

HOLLYWOOD ESSAYS – A Collection

by

John W. Cones, JD

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Introduction

This book brings together in one volume nineteen essays relating to the business of Hollywood and the impact of its movies on society. All were written during the period between 1992 and 2010. Some were originally written as articles, others as speeches and still others simply as essays. They are all treated here as essays.

THE GREAT AMERICAN MOTION PICTURE DEBATE

In recent years, something approaching a national debate on the role that motion pictures play in our society appears to have been developing. Some of the questions being debated include:

- (a) Are feature films pure entertainment or purveyors of culture, information and/or propaganda. In other words, what is the essential nature of feature film?
- (b) Are the major studio/distributors really just providing the public with the movies they want to see or persuading us through advertising to see the films they choose to make?
- (c) Do film images influence behavior?
- (d) Do all or most significant interest groups within our multi-cultural society have a fair opportunity to tell their stories through the medium of feature film?
- (e) Does government have a role to play in determining who is able to participate in the film industry at a meaningful level?

Jack Valenti, who is the chief spokesperson for the Motion Picture Association of America (as the time of this writing) and other film industry leaders are quite fond of expressing their opinions that feature films are merely entertainment. I have to disagree on that point. In my view, no feature film is merely entertaining. Of course, some are not entertaining at all. Motion pictures contain ideas and no reasonably intelligent person could possibly refute the contention that ideas are powerful. They are powerful human motivators. Ideas have underscored all of the great social innovations and revolutions witnessed by the world to date. Thus, if we are not motivated by the desire to mislead, we must accept and admit that motion pictures, while they may be primarily designed to entertain, also communicate ideas, transmit cultural influences and affect behavior. I might add that in my opinion, the motion picture medium which offers the wide screen, elaborate color, sophisticated sound, special effects and extremely talented creative elements is one of the single most powerful mediums of communication yet devised by human beings and therefore potentially one of the most influential.

One of the more self-serving examples of circular reasoning paraded out in this debate by the MPAA companies is that they are merely providing the general public with the kinds of movies the public really wants to see. In other words, if people did not want to see the movies now being provided they would quit paying for the tickets. I simply ask you how many times have you gone to see a movie that has been heavily advertised and came away realizing that you had been misled. The truth is that the advertising and public relations blitzes generated on behalf of the MPAA movies is so out of control that at least half of the people attending movies today have no idea what they are about to see. It is also extremely difficult to find truly objective reviews of these movies because if a critic is too harsh on a particular film company, their advance screening privileges will be cut off. In addition, the moviegoing tastes of huge segments

of our population are simply ignored by the major studios because they find it easier to make movies for the less sophisticated younger set who can be more easily lured into the theatres with misleading advertising.

Now, on to other aspects of the great American motion picture debate. American society is and will always be made up of multi-cultural interests. However, based on the multiplicity of complaints made by African-Americans, Hispanics, women, the elderly, gay/lesbians, American Indians, Christians, Arabs, Italian-Americans and other regional, cultural, ethnic and/or religious interest groups in the United States, American-made feature films do not consistently reflect or fairly portray that diversity. All of such groups have in recent years publicly criticized the consistent negative portrayals of their members in American-made motion pictures. And you know what, they're right.

Unfortunately, criticism and even isolated boycotts of specific offensive movies are not likely to result in a change in these clear patterns of bias or the kinds of movies produced by the organizations that control and dominate Hollywood. Approximately ninety-two (92%) of the domestic theatrical box office gross (the money paid by moviegoers at theatre box offices) is generated by feature films released by the so-called major studio/distributors and that statistic has been at or about the same level for several decades. Revenues generated by the more lucrative home video market is even more drastically weighted in favor of the major studio/distributors and their affiliated companies. These major studio/distributor conglomerates are Sony which owns TriStar, Columbia, Triumph Releasing and Sony Pictures Classics; MCA/Universal; Paramount; Warner Bros.; Disney which owns Buena Vista, Hollywood Pictures and Touchstone; 20th Century Fox; MGM/UA and Orion although the latter two have experienced severe financial difficulties in recent times.

Again, contrary to the view often expressed by the MPAA, this market dominance is not necessarily the result of choosing better movies, at least at the middle of the range and on the low end of the major studio releases in terms of quality. It is more likely the result of sheer market power. For example, Harold Vogel points out in his book "Entertainment Industry Economics" that approximately 75% of the theatres in the United States regularly generate some 92% of the domestic theatrical box office gross. This means that if each of the 13 releasing units of the 8 previously identified major studio/distributors are on the average able to keep just 2 films in release during each week of the high attendance periods of the year (summer and the Christmas holidays) and each film is on approximately 730 screens (i.e., about 730 prints per film) those films then take up more than 75% of the approximate 25,000 U.S. screens. Assuming then that the major studio/distributors know which theatres traditionally generate the largest share of box office gross (and they surely know that), the market dominance of the major studio/distributors can be explained through sheer market power without any regard to the quality of the movies distributed by such entities. In other words, if the major studio/distributors have and exercise the power to get their movies into the right theatres to the exclusion of movies distributed by independent distributors, and in complete disregard of the continuing interest group complaints I mentioned earlier, the comparative quality of the competing movies is somewhat irrelevant and so are the complaints.

So, how did this group of major studio/distributors obtain the power necessary to control and dominate markets for feature film? My own book "Film Finance and Distribution" (distributed by Samuel French Trade) lists more than 300 reported business practices allegedly engaged in by the major studio/distributors that are either unethical, unfair, predatory, anti-competitive and in some cases downright illegal. All of such practices tend to favor the majors over the independents with respect to providing access to power, control, dominance and the all-important financial bottom line. Of course, whoever controls Hollywood, determines which American-movies are made, who gets to work on those movies and to a great extent, the content of those movies.

One devastating example of such a business practice is the so-called settlement transaction between distributors and exhibitors. In distributing a motion picture, the distributor will contract with a theatre owner (the exhibitor) to show a film. The contract will provide that the box office gross will be split between the distributor and exhibitor in accordance with a negotiated and agreed upon formula. When it comes time for the exhibitor to pay the distributor, it is apparently common practice among most of the major studio/distributors to settle for an amount (according to profit participation audit estimates) that is somewhere between 10 to 30 percent less than what is contractually due.

Why would a distributor settle for less than what is owed? One likely possibility is that such a settlement, which favors the exhibitor, will help the distributor get its next movie shown at that exhibitor's theatres (as opposed to movies being distributed by competing independent distributors). But there is yet another, even more worrisome possibility. These major studio/distributors not only distribute their own movies but they also distribute motion pictures produced by independent producers (i.e., those who do not work directly for the major studio/distributors). By accepting less revenue on the independently produced movies but something close to the actual amount due on the movies that were both produced and distributed by the major studio/distributors, these majors and the cooperating exhibitors are together able to shift huge amounts of motion picture revenues from the revenue stream that would have benefitted all gross and net profit participants of the independently produced movies to the bank accounts of the participating exhibitors and major studio/distributors. Annual estimates of the amount of money shifted from one revenue stream to the other in this manner exceed \$100 million dollars.

Another reason why the major studio/distributors have the clout to get their movies into the right theatres is that in some instances, they actually own controlling interests in such exhibition chains. Although, the famous Paramount case temporarily prohibited this form of movie industry vertical integration (that is, ownership of production, distribution and exhibition) in the U.S. years ago, the major studio/distributors have chipped away at the decree until it is now routinely disregarded. They were aided immeasurably in their effort to remove the Paramount decree barrier to vertical integration by the U.S. government's own Justice Department. Following the installation of the motion picture industry's good friend Ronald Reagan in the White House in the 1980's, the U.S. Justice Department reversed it's long-standing policy of vigorous enforcement of the U.S. anti-trust laws in the motion picture industry. In other words, following the Reagan inspired policy change and continuing through today, federal

government policy in America favors the big vertically integrated major studio/distributor/exhibitors to the detriment of the smaller independent producers, distributors and exhibitors. These are the same major studio/distributors whose movies regularly contain excessive violence, gratuitous sex and the most foul language. These are also the same major studio/distributors whose movies regularly portray African-American, Hispanic, female, elderly, gay/lesbian, American Indian, Christian, Arab, Italian-American and other members of the U.S. population in a negative and/or stereotypical manner. Many people in our society feel such consistent negative portrayals inevitably lead to prejudice, that prejudice leads to discrimination and discrimination leads to conflict, very unnecessary conflict.

Thus far, there is no indication that the current U.S. President is even aware of this connection between power and movies or would be inclined to change a government policy that encourages the concentration of power in the hands of a few corporate conglomerates who are routinely inhibiting our multi-cultural society's ability to minimize conflict. For that matter, few, if any of the top elected or appointed officials in U.S. government appear to realize that the MPAA does not represent all of the American motion picture industry, nor do they seem to recognize that more diversity in the ownership and control of the means of producing, distributing and exhibiting American-made motion pictures is more likely to result in greater diversity in the ideas and images presented through this most effective form of communication.

In my judgment, the often used counter-arguments of "censorship" and "freedom of expression" are smokescreens in this great American motion picture industry debate (i.e., these arguments miss the point and confuse the real issues). What is really needed is a Congressional investigation of the business practices of the major U.S. studio/distributors, the business practices which made it possible for the major studio/distributors to dominate and control the American motion picture industry to the exclusion of a wider spectrum of voices. Such an inquiry should also include a review of the relationship between Presidential politics and U.S. government policy toward the enforcement of the federal anti-trust laws in the motion picture industry and a serious national debate on the question of the fundamental fairness of a governmental policy that encourages the dominance of an important communications medium and cultural resource such as the motion picture by a small group of corporate conglomerates whose basic desire for power, money and control drives their "block-buster" mentality and consistently results in the production and distribution of exploitation/lowest common denominator movies despite the repeated pleas of our culturally diverse population.

NATIONAL DEBATE ON FILM AND VIOLENCE

Our nation's ongoing debate regarding the relationship between feature film and the violent acts of children, recently renewed by the tragic events in Jonesboro, Arkansas, is going the wrong direction and that direction is a dead end! Here's a summary of the debate: Concerned citizens point out that graphic violence depicted through feature films (and other media) is a contributing cause to some violent behavior in certain children. They seem to suggest that the federal government must step in and impose reasonable limits on the levels of violence that can be depicted through film. The film industry responds that movies are merely entertainment, that there is no proof that violence on the screen causes violent behavior in anyone and that any attempt to restrict their right to portray violence on the screen is censorship, and that such efforts violate their constitutionally protected right to free speech. That ends the debate. The film industry wins. Violence in films and on the streets continues.

In the alternative, we should be taking a broader view of the impact of feature films on society. For example, all movies communicate ideas and ideas have always and will always influence human behavior. Therefore, it is proven by pure logic alone that movies influence human behavior (i.e., movies communicate ideas, ideas influence human behavior, therefore movies influence at least some human behavior). This means that not only are movies a contributing cause of violent behavior in some children, but movies also influence our society's thinking and behavior about appropriate sexual conduct, graphic language, the use of violence to solve problems in general, our attitudes toward religion and other authoritative institutions and/or individuals in our lives (as a result of Hollywood's consistent anti-religious and anti-authority themes), and how we think about and behave toward each other (i.e., as a result of the blatant patterns of bias consistently portrayed through Hollywood movies over the years).

This patterns of bias issue is the key to both understanding and reforming the Hollywood-based U.S. film industry. Here's how that argument goes. Hollywood movies have long contained blatant patterns of bias. They have consistently portrayed whole populations of our diverse society in a negative or stereotypical manner. Hollywood movies also contain biased biopics and examples of historical revisionism.

During a significant segment of many individual lives (particularly those who are relatively young, uneducated or unsophisticated), repeatedly watching hundreds of powerful motion picture images that consistently portray whole populations of our diverse society in a negative or stereotypical manner can contribute to prejudicial thinking, which in turn, is often the basis of real-life discriminatory behavior. Thus, at minimum we must concede, movies that consistently portray certain people in a negative or stereotypical manner are clearly not helping us solve our society's problems of misunderstanding and mistrust, but more likely, making them worse.

The motion picture industry is dominated by a small group of so-called major studio/distributors, based in and around the Hollywood district of Los Angeles. The studio releases are the movies seen by more than 90% of the domestic moviegoing audience, and significant portions of moviegoers in other countries. The people in Hollywood who have the

power to decide which movies are produced and released, to determine who gets to work in the key positions on such movies and to approve of the screenplays serving as the basis for these movies are the three top studio executives at the major studio distributors.

The major studio/distributors through various approval rights are consequently able to determine to a great extent which movies are produced and to some extent what the content of those movies is. The process for determining who rises to assume one of these control positions at the major studio/distributors excludes large segments of our multi-cultural society. The result is a severe limit on creativity in movie making and a more narrow selection of motion pictures which tend to range from hoped for blockbusters and lowest common denominator movies to exploitation fare.

This Hollywood control group gained and has maintained its power for the nearly 90-year history of Hollywood through the use of several hundred specifically identifiable unfair, unethical, unconscionable, anti-competitive, predatory and illegal business practices, including massive employment discrimination and antitrust law violations. The Hollywood control group gets away with its "proclivity for wrongful conduct" by routing huge political contributions to presidential candidates and key members of Congress through excessively overpaid studio executives, their spouses and multiple political action committees, so as to discourage vigorous enforcement of the employment discrimination, antitrust and other laws in the Hollywood-based U.S. film industry. Federal government policy, specifically, the federal government's anti-trust law enforcement policy currently contributes to the ability of the major studio distributors to control and dominate the marketplace.

A motion picture industry made up of independent producers, independent distributors and independent exhibitors would result in greater creativity in movie-making and create greater opportunities for a significantly larger number of interest groups within our multi-cultural society to participate at a meaningful level in the film making process. To remedy the above stated problems the following may be considered: (1) creation of association of independent feature film producers to work for among other things more vigorous enforcement of the federal anti-trust laws, (2) creation of association of net profit participants to protect the interests of all such persons, (3) creation of an international association of concerned citizens and film industry professionals to see help bring about film industry reform, (4) introduction of federal legislation that may be referred to as the "Motion Picture Industry Fair Practices Act" to prohibit some of the above-described business practices, (5) the filing of a class action lawsuit on behalf of all net and gross profit participants against all of the major studio/distributors on grounds of unconscionability, anti-trust law violations, anti-competitive practices and RICO violations, and/or (6) instigation of a world-wide boycott of all MPAA releases, until the power of those companies to ignore the public is severely weakened.

FILM VIOLENCE DEBATE GOING WRONG DIRECTION

Our nation's ongoing debate regarding the relationship between feature films and the violent acts of children, recently renewed by the tragic events in Jonesboro, Arkansas, is going in the wrong direction and that direction is a dead end! Cones provides a summary of the debate as follows: Concerned citizens point out that graphic violence depicted through feature films (and other media) is a contributing cause to some violent behavior in certain children. They seem to suggest that the federal government must step in and impose reasonable limits on the levels of violence that can be depicted through film. The film industry responds that movies are merely entertainment, that there is no proof that violence on the screen causes violent behavior in anyone, that any attempt to restrict their right to portray violence on the screen is censorship, and that such efforts violate their constitutionally protected right to free speech. That ends the debate. The film industry wins. Violence in films and on the streets continues.

In the alternative, we should be taking a broader view of the impact of feature films on society. For example, he suggests that we should recognize that all movies communicate ideas and ideas have always and will always influence human behavior. Therefore, it is proven by pure logic alone that movies influence human behavior (i.e., movies communicate ideas, ideas influence human behavior, therefore movies influence at least some human behavior). This means that not only are movies a contributing cause of violent behavior in some children, but movies also influence our society's thinking and behavior about appropriate sexual conduct, graphic language, the use of violence to solve problems in general, our attitudes toward religion and other authoritative institutions and/or individuals in our lives (as a result of Hollywood's consistent anti-religious and anti-authority themes), and how we think about and behave toward each other (i.e., as a result of the blatant patterns of bias consistently portrayed through Hollywood movies over the years).

Further, this "patterns of bias" issue is the key to both understanding and reforming the Hollywood-based U.S. film industry. Here's how that argument goes. Hollywood movies have long contained blatant patterns of bias. They have consistently portrayed whole populations of our diverse society in a negative or stereotypical manner. During a significant segment of many individual lives (particularly those who are relatively young, uneducated or unsophisticated), repeatedly watching hundreds of powerful motion picture images that consistently portray whole populations of our diverse society in a negative or stereotypical manner can contribute to prejudicial thinking, which in turn, is often the basis of real-life discriminatory behavior. Thus, at minimum we must concede, movies that consistently portray certain people in a negative or stereotypical manner are clearly not helping us solve our society's problems of misunderstanding and mistrust, but more likely, making them worse.

Furthermore, the motion picture industry is dominated by a small group of so-called major studio/distributors, based in and around the Hollywood district of Los Angeles. The studio releases are the movies seen by more than 92% of the domestic moviegoing audience, and significant portions of moviegoers in other countries. The people in Hollywood who have the power to decide which movies are produced and released, to determine who gets to work in the

key positions on such movies and to approve of the screenplays serving as the basis for these movies are the three top studio executives at the major studio/distributors.

The major studio/distributors, through various approval rights, are consequently able to determine to a great extent which movies are produced and to some extent the content of these movies. The process for determining who rises to assume one of these control positions at the major studio/distributors arbitrarily excludes large segments of our multi-cultural society. Since movies to a large extent, tend to mirror the values, interests, cultural perspectives and prejudices of their makers, the result is a severe limit on diversity and creativity in movie making and the above noted patterns of bias.

To make matters worse, this narrowly-defined Hollywood control group gained and has maintained its power for the nearly 90-year history of Hollywood through the use of several hundred specifically identifiable unfair, unethical, unconscionable, anti-competitive, predatory and illegal business practices, including massive employment discrimination and antitrust law violations. The Hollywood control group gets away with its "proclivity for wrongful conduct" by routing huge political contributions to presidential candidates and key members of Congress through excessively overpaid studio executives, their spouses and multiple political action committees, so as to discourage vigorous enforcement of the employment discrimination, antitrust and other laws in the Hollywood-based U.S. film industry. Federal government policy, specifically, the federal government's anti-trust law enforcement policy currently contributes to the ability of the major studio distributors to control and dominate the marketplace.

Efforts to reform the U.S. film industry must focus on creating a level playing field for all persons striving to work in the film industry and creating diversity at all levels in the industry. In the process, we will create a film industry whose players are less powerful and less arrogant, along with being more sensitive to the needs of society as a whole.

HOLLYWOOD'S DISDAIN FOR DEMOCRACY

Some of you may have heard that there are those who consider my positions on certain issues relating to the Hollywood-based U.S. film industry to be controversial. To me, my views are honest, straightforward, based primarily on facts and entirely logical. So now, we'll give you an opportunity to decide for yourself.

First let me point out the general academic orientation from which I come. My undergraduate degree at the University of Texas at Austin was in communications. So my approach to film has always been one in which I recognize that motion pictures are more than merely entertainment. As the U.S. Supreme Court stated in its 1952 *Burstyn v. Wilson* case, the decision which first applied the First Amendment right of free speech to feature film, the motion picture is a significant medium for the communication of ideas. I agree with the Supreme Court's assessment and consider the motion picture to be one of the most powerful communications media ever devised.

Second, my minor concentration as an undergraduate was in sociology, so quite naturally, I am also concerned about issues relating to whether the ideas communicated through this powerful communications medium of feature film, have an impact on our society, and if so, what is the nature of that impact?

So, these are a couple of important starting points for me, two areas of academic study which still influence my thinking and approach to the study of film. Now, it just so happens that back in 1987, my law practice took me to Los Angeles for the purpose of working with independent feature film producers who sought to raise investor funds with which to develop or produce their movies. That's what I've done professionally for twelve years.

In addition to helping hundreds of independent feature film producers attempt to put their visions on the screen, I've also lectured to thousands of filmmakers, attorneys and others over the years at UCLA, USC, SMU, the American University in Washington, D.C., the American Film Institute, the Loyola, University of Texas and Cal Western schools of law, the Hollywood Film Institute and elsewhere, about this topic of film finance. I developed seminar handouts to accompany those lectures, and the handouts grew into books. So I've published about a half dozen books about the film industry, starting with this area of film finance and then moving on to topics delving into the relationship between film finance and creative control. It turns out that in many real life transactions, it is extremely difficult to separate the source of financing from the power to control what goes on the screen.

As I did more and more research about the film industry I realized that a number of Hollywood observers and commentators were concerned and had written about what they viewed as excessive violence in films, graphic sex, gratuitous foul language, a politically liberal slant and anti-religion themes in Hollywood films, so not wanting to duplicate their work, I took a look at another area of concern to me, and that is the apparent depiction of certain populations in our diverse society in a negative or stereotypical manner.

It just seemed to me that if the motion picture was a significant medium for the communication of ideas, and we recognized that ideas, have always (throughout the history of modern civilization), and will always, influence the thinking, beliefs and attitudes of human beings, then it could not possibly be desirable to allow any powerful communications medium to consistently portray certain groups within our diverse society in a negative or stereotypical manner. But, that apparently is exactly what was happening with Hollywood films. A number of groups have in fact complained from time to time about this phenomenon, but unfortunately, they've not had much success in influencing the way such decisions are made in Hollywood.

So, instead of restricting my research to any particular group victimized by Hollywood films, I considered film portrayals of many populations that co-exist in our modern day society, and confirmed to my satisfaction that at least a half-dozen groups or so were indeed consistently portrayed in Hollywood films in a negative or stereotypical manner. Those groups included Arabs and Arab-Americans, Muslims, Christians, Latinos, Asians and Asian-Americans, Italian Americans and Whites from the American South. My studies indicate that several other population groups have in recent years made some small gains toward more balanced or diverse portrayals in Hollywood films, but still are probably not where they ought to be in that regard and those groups include women and African-Americans, along with gays and lesbians.

Again, keep in mind that my belief and concern is that the consistent portrayal of any population in our diverse society in a negative or stereotypical manner, through a powerful communications mass medium like feature film, will inevitably influence the attitudes, thinking and beliefs of millions of moviegoers, particularly the more unsophisticated younger members of those audiences. And my concern is a serious and legitimate concern.

In any case, once I confirmed that these blatant patterns of bias actually exist in Hollywood films, the next logical question is, why? Why are whole populations in our diverse society consistently portrayed in Hollywood films in a negative or stereotypical manner? Well, again I turned to the literature of the film industry and determined that several observers of Hollywood, including Hortense Powdermaker who had studied the film industry from an anthropological perspective in the middle of the century, had already offered a possible explanation. But, I came up with my own expression of the phenomenon, and that is that movies, to a large extent, tend to mirror the values, interests, cultural perspectives and prejudices of their makers. And, I've yet to find anyone who rejects this thesis statement--that movies, to a large extent, tend to mirror the values, cultural perspectives and prejudices of their makers. So, this leaves of with no other choice, as seekers of truth, but to proceed to the next logical question: who are the makers of Hollywood films?

As any researcher must do, I've tried to narrow the focus of this inquiry, in this instance to those films produced or released by the Hollywood major studio/distributors, because those are the films seen by some 95% of the domestic theatrical moviegoing audience. So, then the question becomes, who has the power to decide which movies are going to be produced or released by the Hollywood major studio/distributors each year.

Again, I primarily relied on my survey of the film industry literature, the published works

of several hundred other authors and observers of the Hollywood scene, combined with some original research. I looked at various segments of the film industry (producers, distributors, talent agents, directors, actors, actresses, screenwriters, equipment manufacturers, entertainment attorneys and so forth) and concluded that although in some instances a particularly powerful agent, actor, actress or director may have a considerable amount of influence in helping move a given film project forward, ultimately, those people who actually have the power to greenlight a movie are still the top three studio executives at the vertically integrated major studio/distributors.

So, I limited my study to the top three studio executives at these so-called major studio/distributors, made a list of the names of those executives from the start of operations for each of those companies through the mid-90s when the study was done, and set out to determine as best I could, what about their backgrounds might result in the particular patterns of bias I had observed in Hollywood films. Again, I merely collected from the industry literature, including individual press clippings on these studio executives what they and others had already reported about their backgrounds. I merely conducted an organized study that allowed me to determine that some 60 to 80 percent of these individuals who had greenlight authority over Hollywood films actually shared a common background. And, based on the literature of the industry and using specific descriptions already offered by many other Hollywood observers, that shared background could most accurately be described as politically liberal, not very religious, Jewish males of European heritage.

Now, for some people, this was going too far! But for me, it was merely a logical progression leading to a factual and sociological observation. And, I've seen no study by academics or others offering persuasive evidence that the Hollywood control group could be accurately described in a significantly different manner. It seems that some of the Hollywood apologists simply can't handle the truth.

Now, it is important to note that nowhere in my writing or lectures, have I ever stated, suggested or implied that any of these 20 or so gentlemen at any given time, behaved the way they behaved because they are Jewish. It's just simply not there. Nor, have I ever written, stated, suggested or implied that the behavior of this small group of gentlemen is typical of the much broader Jewish community. Despite the false allegations of some of the so-called Hollywood apologists, including the false accusation of anti-Semitism, those broad generalizations are just not there.

And further, I'm not even suggesting that the consistent negative or stereotypical portrayals of certain populations in our diverse society has any particular connection to the Jewish part of the multi-faceted backgrounds of these studio executives. Rather, I'm suggesting that these particular individuals, the twenty or so studio executives who at any given time have the power to decide which movies will be produced or released by the major studio/distributors each year, have been and continue to be prejudice, or at the very least not very sensitive to the biased portrayals they are consistently putting out through their films. I am also stating with certainty that there is very little diversity at the highest levels in the Hollywood establishment and that lack of diversity is reflected on the screen.

Aside from those few who have chosen to utilize the false accusation of anti-Semitism (what I call the anti-Semitic sword) in their effort to chill my free speech, others have simply taken the position that inquiries into the backgrounds of studio executives is for some reason inappropriate. On the other hand, these same Hollywood apologists readily admit that it is appropriate for the studio executives to utilize the enormous communications power of feature film to make bold, emotionally charged and sometimes outrageous or misleading statements about religion, politics, culture, ethnicity, race, regional populations, sexuality and all manner of other topics. If we accept the fundamental concept that movies, to a large extent, tend to mirror the values, interests, cultural perspectives and prejudices of their makers, then it is completely appropriate to study whether there are positive correlations between what we see on the screen and the backgrounds of those who have the power to determine what is portrayed in movies. Unfortunately, few, if any in our academic community have the courage to undertake such highly relevant studies.

On the other hand, how did the power to determine which movies will be produced or released by the Hollywood major studio/distributors come to be concentrated in the hands of such a narrowly-defined interest group? Again, my studies indicate that it occurred over a 90-year period through the use of hundreds of business practices that can be collectively described as unfair, unethical, unconscionable, anti-competitive, predatory and illegal. Those specific business practices are set forth and discussed in some detail in my two books: *How the Movie Wars Were Won* and *The Feature Film Distribution Deal*. Ultimately, I've had to conclude that control of the Hollywood-based U.S. film industry has been obtained illegitimately. It was gained and is maintained through the systematic and arbitrary exclusion from power of most Hollywood outsiders by the consistent patterns of behavior of this Hollywood insider group.

Now, what does this have to do with democracy? Well, the fundamental concepts of democracy and freedom of speech, the very freedom enjoyed by feature film and other media in our society, go hand in hand. They are both based on the underlying principle of a free marketplace of ideas. In other words, the drafters of our Constitution, determined many years ago, that our nation would be more likely to make the best democratic decisions with respect to important issues that face our country if all viewpoints are heard -- if everyone in our society has a fair opportunity to express their views.

Well, times have changed. Now, our national discourse is dominated by the mass media. And, one significant medium for the communication of ideas in our society is feature film. To the extent, that this important communications medium is not equally and fairly open to all groups within our diverse society for the expression of their views, our free marketplace of ideas is severely limited and our democracy is substantially weakened. Members of the Hollywood control group have long been hiding behind the protection of the free speech provision of the First Amendment to our Constitution to communicate whatever its members want to say through film, while at the same time, using other means including employment discrimination and anti-competitive business practices to prevent others from telling their important stories, and communicating their ideas through film.

So, what is it that we need to do in order to bring greater diversity to film, and thereby strengthen our democracy? There are a lot of things that we should be doing including reforming our fraudulent movie ratings system and talking to our Congressional representatives and other government leaders about their failure to insure equal or fair access to this important communications medium, but for the moment, we need to create and permanently fund a film industry research institute to encourage and support ongoing research into what is really going on in Hollywood. Because without this ongoing and current research and the information it develops, the Hollywood establishment will always attempt to dismiss our efforts by claiming that our information is out of date and Hollywood has changed.

The truth is that in many important respects, Hollywood has not changed that much in its 90-year history and we need at the very least to conduct the research and produce annual reports on diversity, or the lack thereof, in the executive suites of the Hollywood major studio/distributors, along with the corresponding level of diversity on the screen. Limited but similar research is already being conducted in the field of television and for some of the film industry guilds and women's groups. It is no less important for the film industry generally.

Recently, the United States joined with its NATO allies to spend billions of dollars and put American lives at risk in fighting for a principle, that is: no nation-state shall be defined primarily by the ethnicity of its people. What I am saying is that this same important principle should be applied here in our own country and democracy so that no industry, certainly not an important communications industry such as feature film, can be allowed to arbitrarily preclude participation at its highest executive levels based on considerations of ethnicity.

Ultimately, as already pointed out by the Supreme Court, the motion picture is a significant medium for the communication of ideas. And, in a democratic society, we cannot afford to stand by and allow any single narrowly-defined interest group to control or even dominate any of our important communications media, because that inaction will inevitably weaken, if not transform our cherished democracy into a fraudulent facsimile. In the absence of a free marketplace of ideas, our democracy is flawed. And, it is impossible to have a free marketplace of ideas, so long as any of our important communications media are controlled by one or even a few, narrowly-defined interest groups. If we want to preserve our democracy and make the world a better place, we need to start with what we communicate to each other, and who gets to communicate.

THE LOWEST FORM OF HUMAN LIFE

I saw a movie a few years ago, in 1993 actually. It was a major studio release by Columbia, and starred one of my favorite actors, Robert Duvall. The movie was *Geronimo—An American Legend*. Some of you may have seen it. Duvall played a Western character, and in a part of the movie not significantly related to the main theme, he had a run-in with a group of scruffy Texans. After the Texans had departed, Duvall announced to his associates that "Texans are the lowest form of human life".

Now, I ask you, was that funny or offensive? What if the movie was a different movie about a character who said "African-Americans are the lowest form of human life? Would that be funny or offensive? What about another movie in which the character said "Asian-Americans" are the lowest form of human life, funny or offensive? And, what if the movie character said "Jews" are the lowest form of human life? Funny or offensive? What if the subjects of the disparaging remark were women, Latinos, Christians, Muslims, Arabs, Italian-Americans, gays/lesbians, Whites from the South?

Do your feelings differ depending upon which group is being defamed? Should they? Would your feelings differ if you knew, for example, that White folks from Texas and the American South are among at least five distinct populations in our diverse society that have been consistently portrayed in Hollywood movies in a negative or stereotypical manner for the last several decades? Would your feelings differ if you realized that those biased Hollywood movie portrayals included those of Arabs and Arab Americans, Latinos, Asians and Asian-Americans and Christians, along with Whites from the American South, and that other groups including African-Americans and women have also been victimized by Hollywood portrayals over the years, although less so in more recent movies?

Would your feelings differ if you realized that feature films are much more than mere entertainment (what many Hollywood spin doctors have repeatedly told us and want us to believe), when the truth is that our U.S. Supreme Court has actually declared that the motion picture is a significant medium for the communication of ideas, and on that basis has extended the constitutional right of free speech to films? Would your feelings differ if you realized that ideas have always and will always be important factors in influencing human thinking and behavior?

And, would your feelings differ if you realized that millions of the people who go into these darkened theatres and view these powerful movie images are young, not very sophisticated, and in some cases, not well educated or even mentally balanced individuals? After all, no one stands at the theatre door trying to determine who can effectively separate reality from fantasy in movies, do they?

If someone like those individuals I've just described, repeatedly saw a particular group of people consistently portrayed in a negative or stereotypical manner over the years in a significant number of Hollywood movies, what are the chances that such portrayals would influence the attitudes of those moviegoers with respect to those negatively or stereotypically portrayed

populations? Probably, pretty good, wouldn't you say?

And, would you feel any different if I told you that my studies of what's really going on in Hollywood demonstrate that movies, to a large extent, tend to mirror the values, interests, cultural perspectives and prejudices of their makers. And further, that the Hollywood-based U.S. film industry is today and has been for its nearly 100-year history dominated by a small, narrowly-defined group of individuals with very similar backgrounds. In other words, there is and has been very little diversity at the top in Hollywood, in those positions with the power to determine whether a given motion picture is produced or released for viewing by American and worldwide audiences. And, that lack of diversity at the top in Hollywood produces these patterns of bias in motion picture content.

As a significant medium for the communication of ideas, there can be no doubt that it is absolutely essential to the preservation of our democracy and the underlying free marketplace of ideas (upon which our democracy is based), to recognize that our national movie industry has an affirmative obligation to offer us a more balanced view of the real world and of all important matters communicated through film. The industry also has an affirmative obligation to make the control positions at the dominant film companies available to a more diverse group of executive decision-makers, so that movies can mirror the values, interests, cultural perspectives and prejudices of a more representative group of Americans. Diversity is the key. It is in your interest and our national interest.

HOLLYWOOD MYTHS AND MISINFORMATION

The advertising, promotion and publicity of the world's greatest PR machine, appears to include a considerable amount of misinformation and myth about the nature of film and the industry. As David McClintick states: "Hollywood – its mores, its modus operandi, even its *raison d'être* – has been shrouded in myth since movies began and remains so today."¹ Some of these Hollywood myths (and the accompanying misinformation) are discussed below:

The Industry is Very Different Today than During the Studio Era--Although "Bordwell, Staiger, and Thompson, in *The Classical Hollywood Cinema* (1985), argue forcefully that 1960 was the 'end' of the studio system mode of production . . ." ² and that the end of the studio system made a great impact on the way business is conducted in Hollywood, the research in support of this book series suggests that much too much has been made of that point. After all, most of the same major studios are still alive and well today and continue to dominate Hollywood movies in much the same way they did during the earlier period prior to the so-called "end" of the studio era. Even though, it is obvious that the major studio/distributors do not do everything in the same manner, however, those things that have changed are not so significant, at least with respect to the issues raised in this series of books, relating to who controls Hollywood, how they gained and maintain their control and what are the results of that control.

The widely held belief that the end of the studio era really affected those with power in Hollywood relative to most others who have never had power in Hollywood is another myth perpetuated by the industry and those who fail to apply any significant level of critical analysis to industry activities. As an example, it is one thing to point out that some power shifted from the studio executives to the agents following the demise of the so-called studio system, but of what relevance is that to the independent producer, the independent distributor, the vast majority of talent that cannot rely on agents to effectively represent them and the movie-going audiences around the world? Not much!

The Industry Will Be Destroyed--Paramount attorney Robert Draper said during the *Buchwald v Paramount* trial that Buchwald attorney Pierce O'Donnell " . . . who loves to sue movie studios, is leading Mr. Buchwald and all the other creative people in the industry--actors, directors, producers, writers and studio people--down a primrose path that would destroy the industry."³ This is another film industry myth that is commonly trotted out whenever anyone criticizes the way business is conducted in Hollywood or threatens the Hollywood power structure in some way. Mr. Draper could not possibly believe that suing the major studio/distributors will destroy the industry. He could only honestly mean that those entities in the industry that he prefers to work for (i.e., the major studio/distributors) might be destroyed or severely weakened if more and more courts are asked to review their business practices. On the other hand, the U.S. film industry itself would continue. It just might not be the same. Independent producers and distributors, would quickly fill whatever gap was created, if any, and the old entrenched insider group might not be able to skim off nearly as much of the movie revenues to the exclusion of other interests in the industry.

MPAA president Jack Valenti is also guilty of putting out the same kind of Hollywood

establishment propaganda. For example, he recently " . . . reiterated his call for the United States to tread very carefully in pending trade proposals and warned that the future of the country's copyright industries are at stake. Testifying before the Senate Judiciary Subcommittee on Patents, Copyrights and Trademarks . . . Valenti told lawmakers that America's most valuable export prizes face destruction without Congressional pressure and administration support for eliminating trade barriers. Valenti said . . . 'The future of this vast trade bounty is being put to risk by the ingenuity of international trade hazards, whose form has many shapes, but whose objective has one, and that is to exile, shrink or otherwise restrict the free and unhobbled movement of American intellectual property in too many countries of the world.'"⁴ Although Valenti's concern about foreign pirates stealing American intellectual property and copyrighted works without compensating their makers is valid, the Valenti warning about "destruction" of the industry, again, is just so much hyperbole. Besides, if we want foreign countries to play fair, we must also insist that our American companies play fair. The U.S. film industry as represented by the MPAA companies has a long history of utilizing anti-competitive practices in foreign countries in their relentless pursuit of excessive profits.

Power In Hollywood Cannot be Transferred--Charles Kipps also provides a rather misleading view of the transfer of power in Hollywood. He claims that " . . . in Hollywood, power has a . . . subtle basis. It is not seized by force nor can it be obtained by right of transfer. It must be cultivated over a long period of time."⁵ This is nothing more than additional Hollywood establishment propaganda. As this book and its companion volume *The Feature Film Distribution Deal* demonstrate power in Hollywood has mostly been gained through unethical, unfair, anti-competitive, predatory and in some cases illegal business practices, and it has in fact been transferred from generation to generation by many of the same extended families, to the mostly politically liberal and not very religious Jewish males of European heritage. If Hollywood power cannot be transferred (i.e., retained in the hands of a small close-knit community in Hollywood) and the industry truly functioned as a free market economy, then power in Hollywood would have naturally become more dispersed throughout the industry's nearly 90-year history among the many other racial, ethnic, religious, cultural and regional groups that make up our diverse society.

Hollywood Has Become More Fiscally Responsible--Nicolas Kent provides us with another example of Hollywood misinformation in suggesting that " . . . when *Heaven's Gate*, a lavish western from the Academy Award-winning director of *The Deer Hunter*, Michael Cimino, went so far out of control that it forced United Artists out of business, fiscal responsibility became the order of the day."⁶ First, it is simply not true to state that the UA movie *Heaven's Gate* forced UA out of business. In truth director Michael Cimino's fiscal irresponsibility on *Heaven's Gate* merely encouraged a profitable sale of United Artists. It also is not accurate to suggest that fiscal responsibility became the order of the day among the major studio/distributors, following the *Heaven's Gate* debacle. It is absolutely foolish to suggest that the major studio/distributors have been fiscally responsible at any time in their history.

It's Only Money--Some of the Hollywood players also rationalize their schemes to deprive other people of the economic benefit of their work by stating that "[i]t's only money." They're expressing the view that the film business is merely a game, that many of the disputes

that occur only relate to money and that is not important. The truth is that in most instances, the money being squabbled over represents several years of people's lives, expertise and efforts as well as their dreams, and that many of the film industry professionals whose rights are being trampled because "it's only money" end up with a drinking problem or some other dysfunction due to the dilemma they find themselves in, (i.e., they don't feel they can sue the distributor and still be able to get another job in this town, or in this industry).¹ In addition, the competition for money in the film industry also determines who gets to make future movies, who gets to hire the people who work on those movies, what scripts among the thousands available are selected to be produced, what ideas are communicated through such films and how many theatres will screen the film. It's not just about money, it's also about people's lives and careers.

But It's All True--Quite often, spokespersons for the Hollywood establishment will respond to criticism by taking the position that the people places and things portrayed in their movies are accurate representations of people, places and things that actually exist. In other words, if a particular portrayal of a person is very negative, their defense is that there really are people like that. Or if a portrayal of an extremely violent event is included in a movie, their argument is that such things do occur in real life, therefore it is appropriate to put it on the screen. This argument, unfortunately, tends to focus on individual movies as opposed to the patterns of bias of concern in this series of books (see *Patterns of Bias in Motion Picture Content and Motion Picture Biographies*). In other words, it is irrelevant that people as portrayed in one or several movies actually exist, if the movies generally provide negative portrayals of some populations in our society and consistently portray other populations in a positive manner. It is even more offensive if the people who are consistently portrayed in a positive manner, at least more positive than those populations that are consistently negatively portrayed, are in some way related to the same people who control Hollywood. Such a slanted pattern of bias then rises to the level of Hollywood propaganda (see *A Study in Motion Picture Propaganda*).

Outsiders Are Inept--Another myth underlying many statements about Hollywood is that outsiders do not know as much about the film industry as the insiders and therefore the outsiders cannot effectively run the major studio/distributors. For example, Peter Bart makes the statement that in ". . . the early 1980's, Disney had fallen into a corporate torpor under the management of Walt Disney's son-in-law, Ronald W. Miller."⁷ Similar, if not worse statements have been made from time to time about the founders of United Artists, Joseph Kennedy, Howard Hughes, Kirk Kerkorian, Rupert Murdoch, Ted Turner, etc. This kind of statement is nothing more than insider propaganda directed against any outsiders who may temporarily gain a measure of power in Hollywood. This seems to be a common practice, that is to denigrate the efforts of the outsiders who come to Hollywood, to make such statements self-fulfilling prophecies by engaging in unfair, unethical, anti-competitive, predatory and illegal business practices, which, in the long term, force the outsiders out of business, so that they can be replaced with more Hollywood insiders. In this way, the myth is perpetuated and seems to be true.

¹ Additional discussion of the damaging effects of the Hollywood system on the health and welfare of those who participate is provided under the heading "Murder, Suicide and Other Forms of Hollywood Death" in *Who Really Controls Hollywood And Why It Matters*.

Films are Merely Entertainment--The entertainment moguls have consistently misrepresented the nature of their business. They have repeatedly maintained that they are merely providing "entertainment", when in truth, every movie, song, radio show, television program, video tape and compact disc is, without question, in addition to hopefully being "entertainment", a form of communication, and as communication, each of these devices communicates ideas and messages. The perpetrators of the "it's only entertainment" myth are hoping no one will examine the film industry as closely as these books have, for fear the general public and the disenfranchised in the industry will come to realize what is really going on in Hollywood. Part of that reality is that the Hollywood insider community is using the feature film as a significant medium of communication to at the very least, tell their important cultural stories to the general exclusion of the important stories of other cultural groups (see discussion under the heading "Why It All Matters" in *Legacy of the Hollywood Empire*).

Films Do Not Influence Behavior--These same entertainment moguls are fond of saying, that there is no proof that the ideas and messages contained in their various forms of so-called "entertainment" influence behavior or is harmful to anyone. On the other hand, parents only have to stop and think about how many times they have asked themselves the question: "Where did my child come up with that idea, that language or model for behavior?" to know that somebody besides the parents, the schools and churches are influencing the daily behavior of their own children. In addition, isn't it odd that the entertainment industry pays millions to advertise and promote their products based on the assumption that such advertising will influence people to pay money for those same products while denying that other forms of communication besides advertising can have any effect on human behavior? The motion picture industry is also guilty of taking the embarrassing position that movies do not influence the behavior of people while accepting hundreds of thousands of dollars for products which appear in such movies, again based on the proven assumption that such "movie product placements" actually result in significant increases in sales for such products. Finally, on this point, no person who is even slightly aware of the development of Western civilization (or other human cultures or societies) can honestly deny the power of an idea. We all know and recognize that ideas are powerful. And since, again, all of the above mentioned media communicate ideas, only the intellectually dishonest "entertainment moguls" can espouse the position that their "entertainment" does not influence behavior (see discussion at "Movies Influence People" in *Legacy of the Hollywood Empire*).

Parents Alone Are Responsible for What Their Children Think--These same entertainment moguls also argue that it is the parents' responsibility to see that their children do not listen or watch to any of these various forms of entertainment/communication that the parents' deem offensive or inappropriate for their children. But the "entertainment moguls" know full well that a parent taking such a position is put in an extremely awkward position with respect to the oftentimes delicate relationship with their child, and short of adopting the isolation practiced by the Amish, parents are in fact not very likely to be successful in preventing their children from being exposed to pervasive mass media messages and/or influences.

The Public Votes With Its Pocketbook--Next the entertainment moguls argue that they are just giving the American public the kind of "entertainment" they want to see and pay for. On the

other hand, as stated above, the people who make this argument control the world's most powerful "PR" machine. They are experts at misleading the American public about what they are about to see or hear on the movie screen and other media. To demonstrate this, you only need to ask yourself how many times have you gone to a movie you thought you wanted to see (based on the advertisements for the movie) and been disappointed because the movie turned out to be something very different or certainly less than advertised. Thus, it is hardly honest to argue that people only go to movies they like. It is more accurate to say that people go to see movies they are tricked into thinking they will like. A significant portion of the box office gross for movies is money moviegoers would take back if offered a money-back guarantee.

Movies Merely Reflect Society--Film industry marketing consultant Richard Lederer offers the opinion that "[t]o some degree, the contemporary audience dictates the type of film Hollywood will produce. It is sad but true . . ." Lederer claims, ". . . that movies have always been an imitative--not an innovative--industry."⁸ As we shall see, it is entirely incorrect to assert that movies ". . . have always been imitative . . ." It would be more accurate to say movies are sometimes imitative but on other occasions, movies are innovative. Hortense Powdermaker knew and stated as much more than 40 years ago, saying: "Hollywood is no mirror-like reflection of our society, which is characterized by a larger number of conflicting patterns of behavior and values. Hollywood has emphasized some, to the exclusion of others."⁹ Powdermaker also said, that "Hollywood is . . . not a reflection, but a caricature of selected contemporary tendencies . . .

"¹⁰

In their ongoing effort to avoid responsibility, the "entertainment moguls" continue to argue, however, that their movies merely reflect the state of our society. To test this argument, a small number of teens who lived in the presumably violent city of Los Angeles, were asked how many murders they had seen in real life. They all said "none". They were then asked how many murders they had seen in movies and on television, and the estimate was somewhere in the many thousands. If other parents would try this simple little test, the vast majority would get similar results. That demonstrates that movies and television do not actually reflect the real world for most people, but rather that the entertainment moguls choose to emphasize and exaggerate some of the more outlandish aspects of our society just to attract the gawkers.

You Are Violating Our Right to Free Speech--Another knee-jerk reaction from the "entertainment industry" whenever anyone criticizes their work product is that we are violating their First Amendment rights to free speech. The free speech argument only applies to those film industry critics who are telling the film industry that it must change the content of its movies. Those are not the remedies suggested in this series of books (see *Motion Picture Industry Reform*).

This series of books takes the position that the Hollywood control group gained and has maintained its power for the nearly 90-year history of the Hollywood-based U.S. film industry by utilizing unfair, unethical, anti-competitive, predatory and, in some case, illegal business practices. This series further contends that if the U.S. antitrust laws and employment discrimination, among others, were vigorously enforced in the film industry, the result would be greater diversity at all levels in the industry, and that such diversity would result in greater

opportunities for all segments of our society to tell their important cultural stories through this significant medium for the communication of ideas.

The Film Industry Is Important to Our Economy--The film moguls are also fond of pointing out that the US films industry is one of the nation's most important exporters, (i.e., the industry brings in a significant amount of revenues based on its exports to other countries). On the other hand, if a substantial amount of the money brought to the U.S. by the film industry is spent bringing in immigrants from other countries for the purpose of taking away jobs from perfectly capable people already here, paying excessive salaries to studio executives, actors, actresses, writers, directors, agents and entertainment attorneys, making contributions through political action committees and otherwise to political candidates that help the major studios maintain their control over the industry, pursuing a decidedly liberal political agenda through film, and making charitable contributions to causes favored by the Hollywood insiders at home and abroad, why is it so great that the industry generates such a high level of exports? Who does it benefit other than the Hollywood insiders? Only a very narrow cross-section of American society actually benefits from those income revenues generated by Hollywood's exports.

The Censorship Smokescreen--The "entertainment moguls" also routinely put forth the "straw-man" argument relating to censorship (i.e., misstatements or exaggerations of the arguments of the opposing side which are easily toppled), by suggesting that the only available remedy favored by industry critics is some form of government censorship. The real reason such an argument is generally put forth by the industry establishment is that the censorship remedy is easily refuted by the "entertainment moguls" since hardly anyone seriously supports it, and that is exactly why it is mentioned in most of the articles spewed out by the "entertainment industry". The censorship argument is a smokescreen at best (see the discussion regarding censorship as a remedy in *Motion Picture Industry Reform*).

We're Different--Most people who have worked in the film industry for any length of time are quite aware of the general reputation of the major studio/distributors for oppressive tactics. Often, for example, distributor representatives will make oral representations early in discussions with producers that their distribution organization is not typical of other feature film distributors, (i.e., suggesting indirectly that they do not conduct their activities in a manner substantially characterized as described in this book and its companion volume *The Feature Film Distribution Deal*). The proof of such self-serving descriptions, should lie in the actual conduct of the distributor over a period of time and in a consistent pattern of behavior which avoids much of the above-described business practices. On the other hand, if you are ever sitting around a table with a group of independent producers (or chatting with them at an industry seminar) and ask if any of them knows of an honest distributor, (and that exact question has been put to thousands of such producers in seminar settings for the past ten years), you are likely to get the same answers, (i.e., no one has yet stepped forward with the identification of or a favorable recommendation on a distributor who distributed their film).

Academy Awards Are Primarily Designed to Recognize the Deserving --Although still the most coveted film award, . . . the aura of the Oscar has become increasingly tainted. Since the 1960s the voting system has been under fire by members of the industry and outside critics as

being influenced more by publicity and sentiment than by actual quality and merit."¹¹ In addition, commercial considerations appear to play a huge rule in the selection process. As David Prindle reports, ". . . the winners of the Academy Award for best picture garnered an additional \$30 million at the box office (adjusted for inflation) after the ceremonies (during the '80s)."¹² And Steven Bach reports that ". . . the Oscar wins caused *Deer Hunter* box-office receipts to rise \$100,000 a day in the New York area alone."¹³ While the *Katz Film Encyclopedia* provides a more conservative estimate of the value of an Oscar, (i.e., a ". . . best picture award can be worth tens of millions of dollars¹⁴ more at the box office . . ."), these numbers bring into question the expensive promotional campaigns waged by the studios on behalf of their films and the motives of those voting. On the down side, *Variety* reports that ". . . loser nominees (at the Academy Awards) often experience a sudden skid the following weekend at the box office."¹⁵

One of the more puzzling of motion picture industry phenomena is the rather common occurrence at the annual Academy Awards for independently produced films to win a disproportionate share of the more important awards, (e.g., best picture, best director, best actor, best actress, best screenplay, etc.), particularly since many of those same award-winning films are not as commercially successful as many of the films produced by the major studio/distributors. Some industry observers would quickly dismiss that anomaly as the result of differences between movies that are targeted for the large mass audience (commercial product) and those that are designed to be small films tailored for a limited but more discriminating audience (not commercial). Another factor in how well these two categories of films are received at the box office may have nothing to do with whether such pictures are quality award winners or merely commercial, but have more to do with which distributors have the market power to get their films shown at theatres, to spend the money to advertise and promote their pictures and the leverage to collect film rentals from exhibitors. Besides, the more artistic award-winning independently produced films, after receiving all of the free publicity and promotion associated with the Academy Awards, are suddenly now more "commercial" and those distributed by the major/studio distributors before the awards can be re-released (or continued in release) to take advantage of their new profit-making potential.

Distributor Rentals Are About Half of the Box-Office Gross--In the Jason Squire book, entertainment attorney Peter Dekom is quoted repeating an old industry rule of thumb, that distributor ". . . rentals are about half of box-office (gross) . . ."¹⁶ Entertainment attorney Mark Litwak repeats the myth in his more recent book on *Dealmaking*, saying "[g]enerally, exhibitors retain about half of the box office receipts and pay the other half as rental payments."¹⁷

That portion of a film's box office receipts that are paid to the distributor by the exhibitor is referred to as distributor rentals. It is typically calculated based on negotiated percentages of the exhibitor's net (and in the alternative percentages of box office gross). Exhibitor's net is arrived at by deducting the exhibitor's expenses (contractual theatre overhead) from the box office gross. While the major studio/distributors are able to extract distribution terms for a major motion picture which calls for the payment of as much as 90% of the exhibitor's net (or 70% of box office receipts; whichever is greater) during the film's initial week or two of release, the range is quite wide indeed, varying from as low as 25% to as high 65% over the entire run of the film.

The average film rental ratio for MPAA releases is about 43%. In any case, the industry rule of thumb of 50% is likely to be very misleading if utilized in any calculations relating to a film's prospective revenue stream.

The Film Industry is a Risky Business--Film industry executives have been able to persuade David Prindle to perpetuate the myth that the entertainment industry is the "Riskiest Business". He states that the ". . . Hollywood entertainment industry is a business whose product is art . . . a less-than-ideal object of commerce . . . although it is fairly easy to gauge the market for . . . movies in general, it is nearly impossible to do so for a particular artistic product . . . successful screen art is nearly impossible to replicate . . . firms can reproduce a successful product nearly indefinitely. Not so with entertainment . . . Much of what Hollywood does can be interpreted as a series of strategies to replicate the unreplicable . . . the difficulty of predicting public tastes and the impossibility of exactly duplicating a hit--make the enterprise of producing film and television extraordinarily risky."¹⁸ Prindle goes on to say that "[a] consequence of the high risk inherent in the business is the rate of failure. Most ideas for films never make it to celluloid: the few that are produced often lose money."¹⁹

Entertainment attorney Peter Dekom seems to agree, saying that the ". . . profit margins in the motion picture business are coming down . . . Everyone knows that the motion picture business is risky . . ." ²⁰ Joseph Phillips echoes the industry refrain by stating that "[i]t is clear that the risk of financial loss in producing commercial films is great . . ." As further support Phillips cites the fact that ". . . Joseph E. Levine, president of Avco-Embassy, (stated in 1974) . . . that only 'one out of 20 pictures makes it now' compared with pre-TV days when 'nine out of ten earned money.'" ²¹ Director Steven Spielberg even joins the industry chorus, saying that "[a]ll motion pictures are a gamble. Anything having to do with creating something that nobody's seen before, and showing it, and counting on 10 or 20 million people, individuals, to go into the theater to make or break that films--that's a gamble."²²

Paramount even made the so-called "risky business" argument in the Buchwald case. However, the ". . . court . . . never reached the merit of (the) . . . argument because the studio abandoned its 'risky business' defense--that its net profit formula is justified by the nature of the film business--a month and a half before the date of the (court's) decision."²³ Commentators speculated that Paramount executives felt the company might be compelled to reveal additional details of its financial activities if it maintained the "risky business" position.

Jason Squire also has apparently accepted this Hollywood myth or misinformation because he states that ". . . the high risk inherent in the business points to why conservative capital has historically shied away from the motion picture investment although control of motion picture companies has always been attractive to a broad spectrum of players."²⁴ Unfortunately, Squire simply seems to accept the industry myth that it is risky without exploring the many other possible reasons why "conservative capital has historically shied away from the motion picture investment . . ." as this book does. In addition, it is one thing to say that ". . . control of motion picture companies has always been attractive to a broad spectrum of players . . ." but it is quite another thing to suggest that ". . . a broad spectrum of players . . ." has been able to succeed as "players" in the U.S. film industry. As the material in this book attests, that would simply not be

an accurate statement (see discussion of "The Hollywood Outsiders" in Chapter 4 above).

On the other hand, Rudy Petersdorf testifying in the Buchwald v Paramount case refuted the studio's "risky business" defense saying that ". . . there were still sufficient sources of revenue so that an unsuccessful picture at the box office (in domestic theatrical release) would recover most of the studio's investment from sources such as network television, syndication and foreign. So even pictures which were way down on the list in terms of performance at the box office generated enough money to recover the studio's cash outlay and perhaps even make some money for the studio."²⁵ Furthermore, if the film business was such a risky business more of the major studio/distributors would have gone under during the past century. In truth, it would be more accurate to say that the film industry is a risky business for everybody but the major studio/distributors precisely because of the business practices utilized by these major studio/distributors which in turn make it difficult for anyone else to financially succeed in the business.

Winners Must Pay for Losers--In his testimony in the Buchwald v Paramount case, studio executive Ned Tanen stated that "[i]f one screenplay out of fifteen or eighteen is ever made into a movie, it's par for the course at a major company . . . It's basically a development business and most of the projects you develop do not get made . . . Winners (pay) . . . for losers . . . That was how it had to be in such a risky, speculative and incredibly expensive business. If the studios didn't take the biggest chunk of change from (the blockbusters) . . . other movies might not get developed at all."²⁶ Thus, Paramount ". . . tried to support its view that producing films is a risky venture, which requires that winners subsidize losers . . ." As evidence, the studio presented ". . . the court with the following limited information: of the ninety films released between 1978 and 1982, only thirty-four were profitable for Paramount and five of these contributed to more than fifty percent of the profits earned on all of the successful pictures during that period . . ." ²⁷ As noted above, the studio eventually dropped this argument, ". . . presumably because Paramount did not want to . . . allow a court-appointed accounting expert to examine its books and records."²⁸

As Adam Marcus reports that, ". . . the principal rationale underlying the motion picture industry's accounting system (is) . . . that most films are financial failures and that as a result, the successes must compensate for the failures."²⁹ Producer Art Linson agrees, saying that "[f]ewer than one out of ten movies really make significant money and are perceived as hits. Fewer than one out of twenty are perceived as good movies."³⁰ And as Mel Sattler explains the theory, "[t]he main rationale offered by Paramount (in the Buchwald case) for the standard net profit contract is what Sattler referred to as the 'fundamental economic underpinning' of the motion picture business: 'a studio must recoup not only its investment in a successful motion picture, but also sufficient additional revenues therefrom to cover the studio's unrecouped investment on its unsuccessful motion pictures, its ongoing development program, its distribution organization, and to finance its slate of future motion pictures.'"³¹

This "fundamental economic underpinning" of the motion picture business is a fraud because the films that are being taken from in many instances are independently produced films, the reported distributor expenses are hopelessly inflated, the distributor utilizes hundreds of business practices

(as set forth above and in *The Feature Film Distribution Deal*) to shift monies from the revenue streams of independent films to the revenue streams of its own product, etc. In addition, as O'Donnell and McDougal point out, Paramount and other studios have substantially reduced their financial risk in movie-making by means of off balance sheet financing, co-financing and other programs by which outside investors contribute some or all of the money for producing and/or distributing the films.³²

Paramount actually defended itself in the Buchwald lawsuit by saying " . . . the contract was clear and unambiguous and (talent) . . . knew exactly what they were getting when they signed on the dotted line . . . Movies are a risky business . . . 'winners must pay for losers.' If blockbusters did not subsidize the many money-losing movies studios made, the movie industry would not survive."³³ Now there's a familiar argument: " . . . the movie industry would not survive . . . " Again, the major studios are saying that if you don't let us keep our books in our usual and customary manner, which allows us to take money from the revenue streams of some movies and transfer it to other movies, the entire industry will not survive. Again, it is not a question of whether the industry will survive, but what entities within the industry will survive and at who's expense. Paramount, on behalf of all of the major studio/distributors was really saying that it would be much more difficult for the major studio/distributors to make as much money as they have been making (so they could continue to pay the exorbitant executive and talent compensation, along with the political contributions that keep the investigators away) if the court does not allow them to continue handling their accounting in their own unique way (i.e, making the winners pay for the losers). As stated earlier, in the event any or all of the major studios failed tomorrow, they would immediately be replaced by independent producers and distributors. In the meantime, it continues to be blatantly false to suggest that the " . . . movie industry would not survive."

In addition, Prindle actually comes back to question his own conclusion asking, "If Hollywood entertainment is such a risky business, how do so many firms manage to prosper for so long?"³⁴ He then points out that " . . . Universal has been functioning, in one corporate form or another, since 1909; Paramount, since 1912; and Warner Brothers, since 1918 . . . " The short answer (Prindle suggests) . . . is . . . They deal in bulk . . . The long-term gamblers in the industry thus hedge their bets by spreading the action (spreading the risk)."³⁵ The real answer this book suggests is that the business is not that risky for a few of the top firms, that have regularly engaged in unfair, unethical, anti-competitive, predatory and even illegal business practices. In other words, much of the money the major studio/distributors take from their so-called "winners" actually should be paid to someone else, and in many instances, the "losers" would not be financial losers at all if it were not for the routine manipulation of financial results associated with such films.

While producer Don Simpson was at Paramount he reports that the studio " . . . made thirty-seven profitable movies in a row. 'The truth is (says Simpson) that with ancillary sales . . . very few pictures lose money . . . Most break even. If you're making a picture for between seven and ten [million dollars], you don't lose money. The studio can't lose. I've been at Paramount for eleven years, and I can only remember two pictures losing money . . . We always got our money back. [even on] *Reds*, the budget of which I can't reveal [reportedly more than \$35

million], we got our money back before the picture opened. Absolutely. People don't understand how this business works. You go out and get guarantees . . . [The misconceptions] are all publicity shit . . . [The studios] try to make *Time* and *Newsweek* believe in the poor beleaguered movie business."³⁶ The great Hollywood PR machine is at it again!

As Peter Bart states, "[i]f a serious economist every tried to analyze the arcane ways of Hollywood, a nervous breakdown might quickly overtake him. Examine the inverse relationship between profitability and capital investment, for example. In the 'real world', new investment tends to decline in response to shrinking margins. In Hollywood, on the other hand, when times get tough, new investors always seem to rush into the fray . . ." ³⁷ What this really means, is that some of the people coming into the industry at the highest levels, like Edgar Bronfman and Sumner Redstone, know that the numbers the industry presents to government regulators and the public simply do not accurately reflect the real profitability of the film business. In other situations, it means that Hollywood has gone out into the market and misled outside investors into thinking it is ok to invest in the film business.

The Distributor Takes All The Risk--According to Joseph Phillips and others in the industry, "[t]he distributor, usually a major film company, is typically the one who takes the risk."³⁸ He goes on to state that "[a]lthough the distributor often tries to spread the risk by bringing in outside investors who underwrite a share of the costs and who participate in any profits, it is the financial backing and the agreement to distribute the finished film by the major film company which is crucial."³⁹

Attorney Mark Litwak also echoes this distributor argument, saying that "[d]efenders of the major studios point out that the studios bear all the financial risks of making movies and therefore deserve the lion's share of revenues."⁴⁰ The operative word here is "share". After all, profit participation auditors report that the major studios typically only share revenues in about 5% of the cases.⁴¹

Both the Phillips and the Litwak statements above are overlooking some very fundamental aspects of film finance and its associated risk (1) independent producers and their financiers often assume the financial risks associated with acquisition, development and production costs on film projects, many of which are eventually distributed by the major studio/distributors, who only have their distribution costs at risk; (2) in a few situations each year, the independent producers and their financiers, actually assume some or all of the additional financial risk of covering the distribution expenses; and (3) in many instances, the major studio/distributors spread their risk by bringing in other financial partners on specific film projects. In any case, there are few films on which the major studio/distributors take all of the risk, financial or otherwise.

Too Much Financial Leverage Caused Most Film Company Failures--Some industry observers point out that the extensive use of financial leverage was not part of the business culture prior to the 1970's and suggest that most failures of feature film production companies are associated with excessive use of financial leverage. Financial leverage, is a term which refers to the amount of debt a company has in relation to its equity. The more long-term debt the

company has, the greater the financial leverage. Such analysts point to improper financial management (e.g., increasing debt during good times, rather than decreasing debt) as one of several related reasons for such failures. Other reasons cited include the failure to use sophisticated computerized financial modeling on a continuous basis and the abandonment of successful actions (while substituting new, untried ideas, without first piloting them with limited financial commitments).

In contrast, this book suggests that improper financial management may be somewhat irrelevant (or at least, not the more important problem) in an industry that is so dominated by a few major players who have long-standing reputations for engaging in numerous questionable business practices. In other words, this book is suggesting that there are other reasons for the demise of such companies and that the author who suggested that financial leverage was the primary cause of those company failures was actually hoping to generate business for his financial consulting practice, and therefore his analysis of the causes of those film company failures was clouded with self-interest, just as many other transactions in the film industry are.

Their Movies Were Just No Good--The film industry also likes to perpetuate the myth that the single most important reason for company failures in the film industry is that the choices made by failed film companies with respect to the movies they chose to develop, produce or distribute were not good choices, that is the films were not well received by the movie-going public. Such a misleading argument overlooks all of the rest of the questions about the way the major studio/distributors conduct their business that are raised in this book (and its companion volume *The Feature Film Distribution Deal*), including the so-called theatrical squeeze, the settlement transaction and home video royalties (see related discussions herein).

Well Known People Know What They Are Doing--Name dropping means including the names of very important people in a conversation or other communication for the purpose of impressing the person receiving the communication. The name dropping tactic is not only used in social conversations but in business conversation including the presentation of film industry seminars, book promotion and, of course, in film publicity. Some financial analysts also suggest the tactic was successfully used by the large public feature film limited partnership offerings in recent years which raised monies for films produced and distributed by some of the major studio/distributors with well-known stars (Star Partners with MGM/UA and Silver Screen by Disney). Investors appeared to be more willing to invest in such vehicles even though the performance record of such large major-studio offerings has been consistently dismal from an investment perspective. The disappointing performance of such film partnerships from the investor perspective has also contributed to the perception that feature film limited partnerships, generally, are not useful financing vehicles for motion pictures. The truth is that the actual final financing vehicle generally has little to do with the financial results, for outside investors. Distributor business practices, on the other hand, have a great deal to do with those results, and those distributor practices do not change regardless of which financing vehicle is used to raise production funds.

There Are No Rules--One of the most commonly held myths among some populations within the Hollywood community, is a myth often repeated by so-called industry insiders in speeches,

lectures and seminars (i.e., "There are no rules."). This belief probably started out as a positive expression that newcomers to the industry should not be held back by conventions relating to creative endeavors. It has (as evidenced by the distributor practices related in these books), been perverted by some to mean that the Hollywood community is different from all other "commercial worlds" and the usual rules do not apply. As an example, screenwriter, author William Goldman repeats the myth, saying, ". . . there are no rules." But we can at least assume he is talking about writing scripts.⁴² Unfortunately, he goes on to say that "[t]here are no concrete rules here any more than anyplace else in the movie business."⁴³ Also, Paul Rosenfield points out that Sylvester Stallone is a hero of the Hollywood insiders club ". . . because of *Rocky* . . ." In other words, according to Rosenfield, Stallone and *Rocky* ". . . reassures the club that it's okay to do anything to win."⁴⁴

Nicholas Kent also states in his book that "[t]here are no rules in Hollywood . . ." ⁴⁵ then goes on to explain that ". . . because (movie people) . . . are 'artists', it seems they tend to consider themselves immune from the bounds that restrain other people. They live in a world apart, subject to their own laws, their own sense of right and wrong."⁴⁶ If that is the case, then Hollywood would be a great place to be an investigator for the IRS, the U.S. Justice Department, the FTC, the local District Attorney, the Wall Street Journal or the trade press, if you were authorized to go after the famous and powerful.

Fine Line Features president Ira Deutchman offers the statement that "[t]he movie business is a business where there are no rules . . ." then actually contradicts himself by saying that ". . . the minute you think you've learned the rules, they change on you . . ." ⁴⁷ In David McClintick's book the following exchange re Hollywood is related: "It's as if Watergate never happened out here," Berte Hirschfield (wife of Alan Hirschfield) is reported to have said to David Geffen, "It's as if this town (Hollywood) were an island that doesn't have to live by the rules of civilized society." "It isn't an island, but it is a very seductive community which changes the perceptions of many people who live here . . ." Geffen reportedly replied.⁴⁸

During a ". . . day-long symposium on sexual harassment in the workplace held at the Directors Guild . . ." on October 31, 1993, Sony Pictures Entertainment labor counsel Jennifer A. Rubin stated that "Hollywood is not exempt from the laws that everyone else lives by and is one of the worst offenders . . ." ⁴⁹ On the other hand, Peter Bart reported as recently as September 1994, that in ". . . some cases, to be sure, companies simply ignore the contracts and invent their own rules."⁵⁰

The people who are making the statement "[t]here are no rules" or some reasonable facsimile, may in reality be saying, "[w]e know there are rules, but we are not going to abide by them because we know that no one who wants to stay in the film business will complain and even if they do, their remedies are woefully inadequate." In other words, "[w]e don't abide by the rules, because we have been able to get away with it for years and continue to do so today." At some point, this part of the Hollywood community needs to be reminded that the anti-trust laws, securities laws, tax laws, employment discrimination laws, contract provisions and criminal laws still apply to their conduct.

Film Schools Would Not Offer the Courses if There Were No Need--There are a large number of colleges and universities in the U.S. offering courses or degree programs in film. Some of the better known film schools include New York University, the University of Southern California and the University of California at Los Angeles. The *American Film* magazine reported a few years ago that these film-study programs across the U.S. graduate some 26,000 students each year, but that only 5% to 10% of those graduates actually end up making a living in their chosen field. Is it possible that both the industry and the film schools are actively misrepresenting the promise of career opportunities in the film industry; that they are misleading some 23,400 individuals annually and persuading them to pretty much waste their undergraduate studies on subjects which are not likely to be of much value in their lives? And does anyone recognize that the film industry actually has a self-serving reason for actively or passively encouraging this fraud on unsuspecting students? After all, a significant number of people entering the film industry for the first year wind up having to work as interns for little or no pay just to get some experience, and such a system is merely a clever variation on slavery.

As David Prindle, a college level government instructor, points out, ". . . the director who yearns to create a cinematic masterpiece may work for years, or even for an entire career, shooting insurance commercials or daytime soap operas. But this well-known fact does not discourage ever-increasing numbers of students from enrolling in directing classes at universities."⁵¹ On the other hand, if this "fact" is so well-known, it would seem that the colleges and universities themselves (and/or the industry) should take the responsible step and refuse to allow so many young, immature and unsophisticated students from making the mistake of studying and training for a career they are not likely to have.

Acting Opportunities Abound--Prindle also reports that "[i]n most industries, the supply of workers adjusts over time to the number of available jobs . . . In the language of economists, labor markets tend toward equilibrium. Not so in Hollywood. Since the 1920s, hordes of people have converged on Los Angeles, attracted both by the hope of realizing themselves in cinematic expression and by the possibility of striking it rich . . ." Prindle goes on to report that "[t]he official unemployment rate among members of the Screen Actors Guild is about 85 percent (that figure does not even count the ambitious amateurs who have not been able to acquire a union card) . . . the industry does not conform to rational economic models of how labor markets work, but is in permanent disequilibrium."⁵²

There is No Racial Discrimination in Script Selection--Herb Steinberg, spokesman for the major studios is quoted by Prindle as saying, ". . . that the authors of scripts are usually identified to readers only by the name on the cover . . . if an executive or producer picks a script written by a white male, it is because, without being identified as such, the white male did the best job."⁵³ Unfortunately, Herb Steinberg is not telling us the whole truth with regard to script selection, after all, studio readers do not select the scripts that are going to be developed, and certainly do not select the scripts to be produced into movies. Readers merely perform a very preliminary screening service by reading and reporting on the thousands of script submissions, so the studio executives will not be burdened with the responsibility of reading such an overwhelming number of scripts. Thus, the studio executives, only read those scripts that appear to be the most favored by the readers or those that are recommended by known and trusted sources (agents, attorneys,

etc.).

Also, there are no available statistics on which sources initiate the most actual productions. In addition, if a script looks promising, someone within Hollywood's inner circle has to have a meeting with the script writer and/or his or her agent to talk terms, development possibilities and to determine whether the script writer will be involved in future writing on the project. In any case, by the time and before a script is actually selected for development or production, you can be certain that the full identity of the scriptwriter is known to the studio executive recommending the choice in the vast majority of the cases. Thus, Steinberg's representation above is disingenuous, at best. It is fair then to ask the question, why would Herb Steinberg make such a misleading statement? Based on the research on the industry underlying this series of books, the probable answer is that most of the scripts actually produced are written or co-written by the family, friends or associates of the Hollywood insiders who have an interest in misleading the public about the fairness of the system.

The Film Industry Operates in a Free Market--Film industry insiders commonly suggest that business in Hollywood is conducted in accordance with long established free market principles, (i.e., free market forces are primarily responsible for prices, availability, etc). As Professor Noam Chomsky, points out however, (in reference to the general U.S. economy) " . . . talk about a free market at this point is something of a joke . . . " Chomsky goes on to say that " . . . one alternative to the free market system is the one we already have, because we often don't rely on the market where powerful interests would be damaged. Our actual economic policy is a mixture of protectionist, interventionist, free market and liberal measures. And it's directed primarily to the needs of those who implement social policy, who are mostly the wealthy and the powerful."⁵⁴ The same is true of the U.S. film industry (i.e., talk of a free market at this point is " . . . something of a joke . . . ").

In its own brochure, the MPAA talks about wanting a free market: "The MPAA/MPEAA wants nothing more than a free, open and fair marketplace where our stories on film and tape can compete honestly with all others."⁵⁵ And specifically with respect to foreign trade, MPAA hired gun Jack Valenti makes the specious argument that all " . . . the U.S. film industry asks is to have the same freedom of movement in other countries that foreign businessmen find so alluring and seductive in ours."⁵⁶ Both of these references are actually directed toward keeping markets free in foreign territories, so that U.S. film and video product will not be prevented from taking over the local market to the exclusion of locally produced films and videos. The statement does not apply to the domestic marketplace, where the power and dominance of the major studio/distributors has never been effectively challenged in the 80 plus year reign of the Hollywood majors. Thus, what Jack Valenti is really saying is that the MPAA does not want a free market in the domestic marketplace, it merely wants an opportunity to dominate the foreign territories just as it does in the U.S.

A true free enterprise system is an economy structured around unfettered choice, (i.e., businesses are free to choose what products they will make, consumers are free to choose what they will buy and prices are generally left to fluctuate with supply and demand in an openly competitive market). Free enterprise has traditionally been one of the basic underlying economic principles

of the U.S. economy. Unfortunately, it has long been established that businesses with the power to do so, if not limited by government, will use predatory practices, unfair business practices, anti-competitive practices, unethical practices, etc. to gain a competitive edge over some competitors, often to the detriment of the consuming public. These latter phrases appear to more accurately describe the U.S. film industry than "free enterprise".

A Paramount spokesman in the Buchwald v Paramount case admitted, for example, that "[w]e could do business any number of different ways. We could try to negotiate a better split with the theater owners and add more revenues. We could pay gross participants less. We could pay studio executives less. Shareholders could settle for less dividends."⁵⁷ In addition, studio executives, stars, agents and the insider entertainment attorneys could accept less money for their services, agency and attorney packaging could be frowned upon as unethical (at least), distributors could demand that exhibitors settle pursuant to the terms of the original contract following a film's run, and so forth. But none of those things typically happen. Hollywood chooses to conduct its business the way it does, because it has the power to do so, and the great imbalance in power as between parties, in most instances removes the free choice characteristic of a free market.

We're Honest in Expressing Our Views of the Film Industry Critics--After Michael Medved's book came out in 1992, *Time's* Richard Corliss wrote: "[t]here's a lot to criticize in grimy popular culture, (but) critic Michael Medved is the wrong man for the job . . . Instead of just isolating a disturbing tendency in pop culture, he is compelled to document it with suspicious statistics, to draw conspiratorial conclusions, to call for a return in spirit to the movies' puritanical Production Code of the 1930s . . ." ⁵⁸ Peter Biskind, writing in *Premiere* magazine called Michael Medved's book *Hollywood vs. America* " . . . simplistic . . . repellent and ill-argued . . ." ⁵⁹ *Variety's* Peter Bart on Medved's book: " . . . the tome provides a chilling glimpse of what happens when a humorless, authoritarian mind is inundated by the noise of pop culture . . . the book reads instead like a nervous breakdown set in type." ⁶⁰

In defense of Medved, he did not suggest a conspiracy, nor did he " . . . call for a return in spirit to the movies' puritanical Production Code of the 1930s . . ." Such misstatements of the truth appeared regularly in the Hollywood trade press following the publication of Medved's book, and appear to be just another example of how mean-spirited, dishonest and malicious the Hollywood insiders' counter-attacks can be. The well-orchestrated attack on Medved's credibility is typical of the way Hollywood treats outsiders, or, in Medved's case, a fellow Jewish male who happens to be very religious, and who also recognizes much of what is wrong with Hollywood.

Medved also had to defend himself in March of 1992 " . . . against colleagues' criticism that his objectivity has been compromised by his acknowledged relationships with Hollywood studios." Medved had apparently done " . . . script work for two film studios . . ." although he said " . . . he hadn't been paid for those services since becoming a critic in 1985." He also " . . . accepted \$8,000 to \$10,000 to be an expert witness for Paramount Pictures in the studio's defense of columnist Art Buchwald's *Coming to America* lawsuit." Los Angeles critic and president of the National Society of Film Critics, Peter Rainer said, "[i]f you're being paid as an expert adviser in a case involving a studio, it places you in a conflict-of-interest limbo that no critic wants to find

himself in."⁶¹ On the other hand, if Hollywood tried to apply a rule prohibiting conflicts-of-interest across the board, most of the activities of the Hollywood insiders will be shut down immediately. It is hardly fair to criticize Medved for a minor and rather insignificant example of behavior (a minor conflict-of-interest) that is an essential part of everyday business in Hollywood at an even more serious level.

Hollywood will typically try to characterize its critics as part of a "political fringe" on the far right and that the real motives behind such attacks are efforts to gain publicity for and advance the careers of such critics. As an example, in a full page ad in the *Daily Variety*, November 23, 1993, the liberal Hollywood group The Center For the Study of Popular Culture said "Hollywood is no stranger to attacks that characterize it as an enemy of the republic. The political fringe has always found us a useful target of opportunity from which to nurture demagogic careers or to distract their constituency from the real problems that surround society."⁶² Note here, of course, that this Hollywood group is laying the groundwork for suggesting that many of Hollywood's critics come from the "political fringe".

We Don't Exaggerate the Arguments of Our Critics--The film industry apologists who want to distract the "film industry critics" in their criticism relating to who really controls Hollywood often resort to the old "straw man" argument by exaggerating the claims being made by the industry critics. The defenders of Hollywood thus suggest that the critics are really alleging that some sort of "cabal" exists or that a "conspiracy" exists, not because that is what the industry critics are actually saying, but that such exaggerations place a much higher burden of proof or persuasion on the critics and serves to divert the focus of the discussion. In other words, it is much more difficult for the industry critics to prove or show persuasive evidence that a "Jewish cabal" or any other cabal exists in Hollywood or that a "Hollywood insiders conspiracy" or any other form of conspiracy exists in Hollywood, so the defenders of Hollywood like to misrepresent the industry critics' arguments precisely for that reason.

Again, when Michael Medved came out with his book *Hollywood vs America*, the industry retaliated by attacking his credibility and misstating the arguments he made. In an article in *Los Angeles* magazine, Michael Logan answered some of those misstatements, pointing that "Medved . . . does not advocate censorship, calling it 'a very stupid answer to a very serious problem.' He does not claim media messages cause destructive behavior but feels they encourage it. He does not suggest that the entertainment industry is single-handedly responsible for America's ills but that it exacerbates and contributes to them."⁶³ The above Michael Logan statements were all made in answer to Hollywood insider misinformation and exaggeration put out in response to Medved's criticism of the industry.

Hollywood also tends to exaggerate and misstate the claims of its opponents. For example, the ad goes on to state that " . . . Senator Paul Simon and Attorney General Janet Reno have decided to focus on television and motion pictures as the root cause of this decay of common virtues that is destroying our own present and our children's future . . . "⁶⁴ In truth, neither Simon or Reno claim that media violence is the "root cause" of societal decay, only that it is a significant contributing factor.

The Hollywood liberals also tend to exaggerate the remedies proposed by industry critics, suggesting that it " . . . is only a matter of time before they conclude we must also be instructed in what we can say." The remedy of the Hollywood liberals " . . . is not less free speech--it is more. McCarthyism taught us that the consequences of silencing a single voice are far worse than allowing that voice to be heard . . . we must reaffirm our dedication to the unambiguous language of the First Amendment, lest we be forced to relive the tyranny of the blacklist years."⁶⁵ In other words, an effort is being made here to characterize those who would criticize the film industry as "McCarthyites". And, even though the film industry critics are not advocating censorship, these Hollywood liberals want the readers of its ads to believe that is what is being proposed. Such misleading tactics are patently dishonest.

The Movie Industry is Different--The Hollywood insiders and those who choose to publish their views, like to rationalize by saying the " . . . movie industry defies strict analysis from a traditional business point of view. Any profiling of its points to certain concepts not characteristic of other industries, concepts that can prevail only in an industry whose product is creative."⁶⁶ This is another aspect of the Hollywood insider line, pure and simple. Those major studio/distributor entities that have controlled and dominated the U.S. motion picture industry for three generations want the rest of the world to believe that traditional business analysis (whatever it is) will not adequately explain the operations of the film business. They also want us to believe that traditional accounting principles cannot be applied to this industry. Both of these statements appear to this author to be nothing more than rationalization put forth in an effort to justify the continuing control of the motion picture industry in the hands of a few.

American Movies Are Better--Entertainment attorney Lee Steiner is quoted in Goldberg's book as saying: "American movies have strong international appeal because the production quality is generally higher than movies made abroad . . ." ⁶⁷ Is this a true statement? How can anyone objectively compare and judge the "production quality" of movies competing in the foreign marketplace? How can anyone, including attorney Lee Steiner be in a position to say why people in foreign countries go to see American movies more than films from other places? Is it possible that Steiner is overlooking the fact that people go to see movies that are conveniently available to be seen? Thus, if most of the movies on the screens around the world are American, it does not really matter that their production quality is higher, if it is. And if American distributors in foreign countries are still using block booking, there is no question that some of those American movies, that are drawing larger audiences than the film product of other countries, are in fact poorer quality movies in every respect. In addition, if the unfair, unethical, anti-competitive, predatory and illegal business practices of the American major studio/distributors are the real underlying reasons why foreign filmmakers do not have greater success in the marketplace, then that directly affects the amount of money that is available for those filmmakers to produce their next film, thus effectively reducing their ability to put more "quality" on the screen. Thus, Steiner's analysis is overly simplistic at best.

WHAT'S REALLY GOING ON IN HOLLYWOOD

By John W. Cones

Some ten years ago, I moved my securities law practice from Houston to Los Angeles for the express purpose of providing very specialized legal services to independent feature film producers who were seeking to finance their film projects with investor funds, (that is, through non-film industry financing). Several years into the practice, I had already been informed by literally hundreds of film-industry professionals that the so-called Hollywood-based U.S. film industry is essentially controlled by what some described as a close-knit group of insiders; and that Hollywood is not a level playing field; not a merit system and not a free market. Thus, among many other consequences, the investors of my producer clients were not likely to get their money back, much less make a profit on their film investments.

This presentation reveals the results of my own investigation into these persistent allegations, all of which I have been able to confirm, and further explains what is a more appropriate alternative to an insider-controlled film industry, that is a momentous expansion of opportunities for all interest groups within our multi-cultural and diverse society to tell their important cultural stories through this significant communications medium, the feature film. That is the ultimate objective of my work on this issue--to create a free and open film industry marketplace not burdened with anti-competitive business practices favoring a select few. First, however, in order to initiate such radical change, we have to develop a better understanding of the true nature and depth of the problem. For your future reference, the details of this presentation, and the underlying support materials, are set forth in these 13 books (gesture to stack of books) and their accompanying bibliographies.

In addition to all of the other criticism directed toward Hollywood over the years, one of my own early observations about this filmmaking community made primarily as a moviegoer, suggested to me that the body of work produced by Hollywood filmmakers actually contains a number of blatant patterns of bias. By that I mean, Hollywood films, when viewed over a period of many decades, have consistently portrayed whole populations in our diverse society in a negative or stereotypical manner.

That concerns me, so in addition to my ongoing law practice, I set out to study this phenomenon and ultimately wrote a book about it, called *Patterns of Bias in Motion Picture Content*. I determined that several of Hollywood's most blatant patterns of bias occur in the areas of race, ethnicity and national origin. Included in this group are consistent negative and/or stereotypical portrayals of Arabs and Arab-Americans, Asians and Asian-Americans, Hispanics and Latinos, African-Americans, along with Native Americans.

My study of thousands of movies and movie reviews indicates that Hollywood, throughout its nearly 90-year history, has specifically portrayed ARABS AND ARAB-AMERICANS as evil, barbaric, oversexed, depraved, villainous, shifty, possessed, hostile, fanatical, criminal, mystical, wicked and crazed. Arabs have also been portrayed as thieves,

shady, kidnapers, enemies, mysterious, murderers, assassins, terrorists, blood-thirsty, saboteurs, extremists, cult-ridden, curse-stricken, oily, shifty-eyed, violent, and as idiots. On the other hand, and here is the problem, seldom have Hollywood movies contained more favorable portrayals of Arabs or Arab-Americans. Thus, the millions of viewers of Hollywood movies worldwide are burdened with a prejudiced and extremely unbalanced perspective of what Arabs and Arab-Americans are like.

This study also revealed that Hollywood's portrayals of ASIANS AND ASIAN-AMERICANS consistently presented them as enemies, cold, calculating, ruthless, aggressive, criminals, slave owners and conspiring businessmen. Just as with the Arabs and Arab-Americans, it is also accurate to report that Hollywood has seldom portrayed Asians and Asian Americans in a positive light.

HISPANICS AND LATINOS have generally been portrayed in Hollywood films as drug traffickers, kidnapers, mean, macho, scraggly, violent, cynical, gang members, tire slashers, prison inmates, racists or in despair. Once again, Hollywood films contain very few positive portrayals of Hispanics or Latinos.

Although the portrayals of AFRICAN-AMERICANS have improved somewhat in recent years, there is a long dismal history for Hollywood to overcome. As screenwriter Dalton Trumbo pointed out, in the early years Hollywood ". . . movies made 'tarts of the Negro's daughters, crap shooters of his sons, . . . Uncle Toms of his fathers, superstitious and grotesque crones of his mothers, strutting peacocks of his successful men, psalm-singing mountebanks of his priests, and Barnum and Bailey side-shows of his religion." In addition to a sprinkling of more positive portrayals in more recent times, African-Americans have been further portrayed in Hollywood films as, voodoo followers, gang members, crooked cops and young blacks surviving in South Central LA. Hollywood movies have also portrayed an African-American playwright mistaken as a burglar (because he was Black) and Black preachers have repeatedly been portrayed as buffoons. Again, some improvement has occurred in the portrayals of African-Americans on the screen, but not nearly enough.

Of course, Hollywood has really done an about face in portraying AMERICAN INDIANS. Whereas, they were represented for years as whooping, scalping, heathen and murderin' red varmints, now they are more likely to appear as the oppressed and cheated defenders of a precious culture.

You may, of course, feel there is no harm threatened by the polarizing extremes or consistency of any of these patterns of motion picture bias, after all, movies are merely entertainment, right? To the contrary, my research supports the belief that the consistent portrayal of negative stereotypes in U.S.-made movies contributes to prejudice, and here's why. In contrast to what the Hollywood establishment would have us believe, movies are more than mere entertainment; all movies communicate ideas. Throughout the history of Western civilization, ideas have always, and will always serve as significant motivators of human conduct. Therefore, ideas, specifically those ideas presented in motion pictures (one of the most powerful and effective forms of communication yet devised), will inevitably influence human

thought and behavior, particularly, the thoughts and behavior of the relatively uneducated or unsophisticated youth of our nation, to whom many of these Hollywood films are specifically directed. Furthermore, and unfortunately, the prejudice stemming from the repeated negative and stereotypical portrayals noted earlier, contributes to discrimination, and discrimination often leads to conflict. Thus, I believe that in all probability, the U.S. motion picture industry and its consistent patterns of bias have, over the years, become contributing factors (not the sole cause, but important contributing factors) in the development of unnecessary prejudice, discrimination and conflict within our multi-cultural society.

My studies also demonstrate that Hollywood movies have a tendency to exhibit consistent biases relating to SEXUAL STEREOTYPES. Two of the most blatant include the industry's treatment of women and its portrayals of gays and lesbians. Hollywood portrayals of women in recent years have included silent, submissive and untrustworthy females. In addition, women have been portrayed as being on the sidelines, victims, prostitutes and as the sexual harasser. As a rule gays have been portrayed as bitchy, lonely, jealous, murderous, angry and gloomy. They are also sometimes presented as effeminate and harmless buffoons, but also as child molesters, murder victims, suicides, potentially homicidal and villains. Lesbians have been portrayed in a similar stereotypical manner, except for the substitution of masculine for effeminate, while in still other movies they have been delesbianized altogether. The portrayals of women have improved somewhat in recent years, but mainstream film portrayals of gays and lesbians remain mired in the negative stereotype.

Considering the repetition of Hollywood character portrayals from a POLITICAL perspective, it is quite apparent that one of the most consistent patterns of Hollywood movie bias comes in the form of positive presentations of liberal points of view and negative portrayals of villains from the extreme right of the political spectrum. Seldom does Hollywood portray its movie villains as political liberals.

Another Hollywood movie bias occurs with respect to RELIGION. Although, some have suggested that a drastic change occurred in Hollywood regarding the treatment of religion on screen following the demise of the industry's Production Code in 1968, my review of Hollywood films about religion indicate that prior to that year, at least two parallel approaches to religious topics were represented, one sympathetic to mainstream religious beliefs (although limited to Old Testament Biblical stories), the other antagonistic. The only thing that appears to have changed, is that after 1968, the films that are antagonistic to religion, specifically Christianity, clearly have been predominant.

In summary, Hollywood has portrayed Christians as sexually rigid, devil worshipping cultists, talking to God, disturbed, hypocritical, fanatical, psychotic, dishonest, murder suspects, Bible quoting Nazis, slick hucksters, fake spiritualists, Bible pushers, deranged preachers, obsessed, Catholic schoolboys ruining amok, Adam & Eve as pawns in a game between God and Satan, an unbalanced nun accused of killing her newborn infant, dumb, manipulative, phony, outlaws, neurotic, mentally unbalanced, unscrupulous, destructive, foul mouthed, fraudulent and as miracle fabricators. Regardless of how you feel about religion and Christianity in particular, the use of a powerful communications medium by anyone to consistently portray Christians and

other religious characters in such a disgusting manner is despicable.

Still another little recognized Hollywood movie bias regularly appears in the form of negative or stereotypical portrayals of WHITE PEOPLE FROM THE AMERICAN SOUTH. My studies indicate that during the 1980s and the early '90s Hollywood continued a long-established and ruthlessly consistent pattern of negative or stereotypical portrayals of these Southerners that began as early as the 1920s. White Southerners have been most often portrayed as murderers and other types of criminals, country music lovers, being from small towns, flawed lawmen, cagey Cajuns, eccentrics, hillbillies, members of the Ku Klux Klan, oil field workers, rednecks, strippers and prostitutes, plantation owners, dumb, odd-ball characters, poor, gossips, "the lowest form of human life", lifelong losers, aimless, racists or otherwise prejudiced individuals.

A total of 251 movies were included in this particular survey of films about the South. As it turns out, only 12% of them were directed by directors from that region of the country. This may help explain why so many of them present negative and/or stereotypical portrayals of these subjects. It also points to the heart of the problem for all of the other groups mentioned earlier. What we see is that there are relatively few Arabs, Arab-Americans, Asians, Asian-Americans, African-Americans, Native Americans, Hispanics, Latinos, women, gays/lesbians, Christians, political conservatives or White people from the South making the key decisions with regard to the production and distribution of Hollywood films. Under those circumstances, the observed patterns of bias may be considered inevitable. The makers of these films do not, as a general rule, know their subjects and are prejudiced themselves.

Now, I might point out that these motion picture patterns of bias problems are wholly separate from and in addition to the many problems noted by PBS film critic Michael Medved in his book *Hollywood vs. America*, in which he complained about excessive violence, gratuitous sexual content, foul language, anti-authority themes and anti-religious movies. Medved and I agree that there are serious problems with the Hollywood filmmaking community. We apparently disagree, to some extent, with regard to who's responsible for these problems, and what solutions might actually bring about effective change.

After conducting my studies of patterns of movie bias relating to specific races, religions, sexual stereotypes, political orientation and regional portrayals, I redirected my research efforts toward the specific genre of MOTION PICTURE BIOGRAPHIES. I wanted to know whether similar patterns of bias could be observed with respect to the historical characters chosen to be portrayed in Hollywood's motion picture biographies, and what periods of history received the most attention.

As it turns out, an earlier study had been done on this topic. Professor George Custen, wrote *Bio/Pics--How Hollywood Constructed Public History*. Unfortunately, Custen's study only covered films through the 1960s. My study attempted to update his material through the early '90s. In Custen's study of biopics only 4% of the films featured non-white North American subjects. As Custen points out: "Only two professions, athlete and professional entertainer, are associated with black Americans, representing in a simplistic way many people's perceptions of the limited careers open to blacks. Native Americans (in the pre-'60s biopics) are represented

largely as defeated warriors, victims of superior white military strength."⁶⁸ Although, my more contemporary study reveals a few more motion picture biographies featuring favorable portrayals of Indians, less than 4% featured African-Americans and only 5 of those portrayed African-Americans who were not athletes or entertainers. So the old Hollywood patterns in biopics discovered by Custen continued into the '90s for African-Americans and American Indians.

In addition, during the entire 90-year history of Hollywood, there were no other U.S. Hispanic/Latino subjects honored in Hollywood biopics, other than the one entertainer featured in *La Bamba* in 1987 (and more recently, *Selena*). To more graphically illustrate whose lives are worthy of a biopic in the opinion of Hollywood filmmakers, there have been more Hollywood motion picture biographies of real criminals, gangsters and outlaws throughout the history of Hollywood than for all American Indians, African-Americans and Hispanic/Latinos considered together. This one component of Hollywood's bias is a national disgrace!"

After having determined that Hollywood movies contain a number of significant patterns of bias (whether in purely fictional works or in the movies based on historical characters), the next natural question must be asked: "WHY IS THIS PHENOMENON OCCURRING?" Others who have studied Hollywood have already suggested the answer. Anthropologist Hortense Powdermaker, for example, wrote as early as the 1950s, in her book *Hollywood: the Dream Factory; an Anthropologist Looks at the Movie-Makers*; that the ". . . taste, good or bad, of the men who make the movies will be inevitably stamped on them . . ." ⁶⁹ Custen also pointed out in connection with his study of biopics, that "[a]lthough the cinematic lives of the famous take place in locations the world over, and are set in time periods covering over two thousand years, they inevitably reflect the values of the world of the Hollywood studio and their personnel . . ." ⁷⁰ My own statement of this phenomenon is that movies mirror the values, interests, cultural perspectives and prejudices of their makers.

This important thesis statement, offered in slightly varying forms by at least three different observers of the Hollywood scene over a 50 year period, raises the next important question in our analysis of what is going on in the U.S. film industry, that is: "WHO REALLY CONTROLS HOLLYWOOD?" Or, more specifically, who makes the three important decisions relating to (1) which films are produced or released, (2) who gets to work on those films in the key positions and (3) what is the content of the screenplay on which those films are based? This is important, once again, precisely because Hollywood movies mirror the values, interests, cultural perspectives and prejudices of those key decision-makers. For most practical purposes, they are the film makers.

My study of this question, published under the title *Who Really Controls Hollywood*, reveals that most of the power in Hollywood to effect the vast majority of the movies produced or released by the major studio/distributors, which in turn, are the movies most people see on the screen, still rests in the hands of the top three studio executives (with some influence in limited instances exerted by a few of the more powerful talent agencies).

This study also demonstrates that very few of the top studio executives or top agents have been women. Thus, we can safely conclude early on in our analysis, that women are generally

outsiders to the Hollywood control group. Women have long been recognized as one of the disenfranchised minorities in Hollywood. If that were not true, it is highly doubtful that the consistent patterns of bias noted earlier with respect to women would exist. Again, although some improvement for the employment of women at the top executive levels has occurred in recent years, it is not enough.

In addition, both David Prindle who wrote *Risky Business--The Political Economy of Hollywood*, and Ronald Brownstein who authored *The Power and the Glitter--The Hollywood-Washington Connection*, confirm that the vast majority of the people involved in Hollywood filmmaking at all levels are politically liberal. The previously noted pattern of bias relating to the predominance of political right-wing villains tends to support this observation.

Further, according to Michael Medved, the men who run Hollywood, do not appear to be very religious. Medved points out that the ". . . best available study of the industry establishment shows that 93 percent of (the entertainment community) . . . attend no religious services of any kind . . ." ⁷¹ Again, the patterns of bias exhibited in Hollywood motion pictures, as noted earlier, also support the observation that Hollywood filmmakers, as a general rule, are not actively involved in organized religion. Thus, without conflicting evidence to the contrary, it is safe to conclude that generally, the men who control Hollywood are politically liberal and not very religious.

As recently as the summer of 1992, Los Angeles litigating attorney Pierce O'Donnell raised the question of the RACIAL characteristics of the men who control Hollywood, when he described the contemporary management of the U.S. film industry, in his *Beverly Hills Bar Journal* article. He said: "[a]n elite clique of two dozen white males manage the major studios and control virtually all of the movies distributed in the United States." ⁷²

The following year, in 1993, David Prindle reported similar observations relating to the racial characteristics of those who control the U.S. film industry saying ". . . Hollywood is largely peopled by young white males." Previous surveys conducted by various organizations in the late 1980s documented that ". . . the industry's work force barely begins to reflect the ethnic and gender composition of American society." ⁷³

Lawyer and former Universal Pictures business affairs executive Rudy Petersdorf echoed these observations saying, studios are like a secret club. Their whole reason for existence "is to perpetuate the privileged, luxurious lifestyle of a select few white males . . ." ⁷⁴

Without raising the more specific issues of religious or cultural heritage, and notwithstanding the arbitrariness and irrelevance of placing a precise number on the size of Hollywood's inner circle, these observers of the Hollywood scene are clearly critical of the way the U.S. film industry is run, and place the primary blame directly on a small group of "white males".

My own separate study of this issue confirms that O'Donnell, Petersdorf, Prindle and the others (who have studied and written about Hollywood) are all partially correct in asserting that

Hollywood is dominated by a small group of white males. But, it also appears to be true (as reported by Prindle, Brownstein, Medved and others) that the individuals who make up this group of white males are politically liberal. In addition, as Medved observes, the members of the Hollywood insiders' club are not very religious. Thus, it would be more accurate to report that the Hollywood control group is made up of white males, who are politically liberal and not very religious.

Unfortunately, that is still not the whole story with respect to the specific characteristics of the Hollywood insiders' club that are relevant to the kinds of movies we see, and to limit our analysis of such characteristics to gender, race, political orientation and level of interest or involvement with religion, is to engage in what is referred to in my own field of securities law as a material omission. In other words, anyone who limits their analysis to only these factors have either negligently or maliciously engaged in a tilting of the truth, by leaving out important information, that is clearly relevant to a true understanding of who controls Hollywood, why and with what result. After all, the motion picture is a unique product. It mirrors the values, interests, cultural perspectives and prejudices of its makers.

That next bit of useful information about the Hollywood control group's members relates to their RELIGIOUS/CULTURAL HERITAGE, something avoided altogether by Pierce O'Donnell, and misstated by Michael Medved. In 1988, however, Neal Gabler wrote in his book *An Empire of Their Own--How the Jews Invented Hollywood*, that ". . . the original Motion Picture Producers and Distributors of America . . . was founded and for more than thirty years operated by Eastern European Jews . . ." Gabler goes on to state that the ". . . much-vaunted 'studio system' . . . was supervised by a second generation of Jews . . ." He says the ". . . storefront theaters of the late teens were transformed into the movie palaces of the twenties by Jewish exhibitors . . . [t]he most powerful talent agencies were run by Jews. Jewish lawyers transacted most of the industry's business . . ."

Subsequently, in 1993, David Prindle provided a more contemporary report, stating that "Hollywood contains a much higher percentage of Jews than does American society as a whole." Prindle further stated that "Hollywood was virtually founded by Jews . . . and its important decision making positions have been dominated by them ever since." Also, according to Prindle, "[a]ll of today's studio heads (this was in the early '90s) are Jewish."⁷⁵

My study of the literature of the film industry determined that the writings of Neal Gabler, David Prindle and others, including Joel Kotkin, Terry Pristin, Peter Bart, David McClintick and Paul Rosenfield (whose respective books and articles on Hollywood are included in my bibliographies) all provide cumulative and convincing evidence that the Gabler/Prindle view is still correct; that is, the Hollywood-based American motion picture industry has, from the very beginning, and still is, controlled and dominated by Jewish males of European heritage. As noted earlier, when the observations and writings of Medved and Brownstein are added, we also discover that these Jewish males are typically not very religious and for the most part, are politically liberal. Thus, taken together, it is possible then to authoritatively conclude that the Hollywood-based U.S. film industry is still controlled and/or dominated by that same small Jewish sub-group (the politically liberal, not very religious Jewish males of European heritage).

In an effort to confirm the accuracy of these observations I again conducted my own study of the racial, religious and cultural backgrounds of the top three studio executives of the Hollywood major studio/distributors that are still considered to be majors today, for the entire periods of the respective histories of those companies. These are the people, who we noted earlier, make the important decisions about which films are produced or released, who gets to work on those films in the key positions and the content of the scripts on which such films are based.

Several conclusions can be drawn from this study of major studio executives. First, there appears to be no persons of African/American, no persons of Asian/American, and only one person of probable Hispanic/Latino heritage in this entire group of 226 Hollywood studio executives. In other words, African-Americans, Asian Americans and Hispanics have been completely and arbitrarily excluded from the highest levels of power in the Hollywood-based U.S. film industry for the its entire, nearly 90-year history. In my view, it is not likely that anyone other than a racist would sincerely argue that the persons who have held these studio executive jobs actually deserved to be in such positions to the complete exclusion of African/Americans, Asian-Americans and Hispanic/Latinos (male or female).

Second, only 8 of these top major studio executive slots were occupied by women at any given time (that is, only 4% of the total number of studio executive positions reported) and only for short periods of time. Also, only 6 women were involved (Sherry Lansing, and Dawn Steel worked in high level executive positions for two different studios). Not only are all of these major studio/distributors so-called male bastions, 3 of them (Disney, MGM and Universal) have never permitted a women to enter one of the three top level positions considered in this study, completed in 1994. Again, in my view, it is not likely that anyone other than a sexist would sincerely argue that the persons who have held these highest level studio executive positions deserved to be there to the almost complete exclusion of women.

Third, of these 226 individual major studio/executives identified for purposes of this study, more than 60%, and possibly as high as 80% all share a common Jewish religious/cultural heritage (certainly, a clear majority). In addition, as it turns out, at least 3 of the female studio executives noted earlier, the first 3 to be awarded their top-level executive positions (Lansing, Steel and Weinstein) also have Jewish backgrounds.

Now, that we have determined that Hollywood movies contain blatant patterns of bias, in that they consistently portray whole populations of our diverse society in a negative or stereotypical manner, and that Hollywood is controlled by a small group of politically liberal and not very religious Jewish males of European heritage, it is also clearly relevant to determine what populations or themes are FAVORED by the Hollywood control group in its motion picture portrayals. That study has also been conducted and published under the title *A Study in Motion Picture Propaganda--Hollywood's Preferred Movie Themes*.

First, if we refer back to the earlier reported study of motion picture biographies, we discover that when the MOTION PICTURE BIOGRAPHIES with Jewish creative elements are

combined with the biopics featuring Jewish subjects, significant roles for Jewish characters, 'Jewish heroes' and Jewish 'enemies', the applicable percentage of the entire body of Hollywood biopics with Jewish elements exceeds 70%, an incredibly disproportionate number for an industry supposedly based on merit. Under such circumstances, no credible person could seriously assert that this phenomenon could actually occur as the result of a truly free market system, unhindered by numerous anti-competitive business practices.

Also, as already noted, Hollywood films, over the years, have generally portrayed a liberal POLITICAL point of view. I'm not saying that I disagree with that liberal perspective in all instances. I consider myself politically liberal on many issues. I just do not believe it is appropriate for any side of the political spectrum to control access to any powerful communications medium, particularly in a democracy that supposedly values the free competition of ideas.

Further, Hollywood has not only left huge gaps in its coverage of HISTORY (as reported in Douglas Gomery's book *Movie History: A Survey*), but Hollywood cannot help but revise history with each movie touching on any historical event. Thus, Hollywood filmmakers are not only in the business of making filmed entertainment, they are also in the business of rewriting history with a powerful communications medium. On the other hand, filmmakers are dangerous historians because they tend to rewrite history to make it more entertaining, among other things. And, it appears that the Hollywood filmmakers believe that history is almost always more entertaining if the rewritten version reflects their own personal beliefs about what happened, or what should have happened or what was really important enough to be presented on film. Thus, once again, Hollywood's treatment of history supports the conclusions set forth in *Patterns of Bias in Motion Picture Content* that movies mirror the values, interests, cultural perspectives and prejudices of their makers.

Ironically, among the other related themes commonly appearing in Hollywood films, throughout the industry's nearly 90-year history, are the racial and other PLEAS FOR TOLERANCE. Such pleas are totally inconsistent with the Hollywood control group's real-life treatment of other racial, ethnic, religious or cultural groups in employment situations, and on the screen. The Hollywood history of the implementation of its own pleas for tolerance is exceptionally dismal.

Another unusual example of Hollywood's unique perspective which appears to approach subjects differently depending upon how the subjects relate to the history of the Hollywood control group itself, is revealed in Hollywood's treatment of SLAVERY in movies. A brief survey of the history of slavery in Hollywood films (set forth in *A Study of Motion Picture Propaganda*) reveals that the slaves themselves at various times include Jewish and other white slaves, along with Asian and Black slaves. On the other side, the slave owners are portrayed as Arab, Babylonian, Egyptian, Libyan, Chinese, Roman and White, with 73% of these White slave owners from the American South. What is clear from this brief survey of Hollywood's portrayal of slaves, slave traders and slave owners is that Hollywood seems all too eager to send up films depicting slave owners and slave traders who are not Jewish, but not nearly as eager to produce and distribute films portraying the historical fact that some Jewish men were involved in white

slave trafficking, owned slaves in the American South and in the West Indies and were actually involved in some of the slave running and/or trading that brought slavery to the American South. This Hollywood spin on slavery thus appears to be another example of gross historical revisionism through selective and self-serving omission.

Another sub-group of Hollywood films and a pattern of bias that appears to be related to the interests or perspective of the Hollywood control group is that category of movies that seek to positively portray IMMIGRANTS, particularly European immigrants. The argument is not being made here that there is anything inherently wrong with producing and releasing movies that portray immigrants in a positive light. Of course, we should have movies that do that. But, if the Hollywood emphasis does not more evenly distribute the presentations between positive and negative immigrant portrayals, then we have a consistent pattern of bias in favor of immigrants, or more Hollywood propaganda.

Also, if we have a situation in which only certain immigrant groups are portrayed positively, (for example, immigrants from Central and Eastern Europe as opposed to immigrants from South America, Asia or Africa), we have a different and even more damaging level of propaganda being disseminated through this important medium of communication. The key is a balancing of the overall presentation, both in terms of pro and anti-immigrant positions and in terms of which immigrants or positively or negatively portrayed. This overall balance appears to have been long missing from the Hollywood-based U.S. film industry in many subject areas, providing still further evidence that movies mirror the values, interests, cultural perspectives and prejudices of their makers, and that Hollywood is in fact controlled by a small group of politically liberal and not very religious Jewish males of European heritage, who are also quite prejudiced. The necessary balance just mentioned can best be achieved across the board through greater diversity at all levels of the U.S. film industry.

The portrayal of acts of violence in movies is another consistent Hollywood theme that has already been explored by many other film industry observer/writers. The related specific sub-genre, however, of GANGSTER AND OUTLAW MOVIES presents a special problem, in that it is difficult to know what effect the portrayals of the lifestyles of criminals will have on any given member of the viewing audience. Many observers would suggest that even though a gangster or outlaw portrayed in a motion picture may come to an early death or be punished for his crimes in other ways, many of the movies portraying gangsters glamorize the calling so much that some in the audience will inevitably be encouraged to adopt the life style hoping not to repeat the same mistakes made by the gangster or outlaw portrayed in the movie.

My survey of Hollywood's gangster/outlaw films set forth in *A Study of Motion Picture Propaganda*, revealed that gangsters and outlaws have been portrayed as: disciplined businessmen, good-looking, soft-hearted, ingenious, suave, legendary, attractive, famous, idolized, cool and collected and as fun loving fellas. The films showed mobsters dallying with the sexually awakened daughter of an attorney, wanting to go straight, as victims of society, saving a town, mingling with entertainers and the wealthy, fleecing the rich and giving to the less affluent, and robbing banks as a sideline. Moviegoers watching these films observed that a society girl can learn the true meaning of love from the selfless devotion of a gangster's moll, that

ex-soldiers and college grads sometimes choose to become gangsters, that mobsters sometimes get to make movies, that they can be art lovers, that family ties are more important than anything, that mobsters have a special code of ethics or code of honor, that they may be able to buy a bank to launder illegal profits, their careers can flourish even after deportation and (after their careers are over) they may be immortalized in movies or honored with a motion picture tribute. This history of gangster/outlaw movies suggests that Hollywood is acting as the public relations agent for the mob. Maybe this history also serves as a clue to the sources of some of the money required to finance these outrageously expensive films.

The truth is that with gangster and outlaw movies there will always be some people in the audience for such films that consider the life of the gangster glamorous, no matter how the movie ends. After all, no one stands at the theatre door attempting to make judgments about the intelligence, sophistication or vulnerability of moviegoers, thus, Hollywood filmmakers cannot possibly know that their films do not adversely affect members of any given audience.

Of course, the Hollywood studio executives will trot out their standard "no proof" argument (that there is no proof of such a cause and effect link). There is also no proof that gangster, outlaw and other violent movies do not encourage some people to behave in an anti-social manner, and there never will be. The choice for people with common sense, is really between allowing a small group of greedy motion picture studio executives the freedom to make exploitation films that may cause a considerable amount of harm to society, as opposed to, taking reasonable steps to reduce the huge amounts of money these greedy executives and filmmakers receive, in the hopes that such a reduction will also limit their power and ability to ignore public pressure, so that in the long-run our society as a whole will benefit. For many reasonably intelligent people in our society, that should not be a difficult choice. It merely needs to be implemented in a legal and non-discriminatory manner (and we'll talk more about that in a moment).

Another aspect of the outlaw/gangster genre of Hollywood motion pictures is the extremely uneven presentation of various ethnic groups as movie bad-guys. For example, the survey of gangster/outlaw films prepared as part of my study covered the period from 1925 through 1994. It included some 156 examples of the genre, the vast majority of which featured Italian mobsters as the central characters. Thus, we can add Italians and Italian-Americans to the list of those populations that have consistently been defamed by Hollywood moviemakers over the years.

As already mentioned, the analysis and discussion provided in the three books: *Who Really Controls Hollywood*, *Patterns of Bias in Motion Picture Content* and *Motion Picture Biographies*, set forth evidence that tends to show that the Hollywood control group has not been very sensitive (throughout its nearly 90-year reign over the Hollywood-based U.S. film industry), to the concerns of African-Americans, Hispanic/Latinos, women, gays/lesbians, Arabs, Arab-Americans, Asians, Asian-Americans, American Indians, Christians, White Southerners, Italians and Italian-Americans and others, when it comes to the consistent negative or stereotypical portrayals of such populations in movies. Since the combined research of Neal Gabler, Terry Pristin, David Prindle, Patricia Erens and other writer/observers of the Hollywood scene,

confirms that the so-called traditional Hollywood management still controls and dominates Hollywood, it then becomes materially relevant to consider what results from that control in terms of the positive portrayals in movies produced and released by this control group, the positive portrayals other than those found in the motion picture biographies considered earlier. For example, have Jewish-themed movies actually been produced and released, in disproportionate numbers, and do they tend to consistently portray Jewish issues and people in a more favorable manner than the people or issues associated with these other populations?

Once again, my studies revealed that a disproportionately high percentage of American-made movies present JEWISH characters, stories, themes, sub-plots or issues, and that such presentations (although not always absolutely positive) are generally more favorable than their counterparts in movies focusing on other racial, ethnic, religious or cultural groups. It is extremely important to note that this disproportionate interest in Jewish stories and favorable Jewish portrayals in Hollywood movies occurs at the expense of the film presentation of the many important stories of other religious, ethnic, racial and cultural groups in America.

Hollywood's Jewish movie characters have been portrayed positively as talented, warm-hearted, concerned, cordial, business-minded, successful, intellectual, luminous, sophisticated, likeable, funny, wealthy, handsome, valiant, academic, heroic, chivalrous, responsible, clever, bright, assertive, persistent, intelligent, self-assured, rich, sensitive, incorruptible, entrepreneurial, vigorous, brilliant, scholarly, attractive, influential, colorful, passionate, studious, religious, determined, hip, hard-working, well-intentioned, compassionate, adventurous, warm, courageous, pragmatic, concerned and discerning.

Interestingly enough, most of the negative portrayals of Jews in films (once again, directed, produced and distributed mostly by Jewish males) were associated with the portrayals of Hollywood studio executives. They have been portrayed as idiosyncratic, exploiters, venal, disingenuous, nasty, alcoholic, petulant, arrogant, pretentious, jaded, cynical, egotistical, condescending, insulting, aggressive, manipulative, quirky and neurotic. Thus, even though the portrayals of Jews in Hollywood films have clearly been mixed, their treatment overall is still more favorable than the other groups already considered, because with these other groups, there has been no large segment of favorable portrayals to balance the negative.

Also, in contrast to the fairly common portrayals of religious Jews in Hollywood films, other RELIGIOUS MINORITIES in the U.S. are seldom portrayed in Hollywood films at all. Significant portrayals in American movies of Islamic, Buddhist or Hinduist religious practices or practitioners are rare. Those of the Amish, Mormon and Quaker religions are only slightly more common. All pale in comparison, however, to the disproportionate attention paid to the religious and cultural aspects of Judaism in Hollywood films. On the other hand, when any of these religions other than Christianity are portrayed in such movies, they are generally portrayed in a positive manner. As we saw earlier, the film portrayals of Christians and Christianity have consistently been extremely negative in recent decades. Once again, when members of a particular religious/cultural group use a powerful mass medium of communications to consistently portray themselves for many years in a mostly favorable light, while consistently portraying other religious/cultural groups in a negative manner, such conduct rises to the level of

propaganda.

Hollywood appears to have had a long-term obsession with movies that express anti-Nazi, anti-German, anti-Fascist, anti-totalitarian, anti-right wing, anti-white supremacist, anti-Ku Klux Klan, anti-White Southern, anti-woman, anti-gay, anti-Hispanic, anti-Asian, anti-government, anti-Republican, anti-conservative and anti-Christian themes, ironically, once again, mixed in with many pleas for tolerance. The results of the review of films reported in *A Study of Motion Picture Propaganda* indicate that on the other hand, Hollywood is more likely to portray Jewish characters, stories, themes, sub-plots or issues in a more favorable manner.

One of the apparent and fairly predictable results of a U.S. film industry controlled by any small narrowly-defined interest group is that such a group would tend to churn out more movies exhibiting a recognizable pattern of bias, than would be the case if the U.S. film industry was actually controlled by a more diverse group of owners, executives and agents who offered greater opportunities to a more diverse group of younger executives, agents, producers, writers, directors and actors. Diversity at all levels in the industry is the key.

In the final analysis, Hollywood and its movies are not representative of the United States in a cultural, religious, ethnic, racial, regional or political sense. To the contrary, Hollywood movies appear to be more representative of the attitudes of the people who control Hollywood, and again, they appear to be a very narrow-minded and prejudiced group indeed.

Since Hollywood is controlled by a small group of Jewish males of European heritage who are politically liberal and not very religious, and a disproportionate number of Hollywood movies provide positive portrayals of the Jewish people, religion and culture, along with liberal political positions, while at the same time providing a disproportionate number of Hollywood movies depicting negative portrayals of non-Jewish persons, Christians, or conservative political characters and issues, then it is quite fair to argue that many Hollywood movies represent nothing more than the private propaganda of this narrowly-defined Hollywood control group. And, what is even more incredible, is that they have fooled most audiences around the world into paying for their propaganda dissemination activities.

In all fairness, it should be pointed out at this juncture, that nothing in this lecture or my book series suggests that the behavior of this Hollywood control group is typical of Jews generally. Also, nothing in this lecture or any of such volumes suggests that any members of the Hollywood control group behave the way they do because they are Jewish. Instead, these books and my own thinking assumes their behavior is not typical of Jews generally and occurs not because of, but despite their Jewish heritage.

On the other hand, one of the apparent weapons in the arsenal of the Hollywood insiders, traditionally used against those from the outside who sought and seek to criticize or participate in their insider's game, was (and continues to be) to falsely label such persons as ANTI-SEMITIC, either openly or through so-called whispering campaigns (that is, repeating the false conclusion and accusation without offering supporting evidence). As you know, anti-Semitism requires hostility directed toward Jews generally, or hostility directed toward one or more persons of

Jewish heritage, because they are Jewish. My work is merely criticism. It does not rise to the level of required hostility. Further, my criticism is merely directed at the behavior of a very limited number of politically liberal and not very religious Jewish males of European heritage, not toward Jews generally. And, my criticism is based on a long and well-documented history of the business-related behavior of this small group as opposed to merely the religious/cultural status of the group's members. My work is, therefore, most accurately described as mere criticism of the behavior and business practices of a small group of men who happen to be Jewish. Anyone who suggests otherwise has not read the work or is engaging in a misrepresentation of the material.

Next in logical order, is the question relating to HOW this narrowly-defined Hollywood control group gained and has maintained its power over the Hollywood-based U.S. film industry for its nearly 90-year history. My studies of this question, reported in the two books *The Feature Film Distribution Deal* and *How the Movie Wars Were Won* demonstrate that the major studio-distributors, gained and have maintained their dominance over the film industry by means of unfair, unethical, unconscionable, anti-competitive, predatory and in some cases illegal business practices.

In addition to the hundreds of UNCONSCIONABLE PROVISIONS of the feature film distribution deal imposed on the rest of the film community by the major studio/distributors, as described in great detail in the book entitled *The Feature Film Distribution Deal*, the companion volume, *How the Movie Wars Were Won*, explores some 114 other specific BUSINESS PRACTICES that have been used by these same studios and their associates during the nearly 90-year history of the Hollywood-based U.S. film industry to gain and maintain their control over the Hollywood empire. A sampling of these business practices include:

Anti-competitive involvement in acquisition, development and production financing;

Imposing excessive creative controls in conjunction with that film financing;

Extracting unconscionable amounts for distribution fees and expenses;

Routinely overstating distribution expenses;

Providing favored treatment in distribution for their own productions as opposed to independent films;

More aggressively collecting revenues for their own films as opposed to the movies of independent producers;

Consistently failing to properly implement the terms of the distribution agreements;

Consistently misinterpreting distribution agreement provisions in favor of the distributor;

Cross collateralizing an entire slate of films even when not authorized to do so;

Using wide releases to take the public's money before bad word-of-mouth gets out;

Wasting huge amounts of money in development;

Using development deals to take competing projects off the market;

Using the turnaround transaction to shift moneys back and forth between studios and their friendly executives;

Cooperating with talent agencies in utilizing illegal packaged deals;

Studio executives accepting loans from producers who make films for the same studio;

Studio executives cashing checks written for stars;

The studio executive hiring of a screenwriter represented by that same studio executive's wife;

Hiring attorneys as in-house counsel and continuing to use the attorney's outside firm;

Engaging in rampant nepotism, cronyism, favoritism, blacklisting and other forms of illegal employment discrimination;

Participating in an insider's executive shuffle among the studios;

Utilizing the threat of the executive mass exodus to retain studio control even though financial control of the studio may be held by Hollywood outsiders;

Arbitrarily excluding outsiders from the Hollywood social activities that lead to advancement;

Regularly engaging in illegal reciprocal preferences with other Hollywood insiders;

Engaging in a long history of discriminatory practices against Hollywood outsiders including D.W. Griffith, Joseph Kennedy, William Randolph Hearst, Orson Welles, Howard Hughes, Kirk Kerkorian and David Puttnam (the current Hollywood outsider target being Rupert Murdoch);

Artificially inflating the cost of film production for self-serving reasons;

Paying excessive studio executive compensation and pressuring them to make political contributions;

And, utilizing the power of censorship for commercial and cultural purposes.

Again, this listing of Hollywood business practices goes on for several pages and numbers into the several hundreds. They are all cataloged and discussed from varying perspectives in three of my books. When you read the hundreds of books and articles on the U.S.

film industry listed in the accompanying bibliographies, this is the history of Hollywood business practices that is revealed.

As soon as more people recognize that movies are more than mere entertainment, that they are, in fact, a significant medium for the communication of ideas, and that ideas influence human behavior--therefore, movies influence behavior; then it is likely that people will understand that movies are important, and that they are actually evolving into a vital component of the health and welfare of our entire society. In effect, the motion picture has become one of those dreaded "strangers" whispering into the collective ears of millions of our children. The truth is that every citizen has a stake in what messages are repeatedly conveyed to the rest of society, particularly when those messages are being communicated through such a powerful medium as the motion picture.

In our efforts to bring about long-term, lasting REFORM of the U.S. motion picture industry, we must keep in mind that inevitably, a weakening of the illegitimate control of the major studio/distributors over the film industry will create greater opportunities for other interest groups in our multi-cultural society to tell their "stories" through this important communications medium. Those other interests might be alternatively characterized as independent producers or distributors, the creative community, small business interests, or as all of the other cultural, ethnic, racial, religious and regional populations who do not now, and have never controlled the U.S. film industry.

Increased DIVERSITY in the motion picture industry would ultimately result in more movies and other forms of entertainment that are in fact more "uplifting" and considered more appropriate by the parents who are responsible for the education of their kids (as well as a larger percentage of our general population). It would also result in a motion picture industry (and ultimately an entertainment industry) that is populated by a larger number of smaller companies, who in turn would tend to be more sensitive to the needs of the consumers simply because they would not be so powerful and arrogant as the major Hollywood studio/distributors of today.

One of the most significant failures of the great Western democratic and free enterprise systems has been for the rest of society to stand by while a wealthy and powerful few in certain industries, like tobacco and entertainment exploit our society for commercial or cultural purposes, to the detriment of that same society. Ultimately again, one of the objectives of my research and publications is to inform the American public about what is really going on in Hollywood, to hopefully help create a justified sense of outrage among our citizenry and to serve as a catalyst to encourage the use of the enormous resources of the executive, legislative and judicial branches of the U.S. government to bring about long-term and lasting reform of the U.S. film industry; reform that is designed to achieve the public policy goal of creating equal economic opportunities for people of every race, culture, religion, nation or region of origin and sexual preference, and to thus bring about more diversity at all levels of the film industry, particularly those levels that determine which movies are made, who gets to work on those movies, and the content of the scripts on which such movies are based, so that eventually, the U.S. film industry will produce and release films portraying a broader and more diverse range of positive and negative portrayals of all persons, places and things depicted in motion pictures.

Reform of the nation's motion picture industry will require the long-term commitment of a large number of concerned citizens organized at the national level; citizens who know and recognize the true nature and depth of the problem. Remedies will necessarily include the organization of coalitions of interest groups, improved enforcement of existing laws, class action and individual litigation, new legislation and possibly, long-term, broad-based, national boycotts. Such remedies are discussed in more detail in the book *Film Industry Reform*.

It is indeed quite ludicrous for anyone to suggest that GOVERNMENT should not play a role in assuring that all cultural groups within our diverse society have a fair and equal opportunity to tell their important cultural stories through motion pictures. After all, government has been manipulated for years by and for the benefit of the Hollywood establishment in its relentless campaign to gain and maintain control over this important industry. Furthermore, most of the potentially detrimental effects of government attempts to regulate the film industry have been effectively avoided by the industry itself. The history of that manipulation is set forth in the book entitled *Politics, Movies and the Role of Government*.

The American public must overcome the influence purchased by Hollywood's massive political contributions to members of Congress and Presidential campaigns. After all, these political contributions from Hollywood, are quite tainted. They are tainted by the way in which they were obtained (that is, through the use of unfair, unethical, unconscionable, anti-competitive, predatory and/or illegal business practices). They are tainted because the people who make them are being paid excessive amounts of money with the implicit understanding that some of that money will then be converted into political contributions. They are tainted by the litmus test that is often tied to their availability, a litmus test requiring our elected officials to submit to the political desires of a small group of insular people. The film industry's political contributions are tainted because of the favorable treatment the film industry obtains from government in exchange for its political contributions, and the resulting abuse of power in which the major studio/distributors are able to engage, (for example, blatant discrimination against persons who are not considered part of the Hollywood insider control group). They are tainted also, because with their government sanctioned power, the major studio/distributors are able to consistently portray whole populations of our diverse society in a negative or stereotypical manner through this powerful communications medium.

We must further recognize that movies are important. They are much more than the "mere entertainment" that Hollywood management would have us believe. In fact, the motion picture is a significant medium for the communication of ideas. That is exactly why the U.S. Supreme Court applies First Amendment protection to motion pictures. Recognizing further that ideas have always been, and will always be, one of the most important motivating forces influencing human conduct, then all reasonable persons must recognize that the motion picture, one of the most effective forms of communication yet devised, has great potential for influencing people's thought and behavior, and, in fact, does influence human behavior on a regular basis, particularly amongst that target audience for which many films are directed, the relatively immature and unsophisticated youth of our nation.

All persons in our society have a right to be concerned about the effect of the modern technology of the motion picture on themselves and the rest of society, and to be understandably alarmed to discover that control of the Hollywood-based U.S. motion picture industry does not come anywhere close to reflecting the diversity in U.S. society, and even worse, that many observers who have chosen to write about Hollywood have specifically sought to mislead the public about this critically important issue.

Finally, we must recognize that it is simply not acceptable in a free, democratic and diverse society that values the free flow of information and the competition of ideas in an open marketplace, for the citizens or their government, to stand idly by and allow any narrowly-defined interest group (regardless of whether such group is defined in terms of its race, religion, cultural background, ethnicity or otherwise) to control or dominate any important communications medium, including film. We must remember that movies mirror the values, interests, cultural perspectives and prejudices of their makers, thus to the extent that the film industry is controlled by any narrowly- defined interest group, the values, interests, cultural perspectives and prejudices of most other segments of our diverse society will not be regularly or accurately reflected on the screen (at best, they are being filtered through the cultural sensibilities of another group).

As the 100th year anniversary of the film industry comes and goes, it is time that this privately controlled culture-promotion machine be dismantled, so that all segments of this nation's multi-cultural society have an equal and fair opportunity to tell their important cultural stories through this significant medium for the communication of ideas. After all, it is clear that regardless of who controls Hollywood and with what results, it is absolutely inappropriate in our multi-cultural society for any readily identifiable interest group to be allowed to dominate or control this, or any other important communications medium.

WHAT'S REALLY GOING ON IN HOLLYWOOD

And How It Affects You!

The U.S. film industry is dominated by a small group of so-called major studio/distributors, (i.e., MPAA member companies like Disney, Sony (Columbia/TriStar), Universal, Warner Bros., 20th Century Fox and Paramount.). Films released by this group have generated approximately 92% of the domestic theatrical box office gross during the past decade. That figure does not necessarily mean that the MPAA company films are better films or actually deserve to dominate the box office figures. It does mean that the MPAA companies know which 75% [see Vogel, Harold L., Entertainment Industry Economics, 2nd Edition, Cambridge University Press, page 79] of the motion picture theatres in the domestic theatrical marketplace will consistently generate 92% of the box office gross² and that these MPAA companies can effectively book their motion pictures in those theatres to the exclusion of the films being released by independent feature film distributors³ either because the MPAA companies have ownership interests⁴ in such theatres or can control access to such theatres through sheer market power.

Most if not all of the major studio/distributors have gained and maintain their dominance and control of the U.S. motion picture industry by means of some or all of the following described business practices:

Vertical Integration--The re-entry of the major studio/distributors into the exhibition

² The number of motion picture theatre screens in the U.S. is approximately 23,600. Thus, assuming the major studio/distributors in the aggregate have 20 films in release (on average) in any given week and utilize an average of 866 prints per film, that means those films being distributed by the major studio/distributors would take up 17,320 screens in the U.S. or 73.38% of the available screens), thus preventing the films being distributed by independent distributors from exhibiting their films on those same screens. Also, interestingly enough, this hypothetical 73.38% of screens is very close to the percentage of screens (a selected 75% of the theatres in the U.S.) to generate more than 90% of the box office gross.

³ The companies of the American Film Marketing Association, the trade group which represents the interests of the independent feature film distributors, i.e., film distributors that are not considered major distributors.

⁴ The major studio/distributors were ordered to divest themselves of their ownership interests in theatre chains by the Paramount Consent Decree of 1948, but in the intervening years, the proscriptions of the decree have been weakened under the continued assaults of the MPAA companies and more recently because of the lack of vigorous opposition by the U.S. Justice Department. Ownership of production, distribution and exhibition in the motion picture industry amounts to the vertical integration of the industry.

arena as owners of theatre chains is now permitted because of a reversal in the policies of the U.S. Justice Department, the federal agency charged with the responsibility of enforcing federal anti-trust laws. Such laws are no longer vigorously enforced by the Justice Department with respect to the motion picture industry, a change at least partly brought about by the policies of the Reagan Administration in the 1980's and continued by the Bush and Clinton administration into the mid-'90s. Each of the Reagan, Bush and Clinton presidential campaigns received substantial monetary contributions from high level executives of the various MPAA companies.

Settlement Transactions--The market power of the MPAA companies has been gained and is maintained by engaging in numerous questionable, unethical, unfair, predatory and/or illegal business practices.⁵ For example, many of the MPAA companies⁶ routinely settle with exhibitors for a lump sum payment after the run of a motion picture for an amount that is somewhere between 10% to 30% less than what is owed to the distributor by the exhibitor. If the film in question was produced by a major studio/distributor that practice may be of little concern to third parties. But in instances where the film in question was produced by an independent producer and where other third party net profit participants are involved, the above described settlement transaction is a violation of the distributor's fiduciary duty⁷ to protect the interests of parties with whom it has contracted. In other words, the distributor is giving away money that belongs to others.

Of course, you might ask why the distributor would settle for less money on a given picture. One answer is that by settling for less on the independently produced film, the exhibitor is more likely to pay the distributor the correct amount, if not more, on the films produced by the distributor and subsequently exhibited by the theatre.

Blind Bidding--The practice of blind bidding⁸ has also been used in the past to further increase the MPAA companies' market power. The major exhibitor chains (some of which are partly owned by the major studio/distributors) can afford to exhibit a loser from time to time, so long as they know they are also going to get the best movies a distributor makes available.⁹ But

⁵ For a more comprehensive listing of these film distributor practices see 337 Reported Business Practices of the Major Studio/ Film Distributors by the same author.

⁶ Universal reportedly does not engage in the practice of settling with exhibitors. Consequently, industry insiders say that Universal is not able to book its films into the best theatres, a situation which suggests that exhibitors also engage in questionable business practices.

⁷ The settlement transaction as between the distributor and exhibitor clearly involves a conflict of interest for the distributor of an independently produced motion picture.

⁸ The licensing of a motion picture to an exhibitor without affording the exhibitor with an opportunity to view the completed film.

⁹ See Film Studios Threaten Retaliation Against States Banning Blind Bids, Los Angeles Times, June 1, 1981.

the small independent exhibitors operate with a more narrow margin and cannot afford to blind bid a film and take a chance on it being a poor choice for their particular theatre and surrounding community of moviegoers.¹⁰ Thus, the financially stronger major exhibitors will always get to show the best films during their earliest runs in the area because they can afford to out bid their smaller competitors and they will usually get the MPAA distributor film's offered on a blind bid basis since they can afford to take the chance.¹¹

Five O'Clock Look--When bidding out the exhibition of an about-to-be-released film, the MPAA distributors have also been known to call a favored exhibitor after all of the bids are in and report the highest bid, so that the favored exhibitor can out bid the competitors¹². This practice also works to exclude the exhibitor not favored by the major distributors.

Block Booking--Block booking is the film distribution practice of tying together one or more motion pictures for licensing within a market, (i.e., a distributor will accept a theatre's bid on a desirable film or films contingent on the exhibitor's promise that it will also exhibit a less desirable film). This practice was addressed by the Paramount consent decree of 1948¹³, in which the major distributors at that time were forbidden to employ the practice.¹⁴ The basic premise of this decree was to prohibit block booking, (i.e., that motion pictures must be licensed picture by picture, theatre by theatre, so as to give all exhibitors equal opportunities to show a given film). Like, other practices described above, block booking has a tendency to prevent independent producer and independent distributor access to certain theatres.

Artificial Pickup--Sometimes the MPAA companies will farm out a film project originally controlled and developed by the studio/distributor pursuant to a negative pickup¹⁵ or

¹⁰ See The Relationship Between Motion Picture Distribution and Exhibition: An Analysis of the Effects of Anti-Blind Bidding Legislation, Suzanne Ilene Schiller, Comm/Ent. L.J., volume 9, Fall 1986.

¹¹ See Blind Bidding: A Need For Change, Keith M. Gregory, Beverly Hills Bar Journal, Winter 1982-1983.

¹² This practice is referred to in the industry as the "five o'clock look" and may also be one aspect of the broader practice of granting reciprocal preferences.

¹³ *United States v. Paramount Pictures, Inc.*, 334 U.S. 131 (1948).

¹⁴ See Anti-Trust Developments in Sports and Entertainment Law, Paul J. Tagliabue, Anti-Trust Law Journal, 1987.

¹⁵ A transaction in which a film distributor contractually commits to distribute a film which has not yet been produced and in which the producer then takes this distributor contractual commitment to a lender who provides production financing using the

anticipated acquisition distribution deal to an outside (but friendly) production company, to avoid the higher costs of the below-the-line union crews which the studio would have to pay if the project was produced as an in-house production at the studio. This lowers the studio/distributors' costs of production but cheats the unions out of work.

Interest--A number of practices relating to the charging of interest are engaged in by the MPAA studio/distributors on motion pictures whose production financing have been provided by the such companies: (a) **Interest Plus Profit Participation**--Distribution agreements involving at least partial studio or distributor financing of the negative cost of a film often allow the distributor to charge interest on its unrecouped negative cost in addition to permitting the studio or affiliated distributor to retain a substantial if not overwhelming interest in any profit participation. If a distributor is being paid a fair rate of interest on its borrowed funds, it should not also be permitted to participate in a motion picture's net profits¹⁶ or other defined level of the film's revenue stream beyond the deduction of its distribution fee and direct expenses; (b) **Interest Rates That Are Excessive**--The interest rate charged by the studio is often not in proportion to the actual cost of funds. Studios have been known to charge interest rates of 20% to 30%. If anything, since the studio affiliated distribution company is also able to obtain compensation in the form of its distribution fees, the affiliated studio acting as a financier should charge less than the market rate for interest on the borrowed funds; (c) **Interest on Advances**--The studio/distributors may take the position that advances should not be included in gross receipts until earned, in other words, the distributor will want to deduct an amount equal to any advance that has been paid to the producer from monies received by the distributor and will not want to consider such amounts as part of gross receipts for any profit participation calculations which start with a gross receipts figure. At the same time, the studio/distributor may seek to charge interest on such advances; (d) **Interest on Monies Not Spent**--Interest is sometimes charged on monies not yet spent by the distributor, e.g., in preparing an earnings statement for a film, the distributor may accrue the print and advertising costs incurred but not yet paid so that an interim participation statement will not show a profit. This accrual of expenses also reduces gross receipts which could be used to reduce negative costs and thereby also reduce interest charges. In other words, the studio may seek to calculate interest on negative costs from the point at which such expenses are incurred (as an accounting entry), whereas it is in the interest of the producer and other net profit participants to have such interest calculated as of the time such expenses are actually paid by the studio; (e) **When Interest Charges Stop**--Studios may also seek to continue charging interest on the negative costs of a film until the end of the accounting period in which payments reducing the negative cost total and/or interest are received by the studio, whereas it is in the interest of the producer and other net profit participants for interest charges to stop when such payments are actually received by the studio and not wait until the end of the accounting period, however many months that might involve; (f) **Interest on Negative Cost Balances**--In calculating this interest on the studio's unrecouped negative costs, all direct

distributor's commitment to pay a certain amount upon delivery of the completed film as collateral for the loan.

¹⁶ See Defining Net Profits, Shares for a Motion Picture Deal, Edward E. Colton, New York Law Journal, September 30, 1988.

distribution costs and fees are typically first deducted from gross receipts as expenses of distribution, thus significantly decreasing the amount of gross receipts, if any, which may apply toward recoupment of the studio's contribution toward production costs. Thus, at many early stages of earnings statements, no recoupment of negative costs is achieved and the interest charges simply continue to accrue. In contrast, with a bank financed motion picture production, the bank will recoup its loaned amount (including the negative cost, plus interest and fees) before the distributor deducts its distribution fee and expenses. If a studio wants to act like a bank and charge interest on borrowed funds, then it ought to also allow a priority position for the recoupment of negative costs so as not to unfairly extend the repayment of the loaned amount thus increasing the total interest charges. In such situations, the studio/bank is guilty of self-dealing; (g) **Interest on Overhead**--In many instances, even some or all of the indirect distribution costs, the normal costs of doing business as a distributor which are not specifically tied to a particular film being distributed (overhead), are also deducted from gross receipts as distribution expenses and again, are not available for recoupment of the negative cost. Other items of overhead may be inappropriately characterized as production costs, thus interest may also be charged by a studio or distributor on some of these indirect distribution expenses; (h) **Simple vs Exact Interest**--Studio/distributors also may use a form of simple interest, based on a 360 day year, instead of exact interest (based on a 365 day year) and that practice, particularly when dealing with substantial amounts of money in the form of negative costs, will result in the payment of a greater amount of interest to the studio/distributor for that final partial interest bearing term and (i) **Interest on Gross Participations**--A variation on the practice of charging interest on monies not actually spent in which the distributor for a distributor financed motion picture categorizes gross participations as production costs (as opposed to distribution expenses) and thus charges interest and overhead on such participations.¹⁷

Allocations--The MPAA company distribution deals are often drafted so as to allow the distributor a great deal of discretion in making allocations, e.g., in allocating the costs of advertising several films among such films. Allocation issues also arise in the licensing of films in a package for television, whether for network or syndication and in foreign distribution and sometimes in the allocation of a portion of film rentals to shorts and trailers. Not surprisingly, the discretionary judgment of the distributor more often than not results in accounting decisions in favor of the distributor.

Improperly Claimed Expenses--Auditors who regularly audit MPAA distributors on behalf of producers and other net profit participations often find that the distributors have wrongfully or unfairly allocated certain of its incidental expenses or costs to a film, or have completely fabricated distribution expenses that are allocated to a film.

Foreign Tax Credit--Foreign taxes are often mishandled by the MPAA distributors to the detriment of other interested parties. Foreign taxes generally represent the largest part of the

¹⁷ See Profit Participation In The Motion Picture Industry, Sills, Steven D. and Axelrod, Ivan L., Los Angeles Lawyer magazine, April, 1989.

distribution expense item "taxes". The MPAA distributors often pay such taxes, then deduct such payments from their gross receipts as a distribution expense (meaning that the producer and other net profit participants have actually paid the taxes) while the distributors still claim the foreign tax credit against their U.S. tax liability. Such a practice wrongfully takes money away from a film's producer and other net profit participants and unjustly enriches the distributor¹⁸.

Final Judgment--Many of the MPAA company distribution agreements require the producer to reimburse the distributor for legal fees if the producer files a lawsuit against the distributor but fails to obtain a final judgment against the distributor. Most lawsuits are settled prior to "final judgment" and substantial legal fees may have been incurred.

Videocassette Revenue Reporting--The videocassette market has been the fastest growing revenue source for films in recent years, thus, the major studios have created wholly-owned subsidiaries or joint ventures to act as videocassette manufacturers and these entities typically only pay 20 percent of wholesale receipts as a royalty fee to the parent company. In other words, unlike other areas of motion picture revenue reporting, home video is handled on a royalty basis (more like the record industry) rather than remitting the distributor's share of the wholesale revenues on a distribution fee basis. The system then switches back to the distribution fee basis at the distributor level, since the parent distributor, in turn, charges a distribution fee (usually about 30%) leaving only a very small percentage remaining for profit participants. In addition to allowing a studio/distributor to take a fee on a related company transaction, this structure and these calculations permit the distributor to keep a disproportionate share of videocassette revenues.

Discounts--MPAA distributors sometimes negotiate reductions in the prices they pay for goods or services based on the volume of pictures provided by the distributor. Distributors often seek to exclude the value of such discounts in profit participation calculations, arguing that the distributor's activities are responsible for earning such credits. However, without the feature film or films made available to the distributor by the producer and other profit participants, the distributor would not be in a position to either negotiate or receive such discounts.

Adhesion Contracts and Unconscionability--The major studio/film distributors are fond of pointing out that many of the business practices that are complained about by others are actually practices authorized by the language of the film distribution agreement. However, such contracts have been found to be so heavily restrictive of one party (the distributor), while so non-restrictive of another (the producer), that doubts arise as to its representation as a voluntary and

¹⁸ Since the IRS Code (Sec. 901) and Treasury regulations (Sec. 1.90-1) only permit the credit to be claimed by the person or entity on whom the foreign tax was imposed, it is necessary for the producer negotiating with a film distributor to eliminate language which allows the distributor to also deduct its payments of such taxes as a distribution expense (but see "Adhesion Contracts and Unconscionability" below).

uncoerced agreement.¹⁹ The concept implies a grave inequality of bargaining power between the parties. It often arises in the context of so-called "standard-form" printed contracts prepared by one party and submitted to the other on a "take it or leave it" basis.²⁰ Although the concept of adhesion contracts has more typically been applied to consumer transactions, some courts have used this legal theory to reinterpret commercial agreements.²¹ It is more common, however, for the legal concept of unconscionability to be applied to such transactions. Unconscionable contracts are so unreasonably detrimental to the interests of one of the contracting parties as to render the contract unenforceable.

As pointed out above, the major studio/distributors have the market share and market power to overwhelmingly dominate the production, distribution and exhibition of U.S. made motion pictures, thus it may be fair to characterize all feature film distribution agreements between independent producers and MPAA companies as unconscionable.

Blacklisting and Economic Retaliation--Unfortunately, people in the film industry generally do not complain too loudly about the business practices discussed in this article for fear of being "blacklisted". In other words, if producers, directors, actors, actresses and others who work in the motion picture industry complain or sue a distributor because of the above described MPAA company business practices, without being willing to settle for a round dollar amount far less than what might have otherwise been paid, it is very likely that such a person will soon find themselves without much work in the film community.

Pattern of Bias--Each of the practices discussed above and the others listed in the compilation entitled "337 Reported Business Practices of the Major Studio/Film Distributors" contribute to the major studio/distributors' control and dominance of the motion picture industry. That control in turn gives the major studio/distributors the power to make whatever movies they want and to communicate through such movies whatever ideas they choose. In recent years, numerous interests groups in the U.S. have vigorously complained about being consistently portrayed in a negative manner but such complaints have been effectively ignored by the MPAA companies. Such groups include women, the elderly, African-Americans, Hispanics, Arabs, Asians, Italian-Americans, German-Americans, gay/lesbians, Christians, people from the American South and others. Unfortunately, the consistent portrayal of negative stereotypes in U.S. made movies contributes to prejudice. Prejudice in turn contributes to discrimination and

¹⁹ Such contracts are referred to as contracts of adhesion or unconscionable contracts. Courts have recognized there is often no true equality of bargaining power in such contracts and have accommodated that reality in interpreting such contracts.

²⁰ See How Contracts Escalate into Torts, Kurt E. Wilson, California Lawyer magazine, January, 1992.

²¹ See Adhesion Theory in California: An Update, Richard P. Sybert, Loyola of Los Angeles Law Review, 1983.

discrimination often leads to conflict. Thus, U.S. motion pictures are contributing to unnecessary conflict in our society.

Movies With a Message--All movies have one or more messages and financiers, producers, screenwriters, directors, actors and others in the industry have long recognized and used the medium as one of the most effective means yet devised by humanity for the communication of all sorts of ideas. People in the film industry who pretend that movies are merely entertainment are purposefully misleading the public.

Marketplace of Ideas--Because of the well-established importance of the motion picture as a vehicle for the expression of ideas, the obvious power of this form of communication and the fact that movies are often exhibited worldwide, it is vitally important that all significant human interests whether based on race, culture, religion, economic systems, forms of government, national identities or other factors be concerned about the use and abuse of the motion picture medium as a means for advocating such interests. In other words, all of these interest groups should be concerned as to whether their views are consistently portrayed in a positive or negative fashion through feature films. Thus, to the extent that an industry such as the motion picture business is dominated by a small group of companies that consistently espouses a slanted view on numerous issues that are presented in films, and to the extent that such companies utilize the practices described in this essay to perpetuate their dominance of the industry, other interest groups, including government, should be outraged and they should take action which is both designed to "level the playing field" and to broaden the points of view expressed in the motion picture medium.

Multi-Cultural Society--The United States is clearly and will always be a multi-cultural society. Given that ideas are the most important commodity of the motion picture business and that the feature film is one of the most effective, if not the most effective means of communication yet devised by human beings, it is of critical importance to a multi-cultural society that all significant cultural and other interest groups within that society have a fair opportunity to express their most important commodity (their ideas) through our most effective means of communication (the feature film). To this end, both the federal and state governments in the U.S. have an obligation to its multi-cultural citizenry to assure such fairness and equal opportunity in the marketplace of ideas. There is no excuse for fighting government censorship of our rights to free expression on the one hand while at the same time allowing the production, distribution and exhibition of American films to be controlled by any single or narrowly defined interest. That is the equivalent of substituting government censorship for private propaganda.

Alternative Courses of Action--As noted above, audits, demands on distributors, threatened lawsuits, narrowly focused and brief boycotts and publicity stunts do not seem to have much effect with respect to changing the business practices of the major studio/distributors or their resulting control and dominance of the U.S. motion picture industry. Thus, several possible courses of action may be considered:

(1) the general public must be made more aware of the nature of the business practices engaged in by the major studio/distributors, how such practices provide such entities with control over the

industry and how such control is used to consistently portray important populations within our society in a negative manner and to disseminate other messages desired by the MPAA companies, e.g., the positive portrayals or glamorization of violence, sexual promiscuity, drug use, etc.

(2) the public and public officials must be informed that the Motion Picture Association of America does not speak on behalf of the entire motion picture industry²² and that, like television, motion pictures are more than just entertainment, they also represent a very important form of communication;

(3) a broad based national coalition of interest groups²³ must be formed for the purpose of monitoring motion pictures and identifying patterns of bias and other consistently objectionable messages contained in films;

(4) political candidates at the federal and state levels must be informed of these business and communications practices and encouraged to take stands in opposition to such practices;

(5) state legislative candidates throughout the country should be encouraged to commit to the passage of anti-blind bidding statutes;

(6) candidates for U.S. Representative and Senate races specifically must be called upon to seek a Congressional investigation of the business practices of the major studio/distributors;

(7) candidates for the U.S. Presidency should be asked to commit to a policy of vigorous enforcement of the U.S. anti-trust laws in the motion picture business and a reversal of the recent trend toward vertical integration in the industry, i.e., the purchase of ownership interests in theatre chains by the major studio/distributors (a trend which in turn encourages the greater concentration of ownership and control of the U.S. motion picture industry in the hands of a small group of companies);

(8) all of such officials should be asked to promote policies which create greater and more equal opportunities for all interest groups in America to participate in the production, distribution and exhibition of this very important communications medium, i.e., U.S. made motion pictures and

²² For example, among other industry groups the National Association of Theatre Owners (NATO) represents exhibitors, the American Film Marketing Association (AFMA) represents independent distributors and the Association of Independent Video and Filmmakers (AIVF) represents independent video and filmmakers.

²³ Such a coalition may be called the National Coalition for the Elimination of Bias in Motion Pictures or FIRM (Film Industry Reform Movement).

(9) if all else fails, a broad-based coalition of interest groups²⁴ should organize a nation-wide boycott of motion pictures released by the MPAA companies for a year or more in an effort to weaken their economic grip on the industry and to stop their abuse of such control or

(10) legislation designed to halt the offensive business practices of the MPAA companies should be drafted and introduced in Congress²⁵.

In Summary--In the past, there have been very few limitations that could be effectively brought to bear on those who have controlled the U.S. motion picture industry, thus they have generally been able to disseminate whatever messages they choose through this most effective communications medium. Thus, in a multi-cultural society such as the U.S. where we claim to place a high value on diversity in the marketplace of ideas, it is not in the public interest for governmental policies to encourage the concentration of ownership and control of the motion picture industry in the hands of a few very powerful, closely associated and vertically integrated entities. To the contrary, it should be the policy of both the federal and state governments in the United States to encourage broader ownership and control of this important communications industry, for it is only through broad ownership and control of motion picture production, distribution and exhibition that fairness in the economic and intellectual marketplace can be achieved.

²⁴ Groups that have consistently been portrayed in MPAA movies over the years in a negative manner include women, the elderly, Hispanics, African- Americans, gay/ lesbians, Christians, Italian- Americans, Japanese, Germans, Asians, Arabs, politicians and government officials and people from the South.

²⁵ Such legislation may be referred to as the Motion Picture Industry Fair Practices Act.

FILM AND THE FUTURE OF SOCIETY

Hollywood films have been the subject of criticism for years. PBS film critic Michael Medved published a book in 1992 lambasting Hollywood's excesses on the screen. More recently Senator and Presidential candidate Bob Dole complained about violence, gratuitous sex and indecent language, in film and other media, but admitted he had no plans to do anything about it except complain.

I worked in and studied the Hollywood-based U.S. film industry for eight years recently and found something quite worrisome that goes beyond the violence, sex and language issues, important as they are, something even more dangerous, I believe, (that is, the consistent portrayal of whole populations within our society in a negative or stereotypical manner.

Of course, the Hollywood establishment claims movies are merely entertainment and that they do not influence behavior. No less an authority than the U.S. Supreme Court has disagreed on the first part of that statement, when in 1952 it applied the First Amendment to feature films stating that the motion picture was a significant medium for the communication of ideas.

Independent producer Samuel Goldwyn has been credited with saying something to the effect that if you want to send a message call Western Union. In other words, he was also saying that films are merely or mostly entertainment and that there was no place for messages in films. Unfortunately, Samuel Goldwyn was wrong. The truth is that all films send messages. Lots of messages. And, in my view, the feature film is the most effective form of communication yet devised. Thus, if someone is communicating ideas through the most effective form of communication yet devised, then it is extremely important for the rest of society and its government to know what ideas are consistently being communicated through film.

This is important, because I believe that movies often influence the attitudes of many people who view them. That belief is based on my experience, the experience of others and pure logic. Here's the logic. All reasonable and intelligent people know and recognize that movies communicate ideas (very effectively). We all know and recognize that ideas always have and always will influence people's attitudes and behavior. Therefore, it is logical, to conclude that at least some movies, if not all, do in fact influence the attitudes and behavior of at least some of those who see them. And since American movies are seen by millions worldwide, they hold out great potential for significant influence throughout the world, and it is highly improbable that such movies do not influence the attitudes and behavior of many people at varying times, particularly among the relatively unsophisticated youth market, for which many films are targeted.

The film industry, however, routinely practices the propagandist's art of the big lie, or in this case a series of smaller lies. The film industry claims that films are merely entertainment, that movies do not influence behavior and that the American public votes with its pocketbook (in other words, that the film industry actually is in the business of making the kinds of films the public wants to see and that moviegoing audiences will not pay to see movies other than those

they want to see. All three of these film industry claims are false. We have already discussed the "movies are merely entertainment" and the "movies do not influence behavior" myths.

The third, that the decisions about which movies are produced and released is market driven is just as false. Here's why. Advertising works. All you have to do is stop to think, how many times have you gone to see a movie that was much different than what was advertised, or was much worse than what you were told through paid commercials? The major studio/distributors spend some \$10 to \$12 million dollars per film on advertising, publicity and promotion, the effect of which is to mislead huge numbers of people who otherwise would not choose to see certain films, to go to the theater and plunk down the price of a ticket. If the majors offered a money-back guarantee on their product, I am certain that significant numbers of such moviegoers would demand refunds. So it is false to suggest that American audiences have much say about which movies are available to be seen.

My studies of thousands of motion pictures released during the past 80 years of the existence of the Hollywood-based U.S. motion picture industry reveal the presence of blatant patterns of bias in Hollywood films, patterns of bias that would not appear if the diverse American audience had much influence over filmmaking decisions.

I contend that movies mirror the values, interests and prejudices of their makers, and thus, the collective prejudices of those who collaborate on films is reflected in the consistent negative and stereotypical portrayals seen in Hollywood movies.

My several studies were designed to determine precisely who controls Hollywood and whether their control was reflected in the kinds of movies we see. The results reveal that the film industry is still dominated by a small group of vertically integrated major studio/distributors who effectively function as a shared monopoly and whose films generate, on average, 92% of the domestic theatrical box office gross. Further, although, some of their power is shared with a small group of the top talent agents on a limited number of the biggest films, the most powerful individuals in Hollywood with regard to the larger body of major releases, are still the top three executives of the major studio/distributors. These individuals have and regularly exercise ultimate control over what movies are produced and released by the studios, who gets to work on those movies and the actual content of these films.

My studies of the backgrounds of the top three studio executives of the major studios that are still considered major today reveal that not a single African/American male or female has held one of these 226 top three studio positions throughout the 80 year history of the Hollywood-based U.S. film industry. Only one person of possible Hispanic/Latino heritage was in the entire group. Only 8 or 4% of such positions have been occupied by women, and those have only been recently, for short periods of time and only 6 different individuals were involved. Three of the majors (Disney, MGM and Universal) have never permitted a woman to enter one of the three top level positions considered in this study. So who does control Hollywood?

My studies show that a clear majority, somewhere between 60 to 80 percent of these top three executives have been white males, of Jewish and European heritage, who are (generally

speaking) politically liberal and not very religious. I might hasten to add, before anyone's knee jerks, that I do not believe that this small group of individuals behaves the way they do because of their Jewish heritage. Nor do I believe that their behavior is typical of the broader Jewish population in the U.S. or around the world. In any case, the Hollywood-based U.S. film industry, which dominates the domestic and foreign film markets, is, and has been for 80 years, controlled by this specific and narrowly defined insider's group, to the near complete exclusion of most other readily identifiable racial, ethnic, religious and cultural populations that make up our diverse society.

In one of my studies, (that I refer to as a survey of the literature of the industry), although I could find lots of writer/observers of the Hollywood scene who tapped-danced around the issue, and made obvious and in some cases, intentionally misleading statements about who really controlled Hollywood, I could find no published source that claimed that any other group had such power.

Now, is this finding consistent with my theory that movies mirror the values, interests and prejudices of their makers? Yes, it is. Not only do we find clear male and politically liberal patterns of bias in the ideas most consistently communicated through Hollywood movies, along with a clear anti-religious bias, (more often applied to the Christian and Muslim religions than Judaism), we also find that the groups of people who have been consistently portrayed in a negative and/or stereotypical manner through the films produced or released by the Hollywood major studio/distributors include African/Americans, Hispanic/Latinos, women, gay/lesbians, Germans, Arabs, Italians, Asians, Christians and Muslims, in addition to the people, places and things from the American South. I might point out that some of these groups seem to be making slight progress in improving or diversifying their image as presented on the screen, although it is safe to say that there is no widespread satisfaction among any of these groups in their contemporary portrayals in Hollywood movies.

On the positive side of the movie portrayals, my studies reveal that so-called Jewish themes, stories, sub-plots and characters are far more prominent than might be expected in a truly market-driven film industry and the treatment of such matters are more consistently favorable than the corresponding treatment of the other mentioned groups on the screen.

Now, that's dangerous! When you have a powerful communications medium controlled by a narrowly defined interest group that is consistently using that communications medium to communicate ideas that are favorable to the control group, while negatively or stereotypically portraying other groups in our society that have little power to influence filmmaking decisions, and regularly lying to the government and the public about the essential nature of the medium, its influence on human attitudes and conduct, and about who makes the actual decisions with respect to which movies are produced and released, all occurring in a society in which racial, ethnic, religious and cultural tensions are high, you are witnessing a reckless mixing of the ingredients for a potential social explosion.

In my view, it is simply not acceptable in a free, democratic and diverse society which values the free flow of information and the competition of ideas in an open marketplace, for the

government of the people, to stand idly by and allow any narrowly defined interest group (regardless of whether such group is defined in terms of its race, religion, cultural background, ethnicity or otherwise) to control or dominate any important communications medium, and certainly not one of the most effective. The future of our society is in the balance.

HOLLYWOOD'S THREAT TO DEMOCRACY

Many of you probably recognize immediately what we mean by the statement that Hollywood poses a threat to our country's democracy, but first let me run through the logic of the thinking on this issue and then I'll move on to a discussion of several possible remedies.

As you all know, our democracy is based on the concept of a free marketplace of ideas, the notion that an open and vigorous debate and discussion of important issues will generally lead our citizens to make the best choices for our society.

In addition, of course, the concept of a free marketplace of ideas was developed well before our most recent century's explosion of mass communications media, certainly before feature film, whether seen in the theatre, on television, cable, by means of video, DVD or otherwise. And clearly, our nation's founders had no way of knowing how influential all of the various forms of mass media would be here in the year 2000.

Our own U.S. Supreme Court declared, however, as early as its 1952 decision of *Burstyn v. Wilson* that the motion picture is a significant medium for the communication of ideas, and therefore deserves protection as free speech. So, contrary to what many of the film industry leaders would have us believe, the motion picture is not now, nor has it ever been "merely entertainment". Since it was first invented in the late 1890s, the motion picture has always been a significant medium for the communication of ideas, and therefore an integral part of our free marketplace of ideas, which is the basis of our democracy.

I think, most reasonably intelligent people today would have to agree that any medium communicating ideas will inevitably influence some human behavior, after all, the several thousand year written history of humankind proves beyond a shadow of a doubt that ideas have always been and will always be powerful motivators of human conduct. We need only consider the ideas of self-government, free enterprise, Christian love, Heaven and Hell to illustrate the point.

Furthermore, we have to keep in mind that many of the consumers of the ideas being regularly communicated through this powerful motion picture medium, are not very sophisticated, not even well educated and quite impressionable, after all they are children. And, if you add to that mix the fact, supported by my own studies and the studies of others, that Hollywood movies are blatantly biased in their content, then we have a situation in which strangers are consistently communicating messages that we may or may not approve of to our children and grandchildren. And, and we can't stop it because it is entirely impractical to suggest that we should prohibit our children or grandchildren from going to all movies, or from watching the movies that most of their peers are seeing in some available format. It is also impossible to learn in advance about everything that might be communicated through a movie that is destructive, misleading or offensive.

So what are some of these blatant Hollywood biases? Without trying to be all inclusive, we can point to the fact that many Hollywood movies tend to be biased in favor of violence.

And, I think it is fair to say that most thoughtful individuals (who are not making lots of money through the portrayal of violence) recognize that children repeatedly exposed to violence in movies tend to behave in a more aggressive or violent manner. Many Hollywood movies are also heavily laden with sexual content, and lo and behold teenage pregnancy and sexually transmitted diseases are huge problems in this society, (films not being the only contributing factor, and possibly not even the most important contributing factor, but certainly one of several underlying causes for this societal dysfunction).

Hollywood movies often make heroes out of characters with little or no moral or ethical standards, and commonly belittle authority of all kinds, including government, religious leaders, teachers, parents and fathers in particular. Well surprise, surprise, some are recognizing and complaining that many children today have no respect for authority and that interpersonal relationships in this society are deteriorating because there appears to be no willingness to engage in moral or ethical conduct.

Furthermore, Hollywood movies tend to portray certain populations in our society in a negative or stereotypical manner. Such biases include the consistent negative or stereotypical portrayals of Christians and political conservatives, among others. Some in our society have observed that prejudice and discrimination of all sorts, including that based on race, religion, culture, ethnicity and even region of origin have been a continuing problem in this society for many years. I suggest to you that our motion pictures have not been part of the solution, but part of the problem.

Now, let's take a look at why Hollywood movies are biased. According to the results of my studies, it all comes down to two basic facts: (1) motion pictures tend to a large extent, to mirror the values, interests, cultural perspectives and prejudices of their makers, and (2) the people in Hollywood who have the power to determine which movies are going to be produced or released by the so-called major studio/distributors and therefore seen by about 95% of American viewers (as well as a significant percentage of international audiences), is not a very diverse group of people. Thus, Hollywood movies do not come anywhere close to presenting a healthy reflection of the existing diversity of ideas in our democracy.

So, then the question becomes, how did this not very diverse group of film industry leaders gain their power and how do they maintain their power to the exclusion of so many others. The well-documented answer is through the consistent use of unfair, unethical, unconscionable, anti-competitive, predatory and illegal business practices.

Just a few years ago, I conducted a study of these business practices as reported in court cases, film industry books, law journals, the trade press and other sources, and came up with more than 300 separate and specifically identifiable film industry business practices ranging from all sorts of antitrust law violations to massive employment discrimination--all of which are designed to preserve the power of the small and not very diverse group of entertainment industry leaders, whose power, by the way, has been effectively maintained for about 90 years. That entire list of studio business practices was first published in monograph form and then included in my book *Film Finance and Distribution—A Dictionary of Terms*, along with the source

material in the form of an extensive bibliography.

To give you a feel for what we are dealing with in Hollywood, that compilation includes such business practices as contracts of adhesion, barriers to entry, blacklisting, blind bidding, blockbooking, commercial bribery, commingling of funds, conflicts of interest, conscious parallelism, controlled theatres, creative accounting, creative contract interpretation, cross-collateralization, discrimination, double-distribution fees, economic reprisals, extortion, improperly claimed expenses, excessive interest rates, kickbacks, money laundering, nepotism, overreaching, private interest censoring, puffed numbers, reciprocal preferences, skimming, theft of ideas, tying arrangements, unconscionable contracts, under reported rentals, anti-competitive vertical integration and videocassette revenue scams, to name a few.

Since conducting that survey, I've seen no persuasive evidence that would lead me to believe Hollywood has abandoned very many of those practices. And, the normal assumption that somebody is enforcing our laws in Hollywood is not necessarily the case.

Now, let's talk for a moment about possible remedies. For years, many of the groups in our society that have either been consistently portrayed in a negative or stereotypical manner in Hollywood movies (or have otherwise been concerned about the impact of motion pictures on our society) have complained from time to time, without much lasting consequences, because motion picture content is now protected by the First Amendment right of free speech, and people with power do not voluntarily give it up, it has to be taken from them.

In my view, however, anytime a society sits back and allows any narrowly defined, not very diverse group of people to consistently utilize a powerful communications medium to subject children and others to violence, along with that group's own private propaganda and high tech hate mongering (as an example the point of view that Christians are stupid or that political conservatives are mostly bad), you will inevitably have some of those moviegoers growing up to engage in anti-social conduct and be prejudiced against such negatively depicted persons. And, of course, prejudice often leads to discrimination. In a democracy, if alternative points of view are not being offered through the same powerful medium, the democracy is threatened.

In any case, it is my opinion, that individual group complaint about the content in a given Hollywood movie (although necessary) is not a very effective way to bring about lasting change. Discovering and calling attention to the many continuing, long-term patterns of bias in films and vigorously attacking the methods through which a small, not very diverse group of film industry leaders gained and have maintained their power in this industry to the exclusion of most others for so many years is (it seems to me), the better approach.

With that in mind, the only appropriate and democratic objective for a film industry reform endeavor is to take all necessary steps to insure that the U.S. film industry is open to all on a fair and equitable basis, so that every segment of our society will have a fair and equal opportunity to tell their important stories and communicate whatever messages they choose through this significant medium for the communication of ideas. Despite the availability of other media, without such open and fair access to this particularly significant medium for the

communication of ideas, we really have no free marketplace of ideas and our democracy is somewhat diminished.

Now, I'd like to share with you a brief description of just a few specific possible remedies, none of which offer a quick solution to the problems I've described and each of which has its own inherent advantages and disadvantages in terms of ease of implementation and probability for success.

ACTION ITEMS

CRITICISM OF HOLLYWOOD MOVIES—(1) First, just a further comment about criticizing Hollywood movies, and, of course, I am not talking here about review and ratings services whose objective is to provide useful information regarding the content of specific movies for the purpose of helping prospective viewers choose which movies to see. But, if we want to criticize and change Hollywood movies, as stated earlier, we shouldn't just criticize one movie. That is too easily dismissed as merely another subjective opinion. Instead, we should discover and criticize long-standing and continuing patterns of bias in motion picture content.

Also, we shouldn't just criticize one pattern of bias because that suggests we only want to substitute our own bias for a current Hollywood bias. Instead, we should use a broader approach and criticize a more comprehensive list of long-standing and continuing Hollywood biases. That approach is more fair and therefore more credible. Finally, we need to propose and pursue remedies that are fair to a broad cross-section of Americans, because to do otherwise, once again, is to appear that we are only interested in substituting our own point of view for that now being offered.

MOVIE RATINGS REFORM—(2) Second, in the interest of the American public and open information, Congress should be asked to pass legislation prohibiting the film industry itself from rating films to be exhibited to the American public. There is an obvious built-in conflict of interest in an arrangement that allows the major studio/distributors to use the ratings system to both limit information to the public and manipulate that information to actually help promote their films, sometimes to the detriment of competing independent films. Motion picture review and ratings should be performed by coalition of private organizations independent of the film industry production and distribution companies. The film industry must also be prohibited from discriminating against less favored movie review or rating organizations by being required to guarantee timely access to pre-release movie screenings.

REFORM LEGISLATION—(3) Third, a broader possible legislative remedy includes the introduction and passage of federal legislation that may be referred to as the "Motion Picture Industry Fair Practices Act" specifically prohibiting many of those 300+ business practices regularly and historically used in Hollywood to retain illegitimate power in the hands of a few.

RESEARCH INSTITUTE—(4) Fourth, another necessary activity in support of those already described calls for the creation and permanent funding of a narrowly focused film

industry research institute to provide grants or other support for the periodic study of questions relating to diversity at the top in the film industry, continued patterns of bias in film content and the ongoing relationship between the two, accompanied by wide-spread dissemination of the results of such studies, so that pressure can be maintained on the so-called Hollywood establishment.

PROFIT PARTICIPANT ASSOCIATION—(5) Fifth, another approach would be to create and support an association of net and gross profit participants to better protect the financial interests of the creative and investor communities.

LAW ENFORCEMENT—(6) Sixth, and moving back to Congress and the Federal government for a moment, efforts should be made to see that the U.S. Justice Department vigorously enforces our existing antitrust laws as they apply to the Hollywood-based U.S. film industry, that the Equal Employment Opportunities Commission vigorously enforces our existing employment discrimination laws as they apply to the Hollywood-based U.S. film industry, and that the appropriate Congressional committees more effectively pursue their oversight responsibilities with respect to the enforcement of such laws by these federal agencies.

CLASS ACTION LAWSUITS—(7) Seventh, there are several possible and novel litigation remedies, including identifying one or more vigorous firms of trial attorneys who may be able to assist in initiating (a) a class action lawsuit on behalf of all film industry net and gross profit participants against all of the major studio/distributors on grounds of unconscionability, anti-trust law violations, anti-competitive practices and RICO violations; or (b) a class action lawsuit on behalf of many of the groups in the U.S. that have been consistently portrayed through Hollywood films in a negative or stereotypical manner on grounds of defamation; or (c) a class action lawsuit seeking monetary damages on behalf of all victims of Hollywood's employment discrimination practices.

Once again, I thank you for the opportunity to appear before you today and I would be happy now to attempt to answer whatever questions you may have.

THE ROLE OF MOVIES IN A DEMOCRATIC SOCIETY

This essay may be characterized by some in a variety of ways, so I want to take this earliest opportunity to provide my perspective on what this essay is really all about. It may be fairly characterized as an overview of what's really going on in Hollywood, or as the first shot in a new phase in America's ongoing culture war, or even as the first step in a long overdue film industry reform movement. It is also my attempt to make the world a better place.

In any case, in order to create of a bit of context for what follows, I'd like to briefly take you back in time to review the order of occurrence of a certain number of historic events associated with our democracy. As you recall our U.S. Constitution was approved in 1787, and the Bill of Rights, including the free speech guarantee became law four years later in 1791. Of course, the motion picture wasn't even invented at the time and didn't come along until about a hundred years later in the 1890's, so obviously this form of communication wasn't considered as the free speech amendment was being drafted and debated. Feature-length films weren't exhibited in the U.S. until even later, in 1907, and Hollywood didn't assume its dominate role in the U.S. film industry until about 1915.

It then took our legal system another 37 years to fully appreciate the true nature of motion pictures, and the First Amendment right of free speech was finally applied to feature films in the 1952 U.S. Supreme Court case of *Burstyn v. Wilson*. The film industry, as you might expect welcomed the freedom, and has taken great advantage of it ever since.

In making its decision, the Supreme Court accurately observed that the motion picture is a "significant medium for the communication of ideas". Of course, our democracy and this concept of free speech are based on the principle that a vigorous and free marketplace of ideas will eventually result in the emergence of the most worthy of those ideas as they relate to all kinds of important issues that confront and confound our society. In order for the citizens of our democracy to make informed judgments on debatable questions, they must be exposed to a fair representation of the ideas on all sides of such issues. That's why we place such a high value on freedom of speech. That's why free speech is such an essential part of our democracy. And, the reason the constitutional right to free speech applies to film is precisely because the motion picture is a significant medium for the communication of ideas.

Unfortunately, the Hollywood-based U.S. film industry, (which, by the way, dominates this communications medium in the U.S. and around the world) is neither a free market, nor a level playing field, nor is it even based on merit. As you will see, it severely limits freedom of speech in this country by arbitrarily restricting who gets to express their ideas through this important communications medium. Thus, not all ideas that could be promoted through film have had an equal opportunity to be expressed. Therefore, our democracy's overall free marketplace of ideas is flawed because a single important communications medium is significantly biased.

Of course, some of you may question the very notion that movies promote ideas at all. But, if that's the case, it's likely that your thinking has been influenced by some of the people who

control the Hollywood-based U.S. film industry, who falsely maintain to this day that movies are "merely entertainment", and that as far as Hollywood goes, it's "all about money".

In making such false claims about the true nature of motion pictures however, these Hollywood "myth-mongers", as I sometimes affectionately refer to them, are choosing to ignore another part of the Supreme Court's *Burstyn v. Wilson* decision in which the Court declared that the importance of movies as an "organ of public opinion is not lessened by the fact that they are designed to entertain as well as to inform . . ." In support of the Supreme Court's correct view on this issue (which, incidently, was the same position put forth by the film industry in the *Burstyn v. Wilson* case), I will demonstrate today that there's much more going on with movies than mere entertainment, and because of that, what we have come to think of as the institution of Hollywood is clearly about much more than just money.

First, the motion picture is and always has been more than mere entertainment, it is (as the Supreme Court states) a significant medium for the communication of ideas. In my view, the motion picture is one of the most effective forms of communication yet devised by human kind. When you consider how much money, resources and talent go into creating the compressed 2 to 3 hours of the experience we call a feature film, there can be no doubt that a motion picture is an extremely effective form of communication. Just imagine how effective you could be in communicating something that was important to you if you were given \$30 to \$40 million dollars, had a couple of years to devote to the project and could hire some of the world's best writers, directors, actors, actresses, cinematographers and composers, along with all the other talented individuals whose services are routinely used in creating the magic in motion pictures.

The manufacturers of hundreds of commercial products have not overlooked these realities and they routinely pay thousands of dollars just to have their products seen and sometimes used in movies. Why? Because this film exposure has repeatedly proven to increase sales; the mere appearance of such products on the big screen clearly influences peoples' decisions with respect to how they spend their money.

Over the years, this form of "mere entertainment" called movies has been effectively used to promote sun glasses, toys, cellular phones, automobiles, motorcycles, sports utility vehicles, car rental agencies, guns, watches, hair styles, cosmetics, clothes, Reese's Peanut Butter Cups, VISA cards, fast food, hard liquor, cigarettes and beer. The most recent James Bond movie is reported to have earned nearly \$100 million dollars (an amount just about equal to the estimated production cost of the film), even before the movie was released, solely from merchandising tie-ins and product placements. I submit that the many business leaders around the world who make such decisions, are not so imperceptive that they would invest \$100 million dollars in motion picture-related promotion for a single film without a solid basis for knowing that movies influence human behavior, at least some of the subsequent lifestyle and commercial choices of those moviegoers.

In addition to influencing a significant variety of commercial decisions and associated conduct, the idea that movies can be a powerful agent for positive social change is so widely accepted that members of the so-called "entertainment community" itself have created an

organization referred to as the Entertainment Industries Council dedicated to the purpose of serving as a bridge between the entertainment community and the public interest in addressing health and social issues through films.

One of this group's successful campaigns has been to encourage the use of auto seat belts through more positive portrayals of their use in movies. Another of their efforts focuses on the portrayals of drug use in films. There have also been other organized efforts over the years to insert blatant, mostly liberal-oriented, political and environmental messages into Hollywood films, along with another little known but effective organized movement to eliminate or reduce the negative portrayals of one certain specific population in our society from Hollywood movies, all activities based on the accurate premise that movies can make a difference.

Not only do movies influence human thinking and behavior, they sometimes actually bring about pivotal changes in people's lives. David Rosenberg collected some of the evidence in support of that assertion in the form of 23 essays from prominent people all over the world and he published them in his book entitled: *The Movie That Changed My Life*.

Those essayists were authors, poets, university professors, novelists and literary critics who reported various life-changing reactions to films including developing moral notions, influencing one's ability to write, patterning an adult life after a character in a movie, producing the realization of entitlement to a career in a woman, providing a new consciousness about sexist stereotypes, changing attitudes towards war, altering a person's thinking about the world and himself, encouraging people to depart from society's norms, and creating a realization that a troubled person hovering at the edge of violence could be sent over the brink to commit it by scenes in a movie.

This last observation reminds us that no one stands at the theatre door making judgments about the intelligence or mental stability of any of the millions of moviegoers who proceed into that darkened and ritualistic environment, so it is entirely possible, that violence on the screen, for example, mixed with a youthful or unstable personality in the audience, could result in disaster. Powerful visual images and impressionable minds is not a combination with which we should be careless.

We'd actually have to be suffering from a rather severe form of mental disconnect not to recognize that if movies can help bring about positive changes in beliefs, lifestyles and behavior (and they do), movies can also help bring about a full range of less-desirable negative changes. As you know all too well, Hollywood films convey many powerful images and ideas that are clearly not positive. In addition to the excessive and graphic violence, gratuitous and sometimes bizarre sex, foul language, pro-drug, counter-religious, partial to smoking and anti-authority motion picture themes that many have complained about for so long, Hollywood continues to engage in what I consider to be one of its most socially irresponsible vices, the consistent portrayal through movies of certain populations of our diverse society in a negative or stereotypical manner.

Four specific groups seem to have been victimized by these powerful, prejudicial, all too consistent, but wholly unnecessary movie portrayals throughout the years. Those are the Latinos, Arabs and Arab-Americans, Christians and Whites from the American South. Other groups in our diverse society that have also been commonly portrayed in a negative or stereotypical manner, but not as consistently as the first four groups have included Blacks, Asians and Asian-Americans, Italian-Americans, the elderly, women, gays, lesbians and Muslims. You tell me the last time and how often you've seen a fully positive portrayal of a White Southerner, Latino, Christian or Arab in a Hollywood major studio release. You have to agree that these observations about negative patterns of Hollywood movie bias are true when the most common answer to the question regarding the last positive portrayal of a White Southerner in a Hollywood movie is Rhett Butler. And, he was a blockade-running, gambling opportunist and war profiteer!

Film industry pioneer Samuel Goldwyn is frequently credited with saying: "If you want to send a message, go to Western Union . . ." suggesting that movies should not be used to communicate messages. Assuming he made a statement to that effect, Goldwyn was wrong! The truth is that all movies send messages of one sort or another; all movies communicate ideas. In addition to the many other reasons set forth here today, movies are more than mere entertainment, precisely because all movies communicate ideas.

Further, we have to acknowledge that throughout the history of Civilization, ideas have always and will always be a significant source of motivation for human conduct. Just think with me here for a moment about how much influence a limited number of important ideas have had on the course of human history and individual behavior: life after death, one God, prophecy, evolution, free will, equality, self-government, manifest destiny, pacifism, free enterprise, monogamy, civil rights and women's rights. This simple exercise makes it clear that ideas motivate a great deal of human conduct.

Thus, we can prove by pure logic alone (and nothing more is required to justify acting on that logic), that movies influence people's conduct. Simply stated as a valid proposition, movies communicate ideas, ideas influence human behavior, therefore movies must also influence some human behavior. Surely, no one would take the position that ideas communicated through books (including children's books, novels, the Torah, Koran or Bible), or ideas communicated through magazines, newspapers, radio, television or the Internet cannot influence human behavior. Thus, it would be disingenuous indeed for anyone to pretend that ideas communicated through film would have any less potential for influence on human conduct.

Certainly we can also agree that movies influence the thinking and behavior of some of our less educated or sophisticated moviegoers, including some of our not so well-adjusted teenagers, and of course our younger children. As you know, some of these particularly vulnerable individuals in this latter group have traditionally been taught by their parents not to talk strangers, and often with good reason. Ironically, the Hollywood movie-makers have become one of the modern-day equivalents to the "strangers" parents have so persistently urged their children to avoid.

The sight of one of these Hollywood filmmakers that you don't know, actually talking to your child in real life might justifiably terrify you. But even worse, this technologically advanced form of communication taking place fairly regularly with many of our children through film is presumably occurring with your permission and it's essentially one-way. We have very little influence over the messages these often-times rather arrogant "strangers" are communicating through this powerful medium. You may rightfully fear the physical harm that a stranger can inflict on your child, but you must also guard against the harmful ideas strangers can implant in your child's mind.

At this point, some of you may be thinking: "Well it's the parents' responsibility to preview movies before their kids see them, and isn't it true that moviegoers vote with their pocketbooks . . . "? These are two more of the myths that the major studio/distributors have worked hard to get you to believe, as they continue their effort to both deny the influence of movies and to shift blame.

On the other hand, in addition to being physically impossible for parents to preview all of such movies, we have to remember that the major studio/distributors spend nearly \$20 million dollars per film on average in creating some of the most expertly designed, sophisticated and all-pervasive movie promotion, publicity and advertising dedicated solely to the purpose of seducing a mass audience into paying good money to see their limited choice of films, some of which are of questionable value. And, notwithstanding the brilliance of this audience, the truth is that the vast majority of the target audiences for these movie-promotion messages in this country and elsewhere do not have sufficient critical thinking skills to resist these powerful, repetitive and often misleading mass media messages.

So, it really doesn't make much difference if a Hollywood movie is any good or not, or good or bad for its intended audience, most people do not have access to enough timely, adequate and objective information to effectively pre-judge the suitability of a motion picture for any audience. Thus, it is very difficult, if not impossible, to prevent our children from being exposed to some form of this movie promotion, and their inevitable resulting and often hysterical compulsion to see such movies. It is equally difficult to know in advance which movies are right for your kids. The MPAA ratings system, given to us by an organization controlled by the same people who produce and release the movies, has never provided adequate information for this purpose, and it ought to be replaced, possibly with a system of Congressionally-mandated, privately-owned, commercially operated independent movie rating and review services.

In any case, it should be obvious to the most casual observer that during a significant segment of any lifetime, repeatedly watching hundreds of powerful motion picture images consistently portraying whole populations of our diverse society in a negative or stereotypical manner can contribute to prejudicial thinking, which in turn, is often the basis of real-life discriminatory behavior. At minimum (with regard to this issue), we must concede: movies that consistently portray certain people in a negative or stereotypical manner are clearly not helping us solve our society's problems of misunderstanding and mistrust, but more likely, making them worse.

Why is this happening? More specifically, why do movies portray these incredibly misleading stereotypes and such limited views of the world? Well, partly because, movies are different from most other products produced in this country. Movies, to a large extent, tend to mirror the values, interests, cultural perspectives and prejudices of their makers. Let's consider that statement again, because this concept regarding another aspect of the true nature of feature films plays an important role in helping us to understand the overall problem with Hollywood. Movies, to a large extent, tend to mirror the values, interests, cultural perspectives and prejudices of their makers.

This means, it is absolutely relevant, entirely appropriate and essential for all of us concerned about the impact of movies on society to know exactly who in Hollywood has the power to make the key decisions with respect to which movies are produced and released, to determine who gets to work in the top positions on those movies and to approve the screenplays that serve as the basis for such motion pictures. These are the people who create, encourage or tolerate these patterns of bias, and we cannot fully understand the nature of the problem without knowing who these people are. This is particularly important with respect to the major studios and their releases because those are the films seen by about 92% of all theatrical moviegoers in the domestic marketplace, and these same movies represent a significant percentage of the films seen in most other countries.

As opposed to the many others in the past who have merely expressed a rather crude and subjective opinion about this issue of who controls Hollywood, I've actually conducted a study. And, I think it is time for us (as a nation) to get past our inability to discuss this issue objectively.

First, my studies demonstrate that the people who still determine which movies the vast majority of American audiences see on the screen (that is, the real Hollywood movie "makers") are the three top studio executives at the so-called major studio/distributors (that is, the top executives at Paramount, Universal, Disney, Sony [including Columbia/TriStar], Warner Bros., 20th Century Fox and MGM). Despite what you may be told about influence on a small number of important films from other sources, like certain powerful actors, agents and directors, these top studio executives are the people who directly control the important level of Hollywood decision-making I've described, and they have exercised that control for the nearly 90-year history of the Hollywood-based U.S. film industry.

My studies demonstrate further that the most honest, accurate and fair description of the relevant characteristics and backgrounds of the members of this Hollywood control group is that a clear majority of it's members are politically liberal, not very religious, Jewish males of European heritage. My own experience suggests, by the way, that the members of this narrowly-defined Hollywood control group do not behave the way they do because they are Jewish, nor is their behavior typical of the much broader so-called Jewish community. Thus, we are only talking here about the well-documented behavior of a small group of unrepresentative individuals. But, once again, since movies tend to mirror the values, interests, cultural perspectives and prejudices of their makers (and the motion pictures is a significant medium for the communication of ideas) it is essential in a democracy that we know as much about the backgrounds of these individuals as possible.

Now, to make matters much worse and even more intolerable with respect to Hollywood, my studies demonstrate that this small narrowly-defined Hollywood control group (also sometimes referred to in the extensive industry literature as the Hollywood establishment, traditional Hollywood management, the Hollywood insiders or as just The Club) has gained and has maintained its control over the U.S. film industry through the consistent use of several hundred specifically identifiable unfair, unethical, unconscionable, anti-competitive, predatory and illegal business practices. I specifically identify, describe and discuss these business practices in varying degrees of detail in three of my published books.

In addition to all of the patterns of bias in Hollywood films noted earlier, this narrow control of Hollywood has generally resulted in the systematic and arbitrary exclusion of those who may be considered "outsiders" from positions of control at the major studio/distributors, the top entertainment law firms, the most powerful talent agencies, profit participation audit firms and other film industry-related service providers. An insidious network of social and cultural relationships based on reciprocal preferences for Hollywood insiders and those closely associated with them has long enveloped this industry. In Hollywood, that is the most accurate interpretation of the commonly offered and deceptive rationalization: "It's a relationship business."

Specifically, the executives of the Hollywood major studio/distributors have engaged in wholesale employment discrimination from corporate top to bottom for nearly 90 years. Not only has that discrimination destroyed the career opportunities and livelihoods of thousands of Blacks, Latinos, women, Arab-Americans, Asian-Americans, Whites from the American South, among others, but these Hollywood employers have also historically shown several distinct hiring preferences, including a strong preference for employing specific immigrants from just 4 or 5 European countries, as opposed to hiring equally talented persons already in the U.S. (or from other parts of the world), and even when no demonstrated need for the employment of immigrants was apparent. If you steal a car in this country, you might very well go to prison. If, on the other hand, you arbitrarily destroy someone else's career by hiring your less-deserving cultural cousin for a high-paid Hollywood studio job, our government generally looks the other way.

My studies further reveal that the Hollywood control group has also consistently violated U.S. antitrust laws and continues to do so today. The rampant vertical integration in this industry is clearly anti-competitive. Prohibited block booking has never gone away (it's simply been transformed into the so-called "blockbuster" or "tentpole" strategy). Arbitrary reciprocal preferences among businesses that are supposed to be competing is an illegal trade practice. Movies have never been sold to exhibitors on a movie-by-movie, theatre-by-theatre basis as required by law. Talent agency packaging is a prohibited tie-in and the revenue sharing scheme for video sales rises to the level of impermissible conscious parallelism. Most of the major studios, in fact, generally have long-operated as a shared monopoly, which in antitrust terms is an illegal oligopoly.

Some of you may be shocked by these allegations, because you've been convinced that ours is a nation of laws, and you're confident that lawbreakers can't get away with illegal conduct for long. I too once believed that very thing, but unfortunately, I can no longer agree with that assessment, particularly as applied to the film industry. Among other reasons, the Federal Election Commission records show that the arbitrarily selected and excessively overpaid Hollywood studio executives, their spouses and multiple political action committees gave some \$23.5 million dollars in so-called "political contributions" during a recent five year reporting period to candidates for the U.S. Presidency (from both major political parties) and in key Congressional races.

Consequently, it is absolutely absurd for us to expect, or even hope, that any U.S. President who accepts such "generosity" would turn around and direct the head of the Justice Department to vigorously enforce existing federal antitrust laws in the film industry. Of course, a similar phenomenon occurs at the federal Equal Employment Opportunities Commission, in Congress and at the local level with District Attorneys. We have to face up to the fact that our system of justice is vulnerable to the indirect political bribe, particularly in this area of white-collar crime. And, that is one of the important reasons why the antitrust law violations in the film industry are occurring and will continue to occur until the U.S. public becomes sufficiently informed and outraged to force an end to the practices.

Further, most, if not all of the major studio film distribution agreements are contracts of adhesion filled with multiple unconscionable provisions. They have been specifically drafted to give these vertically-integrated, distributor-dominated major studios whatever discretion is necessary to prevent revenue generated by the exploitation of any motion picture they distribute from flowing past the distributor to net and gross profit participants, including directors, actors, actresses, screenwriters, authors and the independent producers and their "outsider" investors in independently produced films.

This illegal control of the revenue streams generated by the exploitation of feature films in all markets and media, is routinely converted, in turn, into creative control over future motion pictures. In Hollywood, he who has the gold, rules.

Thus, we come full circle back to the reasons why the previously cited blatant patterns of bias exist in Hollywood films. Illegal business practices have been used to gain and maintain control of the Hollywood-based U.S. film industry. That control has been used to hire generation after generation of individuals with similar backgrounds and interests for the key executive positions at the major studios. Additional unscrupulous business practices have been used to extract unconscionable profits from the studio movies and to retain most of those profits within the Hollywood insider community.

Some of that money is used to keep the government at bay. Other illicit revenues are used to employ the services of some of the best hired guns for legal and legislative protection. Some is used to buy the loyalty and silence of high-profile members of the creative community. Other portions of these funds are used for outrageous producer deals on the studio lots for outgoing studio executives or "super golden parachutes" for these same individuals. Still other

such monies are used for giving insider development deals to the girl friends, wives, other friends and family members of studio executives. Additional funds are used for philanthropic purposes to help gloss over what's really going on in Hollywood and to soften potential sources of criticism. Still other profits are used to attract other people's money to cover the costs associated with the production and release of the movies the Hollywood insiders choose. Most of the rest of us are irrelevant.

With all of the admiration one might muster for such a thing, some may reasonably choose to describe the Hollywood game as the "perfect crime". Its victims go far beyond the small production, distribution and exhibition companies in this country and around the world that are unfairly squeezed out of the marketplace each year by the predatory business practices of the majors, far beyond the many screenwriters whose ideas and screenplays are stolen annually without sufficient remedy . . .

. . . far beyond the diverse community of "outsider" filmmakers whose many stories cannot be told through film because they've been shut out of Hollywood, far beyond the thousands of struggling members of the creative community who don't even realize the playing field is titled in favor of the Hollywood insiders (or if they do, they're so fearful of being blacklisted they won't speak out), far beyond the hundreds of attractive young men and women who are lured to Hollywood every year by prospects of fame and fortune, only to end up having to sell their bodies to survive, or even worse, literally never being heard from again . . .

Even . . . far beyond all those persons who are cheated out of their fair share of the economic upside of their own films, far beyond the millions of moviegoers who are regularly deceived about the subject, suitability or quality of the films they pay money to see, far beyond the thousands of college level film students who have been misled into thinking there are reasonable opportunities waiting for them in the U.S. film industry, far beyond segments of the U.S. academic community whose intellectual honesty has been compromised by Hollywood intimidation -- to all citizens who have to cope with the powerful negative impact of irresponsible visual images and biased motion pictures on all of the world's societies.

The behavior of this Hollywood control group has been so reprehensible that over a period of some 50 years, three different informed and sophisticated individuals who were specifically knowledgeable about the operation of the film industry (a U.S. Supreme Court Justice, the federal judge who supervised 30 years of film industry compliance [or non-compliance] with the Paramount Consent decrees and the Los Angeles-based litigating attorney who sued Paramount on behalf of Art Buchwald), all proclaimed in writing that the Hollywood control group has a "proclivity for wrongful conduct".

In their own defense, the Hollywood insiders have historically used a series of myths, smokescreens and straw-man arguments disseminated through the world's most powerful and highly-paid PR machine (aided by a partisan trade press), to cloud public discussion and understanding of these important issues. Hollywood has discovered there's more than one way to distort the marketplace of ideas, and make democracy serve its special interests and needs. With

its enormous money and power Hollywood has been able to effectively confuse the issues, distract people's attention or just talk longer and louder than all the rest.

I refer to one of these smokescreens as the anti-Semitic sword -- that is the affirmative use of a false and unsupported accusation of anti-Semitism made for the specific purpose of intimidating some potential critics (in other words, creating a chilling effect on their speech), or distracting attention from the truth of the statements made by the film industry critics who have the courage to speak out.

That false accusation has been directed toward a number of Hollywood outsiders over the years, and has already been directed toward me. On the other hand, all I'm trying to do is present the truth about Hollywood. The most accurate characterization of my position is that I simply favor fair opportunities for all in the film industry, and only offer honest, well-researched criticism of the behavior of that small group of Hollywood insiders who chose to gain and maintain control over Hollywood, and who happen to be Jewish males of European heritage, two factual circumstances, over which I have no control. In addition, I think people should not be allowed to succeed in hiding behind emotionally-charged false accusations designed to mask continued wrongdoing.

So just briefly, since the accusation has already been made (and in an attempt to preempt repetition of this historical and inaccurate argument), why are my statements directed toward the Hollywood establishment not anti-Semitic? Because, as you know, anti-Semitism requires hostility directed toward Jews generally, or toward a single individual because he or she is Jewish. First, my remarks only rise to the level of honest criticism of someone's business-related behavior, and mere criticism can never be equated to hostility. Even more important, I'm not making any broad statements about Jews generally, nor am I being critical of anyone because they are Jewish. There is simply no evidence of that in my lectures, my writings or my life. Anyone who suggests otherwise is uninformed, confused or dishonest.

In the broadest sense, it's my view, that it is inappropriate in our multi-cultural society for any readily identifiable interest group (whether the group identity is based on ethnicity, culture, religion, race, class, region of origin, sex or sexual preference, or otherwise) to be allowed to dominate or control any important communications medium, including film.

Now, you may be surprised to know that our federal government has a long and well-documented history of being highly involved in helping the Hollywood-based U.S. film industry achieve its dominance over both the domestic and international film markets. Although, from time to time, our government has ineptly and unsuccessfully attempted to limit Hollywood's excesses in this regard.

On the other hand, our federal government has a legitimate interest and role to play (indeed, a duty and obligation) to stop, or at least fully investigate and consider all appropriate remedies, for any of the employment discrimination and antitrust law violations, along with the hundreds of other questionable business practices routinely utilized by the Hollywood major studio/distributors.

In addition to any available private remedies that I might encourage, such as class action lawsuits based on antitrust and racketeering statutes, or more broad-based economic boycotts than ever before instigated, our federal government, through all legitimate means necessary, has the right and the obligation to protect the constitutionally ordained general welfare of all our citizens from what George Gerbner called the "pollution of our cultural environment". Furthermore, our government has the right and a duty to ensure that all U.S. citizens, no matter what race, culture, ethnicity, religion, sex, sexual preference or region of origin, have an equal and fair opportunity to participate at all levels of the U.S. film industry, with the appropriate long-term objectives of ensuring that our feature films more accurately reflect the diversity of our multi-cultural society, and communicate greater diversity in the marketplace of ideas. The search for truth deserves no less.

In other words, none of our cultural groups should be arbitrarily denied the opportunity to tell their important cultural stories (the way they want to tell them), through this significant medium for the communication of ideas. No one should be allowed to force members of other cultures to filter their important stories through the cultural sensibilities of a small, rather homogeneous group of film industry gate-keepers, which is exactly what is happening in Hollywood today, and that is exactly what has been occurring for the nearly 90-year history of the Hollywood-based U.S. film industry. After all, as noted earlier, movies are somewhat unique -- to a large extent, they tend to mirror the values, interests, cultural perspectives and prejudices of their makers. On the other hand, the Hollywood control group is much too narrow in scope, and its members are prejudiced indeed.

Ultimately, as already pointed out by the Supreme Court, the motion picture is a significant medium for the communication of ideas. And, in a democratic society, we cannot afford to stand by and allow any single narrowly-defined interest group to control or even dominate any of our important communications media, because that inaction will inevitably weaken, if not destroy, our cherished democracy.

As the great civil rights leader Martin Luther King, Jr. once so accurately observed: "Injustice anywhere is a threat to justice everywhere". Thus, Hollywood must not be allowed to perpetuate its long-standing and continuing series of injustices upon our supposedly democratic society. Among the many other injustices pointed out here today, the Hollywood control group has been hiding behind the protection of the First Amendment right of free speech, while using a remarkable variety of strategies and techniques to arbitrarily deny others the opportunity to communicate through film. If we want to preserve our democracy and make the world a better place, we need to start with what we communicate to each other, and who gets to communicate.

HOLLYWOOD -- THE PERFECT CRIME

The results of a ten year study of the Hollywood-based U.S. film industry reveal that Hollywood is the "perfect crime". The study shows that Hollywood movies contain blatant patterns of bias in which whole populations of our diverse society are consistently portrayed in a negative or stereotypical manner. The study also reveals that Hollywood movies further contain biased biopics, examples of historical revisionism and favoritism in movie portrayals displayed toward a single, narrowly-defined interest group of which the Hollywood control group primarily draws its members.

Such patterns of bias exist because movies are different from most products in the U.S., they tend to mirror the values, interests, cultural perspectives and prejudices of their makers. The study demonstrates further that the people in Hollywood who have the power to decide which movies are produced and released, to determine who gets to work in the key positions on such movies and to approve of the screenplays serving as the basis for these movies are the three top studio executives at the major studio distributors. The study further reveals that a clear majority of these executives throughout the term of existence of these vertically-integrated, distributor-dominated major studios share a common background (i.e., they are politically liberal, not very religious, Jewish males of European heritage).

This Hollywood control group gained and has maintained its power through the use of several hundred specifically identifiable unfair, unethical, unconscionable, anti-competitive, predatory and illegal business practices, including massive employment discrimination and antitrust law violations. Furthermore, the Hollywood control group gets away with its "proclivity for wrongful conduct" by routing huge political contributions to presidential candidates and key members of Congress through excessively overpaid studio executives, their spouses and multiple political action committees, so as to discourage vigorous enforcement of the employment discrimination, antitrust and other laws in the Hollywood-based U.S. film industry.

The cited movie biases must be eliminated because as the U.S. Supreme Court stated in its 1952 *Burstyn v. Wilson* case, the motion picture is a significant medium for the communication of ideas. Since ideas have always and will always be a significant source of motivation for human conduct, movies will inevitably influence the thinking and behavior of some segments of our diverse population. Thus, in a democracy, no important communications medium, including film, should be controlled or dominated by any single, narrowly-defined interest group.

RELEVANCE OF STUDIO EXECUTIVE BACKGROUNDS

Some thoughtful persons working within and outside the U.S. film industry have raised the question as to the appropriateness and relevance of inquiries into the racial, ethnic, cultural, religious and regional backgrounds of Hollywood's major studio executives. This essays answers that question and takes the position that inquiries into the backgrounds of these studio executives are both appropriate and relevant because films are different than a lot of other products produced here in the U.S. Movies, to a large extent, tend to mirror the values, interests, cultural perspectives and prejudices of their makers, and movies tend to influence the thinking and behavior of many of those who view them.

Recent studies have shown that the top-level studio executives at the major studio/distributors are the individuals who have the power to decide which films are going to be produced and released by the major studios, who gets to work on those films in the key positions, and the content of the scripts on which these films are based. And, the major studio releases are the films seen by about 92% of the domestic moviegoing public, in addition to a significant percentage of moviegoers worldwide.

When we examine the backgrounds of these studio executives, we find a huge disparity in the representation of just one or several groups in our multi-cultural society. Whole populations of our diverse society have been arbitrarily excluded from those top positions in the Hollywood-based U.S. film industry for 90 years. It is extremely difficult to explain such a phenomenon without concluding that massive employment discrimination has been rampant in Hollywood for several generations.

The lack of diversity at the top in Hollywood results in the creation of blatant patterns of bias in how people are portrayed in Hollywood films. Once again, whole populations of our diverse society have been consistently portrayed in a negative or stereotypical manner in the movies released by these major studios for many years. Not surprisingly, the groups that have been consistently portrayed in a negative or stereotypical manner in Hollywood films, are generally the same as those who do not occupy the control positions at the Hollywood studios.

Recognizing as the U.S. Supreme Court did in its 1952 case of *Burstyn v. Wilson*, that the motion picture is a significant medium for the communication of ideas, and therefore, films deserve the protection of the First Amendment's right of free speech, if anyone really believes in democracy and freedom of speech, along with the underlying principle that a free marketplace of ideas is essential to the preservation of our democratic way of life, then it is absolutely necessary that all racial, ethnic, cultural, religious and regional groups within this nation be afforded the same fair and equal opportunity to tell their cultural and other stories, they way they want to tell them, through this important communications medium. No one should be forced to filter their stories through the cultural sensibilities of another group.

No single, nor even a few, narrowly-defined racial, ethnic, cultural, religious or regional groups should be allowed to dominate or control access to motion picture production,

distribution or exhibition. Without diversity in an important communications medium like film, our democracy is significantly weakened.

My ten years of research, study, observation and writing about what is really going on in Hollywood and how it affects each and every one of us, has been presented in my series of books on Hollywood. The following summary sets forth the overall conclusions of these works:

1. ENTERTAINMENT VS SIGNIFICANT MEDIUM--The motion picture is more than mere entertainment, it is a significant medium for the communication of ideas (see *Legacy of the Hollywood Empire*).

2. PATTERNS OF BIAS--Hollywood films have consistently portrayed whole populations of our diverse society in a negative or stereotypical manner (see *Patterns of Bias in Motion Picture Content*). Specific groups targeted for such prejudicial treatment include African-Americans, Hispanic/Latinos, Asians and Asian-Americans, Arabs and Arab-Americans, women, gays/lesbians, Christians, Muslims and White Southerners.

3. INFLUENCE--Since all movies communicate ideas (i.e., messages), and ideas have always and will always influence human behavior, then it is therefore proven by pure logic that movies influence human behavior (see *Legacy of the Hollywood Empire*).

4. PREJUDICIAL THINKING--It is therefore highly likely that movies consistently portraying whole populations of our diverse society in a negative or stereotypical manner will contribute to prejudicial thinking and discriminatory behavior directed toward those same populations.

5. BIOPICS--Further, motion picture biographies produced or released by the Hollywood major studio/distributors also exhibit patterns of bias (see *Motion Picture Biographies*).

6. FAVORED PORTRAYALS--And, Hollywood films also tend to provide more favorable portrayals for a specific religious/cultural group in our society and such favoritism rises to the level of movie propaganda (see *A Study in Motion Picture Propaganda*).

7. MOVIES MIRROR--Ultimately, movies mirror the values, interests, cultural perspectives and prejudices of their makers (see *Patterns of Bias in Motion Picture Content*, *Motion Picture Biographies*, *A Study in Motion Picture Propaganda* and *Who Really Controls Hollywood*).

8. STUDIO EXECUTIVES--The people who still determine to the greatest extent the movies that the vast majority of American audiences see on the screen are the three top studio executives at these so-called major studio/distributors (see *Who Really Controls Hollywood*). These are the people who control Hollywood and have exercised that control for the nearly 90-year history of the Hollywood-based U.S. film industry.

9. LEGACY--In addition to the observations noted above, the book *Legacy of the Hollywood Empire* reveals that the structure of the Hollywood-based U.S. film industry has resulted in an emphasis on so-called 'commercial films', lowest common denominator movies, homogeneous films, exploitation fare, movies that can be easily marketed (high concept movies) and just plain mediocre to bad movies (i.e., an overall deterioration in the quality of films).

10. CONTROL GROUP--My studies demonstrate that Hollywood is controlled and has been controlled for its nearly 90-year history by a small group of politically liberal, not very religious, Jewish males of European Heritage (see *Who Really Controls Hollywood*). This narrowly-defined Hollywood control group does not behave the way they do because they are Jewish, nor is their behavior typical of the much broader so-called Jewish community.

11. BUSINESS PRACTICES--This small narrowly-defined Hollywood control group (also known as the Hollywood establishment, traditional Hollywood management or Hollywood insiders) has gained and has maintained its control over the Hollywood-based U.S. film industry through the consistent use of unfair, unethical, anti-competitive, unconscionable, predatory and illegal business practices (see *The Feature Film Distribution Deal* and *How the Movie Wars Were Won*).

12. EXCLUSION--Such control of Hollywood has also resulted in the systematic exclusion of 'outsiders' from positions of control at the major studio/distributors, the top entertainment law firms, the top talent agencies, profit participation audit firms and other film industry-related service industries.

13. EMPLOYMENT DISCRIMINATION--Specifically, the top executives of the Hollywood major studio/distributors have engaged in wholesale employment discrimination for 90 years. Not only has that discrimination been directed toward African-Americans, Hispanic/Latinos, women, Arab-Americans, Asian-Americans, people from the American South, among others, Hollywood employers have also shown distinct hiring preferences, including a preference for hiring immigrants from a handful of European countries, as opposed to equally talented persons already in the U.S. (even when no demonstrated need for the hiring of immigrants was apparent).

14. ANTITRUST LAW VIOLATIONS--The Hollywood control group has also consistently violated U.S. antitrust laws (see *Politics, Movies and the Role of Government*). Further, most, if not all of the major studio/distributor distribution agreements are contracts of adhesion with multiple unconscionable provisions (see *The Feature Film Distribution Deal*).

15. WRONGFUL CONDUCT--The behavior of this Hollywood control group has been so reprehensible that over a period of some 50 years, three different sophisticated individuals who are specifically knowledgeable about the operation of the film industry (i.e., a U.S. Supreme Court Justice, the federal judge who supervised 30 years of film industry compliance with the Paramount Consent decrees and the Los Angeles-based litigating attorney who sued Paramount on behalf of Art Buchwald), all proclaimed that the Hollywood control group has a proclivity for

wrongful conduct (see *How the Movie Wars Were Won, Politics, Movies and the Role of Government and Hollywood Corruption*).

16. ROLE OF FEDERAL GOVERNMENT--The federal government has long been highly involved in helping the Hollywood-based U.S. film industry achieve its goals, although from time to time, the government has unsuccessfully attempted to limit the film industry's efforts in this regard (see *Politics, Movies and the Role of Government*). On the other hand, the federal government has a legitimate interest and role to play (indeed, a duty and obligation) to stop (or at least fully investigate and consider all appropriate remedies) for any such employment discrimination and antitrust law violations, along with the many other questionable business practices routinely engaged in by the Hollywood major studio/distributors. It is in the nation's interest to see that this is done.

17. ANTI-SEMITIC SWORD--In their own defense, the Hollywood insiders have often used the so-called anti-Semitic sword (i.e., the affirmative use of a false or unsupported accusation of anti-Semitism for the purpose of distracting attention from the truth or falsity of the original statement) against film industry critics (see *How the Movie Wars Were Won*).

18. CONTROL OF MEDIUM--It is inappropriate in our multi-cultural society for any readily identifiable interest group (whether the group identity is based on ethnicity, culture, religion, race, class, region of origin, sex or sexual preference, or otherwise) to be allowed to dominate or control this important communications medium.

19. GOVERNMENT REMEDY--Finally, in addition to any available private remedies (some of which are discussed herein), the U.S. government, through all legitimate means necessary, has the right and the obligation to protect its people from the pollution of its cultural environment, and has the right and obligation to ensure that all U.S. citizens, no matter what race, culture, ethnicity, religion, sexual preference or region of origin, have an equal and fair opportunity to participate at all levels of the U.S. film industry, with the long-term objective of ensuring that our feature films more accurately reflect the diversity of our multi-cultural society. After all movies mirror the values, interests cultural perspectives and prejudices of their makers.

AN AUDIENCE SURVEY ABOUT MOVIES AND SOCIETY

This presentation is somewhat unorthodox in that it takes the form of a survey of your attitudes toward Hollywood motion pictures. I'll ask you a series of questions designed to lead you through the same logical analysis that I've gone through in determining what's really going on in Hollywood, and as we proceed you can answer yes or no by nodding or shaking your head. It won't hurt to throw in an occasional "Amen". My hope is to help provide you with a different perspective on how our movies impact our society and the lives of each and every one of us.

First, how many of you would agree that movies are more than mere entertainment?

After all, movies inform, instruct, anger, stimulate, shock, antagonize, and motivate and they make us fearful, sad, happy and make us laugh, cry, imagine or be hopeful, don't they?

How many of you would agree that all motion pictures communicate messages of one sort or another?

How many of you would agree with our U.S. Supreme Court that the motion picture is a "significant medium for the communication of ideas"?

How many of you would agree that the motion picture is one of the most powerful communications media?

And, of course, since the motion picture is a significant medium for the communication of ideas, the broad constitutional protections of the first amendment right of free speech ought to apply to feature films shouldn't they?

How many of you would agree that the first amendment right of free speech is at least partly designed to ensure that we have a so-called free marketplace of ideas in this country?

How many of you would agree that part of the justification for this important concept of a free marketplace of ideas is to make sure that we are able to consider most if not all viewpoints on important issues of the day?

And, that by considering most if not all viewpoints on important issues, we are much more likely as a nation to make the right decisions on such matters, isn't that correct?

So, with that in mind, we can agree can't we that this concept of the free marketplace of ideas, protected by the first amendment right of free speech is an important part of our democracy in this country, right?

And, if as the U.S. Supreme Court says, the motion picture is a significant medium for the communication of ideas, then the motion picture is an important part of our democracy and its underlying free marketplace of ideas, correct?

Now, would you agree that ideas are powerful?

Would you agree that throughout the history of human civilization, ideas have always and will always be important factors in influencing human attitudes, thinking and behavior?

Would you agree with me that millions of the people who are exposed to the ideas communicated through feature films each year in this country and around the world, are young?

It's also true that some moviegoers are not very sophisticated isn't it?

In some cases, they are not even well educated, right?

And, unfortunately, some of these moviegoers, are not even mentally balanced, are they?

And, wouldn't you agree with me that no one stands at the theatre door trying to determine whether any of these moviegoers can effectively distinguish between reality and fantasy in movies, right?

It's also well recognized, isn't it that a lot of kids tend to mimic the behavior of people they admire and that they can learn a lot of things from these powerful cinematic examples, can't they?

And would you say it's fair to observe that a significant percentage of Hollywood movies tend to suggest through powerful cinematic example that violence is an appropriate way to resolve disputes or solve problems?

So, do you think it's fair to assume that if one of our country's most powerful communications media is regularly saying to our children, many of whom are young, not very sophisticated, not well educated or even mentally balanced, that violence is an appropriate solution to their problems, that partly, as a result of the power of movies some of those kids will and have resorted to violence when they get upset or frustrated?

How many of you agree that one of several contributing factors that led to some of the recent school shootings was violence in movies and ancillary media?

Now, I assume that at least most of those filmmakers themselves did not actually intend that result, don't you agree?

That it's more likely that the filmmakers were primarily motivated by a desire to create a film that would make money, right?

But, even so, we have a technology here, a powerful communications medium that can impact our society for both good and bad, and we need to be careful with it, wouldn't you agree?

And, if we see some kids lying out in the middle of a busy highway mimicking a scene they recently saw in a movie, and getting killed in the process, it's time to tell our filmmaking community that they ought to be more responsible about the kinds of reckless behavior they portray on the big screen, don't you think?

Now, let's move over to another area of concern with respect to movies, have each of you noticed that Hollywood films over the years have consistently portrayed Arabs and Arab-Americans in a negative or stereotypical manner?

Have you also noticed that, with few exceptions, Hollywood films over the years have consistently portrayed Latinos in a negative or stereotypical manner?

And isn't the same true of Hollywood's portrayals of Italian-Americans? And Asian-Americans?

It's also true isn't it that since the mid-60s Hollywood films have consistently portrayed Christians in a negative or stereotypical manner?

And, it's equally true, isn't it that Hollywood films have consistently portrayed Whites from the South in a negative or stereotypical manner?

It's also true isn't it that until just a few years ago, Hollywood films consistently portrayed African-Americans in a negative or stereotypical manner?

And that even today, African-Americans are not portrayed in as balanced or realistic manner as they ought to be in films, wouldn't you agree?

And women, until just a few years ago, were also consistently portrayed in Hollywood films in a negative or stereotypical manner, weren't they?

And, it's also true of women, that there is not as much diversity in their portrayals as there should be, isn't that correct?

Now, regardless of how you feel about any of these groups, we can all agree that it's not right for someone to use a powerful communications medium to consistently portray any group in a negative or stereotypical manner, can't we?

In fact, we've seen something like this happen before haven't we, with devastating results, I mean some people in power using film and other forms of mass media communications to convince the rest of their society that certain populations were not desirable, isn't that right?

It happened just prior to World War II in Germany didn't it?

And, we called it propaganda then, didn't we?

But it was government propaganda, right?

And today it is private propaganda disseminated in a society with a government dominated by private interests, correct?

Not exactly the same, but some of the same dangerous similarities, right?

We can assume, of course, that the Hollywood filmmakers who make such films today are not creating these blatant patterns of bias in their movies just for the money, but that some other motivation must be involved, wouldn't you agree?

Otherwise, these patterns of bias in motion pictures would not exist, right?

But they do exist, and it's probably because movies to a large extent, tend to mirror the values, interests, cultural perspectives and prejudices of their makers, don't you think?

And that being the case, wouldn't you agree that if the people who are responsible for deciding which films are seen by the vast majority of American moviegoers repeatedly turn out films that consistently portray those populations noted earlier in a negative or stereotypical manner, it's very likely that those film industry decision-makers are just plain prejudiced themselves, isn't it?

And, of course, if, as we've already seen, the motion picture is one of our most powerful communications media, all movies communicate ideas, and ideas influence the attitudes, thinking and behavior of some people, then it is highly likely that these blatant patterns of bias in Hollywood movies are contributing to prejudice in our society, don't you think?

I mean, if movies can help to influence impressionable young people to lie in the middle of a busy highway, or take a gun to school and blow away teachers and classmates, consistent negative or stereotypical portrayals communicated through movies could surely influence the attitudes of many people toward others, couldn't they?

And, of course, acts of discrimination are usually based on prejudice, so it's very likely that these biased Hollywood movies are contributing to prejudicial attitudes of many impressionable youngsters and others who regularly go to the movies, don't you think?

And to the extent that we have people in our society who are prejudiced, then we are much more likely to have discrimination, with its devastating legacy, isn't that right?

I mean discrimination destroys career opportunities, livelihoods and lives, doesn't it?

And I bet many of you have experienced some form of discrimination in your lives, haven't you?

Well, in any case, we should all be opposed to discrimination, shouldn't we?

And, we all should do what we can to eliminate these influential sources of prejudice and discrimination, certainly those that might influence the thinking and attitudes of our children, shouldn't we?

But, it's too much trouble to get involved isn't it?

So, maybe the easiest thing to do is to make a generous contribution toward the creation of a not-for-profit Film Industry Research Institute to further document these continuing patterns of bias in motion pictures, and expand the effort to call attention to these problems, right?

Those of you inclined to make such a contribution can see me after the meeting, ok?

Thank you for participating in our little survey.

HOLLYWOOD VICTIMS

In response to those who would suggest that there are no victims for the Hollywood malfeasance cited in this author's series of books on Hollywood, the following is a fairly comprehensive list of the victims of the Hollywood-based U.S. film industry. Additional suggested Hollywood victims may be offered for inclusion in this list through the FIRM site Discussion Forum.

1. Millions of children who are exposed to violence, graphic sexual content and excessive foul language because the industry does not properly rate movies or provide adequate advance information about motion picture content.

2. Millions of parents who are fooled into spending their hard-earned money and taking their children to inappropriate movies.

3. Millions of children and adults who are exposed over a lifetime to consistent negative and stereotypical portrayals of certain populations in our diverse society. Such portrayals lead to prejudice, which in turn leads to discrimination and unnecessary conflict, adversely affecting the entire nation.

4. Millions of politicians, government officials, parents, teachers and others in positions of authority who are consistently portrayed as fools and bumbling idiots in Hollywood movies (the Hollywood anti-authority themes).

5. Millions of Arabs and Arab-Americans, African-Americans, Latinos, Women, Gays/Lesbians, German-Americans, Italian-Americans, Irish-Americans, Asian-Americans, Native Americans, Southerners and others who have been victimized by Hollywood prejudice expressed through the consistent negative and stereotypical portrayals of these populations.

6. Millions of Christians and Muslims who are also regularly portrayed in a negative and stereotypical manner in Hollywood films.

7. Thousands of large and small investors who foolishly believe that they will be treated fairly by Hollywood deal makers and accounting practices.

8. Thousands of attractive women from all over the world who are drawn to Hollywood thinking they may become movie stars, only to end up selling their bodies to survive. Some do not survive.

9. Thousands of attractive struggling actresses and actors who are booked by unscrupulous agents into foreign entertainment gigs that turn out to be nothing more than the modern-day version of a white slave trade.

10. Hundreds of small independent producers who cannot get their movies into decent theatres because they are squeezed out of the marketplace by the releases of the major studio/distributors, whose movies are not always of better quality, but who use anti-competitive business practices to gain leverage over the exhibitors.

11. Thousands of actors, actresses, directors, producers, screenwriters, composers and studio executives from all over the country who are routinely excluded from fair access to opportunities in Hollywood through nepotism, favoritism, cronyism, blacklisting and other forms of employment discrimination rampant in the Hollywood-based U.S. film industry.

12. Hundreds of actors, actresses, directors, producers, screenwriters who have tried to demand a fair accounting of film revenues and have been blacklisted for their efforts.

13. Thousands of actors, actresses, directors, producers, screenwriters who would have demanded a fair accounting from the major studio/distributors or would have taken the studios to court but for the reasonable fear of being blacklisted.

14. Thousands of actors, actresses, directors, producers, screenwriters and composers who are cheated out of good work on major films because powerful talent agents regularly exclude them from their packaged deals presented to the studios on a take it or leave it basis (a clear violation of the antitrust laws).

15. Thousands of screenwriters all across the country whose ideas or actual screenplays are stolen from them in a Hollywood system that does not provide fair protection or just compensation for either.

16. Hundreds of small independent theatres that cannot get fair access to the releases of the major studio/distributors because distribution is not conducted on a truly competitive basis.

17. The U.S. Justice Department that cannot function as it should in vigorously enforcing the U.S. antitrust laws in the film industry because of political interference originating in the White House.

18. The hundreds of Congressional politicians who do not have the courage to properly investigate Hollywood because of the millions of dollars in campaign contributions periodically directed toward their campaigns or the campaigns of their opponents.

19. Private sector film ratings and review organizations that do not have the same access to pre-screened movies as the MPAA's ratings board and whose services are overlooked by the moviegoers because the MPAA has misled the American public and its governmental representatives into thinking the MPAA ratings are adequate.

20. Hundreds of independent feature film producers whose movies are rated by the MPAA ratings board by a different and discriminatory set of standards than the films of the major studio/distributors, the member companies of the MPAA itself.

21. Thousands of independent producers and distributors from Canada and other countries whose movies are unfairly excluded from wide distribution in the U.S. and from theatrical exhibition in their own countries because the major U.S. studio/distributors dominate the screens of most foreign territories, using the same or similar unfair, unethical, unconscionable, anti-competitive, predatory and illegal business practices that they have used for some 90 years here in the U.S.

22. Independent film studios in parts of the country other than Hollywood that are placed at a competitive disadvantage by some of the same unfair, unethical, unconscionable, anti-competitive, predatory and illegal business practices of the majors.

23. Other segments of struggling film industries in the states of New York, Texas, Florida, North Carolina, Idaho, Washington, and elsewhere that cannot survive because of the business practices of the Hollywood-based major studio/distributors.

24. Moviegoers of all types who are regularly misled into thinking certain movies are worth seeing and are wrongfully separated from their money by massive and misleading Hollywood advertising.

25. Thousands of legitimate public interest discussion topics that are routinely crowded off the television news and public affairs programs by the overly aggressive promotion of the Hollywood PR machine, the most powerful ever created.

26. The expression of artists of all interests whose visions are regularly sacrificed to the commercial and other interests of the Hollywood majors.

27. The ideas of political conservatives that are routinely shunned in Hollywood movies in favor of liberal political thought.

28. The greater diversity of ideas that could be presented through this significant communications medium if the U.S. film industry were controlled by a more diverse group of people who did not constantly strive to brainwash the American public into believing that movies are merely entertainment, when the truth is that all motion pictures communicate one or more messages, and quite effectively.

29. Millions of actors, actresses, directors, producers, screenwriters, composers, distributors and others who, over the years, have foolishly devoted huge segments of their lives chasing after a career in the film business only to discover that Hollywood is not based on a merit system at all, but a tightly controlled insider's game, thus they never had a chance.

30. Hundreds of other worthy trades and professions that lose talented people to the primarily false lure of Hollywood.

31. Immigrants to the U.S. from all parts of the world except Europe, whose immigrants have been traditionally favored by Hollywood moguls throughout the nearly 100-year history of the Hollywood-based U.S. film industry.

32. All members of the many racial, religious, ethnic, cultural groups and regional groups in America whose important cultural stories cannot make it onto the screen because of the prejudices held by those who control the industry.

A WESTERN DEMOCRACY IN DECLINE

ONCE UPON A TIME, not too far into the future, there existed what we call a Western democracy, a modern society based on the concept that vigorous discussion and debate of important issues in a free marketplace of ideas would generally lead the citizens to make the best choices for that society.

THE PEOPLE RECEIVED most of their information through radio, television, film, books, newspapers and the Internet, although most of the more vulnerable and less sophisticated in this society, the children, inadvertently obtained many of the messages they received on a daily basis through the so-called “entertainment media”.

SOME IN THIS SOCIETY recognized that all such entertainment sources communicated ideas or messages of one sort or another, although this fact was often denied by the entertainment industry leaders.

INDUSTRY SPOKESPERSONS were also fond of denying that there was any causal connection between the ideas communicated through their mass media and certain anti-social conduct engaged in by people (particularly children), who may have been exposed to their so-called “entertainment” for years.

WHEN CHILDREN TOOK GUNS into the schools and shot their teachers and classmates, sometimes even admitting they were influenced by scenes in movies they saw, the entertainment industry leaders (much like the tobacco executives before them), would say “Oh no, we’re not in any way responsible for such harm.”

AND THEY WOULD HIDE behind their First Amendment right of free speech and continue to pollute the nation’s cultural environment with messages of violence.

THE YOUTH OF THIS COUNTRY were regularly bombarded with so-called “entertainment” heavily laced with sexual content, and lo and behold teenage pregnancy and sexually transmitted diseases were huge problems in this society.

BUT NO, the entertainment industry leaders were in no way contributing to this societal dysfunction.

THE ENTERTAINMENT MEDIA in this Western Democracy often made heroes out of characters with little or no moral or ethical standards, and commonly belittled authority of all kinds, including government, religious leaders, teachers, parents and fathers in particular.

SOME PEOPLE RECOGNIZED and complained that children had no respect for authority and that interpersonal relationships in this society were deteriorating because there seemed to be no willingness to engage in moral or ethical conduct.

BUT THE entertainment industry leaders denied doing anything to encourage those developments.

PREJUDICE AND DISCRIMINATION of all sorts, including that based on race, religion, culture, ethnicity and even region of origin had been a continuing problem in this society for many years.

TOLERANCE was often talked about but seldom practiced.

NOT SURPRISINGLY, studies demonstrated that the motion picture, one of the most powerful of the communications media found in this society, consistently portrayed certain populations in a negative or stereotypical manner.

AS IT TURNS OUT, many of these same groups consistently victimized by this form of private propaganda and high-tech hate-mongering were some of the same people still struggling against prejudice and discrimination.

BUT THE ENTERTAINMENT INDUSTRY LEADERS would say: “ Oh no, there’s no correlation between the consistent messages being communicated through our powerful ‘entertainment’ media and real world behavior.”

ALTHOUGH most honest and reasonably intelligent individuals had to admit that throughout the existence of the planet on which this Western democracy was situated, ideas had always been and would always be powerful motivators of human conduct.

NOW, MOST PEOPLE in this society felt they could do nothing about these problems. AFTER ALL, they had been conditioned by the mass media itself to respect the free speech rights of the entertainment industry leaders.

THEY DIDN’T REALIZE however, that most of the content of the entertainment media tended to mirror the values, interests, cultural perspectives and prejudices of their makers.

AND there tended to be very little diversity at the top in the entertainment industry.

SO, the media’s content did not reflect the diversity of this democracy’s general population.

EVEN WORSE, that lack of diversity at the highest levels in the entertainment industry was not due to a lack of available talent among those groups not represented.

IT HAD EVERYTHING to do with the unfair, unethical, unconscionable, anti-competitive and illegal business practices consistently used by that less diverse group of entertainment industry “insiders” as they gained and maintained their positions of power.

IN POINT OF FACT, this insular group of not very diverse entertainment industry leaders, had wrongfully used such business practices to arbitrarily deny opportunities to people who did not share their own political, religious, cultural and ethnic backgrounds;

THUS EFFECTIVELY PREVENTING the entertainment industry “outsiders” from rising to the higher level positions in the industry that would have allowed a much more diverse group to determine what important messages ought to be communicated.

UNFORTUNATELY, not enough people in this Western democracy could see the connection between the wrongful conduct of the entertainment industry leaders and the deteriorating condition of their society.

EVEN FEWER had the courage to rock the boat.

SO, EVEN THOUGH a small percentage of the country’s elite prospered, the nation’s social fabric continued to deteriorate until all social mores were eroded and the country came apart at the seams.

WHAT IF?

I'd like to offer a series of questions that tend to illustrate the status of my research and understanding of the Hollywood-based U.S. film industry.

What if, for example, you, as I have, observe in watching hundreds of so-called Hollywood movies, over the years, that they consistently portray whole populations of our diverse society in a stereotypical or negative manner?

What if in studying the published reviews of thousands of Hollywood movies, you confirm what you suspected about these perceived Hollywood movie patterns of bias, that they do indeed portray whole populations of our society in a stereotypical or negative manner; and that the groups victimized by this form of Hollywood defamation have included and continue to include to one degree or another: Hispanic/Latinos, Arabs and Arab-Americans, Asians and Asian-Americans, African-Americans (although to a lesser extent in recent years), women, gays/lesbians, Christians, Muslims and Whites from the American South?

What if you discover that similar patterns of bias appear in Hollywood motion picture biographies (the films that supposedly portray the lives of historical figures); and further, you discover that at least one readily identifiable interest group within our society has generally been portrayed in a more favorable light than these others?

What if, in trying to determine why these Hollywood movie patterns of bias have occurred and continue to occur, you come to understand that movies mirror the values, interests, cultural perspectives and prejudices of their makers? Then, what if in attempting to develop an equally reasonable theory about who these film "makers" are, (that is, who really controls Hollywood, at least in terms of who decides which movies are going to be produced and released by the so-called major studio/distributors, who gets to work on those movies in the key positions and the actual content of the screenplays upon which those movies are based), we discover that the power to make those important decisions still, by and large, rests in the hands of the top three studio executives of the half-dozen or so vertically-integrated and distributor-dominated major studio/distributor film company organizations, that is, the chairman of the board, the studio president and the head of production.

What if your studies then indicate that the written statements on this very point, that is about who really controls Hollywood, previously published in the books of Pierce O'Donnell, Dennis McDougal, Michael Medved, Joel Kotkin and Neal Gabler have failed to include analysis of important and relevant facts, and were therefore misleading or just plain wrong.

What if in taking that next reasonable step, that is, actually conducting an academically reproducible study of the backgrounds of these top three studio executives, we are able to determine that throughout its history, this group has been more than 96% male and less than 4% female, 0% African-American, 0% Hispanic/Latino, 0% Asian-American, 0% Arab-American, 100% White (but less than 1% Whites from the American South), that these White males of the Hollywood establishment were predominantly politically liberal and not very religious; and this

study further demonstrated, that 60 to 80% of these studio executives have been Jewish males of European heritage?

In other words, what if your study determines that the most accurate and relevant description of the Hollywood control group (recognizing that movies mirror the values, interests, cultural perspectives and prejudices of their makers), is that the Hollywood-based U.S. film industry is controlled and has been controlled for its nearly 90 year history, by a small group of politically liberal, not very religious, Jewish males of European heritage? And, that Hollywood has never been controlled by any other group regardless of whether such groups are defined in terms of their race, religion, culture, ethnicity or region of origin?

Wouldn't that suggest to you that impermissible levels of nepotism, cronyism, favoritism, black-listing and other forms of employment discrimination have been occurring at multiple levels in the Hollywood-based U.S. film industry for years, and that the numerous reports of such practices appearing in the film industry literature are quite accurate?

Wouldn't this further suggest to you that some impermissible level of anti-competitive business practices have been utilized by this Hollywood control group throughout its 90 year reign, and that the many lawsuits and court decisions finding just such a situation have also been accurate?

Isn't it obvious then that hundreds, if not thousands of our fellow citizens (some of them our sons and daughters), who strike out for Hollywood each year end up wasting significant portions of their adult lives striving for a career in film that was never really available to them because Hollywood is not a level playing field, not a merit system and not a free market?

What if you also realize along the way that there is a positive correlation between what groups have been consistently portrayed in Hollywood films in a stereotypical or negative manner, and who does not control Hollywood? Wouldn't this suggest to you that we will never see greater diversity on the screen, until we have actual diversity at all levels in the U.S. film industry?

What if in trying to determine how any particular narrowly-defined interest group, and more specifically, how this particular Hollywood control group gained and has maintained its power over the film industry all this time, you discover that these men have consistently engaged in 337 specific unfair, unethical, unconscionable, anti-competitive, predatory or illegal business practices, and ultimately that their power and control over this important communications industry was improperly gained, and continues to be improperly maintained?

What if you then remind yourself that this Hollywood control group has consistently and arbitrarily denied access to other interest groups within our culturally diverse society, and has thus prevented other groups from telling their important cultural stories through this significant medium for the communication of ideas?

What if you then discover that such massive political contributions have been flowing from Hollywood into the Presidential campaign's of presidential candidates from both of the major parties for years that it is unreasonable to even hope that a U.S. Justice Department Attorney General appointed by such a President would seek to vigorously enforce the federal antitrust laws in the film industry? And, for the same reason, that it would be unreasonable to expect the federal Equal Employment Opportunity Commission to take action against the Hollywood establishment?

What if you also discover that similar amounts of massive political contributions were flowing from Hollywood into the campaign coffers of key Congress persons, who are by incredible coincidence or otherwise, inclined to block any legislation that tends not to favor traditional Hollywood management? And, that Congress cannot be currently counted on to properly utilize its oversight responsibility and authority to insure proper enforcement by these same federal agencies, of the laws now in place; nor can Congress be counted on to pass legislation that would tend to level the playing field in Hollywood?

Wouldn't it also be unreasonable to expect a local District Attorney to confront the kind of raw power exercised regularly and openly by the Hollywood establishment?

Furthermore, what if you believe, as I do, that Samuel Goldwyn was wrong--that all movies send messages of one sort or another. And, you believe further that all movies communicate ideas, and that throughout the history of Western civilization, ideas have always and will always influence human behavior, thus the pure logic of this analysis would tend to demonstrate that movies influence the behavior of at least some of their viewers, particularly that of the relatively unsophisticated youthful moviegoer, the target audience for many Hollywood films?

What if you also realize that the films released by the so-called Hollywood major studio/distributors consistently generate approximately 92% of the domestic theatrical box-office gross, thus suggesting that the vast majority of moviegoers in North America (if not around the world) regularly view the film product of these major studio/distributors as opposed to independent films?

What if you also see through the Jack Valenti/MPAA smokescreen that "moviegoers vote with their pocketbooks", and recognize that when the MPAA companies on average spend \$17.7 million dollars per film in advertising, publicizing and promoting their movies to a rather gullible American public, they can easily fool lots of people into seeing mediocre and bad movies?

What if you further believe that those consistent patterns of bias portrayed through this powerful communications medium inevitably implant strong images and beliefs into the minds of many moviegoers regarding those populations consistently portrayed in Hollywood movies in a stereotypical or negative manner? Wouldn't such patterns of bias lead to prejudice in the minds of many moviegoers? Doesn't prejudice lead to discrimination, and discrimination to unnecessary conflict in our society?

Wouldn't the consistent use of a powerful communications medium controlled by a small narrowly-defined interest group in a free, democratic and culturally-diverse society for the purpose of portraying some groups in a stereotypical or negative manner, but portraying its own members in a more favorable light, amount to nothing more than private propaganda?

In a democratic society, isn't it unreasonable for any narrowly-defined interest group to dominate or control access to any important communications medium?

Doesn't a government in a democratic society that values the free marketplace of ideas, a merit system and a level playing field, have an obligation to insure that all interest groups in that society have fair and equal opportunities to tell their important cultural stories through this significant medium for the communication of ideas?

What if you believe all of the things that the above questions suggest and have meticulously reduced both the details of all the supporting studies and the accompanying conclusions into book form, but found that publishers are afraid that they might offend the Hollywood establishment, or the broader religious/cultural group of which the Hollywood insiders might be considered a part?

What if some who read portions of your work choose to falsely characterize certain of your statements as being anti-Semitic, failing to recognize that anti-Semitism requires hostility directed toward Jews generally, or directed toward one or more Jews because they are Jewish; whereas not only is there no hostility in your writings (it is merely criticism of the behavior of a small group of men who happen to be Jewish, in the cultural sense), nowhere in your writings, your lectures or your life, have you ever stated or suggested that the behavior of this Hollywood control group is representative of Jews generally, nor have you ever stated or suggested that any of these men behave the way they do because they are Jewish. In fact, you're willing to assume that their behavior is atypical and occurs in spite of their Jewish backgrounds.

What if still others advise you to keep silent and refrain from telling what you see as the truth about what's really going on in Hollywood because of their fear that political extremists on the far right, with which you have no association or sympathy, will use your information to support their broader accusations regarding an international conspiracy?

Recognizing that the Hollywood-based U.S. film industry controls the world's most powerful PR machine, which has been effectively utilized to attack and overwhelm Hollywood critics many times in the past, and having asked all of the preceding questions, my final inquiry of you is: "Can it accurately be said in our modern-day American society, that ye shall know the truth, and the truth shall make you free?"

Hollywood Apologists Censor the Truth – The Peter Lang Publishing Debacle

One unassailable and never changing fact about the Hollywood-based, U.S. film industry is that there is a lack of diversity at the top in Hollywood. No one questions the accuracy of that statement. Unfortunately, some will unnecessarily and erroneously cry foul when and if anyone goes beyond that unassailable fact to demonstrate a healthy and responsible level of curiosity to study, observe, discuss or write about the logical questions that reasonably follow from that fact. Such questions include:

(1) Who has been disadvantaged and arbitrarily excluded from positions of power in Hollywood all of these years?

(2) How did this more than one hundred year lack of diversity at the top in Hollywood occur?

(3) Who exactly is at the top in Hollywood?

(4) Besides the widespread reverse discrimination, what additional results flow from this lack of diversity at the top?

The first question can easily be answered by simply listing all of those groups who are not now and have never been adequately represented in the top level positions within the most powerful Hollywood motion picture entities: the so-called major studio/distributors [currently consisting of Warner Bros., 20th Century Fox, Sony (including Columbia and TriStar), Disney (Buena Vista), Paramount and Universal]. Such disadvantaged groups include African-Americans, Latinos, women, Irish Americans, Italian Americans, Asian Americans, Native Americans, Whites from the American South, political conservatives, Christians, Mormons and Muslims. No one has ever made the claim that any of these groups are adequately represented in top level positions of authority in the Hollywood-based U.S. film industry and there is no evidence to suggest that such a claim would be true.

The answers to questions (2) and (3), are presented in a series of books and articles published in recent decades by nearly a dozen authors. In 1988, Neal Gabler wrote *An Empire of Their Own – How the Jews Invented Hollywood*. His book provides an historical view demonstrating how the original Jewish movie moguls dominated what we have come to think of as Hollywood and how their direct or cultural descendants continued that dominance through the mid-‘60s.[1]

Then, in 1992, several additional books were added to the literature of the Hollywood-based U.S. film industry and sought to bring this story up to date. Hollywood film critic and author Michael Medved published *Hollywood vs. America – Popular Culture and the War on Traditional Values*, which pointed out that most of this Hollywood control group is not very religious and is mostly politically liberal. Medved, an Orthodox Jew, very familiar with the Hollywood community complained that many of the scenes and themes of Hollywood movies promoted a secular world view as opposed to a more conservative religious world view.[2]

Also in 1992, Los Angeles attorney Pierce O'Donnell and journalist Dennis McDougal published their book *Fatal Subtraction – How Hollywood Really Does Business*[3] taking the business practices of a single major studio/distributor (Paramount), some of whose business practices had been declared unconscionable by the trial court in the Paramount v. Buchwald case,[4] and demonstrating that such business practices were commonly used by all of the Hollywood major studio/distributors. Since Paramount chose not to appeal the court's adverse decision, no court-made precedent was created in the process, thus the major studio/distributors have been able to continue the same or similar practices to this day.

My own 1992 book contribution, *Film Finance and Distribution – A Dictionary of Terms* included among the 3,600 terms defined and discussed, an earlier monograph listing “337 Reported Business Practices of the Hollywood Major Studio/Distributors”, business practices which are accurately described in the book as unfair, unethical, unconscionable, anti-competitive, predatory and/or illegal. This list explained in no uncertain terms how the Hollywood control group both gained and maintain their illegitimate control over the Hollywood-based U.S. film industry.[5] Those business practices included the regular use of nepotism, cronyism, favoritism and other forms of discrimination, which in the context of Hollywood is actually a form of reverse discrimination.

Another book, also published in 1992 added to our understanding of how Hollywood works (Paul Rosenfield's *The Club Rules – Power, Money, Sex, and Fear – How It Works in Hollywood*).[6] Journalist Terry Pristin followed in 1993 with an article in the *Los Angeles Times* Calendar Section (“Hollywood's Family Ways – Who Can You Trust Better than Kin”) explaining what an important role that special form of discrimination called nepotism played in the so-called Hollywood control group's ability to

maintain their dominance over the film industry into the modern era.[7] Also in 1993, academic David Prindle explored the business practices of the Hollywood film community in his book: *Risky Business – The Political Economy of Hollywood*. [8]

The following year, an article edited by Victor Marchetti appeared in the New American View newsletter making the argument that any denial of Jewish control over the film business is false. His article was entitled: “The Big Hollywood Lie: Denying that Jews Control the Film Business”. [9] On the other hand, Marchetti’s analysis is flawed in the sense that his argument for Jewish control of Hollywood is too broad. In other words, it is unfair to the millions of Jews around the world who have no interest in or influence over Hollywood to paint with such a broad brush and implicate them as being part of any Hollywood control group.

Skipping forward into the 21st century, another academic, Martha Lauzen, confirmed the ongoing difficulty of women in achieving positions of power in Hollywood in her “Celluloid Ceiling 2006 Report – Behind-the-Scenes Employment of Women in the Top 250 Films of 2005”. [10] Continuing with the plight of women in Hollywood, Jane Louise Boursaw, in her article “Film Fatales – Shocking Statistics About Women in the Film Industry”, goes on to cite the opinion of Cari Beauchamp, Hollywood historian and author of several books, including *Without Lying Down: Francis Marion and the Powerful Women of Early Hollywood* (Scribner, March 1997) and *Adventures of a Hollywood Secretary* (University of California Press, 2006). Boursaw points out that Beachamp claims that the phrase “white men” is the best way to describe those who dominate or control the Hollywood scene. [11]

On the other hand, as noted earlier, this description has the same flaw of imprecision that the phrase “the Jews” has, as used in the false statement that “Hollywood is controlled by ‘the Jews’” (again, a false and misleading assertion). To say that “white men” are the dominant group is once again an overly broad and imprecise description of the Hollywood control group, thus making it less likely that any effort to resolve what is clearly a long-standing tradition of reverse discrimination in Hollywood will ever be resolved.

In 2007, another of my books (*Hollywood Wars – How Insiders Gained and Maintain Illegitimate Control Over the Film Industry*) [12] was published. It traced the history of this dominance and/or control over Hollywood by a small, narrowly-defined group from the earliest days of the film industry

through the end of the century. It also took the honest step of more accurately defining exactly who the Hollywood control group is, relying partly on the previously cited literature of the industry as well as original research. Thus, the most accurate description of the Hollywood control group is that they are mostly politically liberal, not very religious, Jewish males of European heritage. This definition adds clarity to the discussion, but does not implicate all Jews and does not state, suggest or imply that members of this small group behave the way they do or engage in the cited business practices because they are Jewish. It simply states the observable facts (see my manuscript *Who Really Controls Hollywood* and the explanation of my research methods in the Peter Lang e-mail transcript cited below).

With respect to question (4), a series of my own heavily annotated manuscripts and other cited sources[13] present the thesis that control of Hollywood in the hands of any narrowly-defined group will inevitably result in a limiting of the ideas presented through this “significant medium for the communication of ideas”,[14] since movies tend to a great extent to mirror the values, interests, cultural perspectives and prejudices of their makers (i.e., those who control the medium).[15]

With this background, I was asked by Peter Lang Publishing of New York to author a book for their communication series to be entitled: *Motion Pictures – A Complete Guide to the Industry*. One of the eight chapters of the completed and edited manuscript dealt with film industry problems. Such a book would not be “complete” without discussing important industry problems. One of those problems was the well-known and never denied fact that there is a lack of diversity at the top in Hollywood. Of course, based on the literature of the industry cited above, and my own research (explained in detail to Peter Lang) I went on to point out that the most accurate description of this Hollywood control group which is responsible for the lack of diversity at the top in Hollywood is the narrowly-defined control group described above. Peter Lang’s Managing Director Chris Myers and Acquisitions Editor Mary Savigar refused to publish the book with that statement in it. In complete disregard of the extensive discussion of this issue contained in the existing industry literature, these individuals actually used as their reason for their refusal to publish the already completed book, the false allegation that the statement was anti-Semitic (the classic anti-Semitic sword – a false allegation of anti-Semitism used to distract attention from the truth).[16] In other words, some amongst us do not know the difference between bona fide criticism of the business practices of the Hollywood control group and anti-Semitic writing (a chapter in *Hollywood Wars* traces some of the history

of Hollywood's use of the anti-Semitic sword to squelch criticism of the Hollywood establishment and chill the free speech rights of film industry critics).

Following a similar publishing experience on one of his many books about the film industry, Boston University Professor of Film and American Studies (Ray Carney, PhD) offered the opinion that:

“America is a land of censorship, but most of it is not so obvious or explicit. The more pervasive censorship is implicit: It is the self-censorship of the cowardly; the censorship of the mob and the majority that doesn't tolerate minority opinions; the censorship of individuals not daring to speak the truth for fear of getting into trouble with their bosses, co-workers, or friends; the fear of saying something that might ‘offend’ someone else, that might ‘alienate’ someone else. Those forms of censorship are everywhere I look – in publishing, in academia, in business.”[17]

With respect to Hollywood, this sort of pervasive censorship is only one side of the coin. Historically, it appears that at least since World War II when Hollywood, working closely with the U.S. government, discovered or confirmed how effective the motion picture was in communicating propaganda (see Clayton Koppes and Gregory Black's *Hollywood Goes to War – How Politics, Profits and Propaganda Shaped World War II Movies*)[18] Hollywood has quietly continued to use the feature film as a propaganda vehicle (see *A Study in Motion Picture Propaganda – Hollywood's Preferred Movie Messages*). One of those favored themes has been to consistently portray Jewish characters and themes in a favorable light or as perennial victims and advocates for tolerance (with the exception of portrayals of the studio executives themselves).[19] Partly as a result of this flood of consistent movie and other mass media messages over a 60 year period, it is extremely difficult for Americans to consider Jewish individuals as perpetrators of wrongdoing and thus the first reaction from many people when they hear or see criticism of the film industry business practices of people who happen to be Jewish is to assume that the author of that criticism is prejudice. That assumption then tends to block further inquiry and discourage academics or other observers of Hollywood throughout the country from investigating any of the perfectly legitimate questions posed above. Hollywood thus gets a free pass.

Dr. Carney goes on to compare my assertions about Hollywood to those of Neal Gabler in his book *An Empire of Their Own – How the Jews Invented Hollywood*, saying:

“You're both saying the same thing: Namely, that a certain ethnic group and cultural set of attitudes is largely responsible for a distinctively deplorable set of organizational structures and corporate entities. Gabler burns incense to that situation and you don't, but there is no difference in the basic assertions each of you make.”[20]

Many people confronted with some of these issues automatically assume that since we are supposedly a nation of laws that if the Hollywood establishment was actually engaging in the hundreds of unfair, unethical, unconscionable, anti-competitive, predatory and/or illegal business practices as alleged, somebody would attempt to enforce the laws, wouldn't they? Not exactly. The economic law of supply and demand is so out of whack in the film industry and it is so difficult for people at all levels to obtain and keep their jobs, that anyone who complains is ostracized by the close-knit Hollywood insider group (see for example Julia Phillips' *You'll Never Eat Lunch in this Town Again*).[21] Further, the MPAA PAC (the political action committee of the major studios' trade association), along with the individual company PACS, the excessively overpaid top level studio executives and their spouses contribute so much money to political candidates from the President on down that it is nearly impossible to get any governmental agency to take action against Hollywood for antitrust, employment discrimination or other violations.[22] Thus, Hollywood is, in fact, the perfect crime.

The good news is that the complete book Peter Lang was afraid to publish, including the short sentence expressing the truth about Hollywood's control group is being published under another title by a more thoughtful publisher (Marquette Books of Spokane, Washington) whose owner has the courage to allow authors to write the well-researched truth. The bad news is that topics relating to the lack of diversity at the top in Hollywood and the associated issues cannot be honestly and openly researched or discussed in

America generally, even though we claim to have free speech, an intellectually honest academic community and a democracy based on a free marketplace of ideas.

As I pointed out to Peter Lang's Chris Myers and Mary Savigar, the publisher could publish the book with the disclaimer that the views expressed therein are those of the author. In addition, other

subsequent authors could disagree, if they chose, and support their positions with facts, as I had done. But no, Myers and his associates (including one or more so-called peer reviewers from Hollywood) preferred the embarrassingly dishonest approach of refusing to publish a book containing truthful statements. Thus, we see that our free speech in this country is not only sometimes susceptible to government interference, but it is also susceptible to the arbitrary whims of misguided New York publishers. If this practice of bullying authors into leaving accurate information out of their books is widespread, what else has been kept secret from the American and world reading publics? Further, if one of our most significant media for the communication of ideas (the motion picture) is not fairly open to the expression of the important cultural ideas of all segments of our diverse population, how diluted is our country's democracy?

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1. Gabler, Neal, *An Empire of Their Own--How the Jews Invented Hollywood*, Anchor Books, 1988.
 2. Medved, Michael, *Hollywood vs. America--Popular Culture and the War on Traditional Values*, Harper Collins, 1992.
 3. O'Donnell, Pierce and McDougal, Dennis, *Fatal Subtraction--How Hollywood Really Does Business*, Doubleday, 1992.
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 6. Rosenfield, Paul, *The Club Rules--Power, Money, Sex, and Fear--How It Works in Hollywood*, Warner Books, 1992.
 7. Pristin, Terry, "Hollywood's Family Ways", *Los Angeles Times* Calendar Section, January 31, 1993.
 8. Prindle, David F., *Risky Business--The Political Economy of Hollywood*, Westview Press, 1993.
 9. "The Big Hollywood Lie: Denying that Jews Control the Film Business" article edited by Victor Marchetti, appearing in April 1, 1994 New American View newsletter; online at http://www.ihr.org/jhr/v17/v17n5p14_Marchetti.html
 10. "Celluloid Ceiling 2006 Report – Behind-the-Scenes Employment of Women in the Top 250 Films of 2005", Martha M. Lauzen, Ph.D., School of Communication, San Diego State University.
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12. Cones, John W., *Hollywood Wars – How Insiders Gained and Maintain Illegitimate Control Over the Film Industry*, Marquette Books, 2007.

13. *Patterns of Bias in Motion Picture Content, Motion Picture Biographies – The Hollywood Spin on Historical Figures and A Study in Motion Picture Propaganda – Hollywood's Preferred Movie Messages.*

14. *Burstyn v. Wilson*, 343 U.S. 495, 1952.

15. A restatement of concepts explored by Hortense Powdermaker's *Hollywood: the Dream Factory; an Anthropologist Looks at the Movie-Makers*, Reprint of 1950 ed. New York: Ayer, 1979.

16. For a complete transcript of the e-mails exchanged between the author and Peter Lang Publishing regarding this transaction see at <http://www.homevideo.net/FIRM/rotten1.htm>.

17. Quoting directly from an e-mail received from Dr. Carney on May 20, 2008; also see page 101 of his mailbag at <http://people.bu.edu/rcarney/aboutrc/letters101.shtml>.

18. Koppes, Clayton R. and Black, Gregory D., *Hollywood Goes to War--How Politics, Profits and Propaganda Shaped World War II Movies*, University of California Press, 1987.

19. Erens, Patricia, *The Jew in American Cinema*, Indiana University Press, 1984.

20. Again, quoting directly from an e-mail received from Dr. Carney on May 20, 2008.

21. Phillips, Julia, *You'll Never Eat Lunch in this Town Again*, Penguin Books, 1991.

22. Brownstein, Ronald, *The Power and the Glitter--The Hollywood-Washington Connection*, Vintage Books, 1992.

HOLLYWOOD'S SACRED COWS

The phrase “sacred cow” traces its lineage back to the veneration of the cow by the Hindus, but over the years, the phrase has come to refer to people or things that are often unreasonably immune from criticism or opposition. In that context, our modern day mania for political correctness is an evolved form of sacred cows.

One unassailable and never changing fact about the Hollywood-based, U.S. film industry is that there is a lack of diversity at the top in Hollywood. No one questions the accuracy of that statement. Unfortunately, some will unnecessarily and erroneously cry foul when and if anyone goes beyond that unassailable fact to demonstrate a healthy and responsible level of curiosity to study, observe, discuss or write about the logical questions that reasonably follow from that fact. These are the sacred cows of Hollywood. Their discussion is taboo. It is not considered politically correct by most people to even raise such issues. Those questions include:

(1) Who has been disadvantaged and arbitrarily excluded from positions of power in Hollywood all of these years?

(2) How did this more than one hundred year lack of diversity at the top in Hollywood occur?

(3) Who exactly is at the top in Hollywood?

(4) Besides the widespread reverse discrimination, what additional results flow from this lack of diversity at the top in our nation's film capitol?

The first question can easily be answered by simply listing all of those groups who are not now and have never been adequately represented in the top level positions within the most powerful Hollywood motion picture entities: the so-called major studio/distributors [currently consisting of Warner Bros., 20th Century Fox, Sony (including Columbia and TriStar), Disney (Buena Vista), Paramount and Universal]. Such disadvantaged groups include African-Americans, Latinos, women, Irish Americans, Italian Americans, Asian Americans, Native Americans, Whites from the American South, political conservatives, Christians, Mormons and Muslims. No one has ever made the claim that any of these groups are adequately represented in top level positions of authority in the Hollywood-based U.S. film industry and there is no evidence to suggest that such a claim would be true.

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Finally, when political correctness is used to deny the truth and few have the courage to confront this fraud, an entire nation is complicit in a conspiracy to mislead the world. Such dishonesty is wrong and the rampant reverse discrimination ongoing in Hollywood and the professional lives it destroys will never be corrected unless and until people confront their own dishonesty and openly strive for greater diversity at all levels in this important industry that produces and distributes one of our significant media for the communication of ideas.

Endnotes

1. Gabler, Neal, *An Empire of Their Own--How the Jews Invented Hollywood*, Anchor Books, 1988.
2. Medved, Michael, *Hollywood vs. America--Popular Culture and the War on Traditional Values*, Harper Collins, 1992.
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About the Author

John Cones is a securities/entertainment attorney who has practiced in Los Angeles and area for 23 years advising independent feature film producers and others on matters relating to investor financing of feature film and other entertainment projects. He now resides in Austin. He has prepared or participated in the preparation of business plans and/or the required securities disclosure documents, along with Blue Sky compliance for more than 250 such offerings during his 18 year securities law career, including public and private production-money offerings for feature films, television pilots, documentaries, infomercials, live stage plays and Internet companies. His clients have produced or distributed some 54 feature and documentary films with funds raised through such offerings. Other such offerings have been conducted for development, packaging and completion funding. In a broader sense, Mr. Cones also works with entrepreneurs on investor financing of business startups.

Mr. Cones has lectured more than 350 times to an aggregate audience of approximately 5,400 on topics relating to film finance and distribution for the American Film Institute, the UCLA graduate level Independent Producers Program, UCLA Extension, The USC Cinema/TV School, the USC Cinema/TV Alumni Association, IFP/West, American University (Washington, D.C.), the Nashville Bar Association, Cal Western School of Law, The University of Texas Entertainment Law Institute, North Carolina School of the Arts, California Lawyers for the Arts, Columbia College Hollywood and other film industry organizations. In addition to several articles, he has authored seven books on those same topics including *Introduction to the Film Industry – A Guide for Students, Filmmakers and Scholars*, *Dictionary of Film Finance and Distribution--A Guide for Independent Filmmakers*, *Film Industry Contracts*, *43 Ways to Finance Your Film*, *The Feature Film Distribution Deal*, *Business Plans for Filmmakers* and *Hollywood Wars*. He also hosts a Q&A Internet site about investor financing of entertainment projects at <http://www.filmfinanceattorney.com/film-finance-forum> and maintains a web site at <http://www.filmfinanceattorney.com>.

He is a member of the California and Texas bar associations.

Mr. Cones lived and worked in Los Angeles for 23 years and now resides in Austin, Texas.

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