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Chicago Takes New York

The Consolidation of the Nationals

"MERGERS MAKE GREATNESS!" So proclaimed the cover of the first-ever issue of *Exhibitors Herald and Moving Picture World* (fig. 23). Published on January 7, 1928—deliberately timed to mark the sense of a new beginning—the cover presented an advertisement for Metro-Goldwyn-Mayer, the company that most embodied Hollywood's merger movement. In April 1924, Marcus Loew had consolidated the three production and distribution companies that composed the studio's hyphenated name, Metro-Goldwyn-Mayer (MGM), as a way to stabilize the supply of product into his Loew's Inc. theaters (a chain that had been built, in large part, through other acquisitions and mergers).[1] Over the following three years, MGM had developed a reputation for producing ambitious and prestigious pictures, including *The Big Parade* (1925) and the legendarily expensive *Ben Hur* (1925), as well as cranking out low-budget fare like Tom Mix westerns and the "Our Gang" shorts. The studio's competitors were racing to achieve similar stature through mergers, acquisitions, and vertical integration. To finance these expansions, the major movie companies were partnering with Wall Street investment banks and commercial banks like never before, issuing stocks and bonds amounting to hundreds of millions of dollars.

The consolidation of *Exhibitors Herald and Moving Picture World* was publicly presented as a logical extension of the mergers occurring elsewhere in the motion picture industry and a sign of great things to follow. "The necessity for the building of fewer and stronger units to replace a greater number of lesser strength which has so markedly changed the complexion of the production, distribution and exhibition branches of the industry was bound eventually to have its influence upon the trade paper branch of the industry," reflected Martin Quigley in his first-ever editorial in *Exhibitors Herald and Moving Picture World*.[2] In a canny layout

FIGURE 23. Cover of the first issue of *Exhibitors Herald and Moving Picture World. Source: Exhibitors Herald and Moving Picture World,* Jan. 7, 1928, 1, http://lantern.mediahist.org/catalog/exhibitorsherald90unse_0007.

choice, Quigley's editorial page was positioned facing the news story "Radio Corp. in Combine with FBO," which announced the Radio Corporation of America's acquisition of a substantial amount of ownership in the Film Booking Office.[3] The page featured a smiling portrait of Joseph Kennedy, FBO's president and the financial wizard who was responsible for that deal and others that would soon result in the formation of a vertically integrated studio, RKO.[4] Quigley was no doubt pleased to have his consolidated journal positioned alongside the mergers engineered by Kennedy and Loew.

The following pages included dozens of congratulatory notes, beginning with one from the head of the trade organization that represented MGM, Paramount, and the other major Hollywood studios. "I hasten to congratulate you on the consummation of the merger of 'Exhibitors Herald' with 'Moving Picture World,'" wrote Will Hays. "I regard this achievement as a great forward step in our industry—one bound to contribute much, indeed, toward the solution of those certain heretofore difficult problems in the business of motion pictures with which you have been so familiar."[5] Martin Quigley had arranged the merger in secrecy, and he was happy for the opportunity to present the consolidated paper and take a bow publicly.

Behind the scenes, however, the business model for the film industry's national trade papers had grown more precarious. A few days after his triumphant first issue, Quigley wrote privately to Hays lamenting that agitation caused by executives at Fox and First National had "led to a reduction by about one half of trade paper advertising. The same number of publications as formerly was used; the lesser publications in the field published practically the same volume of advertising as previously and the curtailment was effected principally through the reduction of advertising in the publications which are acknowledged as the strongest and most serviceable in the field."[6] Quigley singled out *Variety* and *Film Mercury* as two of the irresponsible "lesser publications" contributing to the problem. This state of affairs had made *Moving Picture World* vulnerable for Quigley to takeover. But if left unchecked, it could ruin Quigley's consolidated paper. Whereas Quigley generally supported trimming the salaries of actors, writers, and directors, he was diametrically opposed to cost cutting through any reduction of advertising placed in his paper. He would spend the remainder of the decade and the first year of 1930 attempting to make himself indispensable to the Hollywood studios and persuading them that it was in their interests to support the *Herald* in its pursuit to become the industry's sole trade paper.

Hays, for his part, was waging his own battle against a piece of federal legislation that held the potential to stop the major studios from growing in size and power. The resentments of independent exhibitors toward block booking, arbitration boards, and a system stacked against them had found a champion in Senator Smith W. Brookhart of Iowa. Discussed throughout the early issues of *Exhibitors Herald and Moving Picture World*, the "Brookhart Bill" contained measures designed to stop block booking and vertical integration within the film industry.[7] It was resulting in bad publicity for the Hays office. "We appeal to our patrons to kindly write to your Senator and Representative and ask them to support the Brookhart Anti-Film-Trust Block Booking Bill," read a poster that several Ohio exhibitors displayed in their theaters. "The passage of this bill will permit this and other Independently Owned Theatres to choose from a greater list, the kind of pictures best suited for our audiences. Under existing conditions we are compelled to buy the entire block of pictures and are forced to show some pictures that are not adaptable to our clientele."[8] In both the United States Senate and Cleveland theater lobbies, opponents of the powerful studios were arguing that big business, block booking, and morally questionable movies were all linked, requiring immediate action for the sake of America's audiences and independent theaters. Although the Brookhart Bill ultimately failed, the underlying tensions continued to grow throughout the transition to sound, with risqué Broadway plays being adapted into movies and new financial burdens placed on producers, distributors, and exhibitors.[9]

This chapter explores the consolidation of the national trade papers by analyzing the alliance that formed between Martin Quigley and the major Hollywood studios. These consolidation efforts culminated in 1931 with the launch of *Motion Picture Herald, Motion Picture Daily*, and the *Hollywood Herald*. In the battle lines being drawn, Quigley stood with Will Hays against the Brookhart Bill and went on to play a key role in addressing Hollywood's censorship problems through the creation of the Production Code. While these steps placed Quigley in Hays's favor, it alienated many of the nation's independent exhibitors who had previously admired Quigley and supported *Exhibitors Herald*. The creation of the Production Code also exposed rifts between the producers based in Los Angeles and the home office executives based in New York. The closer Quigley came to unifying the film industry's trade press, the more disunity and tensions within the industry became evident.

Before examining how Quigley consolidated the national weekly trade papers, it's important to look at the broader industry contexts in which his actions played out. This was an environment rife with mergers and acquisitions, yes, but it was also a period that saw innovations to film industry's operations and an influx of Wall Street financing, which laid the groundwork for these mergers among film companies. The 1920s were also a period of decline for the three national trade papers discussed earlier in this book that Quigley would come to absorb: *Moving Picture World, Motion Picture News*, and *Exhibitor's Trade Review*. The strengthening of the vertically integrated studios, the weakening of the national weekly trade papers, and the pressuring by public groups and federal government set the backdrop for the Chicago publisher—who had nearly become a priest—to dominate his New York rivals.

THE VERTICALLY INTEGRATED STUDIO SYSTEM TAKES SHAPE

The US film industry's move toward the vertically integrated studio system—with production, distribution, and exhibition dominated by a handful of large corporations—had begun in the mid-1910s as Famous Players–Lasky expanded into distribution and exhibition and, on the flip side, powerful exhibitors bound together to form First National as a distributor of films that they contracted to produce.[10] But a decade later, in the mid-1920s, the push toward vertical integration and industry consolidation accelerated in speed and scale. The transition to sound hastened the pace of expansion, and by the end of the decade, a group of five vertically integrated companies dominated the industry: Famous Players–Lasky/Paramount, Loew's/MGM, Fox, RKO, and Warner Bros. (which acquired First National in 1928). In addition to these "Big Five" companies, there were the "Little Three"—Universal, Columbia, and United Artists—which had significant production and distribution infrastructures but did not own any major theater chains.

The history of how this structure came about is complex, and the very categories "Big Five" and "Little Three" can suggest a false sense of parity across the studios in each group when, in actuality, there were significant differences in the development and strengths of the studios.[11] Fortunately, a recent wave of film history scholarship has added important nuance to our understanding of the period, demonstrating the important roles played by trade organizations and suppliers and revealing how the studios tinkered with the ways in which production, distribution, and exhibition fit together. Kia Afra's research into trade organizations has shown the important role of the Motion Picture Producers and Distributors of America (MPPDA) during this period in confronting censorship and antitrust regulations.[12] The Society of Motion Picture Engineers represented another type of trade organization, one that pursued both innovation and standardization and depended on the contributions of technical vendors and suppliers, such as Eastman Kodak. In tracing the emergence of this technological infrastructure, Luci Marzola has argued that we need to recognize the horizontality of Hollywood's networked companies alongside the more familiar conception of the industry's verticality.[13]

Even our understanding of the vertical integration in the film industry has become enriched from recent scholarship, which draws extensively from primary sources and the film industry's trade papers to explore the relationships across industry sectors. There are no greater emblems of the Hollywood studio system than the grand sound stages on MGM's Culver City lot, the star-studded movies filmed there, and the roaring lion logo that greeted audiences as they began watching those pictures. Yet, as Derek Long has revealed, the huge investments in infrastructure and productions were only possible because of distribution policies that afforded greater predictability, profitability, and control for the studios. The result was "a more rationalized and temporally flexible system": by the mid-1920s, the studios could better plan the number and type of productions that they needed both to satisfy the marketplace and to amortize their overhead costs, while maintaining the flexibility desired to keep successful pictures in the first-run theaters for longer periods and clean up at the box office.[14] Similarly, William Paul has shown the close connection between production planning and exhibition, particularly in terms of first-run engagements and prerelease "specials."[15] As Long and Paul show, the engineers of the studio system depended on theaters and distribution for their thinking as much as they did stars, screen stories, and studio backlots.

In finding better ways to coordinate among themselves and make production, distribution, and exhibition work together seamlessly, the major film companies of the mid-1920s increased their market shares and became masters at creating barriers to entry against new competitors. As we saw in chapter 3, block booking functioned as a barrier to entry against independent producers and distributors, who had a harder time finding screen space because of the play dates that exhibitors had to enter into long in advance. The studios' ownership of first-run theaters was their most important barrier to entry and revenue center. At their peak, the major studios never owned more than 20 percent of US screens. But they made sure that those theaters were the most important screens—concentrating them in downtown locations, charging the highest ticket prices, and granting them first-run status. The first-run theaters played a vital role in the distribution and profitability of a film. Theaters were assigned a particular run (first, second, third, etc.) in a specific geographical zone; each theater could exhibit the film once a predetermined clearance period (perhaps eight to twelve weeks) had passed since another theater in the zone had shown it. This system, known as run-zone-clearance, ensured that the most money possible reached the studios as a film played across the country.[16] But it also meant that the nation's vast majority of non-studio-owned theaters, whose managers made up the principal readership of *Motion Picture News* and *Exhibitors Herald*, found themselves in an increasingly inferior position to compete.

Acquiring and building theaters was an expensive undertaking, and the Big Five studios achieved vertical integration with the backing of Wall Street firms. Through issuing stock and taking on debt, Paramount, for example, financed an expansion that saw its total assets rise from $18,881,000 in 1918 to $306,269,000 in 1929. Meanwhile, Warner Bros. collaborated with Goldman Sachs to provide the capital needed to invest in new sound technologies and acquire Vitagraph, First National, and numerous music publishing companies.[17] "The introduction of sound intensified financial involvement in the film industry," explains media historian Janet Wasko. "As the movies learned how to talk, finance capital's voice became even louder."[18] The important role that Wall Street played in these expansions—and the subsequent bankruptcies during the Depression years—have been well covered by Wasko and Douglas Gomery, among other film historians. But in the above-noted spirit of identifying new complexities about the period to explore, I would like to highlight two points related to the nexus of Hollywood and Wall Street that have tended to go unnoticed.

The first point worth drawing out is the important role that the trade papers played as industry boosters. "The banker is well enough aware today of the greatness and stability of the motion picture as an institution," wrote William A. Johnston

FIGURE 24. A successful example of vertical integration: MGM's *The Big Parade* (1925) attracted large crowds at New York City's grand Astor Theater, which was owned by MGM parent corporation Loews. Photograph courtesy of the Wisconsin Center for Film and Theater Research.

in one of his first *Motion Picture News* editorials of 1926.[19] If bankers were indeed aware of this, though, then it was partly due to the efforts of Johnston and other leading trade paper editors in promoting this view. L. W. Boynton, who edited *Exhibitor's Trade Review* from 1920 to 1923, played an especially significant role. After leaving the paper as part of a controversial ownership change, Boynton wrote an important series of articles for the *Wall Street Journal* in 1924 that analyzed the motion picture industry as an investment opportunity. Citing new efficiencies in production and distribution, Boynton assessed that the movie industry had been "placed on [a] sound business basis" and encouraged the investment community to embrace it. Boynton, Johnston, and other trade paper editors played important roles in communicating advancements in the film industry to Wall Street and shaping the industry's perception in the most favorable way possible.[20]

The second point about Wall Street and the film industry worth drawing out complicates the first point: we should not assume that all bankers and investors were looking to put their money into efficient businesses. Harry Aitken's mismanagement of Triangle in the late 1910s had showed how an irresponsible and unethical movie executive could defraud shareholders out of millions of dollars.[21] Within this context of fraud and mismanagement, the favorable assessments of Boynton and others were clearly important in reassuring Wall Street that the motion picture industry was a solid investment. We also should not overlook, however, the fact that for some bankers and investors, the motion picture industry's inefficiencies were part of what made it attractive. Joseph Kennedy, a young banker at Hayden, Stone & Co., embodied this opportunistic approach. "He had contempt for the business acumen of nearly all the people he encountered in the rapidly expanding film industry and believed he could squeeze more dollars out of their efforts than they even imagined were there," writes RKO historian Richard B. Jewell, before pointing out that "he [Kennedy] was right."[22] In her history of Kennedy's Hollywood years, historian Cari Beauchamp offers a detailed portrait of his financial wizardry. In one of his first film industry forays of the 1920s, Kennedy engineered a scheme to fully control Robertson Cole's New England exchange "by owning over half of the preferred stock, yet he had put in only $5,000 of his own money to create a company with an on-paper value of $300,000."[23] For an active and savvy investor like Kennedy, the trade press was valuable because it enabled him to hype his companies and enhance their perceived value so that he could sell them for a hefty return. During the Great Depression, Kennedy would repay the favor by guaranteeing bank loans to keep the entertainment industry's most famous trade paper afloat.

Within this environment of mergers, vertical integration, and Wall Street financing, the film industry's trade papers attempted to grow and succeed. Some of the more specialized papers reached new heights. *Film Daily* entered into a cooperative news-sharing agreement with three of its international peers: the *Daily Film Renter* (London), *Die Lichtbild-Bühne* (Berlin), and *La Cinématographie française* (Paris).[24] And, in Kansas City, Ben Shlyen expanded the *Reel Journal* in 1927 into seven regional trade papers, eventually forming the basis for *Boxoffice*.[25] But among the weekly national papers—especially the two New York City leaders, *Moving Picture World* and *Motion Picture News*, once powerful enough to earn each of their editors a spot within the executive committee of the film industry's Board of Trade—the mid to late 1920s was overwhelmingly a period of decline.

THE DECLINE OF THE NEW YORK NATIONAL TRADE PAPERS

The 1920s marked a period of contraction and decline for the film industry's nationally distributed, New York–based trade papers. Figure 25 reveals the sharp decrease in advertising pages per issue, especially in *Moving Picture World* and *Motion Picture News*, across most of the decade. The downward trend can be explained in part by the industrial changes discussed above. Consolidated film companies, like MGM, meant there were fewer buyers for ads than before the mergers. Changes in distribution—especially the turn toward block booking, prereleases, and longer runs—also meant there were fewer productions that needed individualized promotion within the trade press. For all of William A. Johnston's talk of rationalizing the industry's trade press, his paper, *Motion Picture News*, and its competitors had thrived in the mid to late 1910s on inefficiencies within the marketplace. Now they had to contend with a new reality: megacompanies that rapidly swerved between sprees of lavish spending and austere cost-cutting measures.

But the industry's movement toward vertical integration cannot by itself fully explain the decline of the national trade papers, nor can it tell us why, improbably,

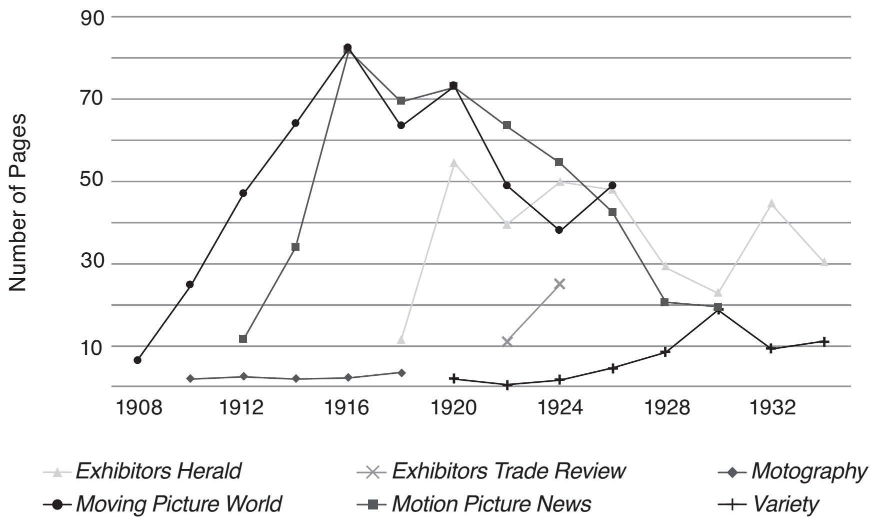


FIGURE 25. Median number of film advertising pages, 1908–34. *Source:* Six issues analyzed per year for each trade paper, selected using a random number generator. Graphic by Lesley Stevenson.

Exhibitors Herald emerged as the survivor and winner. By briefly surveying the four national trade papers that Quigley acquired between 1927 and 1930, we can see how managerial decisions made the publications vulnerable to takeover. Examining these national papers also highlights one of the tensions central to this book: the extent to which the film industry's trade press resisted the logics of other business trade publications even during a period of consolidation in which they would seem to be most similar.

The oldest of the New York trade papers, *Moving Picture World*, was the most emblematic of the downward trend in advertisements and editorial content. As film historian Anne Kail has written, "beginning around the time of Arthur James as editor-in-chief in 1920 and continuing under Robert E. Welsh's and William J. Reilly's editorship, the quality had declined appreciably in terms of writing style, content, and even in terms of the paper stock on which *Moving Picture World* was published. . . . The articles were much shorter and seemed to consist predominantly of studio advertising and planted stories concerning a studio's latest stars and productions."[26] In addition to struggling to publish at the quality that had distinguished *Moving Picture World* during its first decade of existence (1907 to 1917), the Chalmers Publishing Company had difficulties filing its taxes. When Chalmers got into trouble and appealed to the US Board of Tax Appeals, the court rejected the appeal but rendered an opinion that included sobering financial details. The company owned almost no assets aside from its accounts receivable (unpaid advertising invoices, presumably). In 1920, the Chalmers Publishing Company's net income was only $36,000.[27] *Variety* speculated that, during its final year of 1927, *Moving Picture World* was operating at an annual loss of $100,000.[28] Owning and operating the film industry's oldest trade paper had ceased to be a lucrative business.

Still, there were some bright spots for the Chalmers Publishing Company during the 1920s. The Chalmers' Spanish-language offshoot, *Cine-Mundial*, gained traction throughout the decade as it blurred the lines between serving as a trade paper and fan magazine. As film historian Laura Isabel Serna explains, "Far from being a mere translation of its English-language counterpart, *Cine-Mundial* focused on issues that were important to its readers in Latin American [*sic*] and Spain—the representation of Latin Americans on screen, the geo-politics of film distribution, and Hollywood's short foray into Spanish-language film production in the late 1920[s] and early 1930s."[29] While the precise circulation figures for *Cine-Mundial* are unclear, the numbers for *Moving Picture World* remained respectable until the end, never falling below eight thousand subscriptions.[30] The brand name—*Moving Picture World*—was still meaningful to many exhibitors who associated it with the Stephen A. Bush years.

Despite the revolving door of editors in chief, *Moving Picture World*'s "Projection Department" continued forward, year after year, under the supervision of F. H. Richardson. As I noted in my introduction, Richardson's "Projection Department" (which began in 1908 as the column "Lessons to Operators" and expanded in 1910 into a section called "The Trouble Department") encouraged projectionists and theater managers to write in with their questions.[31] Through detailed descriptions and visual aids, Richardson explained the workings of carbon arc lamps and program boards to operators in St. Louis and Salt Lake City. In 1910, Richardson and the Chalmers Company compiled the columns, reorganized them by topic, and added some fresh material to create the first edition of Richardson's *Motion Picture Handbook: A Guide for Managers and Operators of Motion Picture Theatres*.[32] As *Moving Picture World* limped toward the end of its run in 1927, Richardson published his fifth and largest edition yet of the *Handbook*, spanning two bound volumes and more than one thousand pages.[33] The trade papers and movie studios sometimes got into tax trouble for exaggerating the monetary value of "goodwill" in their balance sheets. Over a twenty-year period, however, Richardson and the *Moving Picture World* brand clearly had cultivated goodwill in the eyes of thousands of exhibitors. These strengths, along with a respectable if declining number of subscriptions, were some of the selling points that in late 1927 drove Martin Quigley to purchase *Moving Picture World*.

The strangest trajectory of a film trade paper during the 1920s belonged to *Exhibitor's Trade Review*. After its controversial first year (detailed in chapter 2) and charges that its publishers were unethical, the paper turned a full 180 degrees when it was acquired for $115,000 in 1920 by one of the most important figures in all of trade publishing: Adelbert B. Swetland, the general manager of the Class

Journal Company and the brother of Horace Swetland, the man who literally wrote the book on industrial publishing in 1923.[34] But not everything was as above board as it may have seemed. Adelbert B. Swetland probably assumed that because of his clout and previous success in trade paper publishing, it would be relatively easy to consolidate and dominate the field of film industry trade papers—just as he and his family had done in the automotive and iron industries. But neither the film industry's advertisers nor subscribers got on board for this plan. Meanwhile, Swetland's competitors refused to sell out to the trade paper founded by Lee A. Ochs and now run by a show business outsider.

Swetland might have been just another wealthy outsider who tried to get rich in the movie industry and lost his shirt in the process. But, instead, he found someone else to play that role. James Davis was a twenty-two-year-old college student who possessed a love for the movies and a $30,000 inheritance.[35] Swetland persuaded Davis to invest all of his money in *Exhibitor's Trade Review* and made him feel special by giving him a job as a film reviewer for the publication. Davis claimed that he "trusted Mr. Swetland like a father." Swetland used the young man's investment to cover the operating expenses for *Exhibitor's Trade Review*, avoid borrowing money, and maintain the company's stock valuation while he searched for a buyer. In 1923, Swetland sold the paper to another publisher from outside the film industry, George Williams, for a mere $10,000 in cash (the deal called for a second cash payment and a transfer of stock, but Williams refused to pay any more after getting a closer look at the paper's financial situation). Swetland used the cash and a subsequent legal settlement with Williams to pay himself deferred salary compensation and recoup part of his investment in the paper. Although Swetland lost some money on the enterprise, he was able to soften the blow for himself, according to Davis, by duping the twenty-two-year-old into signing documents that placed him in last position to be paid back. The young film critic's personal wealth was completely wiped out. Davis found some satisfaction when he won a civil lawsuit against Swetland, but, unfortunately for Davis, it was overturned on appeal.[36]

The saga of Swetland's disappointing three-year ownership of *Exhibitor's Trade Review* and the Davis lawsuit is worth recounting for two reasons. First, it highlights the strong degree to which trade publishing within the film industry operated differently from the trade publishing related to other American industries. Based on his previous successes, Swetland assumed that he could be a hands-off owner of *Exhibitor's Trade Review* and that the prestige of his family's name would move the film industry's leaders to embrace him and the paper. He was wrong. William A. Johnston and Martin Quigley found far greater success as hybrid editor-publishers, who imported techniques and features from papers like Swetland's Class Journal Company yet continually found ways to service the film industry's specific needs (including the formation of a Production Code). Second, the story is a small-scale example of the financial manipulations that led to the stock market's crash in October 1929. By 1922, *Exhibitor's Trade Review* had almost no assets (a trait it shared with *Moving Picture World*) and very little profitability. But Swetland utilized a naive investor and confusing contracts to protect his own money and make the company appear healthier than it actually was. The other national trade papers paid scant attention to the *Davis v. Swetland* lawsuit.[37] But the movie industry that they served produced many variations of the underlying archetypes and conflicts during the Depression years: the seemingly kind yet, in fact, ruthless corporate executive who uses his elite position to pull the wool over the eyes of a gullible victim.

During the period following its controversial sale, *Exhibitor's Trade Review*, now edited by William C. Howe, slid further and further into irrelevance. In 1924, the paper looked like it might be turning the corner thanks to a substantial increase in advertisements: roughly twenty-five pages of ads per issue compared to merely eleven pages per issue two years earlier (see fig. 25). Yet these numbers paled in comparison to the advertising sales of the three larger national papers that same year: *Motion Pictures News* (54.5 pages per issue), *Exhibitors Herald* (49.75 pages per issue), and *Moving Picture World* (38 pages per issue). To make matters worse, *Trade Review*'s paid subscriptions fell by 25 percent over the course of that same year, dropping from 5,808 to 4,630.[38] Ultimately, the paper offered its readers very little that they couldn't find someplace else. A growing number of exhibitors felt it wasn't worth the $3 subscription that it cost them per year. In April 1926, the paper changed formats, ceasing its weekly publication and publishing daily as *Exhibitors Daily Review*, which became a direct competitor to *Film Daily*.[39] Two years later, in 1928, *Exhibitors Daily Review* was acquired by an upstart New York–based trade paper and rebranded as *Exhibitors Daily Review and Motion Pictures Today*.[40]

Although *Motion Pictures Today* did not leave much of a long-term impression on the industry, it is worth noting for its head-spinning editorial shifts and its legacy as part of the genetic makeup of two far more significant trade papers: *Motion Picture Daily* and *Hollywood Reporter*. In 1925, *Motion Pictures Today* was founded by Arthur James, who had previously worked as the publicity director for Metro and the editor of *Moving Picture World* (1920–22). For the first year of the paper's existence, James sought to distinguish *Motion Pictures Today* through its acerbic attacks on the powerful producer-distributors, especially Adolph Zukor. Writing in a style that was far more combative than anything he had published on *Moving Picture World*'s editorial page, Arthur James declared that "block booking now stands as the really great evil"[41] and giddily cheered on the Federal Trade Commission in its investigation into Famous Players-Lasky.[42] In a November 1925 editorial, James served up a physiognomic analysis of the mogul:

> Mr. Zukor is small in stature, like the Emperor Napoleon, and the analogy between the two might be carried still further. But Mr. Zukor has not yet met his Waterloo.
>
> The physiognomist would say that there is intellect in that pictured face, cold, crafty, ruthless, cruel. There is boundless ambition, lust of power, a vast determination and LITTLE else.

> Looking at it thoughtfully, one may wonder what manner of the soul the man behind it really has. Study its characteristics one by one and perhaps you will understand why Mr. Zukor has been declared the motivating spirit behind the motion picture "OCTOPUS."[43]

Here and in similar attacks he leveled at Will Hays and the MPPDA, James sought to position himself as strong and brave, unafraid to speak truth to power, willing to take shots at the moguls whom the other trade papers coddled. But this stance proved short-lived. James would soon use his editorials to praise the genius of William Fox and other architects of the Hollywood studio system.[44] When the Presbyterian magazine *The Churchman* attacked Will Hays in 1929, James leapt to the MPPDA president's defense, publishing an op-ed extolling Hays's leadership and taking the ingratiating step of mailing a copy of it to Hays.[45] In assessing Arthur James as a trade paper editor within this larger context, it's hard not to see his fiery editorials at the dawn of *Motion Pictures Today* largely as a posture and a brief blip in his larger career.[46]

Motion Picture News

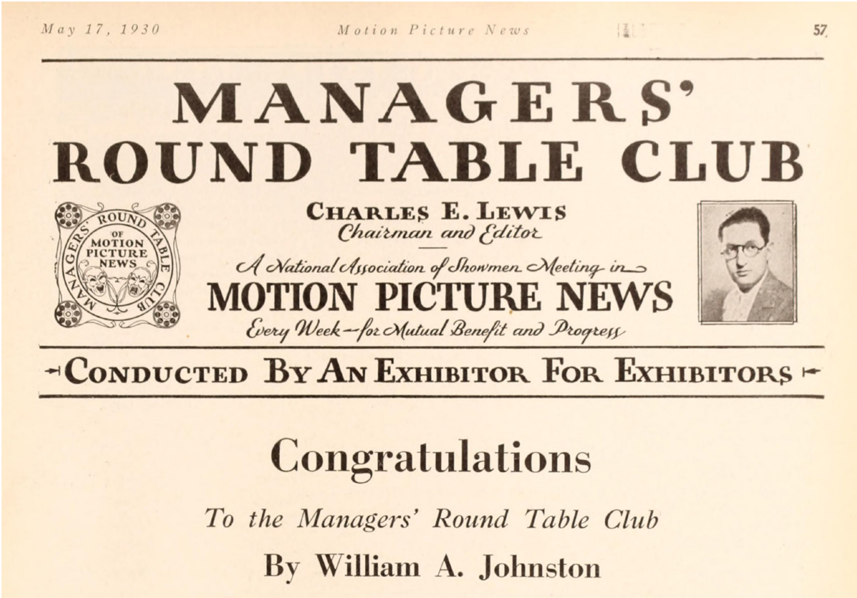
The most important competitor to *Exhibitors Herald* throughout the 1920s was the trade paper that, a decade earlier, had reinvented film industry journalism: *Motion Picture News*. William A. Johnston remained one of the film industry's preeminent thought leaders. When the *Film Year Book of 1922–1923* included a ranked list of the "twelve men who had accomplished the most for the motion picture industry from an artistic, economic viewpoint," Johnston ranked tenth in votes, just behind Thomas Edison and ahead of Cecil B. DeMille. He was the only editor or publisher on the list.[47] In his weekly editorials, Johnston often wrote in a manner that felt tailored for the ears of his fellow members of the top-twelve list (which also included Adolph Zukor, Samuel L. Rothafel, Mary Pickford, and Will Hays), likely coming across as snooty and condescending to small-town exhibitor readers. Yet Johnston continued to find ways to offer something valuable and distinctive to these exhibitors. Beginning in 1921, *Motion Picture News* began publishing its semiannual *Booking Guide*, which organized information about films (including cast, distributor, plot, length, and which audiences would or wouldn't like it) for fast retrieval.[48] Independent exhibitors appreciated the *Booking Guide* and other services that *Motion Picture News* provided, even if they didn't identify with its editor or feel the communal bond that they did with *Harrison's Reports* or *Exhibitors Herald*.

By the time Quigley had published the first several months' worth of *Exhibitors Herald and Moving Picture World*, however, *Motion Picture News* was in a far more precarious position. The year 1928 proved to be a turning point. *Motion Picture News* had shrunk drastically, down to 67 pages per issue (46.5 pages of news or editorial, 20.5 of advertising) in 1928 compared to 102 pages (42.5 of which were ads) in 1926 and 163 pages (73 ads) back in 1920. The number of subscribers had likely declined, too. We don't know the subscription numbers with any certainty, however, because at some point in the mid-1920s, Johnston dropped out of the Audit Bureau of Circulation (ABC). This was a surprising choice, considering Johnston had argued for the importance of auditing circulation numbers a decade earlier. Did the industry's most data-oriented trade paper editor turn his back on publishing ethics when the data no longer looked favorable? Martin Quigley certainly thought so, and *Exhibitors Herald and Moving Picture World* proudly trumpeted that it was the film industry's only ABC-audited publication.[49]

In an apparent effort to gain more money and resources, Johnston entered into a deal that would tie *Motion Picture News* to the booming stock market. For years, Johnston had been a booster for financing and stock offerings in the film industry. "The appearance of so many motion picture issues on the Stock Exchange marks undoubtedly this industry's outstanding achievement in 1925," Johnston had remarked.[50] In a 1926 editorial, Johnston dismissed fears that Wall Street would take over the film industry and wrest control away from its current leaders. He viewed these fears as ignorant and hysterical: "There won't be any Wall Street control in this business, nor any more Wall Street interference than Wall Street can possibly avoid."[51] In 1928, Johnston put this conviction into action, joining with the publishers of several other periodicals to form the Angus Company. All these publishers, including Johnston, turned over ownership of their papers to Angus and received stock in the new company from its underwriter, Bodell & Co., which also began selling shares of Angus publicly on the New York Stock Exchange.[52] Through this arrangement, Johnston gained access to more cash to operate *Motion Picture News*, and he enjoyed the prospect of watching his shares of Angus increase in value based on the performance of Angus's periodicals and the excitement for investors in his company. Johnston remained the publisher and editor of *Motion Picture News*, as well. What he may not yet have realized was that he had traded away his autonomy. The future of *Motion Picture News* would be determined by what was best for the shareholders of the Angus Company, not what Johnston personally wanted.

Around the same time that the Angus Company was formed, *Motion Picture News* implemented a new department that would have a long-term impact. The idea was to create a "club" where exhibitors could write in, trade ideas, and feel a sense of community. Charles "Chick" Lewis, an exhibitor from New England, founded the club and became its first president. As Lewis told the story a few years later:

> In the month of March or April, 1928, I wrote William A. Johnston and stated that in my opinion the trade papers of that time were without much appeal to the average theatremen. I pointed out that the greatest part of the contents of Motion Pictures News was of more interest to the home office officials than to the theatremen who constituted not less than 90% of the paid circulation. I told him that in my opinion much could be done to make his publication of real interest and value to these many subscribers through the medium of a department or "get-together" section wherein they could meet each week and talk "shop," discussing ways and means of operating their theatres more efficiently, merchandise the pictures and advertise the house in


May 17, 1930 Motion Picture News 57

MANAGERS'
ROUND TABLE CLUB

CHARLES E. LEWIS
Chairman and Editor

A National Association of Showmen Meeting in
MOTION PICTURE NEWS
Every Week—for Mutual Benefit and Progress

MANAGERS' ROUND TABLE CLUB OF MOTION PICTURE NEWS

CONDUCTED BY AN EXHIBITOR FOR EXHIBITORS

Congratulations

To the Managers' Round Table Club

By William A. Johnston

FIGURE 26. Distinctive typography and a portrait of Charles E. Lewis signaled to readers that they had reached the "Managers' Round Table Club," the most popular section of *Motion Picture News* from 1928 to 1930. *Source: Motion Picture News,* May 17, 1930, https://lantern.mediahist.org/catalog/motionnew41moti_0683.

> general. He immediately communicated with me to the effect that after sober reflections he was convinced that what I stated was the truth.[53]

The "Manager's Round Table Club," as it soon became known, was initially pitched toward independent exhibitors in towns containing between ten thousand and thirty thousand residents. In other words, it was intended for a demographic who operated in markets larger than the *Herald*'s "What the Picture Did for Me" contributors (who were primarily from towns with populations under five thousand) yet who still needed to be crafty, scrappy, and creative in order to compete for their customers' attention and stay in business. But *Motion Picture News* quickly encouraged Lewis to expand and include exhibitors in larger towns and cities, too.[54] As a result, the club's members came to include managers in Brooklyn, Toledo, and Denver, as well as smaller town exhibitors. These showmen shared ideas that spanned a wide range of promotional budgets, all the way from elaborate parades to cheap stunts (including free admission to children on their birthday, provided they arrived at the box office with documentation).[55]

Lewis threw himself fully into the task of building up the club's membership. During the summer of 1928, he took a five-week road trip through the states of Ohio, Indiana, Pennsylvania, and New Jersey, enrolling more than fifty new club members in the process.[56] When charter members of the club began sending letters to Lewis, who arranged and edited them in the pages of *Motion Picture News*, it encouraged more exhibitors to sign up as well. The paper as a whole greatly benefited from the new section, which adopted the slogan "Use the NEWS!," a clever way of signaling to exhibitors that they would find material of immediate application and value in *Motion Picture News*. "Manager's Round Table" also gave *Motion Picture News* something that it had never enjoyed before—a passionate, energetic group of exhibitors who directly participated in a community through the paper. William A. Johnston, who for more than a decade had been criticized for being out of step with the experience of independent exhibitors, was given the honorary title of "chairman" of the club.

Over the next two years, the "Manager's Round Table" section grew exponentially. What started as a single-page insert grew to four pages, then to eight pages, and up to sixteen and twenty-four pages in some issues. The popular section was responsible for more than a third of the content in some 1930 issues of *Motion Picture News*, as well as a welcome boost to the paper's subscription base. The many implications and challenges of the transition to sound became a frequent discussion topic for the club, with exhibitors offering one another practical pieces of advice for promoting their installations of the new technology and, in cases where they couldn't afford it, competing with those theaters that could. By mid-1929, the amount of correspondence and editing work had grown so large that Lewis left his theater in Connecticut, moved to New York, and devoted himself full-time to the *News*. Johnston supplied his most important department editor with an office, secretary, and assistant editor. *Motion Picture News* continued to struggle to achieve anywhere close to the level of advertising sales that the paper had enjoyed in the mid to late 1920s, but the paper had achieved a sense of urgency, freshness, and community thanks to "Manager's Round Table."

In September 1929, Johnston seems to have believed that the day-to-day operations of *Motion Picture News* were going well enough to allow him to step away from the role of editor while retaining his title as publisher. To fill his vacated editor-in-chief role, Johnston recruited Maurice "Red" Kann, an energetic and well-liked journeyman in the film industry's trade press who at the time was editing *Film Daily* for publisher Jack Alicoate. "My desk here remains as before," explained Johnston to his readers. "But I shall now have an opportunity to get about more and write for *Motion Picture News* from other sources quite as important as New York City."[57]

None of this was to last.

QUIGLEY, THE MEDIATOR

Ironically, during the same period in the late 1920s when *Motion Picture News* was deepening its engagement with exhibitors, *Exhibitors Herald* was moving in the opposite direction—strengthening its relationships with the major studios and their trade organization, the MPPDA. Martin Quigley had built *Exhibitors Herald* in the mid to late 1910s based on a perception of independence and talking straight to the exhibitor. And, in a series of high-profile issues in the summer of 1920, Quigley had aggressively attacked Zukor's expansion plans for Paramount. Less than a decade later, however, Quigley the independent insurgent was transforming himself into Quigley the industry mediator and unifier. He saw himself as a mediator between the major Hollywood studios and independent exhibitors. He would also become an important mediator between Hollywood and the Catholic Church. From Quigley's perspective, these were important and essential services that he was providing the industry. He believed that serving exhibitors, distributors, and producers did not need to be mutually exclusive. But many of his readers did, and many of the conflicts that followed emerged from that fundamental disagreement and the mistrust it bred. In *Harrison's Reports*, editor P. S. Harrison went so far as to say that "Martin Quigley has forgotten that the independent exhibitors exist."[58]

The transformation of *Exhibitors Herald*'s role and significance within the industry took place over a four-year period, from mid-1927 to mid-1931. Before interrogating the key moments within this change, however, it's useful to assess Quigley's objectives and strategies that drove the actions. "The combination of *Exhibitors Herald* and *Moving Picture World* realizes a goal which myself and my associates have been endeavoring to reach for nearly 13 years," reflected Quigley in the paper's first-ever issue in January 1928. "This goal is a publication commensurate with the requirement of being able to serve effectively and appropriately the entire motion picture industry in all of its branches and in all of its territories."[59] While the ambition of serving all the branches of the industry would come to define the next several years, it was the emphasis on serving *effectively and appropriately* that he emphasized most often in his internal memoranda. Effectiveness was something that Quigley expressed in quantitative terms: better advertising value thanks to wider circulation. But the idea of appropriateness was just as important to him. He had a strong sense of propriety—some things should not appear in print, just as some things did not belong on the screen. *Variety* and *Film Mercury* both violated the aspects of economy and propriety that Quigley held dear. All of these stated goals were built on an unstated goal and assumption: his paper should be granted a monopoly to serve the industry's many branches in an effective and appropriate way.

How did Quigley pull off the deal to acquire *Moving Picture World?* Unfortunately, I have not been able to locate any primary sources to definitively answer this question. But here are a few things that we do know. As I have noted, *Moving Picture World* occupied a vulnerable position throughout most of the 1920s, and it became even weaker as the studios cut back on advertising spending in 1927. The conditions were ripe for Quigley to buy out a competitor. According to Quigley, his negotiations with the Chalmers Company proceeded swiftly and secretly. The announcement came as a surprise to most of the industry, though probably not to Will Hays, whom Quigley thanked in the paper's first issue for his "constructive suggestions and encouragement" that "have had no small influence upon the developments which have led to the consolidation of *Exhibitors Herald* and *Moving Picture World*."[60] The precise figure for the acquisition is unknown, but based on references in court cases over the next several years, it was probably between $75,000 and $150,000. One thing we do know is that Quigley included noncompetition clauses in all of his acquisitions of the era.[61] He wanted to make sure that the publishers he was buying out did not immediately start a new film journal and threaten his business. In the months following its sale of *Moving Picture World*, Chalmers Publishing shifted its attention to a new industry and acquired the *Oriental Rug Magazine*—ironically, reversing the trajectory of Adolph Zukor, Carl Laemmle, and other movie moguls who started as dry goods merchants before venturing into show business.[62] Chalmers Publishing also continued to publish *Cine-Mundial*.

Over the three-year lifespan of *Exhibitors Herald and Moving Picture World*—soon shortened to just *Exhibitors Herald World*—Martin Quigley sought to make both his paper and himself indispensable to the MPPDA and its member companies. The first major battleground was the abovementioned Brookhart Bill. In his editorial page, Quigley opposed the Brookhart Bill for the way it failed to account for the complexities of the film industry and invited the federal government to interfere with private enterprise.[63] On the interrelated matters of distribution policies and screen content, Quigley objected to "outside interference in the internal problems of the business."[64] Quigley also granted ample space in his journal to representatives of the MPPDA to make their case against the bill. The February 25, 1928, issue of *Exhibitors Herald and Moving Picture World* contained a two-page spread that reprinted the legal opinion of the MPPDA's general counsel, C. C. Pettijohn, who deemed any ban on block booking to be illegal for the way it would restrain bargaining between exhibitor and distributor and mandate to distributors who they had to select as their customers.[65] The perspectives of pro-Brookhart exhibitors—of which there were many—found ways to enter the paper, particularly in brief news items reporting on the decisions of exhibitor groups.[66] Supportive references to the Brookhart Bill also popped up in the "What the Picture Did for Me" section. "If the Brookhart bill gets the exhibitor out from under the duds like this one, he will have accomplished something at least," wrote a small-town Indiana exhibitor in his pan of the Pathé-PDC feature, *Angel of Broadway*.[67] Overall, however, the voices of MPPDA leaders who opposed the bill received much greater prominence—and explicit support from Quigley—in *Herald World*.

Although the Brookhart Bill was defeated in March 1928, the tensions between, on the one hand, the major studios and theater circuits, and, on the other, independent exhibitors only deepened over the coming year. The growing dissonance was especially loud in *Exhibitors Herald World* over matters related to the transition to sound film. For example, the first three-quarters of the January 5, 1929, issue contained an assortment of advertisements, reports, and giddy opinions related to what sound films would mean for the year. Quigley was especially adamant about pushing his own neologism, *audiens*, as the term that should be used instead of terms such as *talkies, talking pictures*, or *soundies*.[68] He lost that wordsmithing battle, but the overall takeaway from the first fifty-eight pages of the issue was unmistakable: sound films are transforming the industry—for the better. That perspective, however, got flipped in the last several pages of the issue, in “What the Picture Did for Me.” Along with the brief exhibitor reviews, the section contained a lengthy piece by the section’s editor, J. C. Jenkins. In describing a recent visit to eastern Indiana, Jenkins wrote:

> We have seen more tombstones around theatres the past week than we have ever seen before. Business has been terrible. We have not found a single theatre in all our travels, outside of those in larger cities having sound devices that has anywhere near paid film expenses. . . . Our observations have been that theatres in the smaller towns located within reasonable driving distance of cities having sound equipment are up against a hard proposition, and we can’t get away from the conclusion that unless this equipment is placed within reach of these smaller theatres, many of them will be forced to close. We have found many already closed, and more are seriously considering closing. This may be a pessimistic view, but we are reporting conditions just as they exist.[69]

Jenkins was hard-pressed to find any easy solutions. Promotions, advertising, and other forms of “exploitation do not bring the answer,” wrote Jenkins, who also commented that, unfortunately, “good pictures do not seem to solve the problem, although it is a great help.”[70] As usual, Jenkins also used “His Colyum” (as he called it) to build a sense of community and goodwill among exhibitors, in this case through appealing to the Christmas spirit. But the overall outlook was dire, serving to highlight the differences between the fortunes of the downtown large theaters wired for sound and their small, rural counterparts.

To add insult to injury, Quigley would soon put the entire “What the Picture Did for Me” section out to pasture. As film historian Kathryn Fuller-Seeley has observed, *Exhibitors Herald World* “downsized [‘What the Picture Did for Me’] in 1929, thereafter publishing only a few individual exhibitors’ reports in the weekly ‘Letters to the Editor’ column. Although the exact reasons for its diminution remain unknown, it was possibly an indication of the booming film industry’s increasingly dismissive attitude toward rural exhibitors.”[71] Fuller-Seeley is correct that the major studios and broader, booming industry were dismissive about rural exhibitors. But what is important here is the active choice that Quigley made to join them in this view. The publisher who got his start appealing to independent midwestern exhibitors had made the calculation that they were less important to the future of the film industry and his business than the studios, circuits, and MPPDA.

During this period, some prominent exhibitor leaders criticized Quigley for what they perceived as always taking the side of the MPPDA. In *Harrison’s*

Reports, P. S. Harrison charged Quigley with treason, calling him "the most obedient servant of the producers and distributors."[72] Quigley also entered into a feud with Frank Rembusch, the Unaffiliated Independent Motion Picture Exhibitors of America's leader and Indiana exhibitor, who, coincidentally, *Exhibitor's Trade Review* had libeled alongside William Johnston in 1917 (see chapter 2).[73] Rembusch was livid at Quigley's writing, which he viewed as propaganda on behalf of the MPPDA and "just a lot of character assassination and throwing of dung." He went on to say: "Why you love to pick on me is only explained by the fact that you know what Mr. Hays wants to say and probably Pettijohn [the MPPDA general counsel] writes your editorials."[74] In a separate, handwritten note sent to Quigley, Rembusch included a postscript: "Somebody is going to be the 'last of the Mohicans.' *Not me*" (emphasis in original).[75] It was a battle for survival, as Rembusch saw it, and Quigley had clearly picked the side of the MPPDA.

The provenance of the correspondence between Quigley and Rembusch supports the Hoosier exhibitor's claim of a cozy relationship between Quigley and the major studios. The letters were saved in the MPPDA archives because Quigley forwarded them to Hays and Pettijohn. The MPPDA filed away another letter with similar claims from the increasingly powerful Allied States Association of Motion Picture Exhibitors. Sent by Allied's president (and the former FTC commissioner), Abram F. Myers, to the members of his organization, the letter proposed the creation of a monthly twenty-four-page bulletin in response to "the low condition of the trade press. . . . They frankly admit that they dare not pursue a policy favorable to the exhibitors of the country because to do so will deprive them of all producer advertising." Myers envisioned that the bulletin would also play a role in community building, "aid[ing] mightily in knitting together the far flung membership of Allied, now scattered over thirty states."[76] Nothing immediately appears to have come from this proposal, although *Independent Exhibitors Film Bulletin*, founded a few years later in 1934, resembled Myers's plan in many ways.[77]

The relationship between Quigley and the MPPDA was far more dynamic and significant, though, than Harrison, Rembusch, or Myers could have realized. They accused Quigley of being a mouthpiece for the Hays Office. But these roles would soon be flipped, with Quigley coauthoring the document that would become known as the "Hays Code" and profoundly influencing Hollywood's approach to storytelling.

THE CODE AND THE SCOOP

It was through helping the MPPDA address a local matter in Chicago that Quigley got involved in the writing of the Production Code. "Charles C. Pettijohn was working to repeal the city's censorship ordinance by gaining the support of the city's Catholic archbishop, Cardinal George Mundelein," explains film historian Richard Maltby.[78] This campaign placed Quigley in the position of mediator between the MPPDA and the Catholic Church and made the publisher aware, through Pettijohn, that the trade organization was embarking on a rewrite of its rules concerning production.[79] The MPPDA's Studio Relations Committee (SRC) had issued two previous documents concerning the permissible content of movies: "The Formula," passed in 1924, which encouraged producers to send the SRC potentially problematic scripts for review; and the "Don'ts and Be Carefuls," passed in 1927, which distilled the policies of numerous state and municipal censorship boards into eleven prohibitions ("don'ts") and twenty-six areas in which to "be careful."[80] Yet neither of these documents had proven effective at preventing controversial movies from being produced and distributed. Based on a growing amount of negative publicity about immoral pictures—along with economic pressures related to censorship and the transition to sound—Hays instructed a committee of producers, led by Irving Thalberg, to revise the "Don'ts and Be Carefuls."[81]

Quigley shared the view that the industry needed better guidelines and better enforcement. But he believed there was an even bigger problem in the framing of the rules. The "Don'ts and Be Carefuls" were focused on the negative, that which should be avoided. Quigley envisioned a more powerful statement that explicitly affirmed Christian morality, using general principles as a way to address particular instances that would be offensive. To draft the new code, Quigley collaborated with Father Daniel Lord, a priest with an active interest in motion pictures and their influence on public morality (especially in regard to young people). Although he was based in St. Louis, Lord traveled widely and had acted as a consultant on Cecil B. DeMille's feature *The King of Kings* (1927).[82] As they worked on their version of the code in fall 1929 and January 1930, Quigley and Lord kept in close communication with Pettijohn at the MPPDA while simultaneously reporting their activities to Cardinal Mundelein, who told them they were his "contact men" and gave them autonomy on "everything up to the final decision."[83] The goal from the beginning, in other words, was to draft a document that both a Catholic cardinal and the most powerful people in Hollywood would accept. This was an audacious project for a trade paper editor and priest to take on, and it was all the more remarkable for the fact that they succeeded.

In their collaboration on the Code, Quigley and Lord came to resemble a producer-screenwriter team. Quigley was the producer, offering ideas and feedback to Lord, staying in close contact with the power players, and trying to move their project toward a green light from both the church and studios. Meanwhile, Lord was the one responsible for putting pen to paper, writing and rewriting the document that would become the Production Code of 1930. The key negotiations and test occurred in Los Angeles in early 1930. In January of that year, Quigley traveled to California to meet with Hays, who was enthusiastic about the proposed code. Quigley then encouraged Lord to join them on the West Coast so that he could present his document to the producers and address their questions.[84]

FIGURE 27. Martin Quigley stands to address a room of industry leaders in 1935; his frequent ally, MPPDA chief Will Hays, is seated to his left. Photograph courtesy of Georgetown University Library Special Collections.

In a lengthy meeting on February 10, 1930, Lord addressed the producers, imploring them to recognize the influential power of their medium and walking them through the Code's "general principles" and "particular applications" in depth.[85] Quigley was present but mostly silent at the meeting. Among the producers, Irving Thalberg was the chief voice of opposition, advocating for a narrower set of guidelines based on the existing "Don'ts and Be Carefuls."[86] Lord's emphasis on the moral responsibility of film producers and the transformative power of the medium sat uneasy with Thalberg, who viewed the movies as a form of commercial entertainment that simply mirrored public taste and demand. The public influenced movies far more than movies influenced the public, in Thalberg's opinion. Yet it was the charismatic Lord who won the day. After meeting separately to deliberate and make some minor amendments, the producers unanimously voted to accept the Production Code created by Lord and Quigley.[87]

Quigley and Lord kept their names and involvement off the code that was publicly shared. "Formulated by the Association of Motion Picture Producers, Inc. and the Motion Picture Producers & Distributors of America, Inc." was the only attribution of authorship published under the heading "A CODE Regulating Production of Motion Pictures." The agreement was based on three "GENERAL PRINCIPLES":

1. No picture shall be produced which will lower the moral standards of those who see it. Hence the sympathy of the audience should never be thrown to the side of crime, wrong-doing, evil or sin.
2. Correct standards of life, subject only to the requirements of drama and entertainment, shall be presented.

3. Law, natural or human, shall not be ridiculed, nor shall sympathy be created for its violation.

The document moved through twelve sections detailing "particular applications" —the majority of which related to depictions of sex and sexuality in some way (for example, "dancing" was listed as section seven of twelve and forbade "dances suggesting or representing sexual actions or indecent passion"). Other prohibitions included representations of brutal violence, illegal drugs, and the defacement of the American flag.[88]

The origin story of Hollywood's Production Code has been told many times before and with considerably more detail than what I offer in this chapter. Yet it is important to explore again here for what it tells us about the unique position Martin Quigley occupied within the industry during the *Exhibitors Herald World* years. Although many trade paper editors sought to be "thought leaders," no trade paper editor before or since him exerted such influence on film content and industry practice.

By acting as both a leader and intermediary, Quigley had put a Catholic priest at the center of writing new rules that Hollywood agreed to follow. He had offered something valuable to the MPPDA producers and distributors while also, in his view, delivering a win for independent exhibitors, who would become liberated from racy pictures that offended the sensibilities of their communities (and attracted the scissors of censor boards). From his perspective, he was following through on his promise to constructively improve all branches of the film industry. On the train ride back to Chicago, Quigley must have felt a sense of power and triumph.

It was short-lived.

Within a matter of days, Quigley and Lord's sense of victory and accomplishment transformed into feelings of disappointment and betrayal. The first blow came when someone close to the Code leaked it to the New York paper that Quigley most loathed. "Picture 'Don'ts' for '30," announced the February 19, 1930, headline of *Variety*. "Will Hays put the halter around the necks of the members of the Association of Motion Picture Producers at their annual meeting last night (Monday)," *Variety* reported. "Producers and members agreed to abide by his rules and regulations that will govern the industry in such a manner that censorship measures throughout the country will not be required and will probably be abandoned according to his plan."[89] Quigley was furious that *Variety* had scooped him on the biggest story of his career. He was not looking for credit; Quigley and Lord had deliberately left their names off the Production Code to downplay the involvement of the Catholic Church.[90] Nevertheless, the unauthorized leak of a document that he helped bring to life felt like a personal affront. Adding insult to injury, *Variety* had framed the story in terms of "don'ts" rather than a code rooted in decency and morality, and it applied its freewheeling approach to language to describe the MPPDA's action as "Hays put[ting] the halter around the necks."

But Quigley directed his greatest anger toward Hays, whom he felt betrayed him. Hays vigorously denied that he or anyone on his staff had leaked the Code to *Variety*.[91] But Quigley did not believe him, writing to Lord that "Hays continues to lie about the Variety release. He has had no intention of doing anything about it and he has no intention of doing anything about it now. Hays does not even dare speak to Variety about the matter for reasons that both Hays and myself well know."[92] It's unclear what exactly the "reasons" were that Quigley alluded to in his letter. It's possible that he was referring to the fact that many leading film producers and *Variety*'s editor, Sime Silverman, were Jewish. Or it could have been an acknowledgment (and warning) of the increasingly close relationship that *Variety* was enjoying with the Los Angeles production community, a tighter interpersonal bond than either Hays or Quigley enjoyed. In either case, it seems likely that Thalberg or another member of the producers committee was the source of the leak. It was a message to Quigley that he and Lord did not control Hollywood or the producers.

Over the next four year, Quigley grew disillusioned with the lack of Code enforcement. He complained to Hays that "the letter and spirit of the Code" were being violated right and left.[93] No meaningful action came of his complaints. In their correspondences, Quigley and Lord expressed a shared frustration—as did Quigley's friend and fellow Catholic Joseph Breen, who unfurled anti-Semitic insults in his reports on Hollywood and doubted whether Hays had any clout left among studio producers and executives.[94] But while the lack of enforcement for the Code proved disappointing, new opportunities emerged. As the Depression set in, Quigley found the circumstances favorable to complete the consolidation of the trade press and punish his enemies in the process.

SWALLOWING THE NEWS AND FINANCING CONSOLIDATION

Martin Quigley had pursued a strategy of acquiring and absorbing rival trade papers, beginning with *Motography* in 1917 and growing in scale with *Moving Picture World* in 1927. In the months following the adoption of the Code in February 1930, however, he found an ideal set of circumstances for finalizing, in his words, "a motion picture trade press consolidation." Quigley had positioned himself well for this moment, having proven himself a valuable ally to the MPPDA member companies with his roles in drafting the Production Code and opposing the Brookhart Bill and censorship laws. But it was the crash of the stock market in October 1929 and onset of the Great Depression that laid the groundwork for Quigley's market takeover. The Depression resulted in more cost-consciousness for the major motion picture distributors, who were under pressure to deliver results for investors and service debt payments on the huge amounts of money they had borrowed.[95] Previous attempts to consolidate the trade press and concentrate advertising in a single publisher had failed owing to a lack of organization and discipline among the studios. But a plan that could substantially reduce trade paper advertising costs for Paramount, MGM, and the other major companies could no longer be ignored by studio executives facing the prospect of receivership in the near future.

Even more important, Quigley's most formidable competitor, William A. Johnston of *Motion Picture News*, was under pressure from Wall Street in a manner similar to the highly leveraged studios. Two years earlier, in 1928, Johnston had traded away his ownership in *Motion Picture News* for stock in the newly formed Angus Company. Although Johnston served as an executive officer within Angus, the corporation's primary control seems to have resided with Bodell and Co., the bank that had issued its stock offering.[96] With the decline of the stock market, the Angus Company needed to seriously entertain any cash offer to purchase one of its journals. Johnston's ability to say "no" merely on principle had been lost; instead, he had a fiduciary obligation to obtain the best possible purchase offer. Sometime in the summer or fall of 1930, Quigley entered into serious negotiations with Johnston and the Angus Company to acquire *Motion Picture News*. To their credit, the sellers exacted a hefty premium—the purchase price would be $385,000 for a journal with only $40,000 in assets. But the deal came with the same noncompetition provision that Quigley had insisted for the Chalmers Company: Johnston had to sign a contract "agreeing not to engage in similar business for a period of five (5) years."[97] Around this same time, Quigley began negotiating with Arthur James to acquire *Exhibitors Daily Review and Motion Pictures Today* for a significantly lower price than *Motion Picture News*.

To finance the acquisitions of *Motion Picture News* and *Exhibitors Daily Review and Motion Pictures Today*, Quigley turned to the major studios. On October 15, 1930, Quigley sent a letter outlining his plan to Adolph Zukor, the head of Paramount-Publix and a master himself at consolidating and eliminating one's competitors.[98] What was the consolidation plan? Quite simply, the Big Five studios (Paramount, MGM, Warner Bros., Fox, and RKO) would commit in advance to purchasing $100,000 of advertising per year in Quigley's publications. Quigley would then use these guarantees to borrow the money needed to buy out *Motion Picture News* and *Exhibitors Daily Review and Motion Pictures Today*. In return for agreeing to the plan, Quigley promised the studios three things that are especially salient for this study. The first deliverable was economic in nature: "substantial savings to the motion picture advertisers by eliminating duplication in advertising efforts." Quigley estimated savings to the studios of $25,000 to $40,000 per year by concentrating their advertising dollars in one publication

Funneling advertising into just one publisher was the setup for Quigley's second promised deliverable: "Providing for the motion picture industry a publication of outstanding strength, influence and prestige—giving to the motion picture industry a Press comparable in service and personnel potentialities to that offered by the leading journals which serve other industries." This rationale may sound familiar; it was the same basic argument that William A. Johnston had articulated in 1917 when he advocated for only two trade papers to serve the industry. Ironically, it was Quigley's takeover of *Motion Picture News* that was enabling this vision to come to fruition.

Quigley's third proposed deliverable was the one that would wind up costing him the most face. "The plan contemplates the publication of a Hollywood Daily Edition," Quigley told Zukor. "The principal aim in its establishment would be to round out the service of the Press, to give the industry an authoritative voice in Hollywood and to off-set the irresponsible publications now issued there." Quigley did not list the "irresponsible publications" in Los Angeles by name. But readers of chapter 4 will have no problem guessing some of them. *Film Spectator*'s Welford Beaton had angered powerful studio executives by taking the side of labor and creative workers amid the 1927 salary cut debate. Later, in 1929, Beaton raised the ire of Will Hays when he attacked the MPPDA in a widely reprinted speech to the California Federation of Women's Clubs.[99]

Quigley had also expressed disdain on previous occasions for *Film Mercury*. The feeling was mutual; Quigley's editorials and the "What the Picture Did for Me" reviews were favorite punching bags for *Film Mercury*'s editor, Tamar Lane.[100] What remains unclear is the extent to which, in October 1930, W. R. Wilkerson's *Hollywood Reporter* was regarded as a threat. As a daily publication, *Hollywood Reporter* bears the most similarity to the new Hollywood publication that Quigley was proposing. Yet the *Reporter* had only begun publishing a few weeks prior to Quigley's letter to Zukor, suggesting that *Film Mercury, Film Spectator*, and other more established LA publications may have been the primary targets he sought to push aside. In any event, Quigley clearly thought Hollywood would be easy and cheap to win over. As box 3 demonstrates, the estimated budget that Quigley shared with Zukor included only $75,000 annually for the Hollywood daily, far less than the $220,000 budgeted for the New York daily and the $520,000 for the flagship weekly. For a shrewd publisher, this was a major blind spot and misstep.

In the weeks following Quigley's letter, the deal became finalized. The studios appear to have gotten on board, signing the contracts for $100,000 in yearly advertisements that allowed Quigley to finance his acquisitions of *Motion Picture News* and *Exhibitors Daily Review and Motion Pictures Today*. Even though Quigley could contractually block both of their editor-publishers from editing trade papers, he offered them jobs on his new staff. William A. Johnston would serve as the editor of the LA daily, now titled *Hollywood Herald*, with a debut planned for the spring or summer of 1931. Arthur James received a more noticeable demotion. Despite the fact that he had previously edited the publication that was the basis for Quigley's proposed New York daily publication, now titled *Motion Picture Daily*, Quigley gave the job of editor to Maurice "Red" Kann, formerly of *Motion Picture News* and *Film Daily*.[101] James was moved to an associate editor position at *Motion Picture Herald*, reporting to the new editor of the flagship weekly, Terry Ramsaye.[102]

BOX 3. QUIGLEY PUBLISHING'S ESTIMATED ANNUAL REVENUE AND EXPENSE

REVENUE

ADVERTISING

Five major companies		$ 500,000	
Other regular distributors (based on 1929 expenditures in the three publications).		136,000	
Miscellaneous film advertising (based on 1929 expenditures in the three publications).		100,000	
Equipment advertising (based on 1929 expenditures in the three publications, less deductions for duplicating schedules).		198,000	
SUBSCRIPTIONS:		70,000	
SALES:			
Annual Publication	$65,000		
Hollywood Publication (Pro. Accounts)	25,000	90,000	
MISCELLANEOUS INCOME: Pro. Advt., Reprints, Inserts, Color Prtg.		30,000	
			$1,124,000

EXPENSE

The cost of publication of the three papers would, on the basis of present operating and printing costs, after allowing for appropriate development, approximate annually as follows:

National Weekly........	$520,000	
New York Daily........	220,000	
Hollywood Daily........	75,000	
Annual.................	40,000	
		855,000
		$269,000

Quigley Publishing's estimated annual revenue and expense from consolidation of trade press through acquiring *Motion Picture News* and *Exhibitors Daily Review and Motion Pictures Today.* October 1930. SOURCE: Recreated from Martin J. Quigley to Adolph Zukor, Oct. 15, 1930, Martin J. Quigley Papers, box 3, folder 16, Georgetown University Library.

As the first editor of *Motion Picture Herald*, Terry Ramsaye brought a combination of prestige and professionalism to the office. Over the previous two decades, Ramsaye had bounced between positions in journalism, film production, and distribution.[103] His biggest accomplishment, however—and what he is best remembered for today—was writing an early history of cinema that wove together colorful anecdotes shared by key figures (especially Thomas Edison) into a dramatic narrative of film's development.[104] The project had started in 1921 as the serialized "Romantic History of the Motion Picture" for the fan magazine *Photoplay*.[105] In 1926, Ramsaye published a revised version of the series in book form as *A Million and One Nights: A History of the Motion Picture*.[106] Ramsaye had distinguished himself by his ability to take other people's stories and tell them well, while simultaneously displaying an ability to manage the minutiae of working for a film exchange or newspaper. Quigley welcomed Ramsaye, with his unique skill set and pedigree, onto *Motion Picture Herald*'s masthead.

With Ramsaye now serving as *Motion Picture Herald*'s editor, Martin Quigley gave himself a promotion, serving as the supervising editor in chief and publisher across all the Quigley publications. Freed from some of the humdrum tasks involved with editing a trade paper week after week, Quigley gained more time to give speeches, take meetings, write to influential people, and perform the role of industry thought leader. Quigley would continue to serve as the key voice in *Motion Picture Herald*'s editorial page, offering a column nearly every week (and frequently reprinting the same pieces in *Motion Picture Daily* and *Hollywood Herald*). Quigley had long wanted to be the voice for the entire industry. Now having dispensed with his biggest rivals, he was in a position to make his voice more loudly heard.

In the final issue of *Exhibitors Herald World* on December 27, 1930, Quigley announced the formation of *Motion Picture Herald*, emphasizing that the new publication "will seek its reward, not in catering to any special interest, but in the satisfaction it shall be able to render to the whole industry." He asserted *Motion Picture Herald*'s independence, insisting that it "shall not deal in either prejudices or favoritism." In the most striking passage of all, he promised to "deal fairly and equitably with every phase and feature of the business from the smallest cross-road exhibition interest to the greatest theatre circuit; from Poverty Row to the greatest studio; from the single-picture state-righter to the greatest distribution system."[107] Like many of Quigley's statements around this time, his attempt at industry unity had a condescending quality, with a "know your place" subtext to the small-time players conjured in his description. Worse yet, the sweeping encompassment of these constituencies ignored the uneven power dynamics that had been central to the Brookhart Bill debates. Did the major distributors "deal fairly and equitably" with small-town exhibitors when they compelled them to book entire slates of pictures, sight unseen, and wait months for their turns to show them? Did the studio-owned theaters "deal fairly and equitably" with the Poverty Row producers who could not get their movies into downtown theaters? Unity, fairness, and equity were not terms that most of *Motion Picture Herald*'s exhibitor readers associated with their chosen industry. If Quigley did not want to address and call out these structural inequalities, those readers would turn to other trade paper editors who would.

CONCLUSION

In 1920, Martin J. Quigley had called out Adolph Zukor's attempts at vertical integration as the greatest threat to the industry, certain to lead to monopolization.[108] A decade later, Quigley requested Zukor's support in granting him just such a monopoly over the film industry's trade press. The irony is remarkable. For P. S. Harrison and many of his independent exhibitor readers, Quigley was a hypocrite and a traitor. Although they would not have had access to the archival letter from Quigley to Zukor, the involvement of the MPPDA in the trade paper consolidations of 1930 was reported on and rumored about following the launch of *Motion Picture Herald*.[109] Exhibitors suspicious of the consolidation would have found just cause even in the new trade paper's title. While *Motion Picture Herald* may have been conceived as a shorthand way of combining *Motion Picture News* and *Exhibitors Herald*, it is telling that *Exhibitors* was one of the words selected to be eliminated in the new title.

From Quigley's perspective, though, he never abandoned those exhibitors. The industry was changing. Rather than fighting that change, he was trying to help it evolve for the better—building better theaters, avoiding government regulation, adopting a Production Code for the creation of more wholesome movies. Harrison had spent years decrying dirty pictures, but what had all of his editorials and reviews ultimately changed? Quigley, however, had brought a priest into a room full of producers and emerged with a document tying movies to Christian morality. Incidentally, that priest, Daniel A. Lord, immediately congratulated Quigley in December 1930 on learning about Quigley's acquisition of two rival trade papers. "I know quite clearly what it means for the future of the Code," wrote Lord, suggesting that Quigley's allies in the Catholic Church perceived the consolidation as a signal of Quigley's increased influence within the film industry and a win for the broader cause of public morality.[110]

Although the consolidation represented a triumph for Quigley, it equally—if not more so—represented the logical conclusion stemming from the decline of the New York trade papers and the increase of efficiencies within the industry. Quigley's plan seemed to have everything going for it. The studios had a strong financial incentive, especially as the Depression worsened, to restrict their trade paper advertising budgets to the Quigley publications. The competing trade film industry papers that remained—in New York, Los Angeles, and the states in between—knew that they were at a significant disadvantage if they wanted to press on. Looking at it from the outside, at least, Quigley's monopoly plan should have worked.

Instead, the plan failed. The final chapter of this book explores why it failed and how a heterogeneous trade press came to flourish within the industry for the next four decades.