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Labor Relations in Hollywood

By MURRAY ROSS

THE evolutionary pattern of industrial relations in the motion picture studios bears a close relationship to the general pattern in most American industries. In the beginning, the open-shop atmosphere of Los Angeles pervaded the industrial climate of the studios. During World War I, trade unionism made some inroads among the skilled construction crafts but proved ineffective among most of the other groups of workers. As elsewhere, little progress was made in unionizing the studios in the course of the 1920's, although recognition was won by several studio crafts. Effective union penetration of most Hollywood worker groups did not begin until the days of the National Recovery Administration, and it was only under the aegis of the Wagner Act that trade unions sank their roots into the studios. At the outbreak of World War II, most studio labor and talent groups were unionized. Their entrenchment took place during this war period, with the result that Hollywood today is completely a union town, with painters and electricians hobnobbing with writers and actors at union conclaves.

EARLY BEGINNINGS

The modern motion picture industry of Hollywood is relatively young. Although films were produced in Los Angeles as early as 1907, it was not until 1915-17 that many important studios located themselves there, rendering Hollywood a leading production center.¹ Encouraged by its widespread successes in organizing labor during World War I, the American Federation of Labor made a valiant attempt to extend its gains to filmland in 1916. The immediate objec-

¹ Benjamin Hampton, *The Story of the Movies*, p. 199.

tive of its drive was the unionization of the studio construction crafts. The studios experienced three strikes during the next five years, which awakened the producers to the existence of a labor problem and resulted in the formation of the Motion Picture Producers' Association, an open-shop organization of seventeen studios.² The formation of this trade association marked the beginning of a unified labor policy among Hollywood's major film producers.

The earliest recorded union recognition in Hollywood took place on November 29, 1926 when nine major producing corporations and five unions³ concluded an agreement commonly known as the Studio Basic Agreement. This agreement, which has served as the cornerstone of the film industry's industrial relations policy for twenty years, is a simple two-page document. It established an arrangement very similar to the one widely adopted in World War I, the so-called committee plan. Five union representatives, known as the Internationals' Committee, meet with an equal number of producer representatives. This union-management joint committee has wide latitude in choosing the problems it will handle. Its work ranges from examination of minor grievances to arbitration of questions pertaining to wages, hours of labor, working conditions in the studios, and any other matters which might cause misunderstanding or which might improve the conditions of the industry and its em-

² "The Forty-Year War for a Free City," *Los Angeles Times*, Oct. 1, 1929, p. 25.

³ International Alliance of Theatrical Stage Employes and Moving Picture Machine Operators, United Brotherhood of Carpenters and Joiners, International Brotherhood of Electrical Workers, International Brotherhood of Painters and Paperhangers, and American Federation of Musicians.

ployees. The agreement is very flexible and contains no restrictions on the functions of the joint committee.

A unique feature of the Studio Basic Agreement is the requirement that the Internationals' Committee consist of the five presidents of the unions signatory to the pact. Since the agreement specifically forbids local business agents to handle directly matters pertaining to studio employment, the secretaries of the two committees are the sole media through which workers and studio managers may voice their complaints. The producers insisted on this procedure in the hope that it might eliminate the jurisdictional jealousies among the business agents, so that a measure of stability could be achieved in studio labor relations.

Since the agreement obligates its participants to submit their grievances or disputes to the joint committee, the secretaries are in a key position. They receive reports from their respective sides concerning matters which fail of immediate adjustment at any studio. After making an independent inquiry, each secretary reports the facts with recommendations to the chairman of his committee. The chairmen usually hold hearings and attempt a settlement. Almost all differences are settled in this manner, leaving very few for the full joint committee, whose decision is final.

Many of the minor grievances are settled within a few days. It may be sufficient merely to call to the attention of the production superintendent the fact that a wage-scale ruling has not been observed or that a former decision has been misinterpreted. The management may then issue instructions to the offending department to correct the abuse, and the case is finished. More difficult cases involving general principles are not resolved so easily, and may take from several months to a year or more to settle.

ACTORS, WRITERS, AND EXTRAS

The actors constituted the second major group in Hollywood to attempt unionization. Following in the path of its less glamorous brethren, the Actors Equity Association attempted to unionize screen actors as far back as 1921. However, the abuses which impelled the legitimate theater players to unionize were not then prevalent in the studios. Many screen actors, especially the stars, came directly to the films without stage experience and had little interest in the traditions or history of the theater. They were quite content with their liberal rewards, and Equity's warning that the industry was still young and that a vigilant organization was essential to safeguard prevailing standards fell on deaf ears.

After a protracted period of relative quiescence, Equity made its second major bid to unionize Hollywood actors, in 1929. The coming of sound caused the film producers to search for trained voices in the legitimate field. Approximately twelve hundred stage players had migrated to Hollywood. Expecting their support, Equity struck against the studios with demands for a union shop. But the strike proved Equity's undoing. The producers had earlier sensed the screen actors' restiveness, and as early as 1927 had established the Academy of Motion Picture Arts and Sciences as an employee representation plan. A successful company union, the academy secured for the actors a minimum-standard contract with a grievance procedure, as advocated by Equity. Although Equity remained critical of the academy, most influential screen actors appeared satisfied with its accomplishments in their behalf and supported Equity's strike action lukewarmly, if at all. After this debacle, Equity withdrew from Hollywood for good.

Like the screen actors, the screen writ-

ers attempted unionization in the 1920's through the medium of the Screen Writers' Guild. They sought recognition of their organization by the producers and the establishment of a minimum-standard contract with adequate compensation and public recognition by means of appropriate screen credits. But the producers were disinclined to meet the guild on any sort of common footing. When in 1927 the producers instituted a 10-per-cent-across-the-board wage reduction, the guild campaigned against it jointly with Actors Equity Association and threatened to call a strike of the scenarists. Although Equity and the guild claimed the credit when the producers rescinded the cut, it was the academy which profited most from the episode, since it conducted the actual negotiations. The guild ceased active efforts to establish a minimum basic contract for free-lance scenarists, remaining quiescent while the academy conducted its own campaign in a similar direction. Although the scenarists' vision of securing such a contract was never realized, the academy established a "code of practice" entitling them to adequate screen credits, separation pay in appropriate circumstances, and elimination of speculative writing. The academy also contributed to writer-producer relations by conciliating many disputes.

No account of industrial relations in Hollywood during the formative period would be complete without mention of the Central Casting Corporation. Through this nonprofit organization financed by the major studios, the producers undertook the daily placement of as many as 1,000 Hollywood "extras"—the human backdrop for the movies. The establishment of Central Casting Corporation in 1926 eliminated numerous abuses which had developed over a period of years in the casting of extras, including high employment-agency fees, underpayment of wages, overwork, mal-

treatment, and other forms of exploitation. In conjunction with the California Department of Industrial Relations, uniformly high standards were established for casting women and minor extras. Through the instrumentality of Central Casting, extras have saved in the neighborhood of ten million dollars. Only in one major respect did Central Casting fail to attain the objectives set for it by its sponsor—the Russell Sage Foundation. It failed to develop a residue of efficient extras who could be called upon with sufficient frequency to enable them to earn a decent livelihood. As a result of this failure to achieve a desirable degree of decasualization, the extras remained Hollywood's most serious labor problem.

DURING DEPRESSION AND NRA

The economic depression which swept the Nation from 1929 to 1933 undermined the peaceful basis of industrial relations in Hollywood. The motion picture industry, like most other American industries, suffered during those lean years. Box-office receipts declined drastically. Film producers, who had acquired many theaters and built lavish studios in the pre-1929 real estate boom, were burdened with highly inflated properties. The entire industry was heavily overcapitalized. Fixed charges on the funded debt bankrupted Paramount, forced Fox to reorganize, and threw RKO into receivership. The other major producers were in a similarly precarious financial condition. During those trying years, all studio employees, from stars to extras, felt the pinch of rapidly shrinking opportunities for employment and decreased earnings.

Finally, Hollywood reeled under the shock of President Roosevelt's nationwide bank moratorium of March 1933. Universal immediately suspended all contracts by invoking the "national emergency" clause. Fox executives no-

tified their employees that they would not be paid until bank funds became available. Other major producers met in emergency conferences and considered complete shutdown of all studios because of financial stringency and inability to meet pay rolls. Eastern executives were reported favoring a temporary suspension of activities, while Hollywood studio managers preferred to complete such productions as were in progress. To enable their executives to weather the financial crisis, employees of some studios agreed to unconditional pay cuts.

These rapidly moving events confronted the Academy of Motion Picture Arts and Sciences with its first critical test. In an attempt to prevent complete studio shutdowns, it recommended that all studio workers accept a voluntary 50 per cent salary reduction for a period of eight weeks. This proposal proved extremely unpopular with all studio employees, but especially with the highly paid actors and writers who stood most to lose from it. Their economic interests had suffered, and they vented their wrath upon the academy. Thus the five-year period of harmonious industrial relations under its protective wing was rapidly approaching an end.

The rift in studio industrial relations first came to light during the negotiations leading to the adoption of a code of fair competition under the National Recovery Administration. The producers sought to bar "raids" on the talent of competitors, to curb the activities of artists' agents, and to limit the high salaries of their creative talent. Furthermore, the producers supported the inclusion of the discredited academy in the NRA code as the appropriate representative of the talent groups. Incensed by these proposals, the already disgruntled employees lobbied against them with all the resources at their command, includ-

ing a personal visit to President Roosevelt by Eddie Cantor in his capacity as chief of the newly formed Screen Actors Guild. The result was a permanent suspension of the obnoxious provisions of the code. The only positive contributions of the NRA code to Hollywood industrial relations concerned extras and studio craftsmen. Professional extras benefited from the first real attempt at decasualization made under the Code Authority and from increased pay scales; the studio craftsmen enjoyed a reduction in hours, increased wage rates, and a spread of the available employment opportunities.

The artists were sadly disappointed by their failure to secure any redress of their grievances under the NRA. However, out of the bitter struggles which transpired prior to the Schechter decision, they forged two independent unions—the Screen Writers' Guild and the Screen Actors Guild. The two guilds collaborated in their fight against the salary-control, antiraiding, and agent-licensing provisions of the NRA Code. They followed these successes by attempting to obtain legal status for their proposed reforms. Although they failed to secure producer recognition under the NRA, they persevered after its eclipse.

THE WAGNER ACT

The actors took advantage of the impetus to unionization provided by Supreme Court validation of the National Labor Relations Act. The Screen Actors Guild threatened a strike, but just prior to the strike deadline the producers succumbed and granted the guild shop on May 15, 1937. Along with recognition, the guild secured a number of important concessions in regard to wages, working conditions, and overtime for the lower-paid actors and extras. Every actor was now entitled to a written contract, with working hours limited to fifty-four a

week⁴ and with an assurance of twelve-hour rest periods.

The writers followed in the footsteps of the actors, but, just as in the days of the academy, they met with greater producer resistance to their demands. A militant minority sought a showdown by stopping the flow of story material at the source. This precipitated a bitter controversy within scenarist ranks and resulted in the formation of a dual union—the Screen Playwrights. The issue was finally resolved when the National Labor Relations Board held elections and certified the Screen Writers' Guild on August 8, 1938, as the bargaining agent for writers employed by eighteen studios. This was followed by a period of acrimonious debate over the terms of recognition, including charges of unfair practices against the producers before the NLRB. At long last the guild shop was established in May 1940 and an agreement was concluded which banned speculative writing, established a minimum wage, made the guild sole arbiter of screen credits, and granted many other concessions.

Although the securing of recognition by the actors and writers overshadowed most other developments in Hollywood industrial relations during the late 1930's, nearly every labor group stirred into activity and tried to use the NLRB to attain its goals. The Board's offices were frequented by common laborers and by screen directors. More than one hundred cases were lodged with its regional offices, the charges varying from refusal to bargain collectively and black-listing to company domination and union racketeering. The producers' labor-relations representatives were constantly on the go.

The most turbulent difficulties stemmed from conflicting jurisdictional claims. The Studio Basic Agreement of 1926 divided the work among the

several crafts. However, technological changes brought into being new occupations which were coveted by a number of competing unions. The first major struggle occurred over the soundmen in 1933. Both the International Brotherhood of Electrical Workers and the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators laid claim to them. When the Alliance went on strike because the producers refused to recognize it as the bargaining agent for the sound technicians, the electricians' union signed up the soundmen and furnished them to the studios. The carpenters, machinists, and other craft unions parceled out among their respective locals the remaining jurisdictions of the Alliance, which has always been a semi-industrial union. Under their combined onslaught the Alliance was badly shattered, and its membership in the studios dwindled into insignificance.

During the NRA period the Alliance entrenched itself in the projection booths of motion picture houses, and by the end of 1935 it threatened to tie up all the major theaters if the producers failed to grant its demands for a closed shop in the studios. Since the box office is the pulse of the motion picture industry, the producers succumbed without a fight, and twelve thousand studio workers were herded into the Alliance virtually overnight. Although the erstwhile victorious craft unions were forced to give in without a struggle, it was not very long before they engaged in another jurisdictional controversy.

While the Alliance was out of the studios, the painters' local pre-empted the make-up artists. Upon its return, the Alliance reasserted its jurisdiction. As a price for hanging onto the make-up artists, the painters were kept out of the Studio Basic Agreement and therefore failed to benefit by an across-the-board 10 per cent wage increase granted

⁴ Reduced to 48 hours in 1938.

to all its adherents. The painters surrounded themselves with ten other unions which were also coveted by the Alliance and had therefore been kept out of the Studio Basic Agreement. These eleven unions struck on April 30, 1937. The Alliance set out to break the strike, and a most serious situation developed. Although the studios were never more than partially paralyzed, before the affair ended, the dictatorial administration of the Alliance was successfully challenged, Bioff and Browne⁵ were jailed for extortion, the CIO made an effort to win over studio labor, the local Communist group tried to capitalize on the turmoil, and Tallulah Bankhead and Lawrence Tibbett⁶ made a dramatic appeal to the executive council of the AFL for the survival of their respective unions.

WORLD WAR II AND AFTERMATH

Just about the time the unionization of Hollywood was reaching its completion under the protective wing of the Wagner Act, the threatening clouds of World War II were already gathering on the horizon. With Bioff and Browne eliminated and autonomy achieved by the unions they formerly controlled, the industrial climate during 1940-41 assumed quite peaceful proportions. The Screen Directors' Guild and the studio office employees were the last important groups to secure recognition and substantial benefits for their members through the NLRB before the studios began to feel the effects of the defense economy. The immediate repercussions were felt in the form of a constantly shrinking labor force.

As a result, the studios recognized the

⁵ International representative and president, respectively, of the International Alliance of Theatrical Stage Employees and Moving Picture Machine Operators.

⁶ Representing Actors Equity Association and American Guild of Musical Artists, respectively.

need for a plan to stabilize the employment of the studio crafts. Before the wage freeze became effective, the construction crafts negotiated increases of more than \$5,000,000 per year. Throughout the war period, the industrial setting in Hollywood remained quite stable. In May 1943 the 36-hour work week was dropped in favor of 48 hours with pay for 54 hours. The unions entrenched themselves further, although generally adhering to the "no-strike" pledge. The studio employment situation was very favorable, as elsewhere in the country, and the unions in many instances filled their depleted ranks through the newly established apprentice classes and the issuance of temporary working permits for the duration.

Almost immediately after the end of World War II, the Hollywood craft unions returned to their traditional jurisdictional quarrels. The protracted tranquillity on the studio industrial horizon was interrupted on May 12, 1945 by a jurisdictional strike which lasted eight months. The strike action was precipitated by a dispute between the painters' union and the Alliance over set decorators. As in 1937, the painters were supported by a large number of other crafts which had experienced jurisdictional difficulties with the Alliance, and combined into the Conference of Studio Unions. Although officially the strike ended on October 30 with both sides claiming a victory, the basic issues remained unresolved until a special committee of the AFL's executive council adjudicated the respective jurisdictions in December 1945. The committee ruled that set decorators belonged to the painters' union. It also awarded the construction of sets to the Alliance, at the expense of some three hundred jobs held by the carpenters' union, a member of the Conference of Studio Unions.

The carpenters took issue with this

award and asked the AFL's executive council for a clarification. On August 16, 1946 a "clarification" of the December 1945 directive was made public by the executive council, awarding all construction work on studio sets to the carpenters. The Alliance immediately notified the producers that the clarification carried no authority and that unless the original directive was implemented, the Alliance would take such steps as it deemed necessary to protect its interests. The producers hesitated to enforce the clarification, and the carpenters struck. This strike was characterized by considerable violence and received widespread adverse publicity, including a hearing before a congressional committee dealing with the issue of jurisdictional strife. Various individuals and organizations, including the Screen Actors and Writers' Guilds and community religious leaders, unsuccessfully tried their hand at a settlement. In the midst of this confusion, the AFL repudiated the clarification.

CONCLUSION

The foregoing summary of the background of industrial relations in Hollywood suggests that both in the early days of the open shop and in the more recent closed-shop period, many problems in management-employee relations have remained unsolved. The most pressing current issue is that of conflicting jurisdictional claims and the strife which they engender. With the national spotlight now being concentrated on this issue in the course of the reformulation of the national labor policy through the Labor-Management Relations Act of 1947, the Hollywood unions are in a particularly vulnerable position. As long as the AFL fails to achieve a jurisdictional truce and the

Alliance continues to control the pulse of the industry through the box office, little prospect for an immediate solution exists outside of government intervention.

The decasualization of extras to the point where they can earn a livelihood remains as another major problem. The Screen Actors Guild deserves credit for courageous handling of this particularly difficult situation, but much remains to be done by the Screen Players Union, the union formed by the extras when they left the Screen Actors Guild in 1944. Complete solution of this problem will be obstructed by the technical requirements of film production.

From the standpoint of management, a great deal remains to be done in improving personnel policies. Industry leaders have sadly neglected the need of stabilizing and regularizing employment in the studios. They also need to pay more attention to apprentice training, hiring policies, retirement and pension schemes, vacations with pay, and dismissal compensation. With the abolition of the closed shop by the Taft-Hartley Act, management will now face the challenge of providing labor with rewards and protection which unions may no longer be in a position to offer. This challenge should not be too difficult to meet for an industry as prosperous as the motion pictures, and it should be taken up by the recently revamped industrial relations apparatus of the producers.

On a recent occasion Byron Price characterized the film studio employees as the highest-paid workers in the Nation. On the whole, assuming continued prosperity of the American motion picture industry, the prospects for stable and peaceful industrial relations appear to be quite bright.

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