American Cinema’s Transitional Era

Audiences, Institutions, Practices

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CHAPTER TEN

A House Divided

The MPPC in Transition

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That the single-reel photo-drama is the keystone of the motion picture industry becomes more apparent daily. Patrons of the film drama want their programs as diversified as possible. A program offering four or more productions is more apt to please an entire audience than is a program offering one photo-play of four or five reels. Of course, there are exceptions to this rule.

WILLIAM N. SELIG, July 1914

Although the one- or two-reel film was still an important part of the program in 1914, it is generally conceded that by 1917 films longer than four reels dominated the market. In 1914 split-reels and one-, two-, and three-reelers accounted for 80 percent of all reels released. In 1915 films of four reels or longer made up barely 4 percent of the total number of reels, but that number jumped to 20 percent the next year and continued to climb steeply. By 1917 films longer than four reels made up 58 percent of the total, and by 1918 that number had increased to 70 percent. If the sudden statistical jump in the number of features in 1914 appeared to some as an aberration, there was no denying the money to be made in the feature market. That much was clear.

Given this trend, apparent even in July 1914, Selig’s statement sounds remarkably conservative if not downright obtuse. In fact, Selig’s proclamation is often cited as an example of the short-sightedness of the members of the Motion Picture Patents Company (MPPC), as evidence that their inability to adapt to changing market conditions and the rise of the feature led to their downfall. The story is well known: in 1907 Edison Manufacturing and several of the largest film companies join forces to control and regulate the nascent film industry. Embroiled in bitter and costly litigation over patent violations, the companies (Edison, Essanay, Kalem, Kleine, Lubin, Méliès, Pathé Frères, Selig Polyscope, Vitagraph, and finally Biograph) eventually form a trust—the MPPC—that will license and enforce several key patents. The MPPC successfully regularizes and standardizes the industry, but cer-
tain key court decisions corrode the enforceability of its patent lawsuits and the legality of the Trust, while independent film companies, such as Famous Players-Lasky, find success with feature films and new forms of distribution. Unwilling to vary from the one- and two-reel format and legally impotent to enforce the patents, the members of the MPPC are eventually left in the dust, irrelevant by 1916 and out of business by 1918.

This story, which has become something of a capitalist cautionary tale, has an important place in all histories of the motion picture. Of course, the story is much more complicated than has been suggested by older, more traditional histories of American cinema. For example, it is not often reported that, in the same issue of *Moving Picture World* that featured Selig’s article, Carl Laemmle, a leader of the Independent movement, predicts the doom of long features in more vehement terms. That is, the line between short films and longer films cannot be drawn simply between the MPPC and the Independents. Most histories that use Selig’s quotation against him also leave out the significance of a June 1914 convention at which exhibitors passed a resolution that “expressed their disapproval of the production of reels of 1,000 feet and upward.” Owners of smaller theaters were especially anxious about the rising expense (and the impossibility of greater return, given the small number of seats) that features represented. Clearly, then, the trade journal became a stage from which Selig and Laemmle could play to the audience, placating nervous exchanges and exhibitors by reassuring them that they would not be abandoned in the changing times. Even in Selig’s quotation we can see that he is trying to straddle the fence by coming down firmly on the side of one-reelers but not dismissing longer films entirely. No wonder: Selig, like many of his fellow MPPC members, was very busy making features and trying to cash in on this growing market.

Recent scholarship has done an excellent job of correcting older histories that paint the MPPC as a monolithic, conservative, lumbering dinosaur that did not have the sense to see the significance of features and thus was rightly phased out of the evolution of motion pictures. Anderson, Staiger, Bowser, and Quinn have pinpointed the issues that hindered the MPPC’s entry into the feature market, even though many of its members were eager to try. Most histories, however, focus on the battle between the MPPC and the Independents. As important as this skirmish is for the history of American cinema, the dissension within the MPPC, although evident at the time, has not been sufficiently emphasized. The conflicts within the MPPC certainly make the story more interesting, but that is not the (only) reason to highlight them. Friction indicates where the stress points are; it can help identify the cracks in the system that would eventually widen to separate and isolate the members of the MPPC. In other words, studying the conflicts within the MPPC can help us better understand its decline. The rise of the feature film, in particular, put sufficient pressure on MPPC policy to make the cracks especially visible, even though they were evident from the very beginning.

This essay, therefore, will examine tension in three areas within the MPPC’s domain: distribution (the tension between the MPPC and its licensed exchanges), exhibition (between the MPPC and its licensed theaters), and production (among the members of the MPPC). It is important to rehearse the early history of the MPPC—years before the rise of the feature—because the first friction at these spots would eventually grind down the finer, more successful, points of MPPC policy, rendering it ineffective and immobile in the face of competition and innovation. In fact, I argue that the friction among the members of the MPPC, especially, is a principal cause of its decline, since the immobility of the group resulted primarily from their inherent mistrust of one another, coupled with self-interest at the expense of the organization. When discussing the MPPC and features, it is tempting to ask simply, why not? Why couldn’t they adjust and enter the market as easily as their competitors? In order to understand the nature of the MPPC’s immobility, or “executive paralysis,” as Robert Anderson calls it, we must understand the obstacles placed in front of them—as well as those they placed in front of themselves—with the very formation of the Trust.

After a March 1907 court decision favoring Edison’s patent claims made it clear that continued litigation (which had already gone on for a decade) would be costly and futile, several companies contacted Edison about the feasibility of a licensing agreement. Edison was in a position of power (he had already started new cases against Selig and Vitagraph), but his patent suits discouraged native investment, thus facilitating foreign domination of American screens. Legally strong but commercially vulnerable, Edison was ready to negotiate. By May 1907 the representatives of Essanay Film Manufacturing Company (Chicago), Kalem Company (New York), George Kleine Optical Company (Chicago), Pathé Frères (France), Selig Polyscope (Chicago), and Vitagraph of America (New York) had come to an understanding with Edison. By formally issuing licenses to these companies—as well as to Geo. Méliès (France) and S. Lubin (Philadelphia)—Edison formed the Association of Edison Licensees (AEL) in early 1908. Although the American Mutoscope and Biograph Company seriously considered accepting an Edison license, it held important patents as well and was not willing to join the group until its claims were given parity with Edison’s. Edison was not willing to do this, so for the next year the industry was in turmoil as these two companies battled in the courts and negotiated in private. Biograph and George Kleine Optical Company, which was not granted a license, were the focal points for an Independent movement of manufacturers and (mostly) exchanges. This movement had its beginnings in Edison’s attempt to organize the industry through a trade association.

In November 1907 all the manufacturers and renters—both the Biograph
group and those affiliated with Edison—met in Pittsburgh "to remedy and improve the existing conditions and place the business upon the highest plane." The nickelodeon boom of the previous two years had created an unprecedented demand for films, but the lawsuits and lack of investment kept the supply very tight. Furthermore, intense competition among exchanges created a chaotic and unreliable distribution network, even while profits for exchanges soared. To understand what was at stake, we need only to recall the incredible state of business at the beginning of the nickelodeon era. Since 1909 exchanges had been buying films directly from the manufacturer and then renting them at reduced rates to theater owners. This system made the prints cheaper for the exhibitors (who before had bought the films from the manufacturer), and it meant enormous profits for the distributor: if the rental price of a film was one-fifth the purchase price, the exchange needed to rent this print to only five exhibitors before subsequent rentals could be counted as pure profit. And since the demand was so high and the life of the print was, say, six months (before it became unprojectable), a print could generate at least fifteen to twenty more rentals beyond the original cost of purchase. Simple arithmetic shows that if nickelodeon owners were doing well in the boom years, owning a film exchange was nothing less than a license to print cash.

This kind of demand created an environment of cutthroat competition. Exchanges would shamelessly duplicate films, rent shoddy prints well past their life span, give preferential treatment to exhibitors who paid the most money, and they would resell a print to another exchange without paying the manufacturers a second time. Exhibitors would "bicycle" prints they already rented to another of their theaters, also without paying for the second rental; furthermore, the theaters would probably be cramped, dark, and poorly ventilated storefronts, which quickly became the target of reform campaigns. In short, the unscrupulous business practices of the exhibition and distribution wings of the industry threatened to ruin the business. But even more important than this was the plain and simple fact that the manufacturers were not getting what they considered to be their fair share of this money pie. So when the manufacturers and renters met in Pittsburgh "to improve existing conditions," the industry definitely needed improvement, but the manufacturers had a very strong financial incentive as well.

The AEL hoped to solve the supply problem by licensing and regularizing manufacture. Solving the chaotic distribution system required the participation of the 1,500 or so exchanges across the country. At the Pittsburgh conference the renters met separately from the manufacturers to create the United Film Service Protective Association, designed to work "in cooperation with manufacturers . . . to improve the service now furnished to the public, to protect each other in the manner of credits and all other conditions affecting our mutual welfare."17 Although the organization ostensibly represented the interests of the exchanges as an equal and separate partner in the task of improving existing conditions, the terms dictated by the AEL (e.g., prohibiting film duplication, forbidding subrentals and resales of prints, and banning the circulation of worn prints) were designed to redirect profits from the renters back to the manufacturers. Despite some resistance among the renters against the AEL, the ideals of the UFSPA were ratified at the February 1908 Buffalo conference, where it was renamed the Film Service Association, or FSA.18

Why would any renter even bother to join an association that was designed to redirect profits back to the manufacturer? The stick, in this case, was the possibility that the AEL would lock up the marketplace, and any renter who did not join might be left without any films. The carrot was the possibility that the AEL could coordinate the activities of the different branches of the industry and thereby bring stability and standardization to an industry in disarray. This possibility was particularly appealing to the smaller exchanges and exhibitors, who were subject to price-cutting and other abuses. Smaller exhibitors, especially, complained of preferential treatment given to larger theaters. The FSA promised to standardize prices, initiate regular release dates, remove dupes and old prints from the marketplace, and (through the licensing program) eliminate backroom deals.19

As positive as these goals were, the policies of the AEL and FSA created conflicts within the FSA that would come to haunt the combine throughout its reign. First, the AEL assumed that by licensing the largest manufacturers, the others would either join or wither and die. This was decidedly not the case. Biograph and Kleine led a combination of Independent manufacturers that, although initially not strong or representing the highest quality in filmmaking, were large enough to provide an alternative to the AEL's strong-arm tactics. Second, Edison Manufacturing pursued an aggressive, hard-line policy of prosecuting any and all licensed exchanges or theaters that rented or screened nonlicensed film, which only exacerbated feelings of resentment among renters and exhibitors against the AEL.

These flaws in the plan led to cracks within the FSA. That the organization quickly dropped the terms United and Protective from its title indicates the lack of unanimity among the members, which Moving Picture World called "the rotten plank in the platform of the association."20 Not only were there internal rivalries, but the "Independent" combination, led by Biograph and Kleine, made it difficult for the FSA to maintain discipline within its ranks.21 The high, even indiscriminate, demand for films meant that it was still profitable, despite the threat of a revoked license or a lawsuit, to show both licensed and nonlicensed product. Indeed, licensed exchanges were dependent on two companies, Pathé Frères and Edison, since at this early stage Kalem, Selig, Lubin, and Vitagraph were not able to meet weekly demand.
Independent distributors advocated projecting licensed and nonlicensed films on the same program, and many theaters followed this advice, only to have their licenses revoked, causing further turmoil and animosity.\textsuperscript{22}

Even the leadership of the FSA, such as William H. Swanston, a prominent Chicago renter who guided the FSA in its early incarnation, actively worked against AEL policy. A lightning rod for the exchange interests, Swanston was elected president pro tem at the first FSA meeting in 1907 and officially at the January 1909 meeting.\textsuperscript{23} In the interim he flouted AEL rules constantly by illegally opening branch offices of his exchange and price-cutting to gain entry to the territory.\textsuperscript{24} Exchange men loyal to the AEL complained loudly about Swanston’s tactics. Luke Mithen, an FSA representative and Swanston lackey, was particularly reviled for preferential treatment of some exchanges and exhibitors over others.\textsuperscript{25} Swanston advocated allowing licensed exchanges to purchase unlicensed product and giving unlicensed exchanges permission to purchase licensed films, in direct opposition of the FSA’s stated policy.\textsuperscript{26} Swanston and Mithen even went so far as to try to organize exchanges against the manufacturers.\textsuperscript{27} Swanston’s dissatisfaction with his own organization became clear in a letter to a fellow exchange man:

The entire Association matter in general has been a great detriment to me. I have lost a world of business since its inception, have gotten absolutely no advantage and have squandered a hat full of money and devoted my time and energy and it seems to be that it is an organization of very affable and easily led gentlemen organized for the purpose of benefiting a few manufacturers. The future may develop the fact that it may prove of benefit but judging by the past I am not very enthusiastic over it.\textsuperscript{28}

His lack of enthusiasm was certainly economically motivated. In testimony for the MPPC antitrust suit Swanston declared that his exchanges in Chicago, New Orleans, and St. Louis grossed over $600,000 in 1907 and early 1908 but began to “rapidly” lose money when he “began to live up to the regulations and rules of the Edison license agreements.”\textsuperscript{29} When faced with the choice between following rules and making money, most large-volume exchanges had little trouble coming up with a solution: ignore the rules. Many exchanges rented both licensed and nonlicensed product, and virtually no exchange ever returned a single reel of film to the manufacturers as stipulated. The reason was obvious: the demand for film was too great, especially when the Keith and Proctor theaters in New York City moved from triweekly program changes to daily program changes, starting a trend in exhibition that lasted from 1909 to around 1914.\textsuperscript{30} As Anderson notes, “Even though many FSA distributors called for the enforcement of the tenets of the licensing agreement, the abuses were too ingrained, wide-spread, and profitable to be rectified in a divided marketplace.”\textsuperscript{31}

Manufacturers did not stand by idly. Selig, for example, declared that Swanston was “one of the worst offenders in the business, and that is no lie”\textsuperscript{32} and assurred offended exchange men that he would voice his displeasure with Swanston’s tactics and lieutenants at meetings of the Executive Committee.\textsuperscript{33} The rebellion of Swanston and others like him indicated to Edison and the AEL that full compliance with their policies would come only when the manufacturers could present a united front. Therefore, negotiations between Edison and Biograph proceeded apace, the two manufacturers having come to a preliminary agreement by July 1908.\textsuperscript{34} By late 1908 the ground was cleared for a patent pool representing the major interests in the industry. As soon as Biograph and Kleine joined the Edison group, the members felt they had the industry locked up and that they could actually enforce the license agreements without the cooperation of the renters. So in January 1909 the Motion Picture Patents Company became official, and the FSA became superfluous. By electing Swanston their president, the exchanges of the FSA indicated their resistance to Edison’s terms. But in a show of confidence the MPPC cancelled Swanston’s license, thus ridding itself of a troublesome figure in the organization.\textsuperscript{35} As long as important manufacturers and importers were outside the fold, the Edison group needed an organization like the FSA to negotiate terms with the exchanges and to persuade them to join. Once all the major manufacturers and importers were onboard, the exchanges had little choice: sign up or go Independent. The FSA became merely a fraternal organization after that. The MPPC did not license every manufacturer or every exchange, but it accomplished its goal: “to create a situation where ‘Independent’ meant a cheap theater, badly made films, and unreliable distribution.”\textsuperscript{36} Carl Laemmle, a Chicago renter who later founded Universal, wrote a letter to exhibitors explaining why he would not go Independent under these circumstances, which, considering that he did indeed jump ship in April 1909, seems somewhat disingenuous in retrospect:

If you have any confidence in ME,—if you believe I am on the square—WHY do you suppose I decided not to join the so-called “Independents”? LISTEN to the answer:—It’s because THEY HAVEN’T GOT A SINGLE LEG TO STAND ON. Their ONLY hope is that they can get their fight into the Courts and do business for perhaps half a year or so before they are thrown out by law altogether. . . They expect you to help put up a losing fight, and in the meantime submit to all sorts of annoyance and nuisance.\textsuperscript{37}

Of the 118 or so exchanges in the FSA in January 1909, the MPPC licensed 110.\textsuperscript{38} Yet it licensed only nine of eighteen exchanges in Chicago, making it the de facto center of the Independent movement. Chicago had traditionally been the hotbed of anti-Trust sentiment, possibly because it was the first and largest center of new film exchanges in 1905 and 1906.\textsuperscript{39} Exacerbating this inherent mistrust, between March and April 1908 Edison brought suit against thirty theater owners in the Chicago area for showing Biograph-li-
is trying to make monkeys of us—only when he needs us for re-election do he calls upon us as friends. Otherwise we are nothing. I am sick and tired of it and told him so and so did George Spoor . . . In general he is incompetent to manage the General Film Co. and there is a general uproar against him, with the exception of Smith of the Vitagraph, who thinks he is just the right thing, because he will do just as Smith wants him to do . . . In conclusion I will just simply state that if Dyer stays in another year, neither you nor I will be putting out very many films by the time the season is over, and I don’t propose to stand for this double-crossing any longer.  

Other members had specific reasons to hold a grudge against other members of the MPPC. George Kleine, for example, had been a leader of the “Independents” in 1908 as Biograph and Edison fought it out in the courts and in the court of public opinion. In March 1908 Edison even filed suit against Kleine for infringing on a film patent that had not even been tested in the courts.  

This after Kleine had gone to considerable trouble to negotiate an agreement between Edison and the other manufacturers in May 1907.  

Such ingratitude, however, points to a troubled history between George Kleine Optical and Edison Manufacturing dating back to 1904. At that time Kleine had been Edison’s Chicago sales agent, accounting for nearly 30 percent of Edison’s film sales. As Biograph and Pathé appeared on the scene, Kleine started distributing their films as well, which did not sit well with William Gilmore, Edison’s general manager, especially because Kleine chose to distribute original Pathé films rather than Edison dupes. Gilmore broke with Kleine on this point, but European manufacturers looked favorably on Kleine’s stance, and he became the importer for a number of foreign manufacturers, hence Gilmore and Edison’s decision not to grant a license to Kleine in late 1907. But in an effort to mollify Kleine, they did give a license to Kalem Company, which Kleine had co-founded with Samuel Long and Frank Marion in early 1907, but only if Kleine resigned. Further, Edison did not want to grant licenses to any importers because he had worked out a deal with Pathé to freeze out other foreign manufacturers, such as Éclair, Gaumont, and Urban-Eclipse, which imported their wares to the United States through Kleine.

So Kleine was forced to join forces with Biograph in 1908, becoming the spokesman for the Independent movement during those years by taking his case to the press with strongly worded statements against the Edison group in *Moving Picture World, Show World*, and the *Chicago Tribune*. *Moving Picture World* took care to point out that “in reference to the newspaper reports, [Kleine] informs us that he is not responsible for the statements appearing in reference to himself. In each case, he has refused to be interviewed and the remarks attributed to him are unfounded.” Even so, Kleine sometimes came perilously close to burning his bridges: “There has been a contest between the Edison interests . . . for the Edison licensees and the Kleine Op-

censed films.  

A 1909 survey indicates that of the theaters in the Midwest, particularly Chicago, only 50 percent were licensed, as opposed to 90 percent in the East and a majority in the West. In January 1909, after the MPPC dictated terms to the FSA, Independent manufacturers and exchanges met in Chicago to organize their response.  

Max Lewis of the Chicago Film Exchange promised exhibitors, “We have not [signed] and will not sign the outrageous agreement offered to the Film Exchanges, and we positively refuse to connect ourselves with any movement intended to take the profits from you and others who have worked night and day and made the motion picture industry what it is today.” This typified the “Independent” battle cry shouted by such Chicago exchanges as Swanson and Laemmle. As the MPPC cancelled licenses right and left (especially when it moved to create its own distribution system in 1910), it only contributed to the competition.  

But the pattern of rebellion against MPPC license policy began with the FSA. Even though the FSA was ostensibly controlled by the manufacturers, exchanges tried their best to regain their position in the industry by whatever means necessary. The MPPC’s assumptions (e.g., that nonlicensed manufacturers, exchanges, and theaters would die off) were specious and its actions (e.g., redirecting profits) inflammatory, so it is not surprising that disagreements over license policy meant that the “Independent problem” came not only from outside the FSA but from within as well.

On the production side even the members of the MPPC had reason to grumble. For starters they could complain about profit percentage. As the patent holders, Edison and Biograph took the lion’s share of the royalties from licensing: one-half and one-third, respectively. The other eight companies’ tributes were pure gravy but still a pittance compared to Edison and Biograph’s take. For example, in 1913 (the last year of royalty payments), of the over $1,000,000 in royalties, the other eight licensees received only $101,875 divided eight ways. As litigation heated up again in 1913 (a result of the 1912 antitrust suit), Edison and Biograph expected the others to share legal costs equally, which raised eyebrows and voices. Receiving only a small share of the profits while paying for an equal share of costs did not sit well with the members. George Spoor of Essanay and George Kleine threatened to sue Edison for “past damages.”

Resentment toward Edison Manufacturing sometimes took the form of personal animosity between members of the MPPC. Selig, for example, felt that Frank Dyer, president of Thomas A. Edison, Inc., and later of the MPPC’s General Film Company, was “the worst” GFC president the organization ever had. His report to Kleine of an annual meeting of the members indicates the level of hostility within the MPPC:

We expected to learn the condition of the business, but even this he [Dyer] failed to disclose. Those whom he should stand by he has thrown down, and
tical Company, for the Independents. The public press as well as developments in the trade indicate how the contest is going. In a word, I would advise our friends to stand fast, to keep up their courage and to have absolute faith in the independent movement winning this fight in the end.\textsuperscript{54}

By July 1908 Biograph and Keene had come to terms with Edison, and Keene was given a license in December. But it was a bitter victory for him. In the July agreement Edison allowed Keene to import five thousand feet a week for all his manufacturers.\textsuperscript{55} Licensed domestic manufacturers, however, had no limit on the quantity they could produce.\textsuperscript{56} But in December Edison reduced that number and, over Keene’s objections, allowed him to import only three reels (three thousand feet), two to be supplied by Gaumont and one by Urban-Eclipse, which represented a significant reduction of revenue.\textsuperscript{57} The MPPC was a marriage of convenience that brought together former rivals who had a long history of mutual animosity. If contemporary publicity and subsequent histories portrayed the organization as an efficient and happy household, the pressures of money, continued antitrust litigation, and the feature film would crack the corporate facade of unity.

Indeed, no issue put as much pressure on the tenuous bonds among the MPPC members as the emerging market for features. Many of the manufacturers—notably Lubin, Selig, Vitagraph, and importer Keene—were eager to enter this potential lucrative market. In fact, by 1913 Keene was working outside the MPPC system to import Italian features much longer than the limit imposed by Edison. In order to understand why it was such an important issue and such a potentially lucrative market, we must first understand the system in place before the feature.

Until the mid-1910s the average nickelodeon exhibitor placed a lot of emphasis on the “variety” that he or she offered the audience. This “variety” model of programming assumed a particular type of audience and a particular definition of cinema. A “show” consisted usually of three reels, each of a different type (a western, a comedy, a drama, for example), repeated throughout the day and changed the next. Patrons could enter and leave the theater at any time, and with the show lasting only an hour or so, there was little incentive to hang around. Nickelodeon owners relied on this “transient audience,” as Michael Quinn calls it,\textsuperscript{58} as both the basis of their programming decisions and as a profit generator. In fact, the average nickelodeon’s low prices and small number of seats required high turnover in order to make a profit. In many ways variety in this context is just a euphemism for turnover. Exhibitors were creating an audience that would stop by anytime and that craved the experience of cinema over any particular title. The shift to a daily program change is a logical step in this direction and a way of increasing turnover (and, hence, profits). When exhibitors later complained that longer films robbed their audience of the variety it craved, they really meant that they were being robbed of the turnover they needed.

Furthermore, most nickelodeons had only one projector, so the breaks between reels seemed perfectly natural and allowed for a variety of types of entertainment, such as illustrated song slides. Many exhibitors relished their role as “producers” and resisted the loss of control that features (and the manufacturers who made them) imposed.\textsuperscript{59} The variety model fit into a particular aesthetic of unity; a well-made show consisted of different reels with different emotional appeals, supplemented by live performance. It provided the basis for a carefully crafted program, one that conscientious theater owners were reluctant to change. The variety model of programming and the technical limitation of single-projector systems presented serious obstacles to the feature film. Distributors and exhibitors worked around these obstacles at first by splitting up multiple-reel films and showing them on separate weeks. This strategy worked well enough for a while, especially if the films, like, for example, The Life of Napoleon (Vitagraph, 1909), were made with this break in mind. But there were problems with advertising: people who had seen the first reel did not come back for the second because they thought they had already seen the film.\textsuperscript{60} In fact, the whole system was designed for films of a standard length; anything beyond that length had trouble fitting in. Finding an appropriate day in the release schedule for a feature became a frustrating and troublesome pastime for the manufacturers.

These structural problems were fortified by the average exhibitor’s resistance to change, even though the feature represented potentially more money. One-reelers had a very short life span within the distribution system at the time; exhibitors changed their program daily, so films were extremely perishable. Manufacturers received a fixed amount per foot from the exchanges, around eleven cents per foot for a new release, discounted deeply as it aged.\textsuperscript{61} Features, properly marketed and sold as “events,” had a longer shelf life and could run for as long as the audiences came to see them. The potential for greater return was enormous compared to the price-per-foot limits under the current system, especially if combined with the economies of scale found in the larger “picture palaces.”\textsuperscript{62} “Properly marketed” is the key phrase here, however. When we say “feature” today, we mean “forty-five minutes or longer.” But at the time, the meaning came from vaudeville, where feature connoted an act of greater appeal or importance than the rest of the program. A contemporary list of film trade terms defines features succinctly: “These are films of more than ordinary interest, of greater cost, and longer than the ordinary rental subject. Usually a subject of multiple reels.”\textsuperscript{63} So a feature may have been longer, or it may have had better-than-usual production values, but as Quinn points out, “Features were made special not only through production techniques or high budgets, but by a series of practices in distribution and exhibition which supported the differentiation of any individual feature from all other films.”\textsuperscript{64} In other words, films in the ordinary nickelodeon program were not differentiated from each other except in the
broadest terms, such as name brand. If features could be marketed properly and shoe horned into the present system, film producers stood to make much more than with an ordinary one-reeler. MPPC manufacturers saw this as clearly as Independents, but structural barriers in exhibition and distribution hindered easy exploitation.

One of those problems was the MPPC’s own pricing structure. Initially, exhibitors and exchanges were reluctant to accept longer films precisely because they had to pay more (eleven cents per foot for a two-thousand-foot reel rather than eleven cents per foot for a one-thousand-foot reel) without a chance to make more within the present system, which favored the manufacturers. Predictably, the manufacturers would sometimes try to take advantage of the standing-order system (exchanges required to accept all of the licensed releases, regardless of length or content) by producing longer films, at which the exchanges would rightly balk. One typical exchange in San Francisco complained:

Before the Film Service Association was in operation, we were getting goods of all makes; we received a great variety of subjects made up of lengths running from 300 to 500 feet, and we were thereby enabled to supply our customers with a variety of subjects, which is what they want. Now the manufacturers seem to aim to put out only lengthy subjects, in consequence of which our customers complain that they do not get the variety they previously did, which they say they must have.65

Selig Polyscope, for example, released *Damon and Pythias*, one of the first two-reelers, on 6 June 1908. Although Selig later claimed it as “the first feature,” it was not differentiated at all in the Selig Polyscope catalog or given any special treatment and thus met with strong resistance:

We were very much surprised yesterday on receipt of your latest film *Damon and Pythias* to find that it was two thousand feet long instead of one thousand feet. We cannot find that you ever advertised this film as being of extra length and we would kindly ask in the future [that you notify us] if the film is going to be of extra length, as it makes quite a difference with us in placing our orders for extra films. As you well know, we ordered extra prints of this film while owing to the fact that it is two thousand feet long instead of one thousand, we could not possibly afford to do. We have decided to keep these prints, however, but feel that we would have been justified in returning same to you. It is impossible for us to secure any more money out of this film than the regular rent owing to the dull condition of the business and considering the state of the film business at the present time it is very hard for us to put about $1000 into one subject, which is the case with *Damon and Pythias* owing to the length of the film.66

A June meeting of the FSA resulted in a resolution allowing exchanges to return prints of *Damon and Pythias* with impunity.68 Selig Polyscope released other “features” in 1908, including *The Holy City* (25 April 1908, sixteen hundred feet) and the *Gans-Nelson Fight* (21 September 1908, four thousand feet), but with the exception of the occasional fight film Selig Polyscope did not make any more multiple-reel films for several years. In 1910 members of the MPPC exchanged letters about the possibility of a “conspiracy” among licensed Chicago exchanges to refuse “specials” altogether.69 The distribution policy and structure simply could not accommodate them easily without significant change. As Eileen Bowser has noted, “the system that gave stability to the industry was also the system that resisted change.”70

In 1908 the issue of features, or “specials,” was clearly exceptional, but it became one of the more urgent problems confronting the MPPC, especially as it entered the distribution business. Between the emasculation of the FSA in 1909 and the debates about “specials” in 1910, the MPPC had established its own distribution arm, the General Film Company (GFC). Again, the primary reason for this move was to gain greater control for manufacturers. Even after the founding of the MPPC in late 1908 and early 1909, licensed exchanges continued to offer dependable service, to send out worn and damaged prints, and to provide preferential treatment to some theaters. In fact, the single most common complaint from exhibitors was distributor favoritism. The MPPC had assumed that licensed exchanges would divide the market equitably and amiably; unfortunately, capitalism being the pesky arrangement that it is, exchange managers were rather ruthless when competing for films and theaters. If the exchange men owned theaters (they often did), they would funnel the best films to their own houses, leaving the dregs for the rest of their customers.71

In an effort to rectify these problems the MPPC cancelled the licenses of dozens of exchanges between 1909 and June 1910. The Trust bought up whatever licensed exchanges were left, thereby creating a licensed distribution system completely under MPPC control, while simultaneously exacerbating the “Independent problem,” since those exchanges with cancelled licenses had nowhere else to turn. If they did not sell, their license was promptly cancelled. J. J. Kennedy, the force behind Biograph and the president of the GFC, recalled, “[T]he object [of the General Film Company] was . . . to provide a means whereby the exhibitor could obtain a reliable and impartial supply of motion pictures. The intention was to try this experiment in localities where the abuses were greatest in an effort to help the exhibitor protect himself.”72 Although there is a grain of truth to this claim—distributor favoritism was a pressing issue in the industry—the title of a memo crafted by Kennedy, “Details of a Plan under Which Licensed Manufacturers and Importers Will Take Over the Licensed Rental Business of the United States,” hints at the true, monopolistic intentions of the MPPC.73 The idea that the GFC would work as a “model exchange” for the good of the industry was a mere pretext.
By putting the licensed exchanges directly under its control, the General Film Company did for distribution what the MPCC did for production. It eliminated wasteful competition among licensed exchanges and exhibitors, it regularized the release schedule, it handled film traffic much more efficiently, and it standardized film prices. But this very standardization discouraged quick responses to market pressures; an expensive production cost as much to rent as a cheaply made production, so a manufacturer received the same amount for both, and there was no incentive to improve. Films were rarely held over because they were due elsewhere, so there was no real way to make more money on popular films. The only way manufacturers could earn more was by selling more prints, but the efficient traffic system and schedule created a system where fewer prints were needed.74 “Special” releases put extra pressure on the weak links of the GFC system. Manufacturers wanted a satisfactory return on their investment, which was usually higher for features, but the GFC could not accommodate such exceptions without changing the entire system, which was designed for one-reelers. By June 1910 Selig and Kleine were pleading with the MPCC to come up with a satisfactory policy regarding these “specials.” Harry Marvin of Biograph promised them that the MPCC would come up with a “definite agreement” that would allow manufacturers to take advantage of this market.75 But by October 1910 George F. Scull of Edison Manufacturing came to this position regarding an “aviation film,” thus discounting manufacturer hopes of working within the system: “While we disposed of a considerable number of prints all over the country, which helped to make it worthwhile possibly, from a money-making standpoint, I rather think our experience with this particular picture is such as to make us shy at any such proposition in the future. The amount of trouble and vexation always connected with these special things is not worth the result.”26

By 1911 exhibitors were failing to renew their licenses yet still showing both licensed and unlicensed films.77 The Independents by this time were strong enough to present a credible threat; if a license was cancelled, the exhibitor would go to the other side, and the GFC would lose a customer.78 Independents were making inroads into licensed business; even their distribution companies, such as the Motion Picture Distributing and Sales Company (MPDSA), were modeled on the GFC.79 Other modes of distribution, such as “states’ rights” and road shows, sprang up to counter the reticence of the Sales Company and GFC regarding features. The “states’ rights” system allowed a company to buy the exclusive rights to a film for a particular territory and exploit that film in whatever way it wished for as long as it wished: in special venues or ordinary movie houses or on the vaudeville circuit, for example. “Road shows” were modeled after touring stock companies: numerous companies were sent out on the road with a print of the film, an advance man, a lecture-projectionist, and a manager. Features were shown as special attractions in the local opera houses and town halls and legitimate theaters at advanced prices and stayed for as long as there was enough business to support them.80 Both of these strategies allowed exhibitors to milk a film until it was dry, something the GFC did not allow. Later in the decade Paramount arranged with its theaters to receive a percentage of a film’s gross receipts—rather than a flat fee—which ensured healthy profits on popular films. Charles Musser points out that the “General Film Company’s failure to pursue such innovative methods was a major reason for Edison’s lack of profitability in the feature area.”81

If Edison refused to make a timely transition to features,82 we must not think that other MPCC manufacturers wanted no part of this pie. The members of the MPCC were irrevocably split on this issue, especially in the early 1910s, when features constituted a relatively small part of the market and could be dismissed as a passing fad. Furthermore, the MPCC had made its name and reputation on its “program service” of one-reelers, and many members saw no reason to move away from the “variety model” that so many exhibitors preferred. Generally speaking, Biograph, Essanay, Kleine Optical, Lubin, Selig Polyscope, and Vitagraph favored incorporating longer films, whereas Edison Manufacturing, Méliès, Kalem, and Pathé preferred shorter subjects. (None of them, of course, advocated abandoning shorts altogether.) Edison Manufacturing, especially, did not condone showing imported, unlicensed product (which early features usually were) in licensed theaters because it would eventually cut into the MPCC’s profits. It certainly did: in 1911 licensed theaters were regularly showing unlicensed films; by 1913 the licensing agreement was universally disregarded as mixed programs became standard in licensed theaters.83

In 1912 Siegmund Lubin complained to Jacques Berst of Pathé (who was also treasurer of the GFC) of the urgent situation:

Without going into the relative merits of the quality of the subjects released, I must point out to you the fact that the theaters which have the big reels and are enabled to advertise their theater fronts accordingly, are the ones that make money and their competitors cannot remain idle in seeking an adequate program to combat this two-reel proposition.

A great many of the Philadelphia and surrounding territory exhibitors have asked me what relief they might expect, stating frankly that they cannot see their competitors walk away with the crowds. They prefer the licensed pictures and wish to continue using them but they say that when it affects their pocketbooks, they must necessarily seek relief.84

Lubin advocated releasing more two- and three-reel subjects; he gladly volunteered one two-reeler a week. The GFC recognized that it had to act. It tested the waters with the release of Selig’s three-reel Coming of Columbus in May 1912, which was very popular. With this film the GFC set up a “Special
Feature" service for its larger clients—economies of scale in larger theaters allowed greater return on features than was possible in small nickelodeons. It arranged a deal with the manufacturers to accept their multiple-reel films at the standard eleven cents per foot. But there was still a lot to iron out. Lubin was displeased with the GFC's selection process: "Our system for examining multiple reel subjects is fair but I am positively not satisfied with this arrangement. . . . I have sent two multiple reels over for inspection and both were refused. . . . I think it is the duty of the Manufacturers to help me along instead of taking away my ambition to make the double reels." The larger problem, however, was fitting features into a system designed for one-reelers: the GFC found that changing one element of the system meant changing everything. Jacques Berst threw up his hands in frustration: "The last proposition which was adopted by the Board of Directors, regarding the placing on the market of multiple reels, has been carefully considered by us, and we find that it is not possible to work it out, as this would mean disturbing the booking service of each Branch and changing the booking for every one of our customers." Berst offered another proposition to manufacturers: each exchange would receive "two multiple reel subjects a week (Monday and Friday) and if they find that they have too many reels they will cancel some of the regular reels." This left it up to the exchange men to take what was needed to counter the Independents, but this arrangement was not entirely satisfactory because manufacturers did not receive extra revenues from their extra production costs, especially if their regular reels were cancelled.

To its credit the GFC tried to adjust. By 1913 even Frank Dyer, Edison executive and president of the GFC, could see that features were "the form of entertainment that is apparently developing." So he outlined a plan to divide GFC service into four parts: "Regular" service would provide thirty one-reelers and six two-reelers a week; "Special Exclusive" offered eight one-reelers and two two-reelers; "Feature Films" service presented a feature of four to five reels every week or biweekly; and "Masterpieces" offered a feature of six to ten reels a few times a year. By offering different levels of service, the GFC hoped to accommodate the needs of different exhibitors (small and large), while permitting added revenue from a relatively fixed number of customers. This plan even included leasing films to larger theaters on a percentage basis, a lesson learned from the success of Kleine's import Quo Vadis? (Cines, Italy, 1915). So once the writing was on the wall (and it spelled "Paramount," which offered an all-feature service), the GFC took up features fairly quickly.

But the problem, and the reason that the GFC continually lost money on its feature service, can be found in the booking and pricing structure that the GFC and the members of the MPPC tenaciously maintained. Dyer's percentage plan was never put in place, and the GFC sold its features the same way it sold its regular service of one-reelers—as a package at a certain price per level of service. So even if a film did well on the feature market, the GFC and the manufacturer would not see the extra profits except as demand for more prints. Albert Smith of Vitagraph complained, "We released eight feature pictures through General Film. Some were very good, but none made any money. General Film's method of handling was the reason for the loss in almost every instance." George Kleine argued in 1914, "I think there is only one hope for the special feature department of General Film Co. and that is to separate it entirely from the regular service and let it enter the competition if it must. It can only prosper if handled alone and on its merits, considering the competition of Paramount, Alco, Warner, etc. There is every indication that these people are making progress." Still committed to the "service" model, the GFC was simply not grabbing the profits from its feature service that other distribution systems were able to pull down.

And as late as 1917 Kleine, acting as president of the GFC, outlined a plan to "improve the condition of the General Film Company," in which he pleaded with the members to stop offering features at "service" prices:

A radical change needs to be made in the method of booking and charging to the customer. I consider that the unsatisfactory nature of business at the present time is due to our persistence in booking service, a method efficient and satisfactory when exhibitors took their entire service from our exchange, but is no longer profitable when the average exhibitor is renting or say 12 reeels weekly and our average output is 28 reeels. This condition permits the exhibitor to pick out his films at cheap service price. . . . Our figures prove inevitably that the service system reduces the price of the valuable film instead of elevating the less desirable. . . . [E]xhibitors are picking preferred subjects out of our weekly assortment . . . and our business is practically changed from a service to a feature basis, while our charges continue as under the service plan.

So why didn't they institute a percentage plan or some other pricing and booking arrangement that would allow them to reap the profits from features as their competitors did? First, the service plan had always worked for them in the past. Their core customer was the small-time exhibitor committed to a variety model of one-reelers and the occasional feature. If Kleine had good reasons in 1917 to prompt a change in pricing, in 1913 no such compelling reason existed, given that features constituted only 4 percent of the market.

But there was another reason for their immobility on this issue: mistrust. None of the manufacturers wanted to give an edge to any of the others, so they were always at an impasse with regard to pricing. Frank Dyer, who also often complained of "the total lack of flexibility in the method of doing business by the General Film Co.," blamed dissension and the members' mutual mistrust:

At the present time each manufacturer always looks out for his own interests, and never for the general interests of the Company. Whenever anything is pro-
posed, each manufacturer only considers it from his own narrow viewpoint. Each manufacturer is afraid that some of his associates are getting some special advantages. As a result of this situation, we have never been able to agree upon any plan by which films could be sold on merit and as a result a remarkably good film sells but little better than a poor one. A manufacturer can benefit himself only by making his average high. . . . Everyone admits that in merit the licensed pictures are far ahead of the Independent pictures, but because of the stupid and unscientific restrictions which are placed on the General Film Co. by the manufacturers, the situation apparently cannot be helped. 28

This mistrust was not entirely unfounded. In the same 1912 memo to Edison, regarding a plan to reorganize the GFC, Dyer tipped his hand:

Another fact has just developed which will increase our difficulties. The several manufacturers[—]as directors of General Film Co.[—]now know the purchases for the last year. . . . These figures will certainly be disturbing. They show, for example, that the Biograph Co., with only two reels per week, sold practically as much as the Selig Co. with four reels; that the Biograph and Edison Companies, with a combined output of six reels sold more than .40% more than Kalem. . . . Of course I recognize that many of the manufacturers, including ourselves, increased the number of reels per week during the past year, but I doubt if the licensees take this into account. They think very superficially, and each one had an idea that he was doing better than the others. Now that they know the amount of the footage, they will not believe that any differences depend upon the popularity of their pictures but will assume that the Biograph and Edison Companies were specially favored because of their close affiliations with the Patents Company. 28

Even if Edison and Biograph films were more popular, rest assured that, “superficial thinkers” they might have been, the other manufacturers knew very well which of them were “specially favored.”

In a sense the members of the MPPC were trapped by their own pact. If they allowed films to be priced according to merit, popularity, or production cost, then by definition some members would do better than others. Although they considered the MPPC a marriage of convenience and nothing else, manufacturers were not willing to change the system for the good of the whole if such changes risked a loss of revenue for the individual firm. Who would allow themselves to be the patsy? If the films were priced according to merit, for example, who would decide which films merited higher prices? Furthermore, Dyer warned,

At the present time the Licensed manufacturers are practically assured of their fair share of the licensed business at a fair price for all. . . . Now if we are not very careful in reorganizing the Film Co.—if we take away from any particular licensed manufacturer the practical certainty that he will have a voice in the control of the Film Co.—if we take away the practical certainty he now has of getting his fair share of the business—and if we supplement licensed films by the purchase of Independent films so as to thereby curtail the demand for the licensed films, is there not danger that the respect for the Patents Co. will be lost? 28

In other words, rather than risk a change in the system that would put them at the mercy of their partners or jeopardize the integrity of the MPPC brand name, they settled for their “fair share.” So they could not agree on changes and maintained the status quo.

The danger that “the respect for the Patents Co. will be lost” was real. The expiration of the patents and the antitrust suit encouraged theaters to mix licensed and unlicensed film, which would eventually cut into MPPC revenues. Even within the MPPC this was tenuous, as several manufacturers decided to distribute their features outside of the GFC. Pathé quit the GFC to distribute its own product in 1914. Kleine distributed his imported features through his own system of exchanges. Selig Polyscope released two 1914 features through the GFC (The Royal Box, four reels, and In the Days of the Thundering Herd, five reels) but looked elsewhere to release two longer 1914 films, The Spoilers (nine reels) through “states’ rights” and Your Girl and Mine: A Woman Suffrage Play (eight reels) through a major competitor, World Film Corp. Whether the GFC rejected these longer films for length or quality, or Selig hoped for greater profit from outside the MPPC system, both ways worked against the GFC in the long run. In 1915 Vitagraph, Lubin, Selig, and Essanay teamed up to distribute their features through their own company, VLS-E. This company did well enough in the first year to prompt Vitagraph to buy out the interests of the other companies. Essanay and Selig joined Kleine-Edison Film Service to distribute features through KES-E in 1916.

There was a hint of desperation in the formation of VLS-E in 1915, which was a pivotal year for the MPPC and the GFC. Although most histories note this year because of the antitrust decision against the MPPC, the decree meant very little in terms of actual business practice. Basically, it demanded that the MPPC cease its licensing system, which it had already done in September 1913. The GFC lawyer was blunt:

The decree in terms was as harmless and unobjectionable as it was possible for it to be, since it did not require the dissolution of the General Film Company, as had been seriously feared might be decreed, or require any other radical changes in the business of any of the defendants, except the abandonment of the licensing system, which, as a matter of fact, had already been abandoned for a substantial period of time. 28

However, the decree did serve as prima facie evidence for treble-damage suits, which only hastened the demise of some manufacturers who were vulnerable. 28

More damaging was the loss of revenue resulting from the precipitous de-
cline in the demand for short films. In 1915 exhibitors and exchanges were canceling standing orders left and right.99 According to Ben Singer the demand for shorts was off by 37 percent in 1916, 50 percent in 1917, and 57 percent in 1918, by which time the variety model was effectively dead.100 If that wasn’t bad enough, the loss of license royalties since 1914 had decimated profits, and the loss of the European market because of World War I hurt the MPPC much more than it hurt the Independents.101 The attempt to switch to features and market them through V-L-S-E and other such mechanisms seems a severely hampered, last-ditch effort, since many of the MPPC stars and talent had been plundered by Independent firms.

The General Film Company continued to market shorts and features through 1919 but had been hemorrhaging cash badly since 1915. Those members still involved in the company (Edison, for one, got out as soon as he could) were actually propping it up, not only because of their investment in the company but also because of a number of stockholder suits against the GFC, demanding refunds to stockholders of large sums that had been distributed to manufacturers as profits. The appearance of stability helped maintain the stock price and forestall more suits of the same type. George Spoor of Essanay was pumping as much as four thousand dollars per week into the GFC to help keep it alive.102 Transfusions of this sort only drained the donors, and the fiscal conservatism of the MPPC prevented them from accepting financing from Wall Street, which was eagerly funding the Independents.103

There were any number of reasons, then, for the demise of the MPPC, but it seems that most of the cracks were visible with the very formation of the company. On the distribution side the friction that generated the Independent movement came from within the FSA as a result of the MPPC’s own (antagonistic) policies, even though those very policies helped to regularize an industry in disarray. In exhibition the MPPC’s inability to enforce its licensed-film-only policy and the divided sentiments of the exhibitors toward features led to mixed programs in licensed theaters: shorts from the GFC, features usually from elsewhere. This eventually worked against the GFC and the manufacturers, especially with the decline in demand for shorts. Finally, the members of the MPPC, other than Edison and Biograph, did not feel beholden to the organization, except as a sanctuary against Edison’s litigiousness. They would consistently put their own interests ahead of the group’s and would actively work against it when it suited them. When we think of “the MPPC,” we tend to picture it as a company with a single goal and voice, but it is best to think of it as an uneasy alliance of businessmen, some of whom joined out of a sense of self-preservation and would ignore the coalition for exactly the same reason. Once together, however, they could not work effectively as a group, and they eventually fell, a house divided.

NOTES

My thanks to Charlie Keil and Shelley Stamp for their finite patience and to Charlie and Ben Singer for their astute comments on an earlier draft.


7. For a relatively contemporary overview of the MPPC’s decline that stresses the internal conflicts see “How the ‘Film Trust’ Lost Its Hold,” Variety, 31 December 1920, 4:37; see also Anderson, “MPPC” and “Reevaluation”; and Bowser, Transformation of Cinema.


11. For a history of the struggle between American and such foreign manufac-


13. Anderson, “Reevaluation,” 135; Klein, both an importer and—as a founder of Kalen Company—a producer, was willing to work with the Edison group early on and acted as a liaison between Edison Manufacturing and the other firms. One suggestion from Klein for the terms of the license agreement—“foreign films to be included”—indicates that he was hoping his importing company would be a part of the agreement. See letter dated 11 May 1907 from George Klein to Mr. Pelzer; Edison Mfg. Co., folder 457; William N. Selig Collection, Margaret Herrick Library, Academy of Motion Picture Arts and Sciences, Beverly Hills, California (hereafter cited as “Selig Collection”).


17. Ibid., 609.


23. James B. Clark of Pittsburgh Light and Calcium was elected president in January 1908. The other official of the FSA in 1907, D. MacDonald, later became general manager of the MPPC—not to say that anybody was in anybody’s pocket or anything.


26. See letter of complaint from H. H. Buckwalter, Denver Film Exchange, to William N. Selig, 12 August 1908, f. 458, Selig Collection.

27. Ibid.

28. William H. Swanson to H. H. Buckwalter, 22 August 1908, f. 460, Selig Collection. The exchange of letters among Buckwalter, Selig, and Swanson indicates that Buckwalter “tattled” to Selig on Swanson, who sent a somewhat contrite letter of explanation to Buckwalter.


31. Anderson, “MPPC,” 91. Anderson also suggests that the MPPC’s later decision to refuse stock to exchange men, excluding them from any substantial percentage of gross profits, contributed to their lasting resentment (see Anderson, “MPPC,” 171).


33. Selig to James B. Clark, 25 September 1908, f. 459, Selig Collection.

had toward their customers, who often went Independent as a result of this antagonism, see Frank L. Hough Jr.'s report of such complaints to Frank Dyer, 12 December 1911, General Film Company: Records (1909-11), Motion Picture Patents Company Papers, Company Records Series, Thomas A. Edison Papers, Edison National Historic Site, West Orange, N.J. (hereafter cited as "ENHS").

79. For similarities in tactics and structure between the MPCC and the Independents see Stager, "Combination and Litigation"; and Keil, "Advertising Independence."


81. Musser, Before the Nickelodeon, 472.

82. Ibid., 471.


84. S. Lubin to J. A. Berst, 1 October 1912, Historical file: Motion Picture Patents Co., 1909-13, Box 26, Kleine Collection (emphasis in original).

85. Telegram from General Film Company to George Kleine, 21 September 1912, Historical file: Motion Picture Patents Co., 1909-13, Box 26, Kleine Collection. See also Kleine's reply accepting the terms, dated 21 September 1912, in the same folder.

86. S. Lubin to Selig, 3 July 1912, f. 471, Selig Collection.

87. J. A. Berst, General Film Company to George Kleine, 21 October 1912, Historical file: Motion Picture Patents Co., 1909-13, Box 26, Kleine Collection.

88. Ibid.


90. Frank L. Dyer to Kleine, 24 June 1913, Historical file: Motion Picture Patents Co., 1909-13, Box 26, Kleine Collection. See also Moving Picture World, 11 October 1913, 150; Moving Picture World, 25 October 1913, 385; and Moving Picture World, 13 December 1913, 1266.

91. Albert E. Smith and Phil Koury, Two Rivals and a Crank (Garden City, N.Y.: Doubleday, 1952), 259, quoted in Cassidy, "Monopoly in Motion Picture Production."

92. Kleine to J. A. Berst, 2 October 1914, General Film Company, 1912-17, Box 24, Kleine Collection.

93. George Kleine, "A Plan Suggested to Improve the Condition of the General Film Company" [1917], Distribution: Plans, Methods, and Improvements, 1917, Box 12, Kleine Collection.

94. Frank Dyer to Thomas Edison, 17 April 1912, General Film Company: Records (1912), ENHS.

95. Ibid.

96. Ibid.


99. For a representative set of complaints see Leonard McChesney to Carl H. Wilson (then president of GFC), 5 January 1915, General Film Company: Records (1913-15), ENHS.

100. See Singer in this volume.

102. See Carl H. Wilson to Thomas A. Edison, 25 October 1916, General Film Company: Records (1916), ENHS; and George Kleine to Carl Wilson, 23 June 1917, General Film Company: Records (1917), ENHS.