phone.

Exhibitors Film Service Co., 23 North Ninth St. Philadelphia, Pa.

Many of the larger production companies began looking for ways to merge their output and create national distribution.

National Film Distribution

At the same time, one of Edison film exchange managers, W. W. Hodkinson, came up with a better way to handle distribution.

Hodkinson was Special Representative to the General Film Company representing the Motion Picture Patents Company in Salt Lake City and Los Angeles. He envisioned a nationwide distribution structure that would make states rights obsolete, and provide profit-sharing with producers to encourage filmmakers to concentrate on higher quality films that would yield higher box office.

Under the Hodkinson system, the distributor would provide a cash advance to an independent producer to cover the costs of producing each feature film. The distributor then received the exclusive rights to the finished movie, using a network of exchanges to control distribution and marketing, and even offering to pay for the producer's film prints and advertising.

Hodkinson kept 35 percent of the box office as a distribution fee, and gave the rest of the profits back to the producer. Hodkinson discovered that by financing film producers, the distributor was guaranteed a steady stream of high-class pictures without ever having to operate a film camera. In addition, the producers made more money than they would under the states rights system without any of the marketing headaches.

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In April 1911, as a test, Hodkinson began to implement his system by reorganizing the San Francisco area for General Film. The test market generated fantastic results. In 1912 however, Hodkinson encountered resistance from the Trust who refused to enact his new procedure in other regions.

In November 1912, Hodkinson made two comparative charts predicting, in one chart what the future of the film industry and General Film would be if his methods were adopted nationally; and the collapse of General Film if they were not. He traveled to New York for the presentation, but his system was rejected by the Patents Company members who told him to undo his successful San Francisco reforms. Hodkinson refused which caused him to be released.

During this trip to New York, Hodkinson established ties with some of the important independent studios including Adolph Zukor, who was then struggling under the states rights method. Zukor was the kind of producer who would benefit greatly by this new distribution procedure.

Hodkinson formed the Progressive Pictures Company, a west coast-based operation that distributed films for a number of independent production companies like the Famous Players Film Company and the Jesse L. Lasky Feature Play Company.

He decided to expand his west coast business into a national organization in early 1914, but discovered another east coast company with the same name as his own Progressive Pictures. When he went to New

York in 1914, he changed his company's name to Paramount Pictures, Inc. on May 8, 1914.

Hodkinson immediately had all the independent producers such as Zukor and Lasky sign five-year distribution contracts to assure availability for going nationwide.

Though the producers were far better off than they were under states rights, they soon started resenting the amount of profits they shared with Hodkinson. And even though Zukor himself was once an independent producer on the losing end of an unfavorable distribution deal, he seemed to harbor no sympathy for the next generation of independents who struggled as he had before. So Zukor devised a plan involving his friend Lasky that would turn the tables on Hodkinson.

Only one year into his five-year contract—and desperately wanting out—Zukor surprisingly renegotiated a new 25-year deal with Paramount on March 1, 1915. By May, Zukor and Lasky had sold a 51 percent interest in their production companies to Paramount Pictures. This made Zukor subordinate to Hodkinson's Paramount, but it also made Zukor and Lasky cash-rich. They opened up an extended line of credit that allowed them to secretly accumulate Paramount stock.

Zukor and Lasky together acquired a majority of the capital stock of Paramount Pictures, Inc. They then took control of Paramount and OUSTED Hodkinson. New directors were elected, followed by the forced resignation of Hodkinson and his treasurer Raymond Pawley on June 13, 1916.

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Zukor appointed his own president Hiram Abrams as the new head of Paramount. On July 19, 1916, Zukor and Lasky merged their companies with Paramount, and created the Famous Players-Lasky Corporation, a \$12.5 million producer-distributor—the largest film company at the time.

The Hodkinson distribution system proved so advantageous for all involved that, with slight modifications, it has remained in full practice in the U.S. to this day.

With this new model of national distribution in place, numerous national distributors began forming. BUT, another major change was also already underway.

International Change

During this time, World War I broke out in Europe, crippling and then collapsing the film industry in France and England. Pathe, Melies, and Gaumont all moved their international headquarters to the United States to try to avoid as much damage as possible. The European film industry lost their studios, management, actors and equipment which left a huge void in the international market.

Countries around the world were screaming for quality films for entertainment. With the European film industry in shambles and almost non-existent, the U.S. film industry began gearing up for the increase and takeover of the international market. BUT, with this overwhelming demand came a need to streamline the process, giving more control to management to enable more production by a larger

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number of production companies.

The drastic expansion in film production also caused numerous major advancements in filming equipment and techniques. New systems and procedures were enacted, such as scripting and closer budgeting. All these new procedures created an interlocking chain of command with the executives more in control of all the different steps. Let's look at some of the changes from an executive level and then work our way through the production process.



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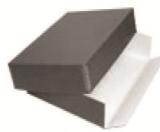
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