

RUNAWAY FILM PRODUCTION: A CRITICAL HISTORY OF HOLLYWOOD'S
OUTSOURCING DISCOURSE

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DISSERTATION

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ABSTRACT

Runaway production is a phrase commonly used by Hollywood film and television production labor to describe the outsourcing of production work to foreign locations. It is an issue that has been credited with siphoning tens of millions of dollars and thousands of jobs from the U.S. economy. Despite broad interest in runaway production by journalists, politicians, academics, and media labor interests, and despite its potential impact on hundreds of thousands—and perhaps millions—of workers in the U.S., there has been very little critical analysis of its historical development and function as a political and economic discourse.

Through extensive archival research, this dissertation critically examines the history of runaway production, from its introduction in postwar Hollywood to its present use in describing the development of highly competitive television and film production industries in Canada. From a political economic perspective, I argue that the history of runaway production demonstrates how Hollywood's multinational media corporations have leveraged production work to cultivate goodwill and industry-friendly trade policies across global media markets. More critically, I argue that the history of runaway production tells the story of the development of a Hollywood labor diaspora: a globally dispersed labor force bound by a common cultural identity as Hollywood labor, but divided by their unequal relationship to the discursive mythology of Hollywood as the industry's authentic "homeland."

For my husband Rob

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CHAPTER ONE: INTRODUCTION TO A CRITICAL HISTORY OF RUNAWAY PRODUCTION

The natives of Hollywood are not the moving picture industry; they merely serve it. They feed it, they clothe it, they house it, and they make it beautiful. The industry itself is a trouper. If it sees a chance for a better stand somewhere else, it will pull up stakes and move forthwith...Hollywood wouldn't be the first town to be developed and then abandoned by industry; nor would it be the first expensive 'set' that the film folk have built, used briefly, and then demolished. ("Will Hollywood Move to Broadway?" Patterson, 1930, p. 298)

PROLOGUE

Frances Taylor Patterson of *The New Republic* couldn't believe that people would be willing to move to the god-forsaken deserts of southern California in order to work in the newly-developed film production industry. While it was clear by 1930 that the industry was here to stay, *where* it would stay was still up for grabs. Patterson made her pitch for Broadway, arguing that New York's world-famous theater district could provide the film industry with the "talking" actors it so desperately needed as it transitioned from silent to sound production. And in addition to a pool of talented actors, Broadway could offer a proven track record—over 100 years of producing entertainment in the U.S. versus less than 20 years in Hollywood.

While the lemon groves of southern California would prove to be more fertile ground for cultivating a film production empire than the canyons of Broadway, Patterson's assessment of the industry was not completely off base. On the one hand, she correctly understood film production to be an industry like many others, with practical considerations to be made and needs to be met in order for it to succeed. Patterson also seemed to recognize that film

production was a capricious, excessive, and mobile industry in ways perhaps foreign to stage production, with the production process being a means to an end (a film) rather than the end itself (a stage play). Despite understanding the ways that film and stage productions were fundamentally different, Patterson could not see how this also made Broadway a completely inflexible and unsuitable “home” for film production; she did not see how the self-serving mobility of the industry she noted could also work against Broadway’s bid: if the film production industry and the resources it required could be moved to Broadway as she suggested, then certainly they could be moved to Hollywood away from Broadway as well. And as history would illustrate, no other film production resource was more mobile than people, including Broadway’s stage actors in the 1930s, who gladly hopped on trains headed for the West Coast, some never to return to New York’s theater scene.

It is evident that by 1930, a discourse of film industry competition and ownership was underway. And by the standards of the Great Depression, the fledgling film industry must have seemed like an economic gem worth fighting for: roughly 80 million people per week attended movies in 1930, with domestic box office revenues at \$723 million, partly bolstered by the introduction of “talkies” a few years previous. As an employment sector, the film industry also showed promise, with 143,000 reportedly working in the industry in 1930 (Show business: It just ain't so, 1980); a number that surpassed employment figures for gas works (115,000), but still paled in comparison to industrial behemoths such as the commercial railroads (1.5 million) (U.S. Bureau of the Census, 1930).

Eighty years later, the U.S. motion picture and television industry has become its own industrial behemoth, making significant revenue and trade contributions to the U.S. economy, as well as functioning as a major domestic employment sector. Domestic box office revenues (U.S.

and Canada) hit a record \$10 billion in 2009 during one of the worst economic recessions in recent memory, with an additional \$30 billion in worldwide ticket sales (Motion Picture Association of America, 2009, p. 3); combined, these figures represent about 3% of the U.S. GDP in 2009 (U.S. Central Intelligence Agency, 2010). The Motion Picture Association of America has also reported that 2.4 million private sector jobs can be attributed to film and television industries: 746,000 directly related to the production, marketing, manufacturing, and distribution of TV and film products, and another 1.7 million jobs supported through indirect services to media industries, such as lumber sales, catering, hotels, and restaurants. Though California and New York continue to attract the majority of domestic media production work, forty percent of all industry jobs can now be found in other states, including large and active workforces in Illinois, Louisiana, and Massachusetts (Motion Picture Association of America, 2010, p. 2). On a global scale, audiovisual service exports, which include motion picture and television programs,¹ are consistently producing trade surpluses, topping \$13 billion in 2008, and exceeding surpluses generated by other major economic sectors including telecommunications, computer, and insurance services (p.5).

With such incredible economic rewards at stake, competition for media industry dollars has only continued to escalate since Frances Taylor Patterson made her pitch for Broadway in 1930. Hollywood television and film production are now global enterprises, owned and managed by multinational media corporations with the power to negotiate optimal political and economic conditions for the production and distribution of their products. But as we've seen with other major U.S. industries, including automobile production, market expansion of film and television industries has not served everyone's interests equally. While industry owners and proponents of

¹ In addition to motion picture and television programs, the U.S. International Trade Commission also includes recorded music, music videos, and recorded video tapes and disks in the category of "audiovisual services." (U.S. International Trade Commission, 2001, pp. 6-1)

free trade have revealed in the opening up of lucrative markets abroad, Hollywood production labor has lamented the impact that domestic and foreign industry investments have had on their job security—a complaint that has been organized within the discourse of runaway production, the subject of this dissertation.

RUNAWAY PRODUCTION: AN INTRODUCTION

Runaway production is a phrase commonly used by Hollywood film and television production labor to describe the outsourcing of production work to foreign locations. It is an issue that has been credited with siphoning tens of millions of dollars and thousands of jobs from the U.S. economy. As a political platform, runaway production has inspired numerous Congressional hearings, a special report by the Commerce Department, and tax initiatives in nearly every state in the U.S. Runaway production has also been extensively discussed, and sometimes lampooned, in the popular and trade press, and has served as the subject of numerous academic journal articles and books on the global film industry. But despite broad interest in runaway production, and its potential impact on hundreds of thousands—and perhaps millions—of workers in the U.S., there has been very little critical analysis of its historical development and function as a political and economic discourse.

Through extensive archival research, this dissertation critically examines the history of runaway production, from its origins in postwar recovery politics in the 1940s to its current use within debates over Canadian industry subsidies. Rather than representing a singular narrative of the economically-motivated outsourcing of film and television production to foreign locations, however, it is revealed that runaway production has taken on multiple meanings over the last 60 years, with a broad range of motivations, including as a label for productions lured away from the U.S. by blacklisted Hollywood talent exiled in Europe in the 1950s and 60s, as a descriptor

for domestic productions staged outside the jurisdiction of Hollywood's unions, and as a critique of industry trends relying too heavily on the lifestyle choices of Hollywood's globe-trotting and capricious elite.

It is argued that the multiple, historical meanings of runaway production have worked together to form a "regime of truth" (Hall, 1996), which perpetuates an understanding of Hollywood as the authentic "home" to global film production, and all others as its inauthentic, even criminal, harborers. In many ways, the discourse of runaway production constructs this regime of truth by relying on the powerful metaphor and moral tale of the "runaway" made famous by Hollywood movies like *The Wizard of Oz* (1939): a naïve and willful child (i.e. Hollywood production) is lured away from a loving home by the prospect of adventure and streets paved with gold. But what the "runaway" finds instead is that things aren't what they appear to be; that life on the road is full of obstacles and fanciful, inauthentic representations of real life places, people, and experiences. And that in the end, there's no place like home—and no production location like Hollywood. Few would refute the historical importance, and political and economic prowess of Hollywood to film and television production industries. But it is the claim that this prowess makes Hollywood the most authentic production location—its natural "home"—and all others some cheap imitation of Hollywood, that forms a core logic and point of disjuncture within the regime of truth proposed by the discourse of runaway production.

This construction of authentic and inauthentic production communities through the discourse of runaway production is also argued to complement the "divide and conquer," anti-union labor strategies commonly implemented by multinational corporations (MNCs) (Christopherson, 2005). This specifically involves the use of industry subsidies by MNCs to create competition between dispersed labor forces, locking these labor groups into a classic "race

to the bottom” as they try to undercut one another to attract lucrative film and television projects. Therefore, despite its identification as a labor discourse, it is argued that the discourse of runaway production has best served the hegemonic interests of multinational media corporations, as they have received the largest share of the economic benefits from industry subsidies, while also maintaining control over labor and production practices within the New International Division of Cultural Labor (NICL) (Miller, Govil, McMurria, & Maxwell, 2001).

Finally, as a hegemonic discourse, runaway production is argued to fit within a larger historical trend to isolate and immobilize unionized labor while deterritorializing production processes in compliance with the development of highly mobile transnational industries (Massey, 1984). It is therefore suggested that the discourse of runaway production is more aptly understood as a byproduct of the historical development of a Hollywood labor diaspora: a globally dispersed labor force bound by a common cultural identity as Hollywood labor, while also divided by their unequal relationship to the discursive mythology of Hollywood as the industry’s authentic “homeland.”

LITERATURE REVIEW

A study of the discourse of runaway production encompasses several areas of scholarly inquiry in media and communication research, including media history, labor and industry studies, theories of space and mobility, and theories of culture and discourse. As mentioned previously, there is also a growing academic literature on the issue of runaway production, both within media studies and from the perspective of other scholarly fields including political science, law, and economics. A critical study of the history of runaway production will be shown to fit neatly within a tradition of media history and industry research, while also relating to more contemporary studies of discourses of economy and globalization. It will also be demonstrated

that a critical history of the discourse of runaway production makes an important contribution to existing studies of the issue that have yet to fully explore and contextualize its historical development, or problematize the assumptions and worldview inherent within the phrase “runaway production.”

Media Industry Studies

A study of the history of runaway production is, in its most basic form, a media industry study, or research that examines the political, economic, creative/cultural, and organizational practices involved in the production of media. This includes, but is not limited to, sweeping social histories of media industries (e.g. Czitrom, 1982; Douglas, 1987; Schudson, 1978), more focused studies of changing production practices, forms, and technologies of media (e.g. Barnhurst & Nerone, 2001; Jensen, 1998; Jones, 1992; Sterne, 2003), and studies of the political economy of media industries (e.g. McChesney, 1993; H. Schiller, 1992; Starr, 2004).

Film and television industries studies comprise a substantial literature of their own, including industry and organizational histories (e.g. Balio, 1976; Ouellette, 2002), studies of changing modes of film and television production (e.g. Bordwell, Staiger, & Thompson, 1985), and studies of the political economy of Hollywood (e.g. Gomery, 1986; Miller, et al., 2001; Wasko, 2001). Thomas Guback’s (1976) study of the political economy of the postwar international film industry is particularly relevant, as it provides one of the earliest scholarly discussions of the issue of runaway film production. In this work, Guback looked specifically at the relationship between the American and European film markets and their shared trade and industry policies—policies regulating film production practices, film content, and finally, marketing (p.4). He argued that the economic imperatives outlined in such policies are highly influential in determining what is ultimately represented in film, warning that too often

successful exportation of films from the U.S. has been achieved by homogenizing or “blurring the differences” of cultural representation in order to appeal to a broad audience (p.198).

Guback’s position is limited by its dependence on the theory of cultural imperialism, which argues the overwhelming influence of Western (and specifically U.S.) media on the political, economic, and cultural practices of non-Western societies or non-U.S. countries. This thesis has been challenged in more contemporary studies of global media industries (e.g. Appadurai, 1996; Kraidy, 2005; Morley & Robins, 1995) that show the endurance of non-Western or non-U.S. cultural practices, including media, even when overwhelmed with Western and U.S. media and cultural products. An salient example to the issue of runaway production can be found in Canada. Despite the deluge of U.S. media on the Canadian market, and the influx of Hollywood “runaway” productions in Vancouver and Toronto, indigenous Canadian media has endured. And as I’ve described in other work, Canadian media industry observers have actually argued the existence of a backflow of cultural influence, from Canada back to the U.S., through the use of Canadian talent and Canadian-themed stories in U.S. runaway productions (Johnson-Yale, 2008). Guback’s work is important for its consideration of the relationship between creative and economic practices within the globalizing film industry; a consideration that would become more refined in the work of Arjun Appadurai, who considered the ways that financial, ideological, and mediated “scapes” work together and against one another on a global scale.

Labor studies, a central subject to media industries research and the issue of runaway production, have also received attention by media scholars. Janet Wasko (2003) has written a useful survey of film and television production labor, including their unions and guilds, as part of a comprehensive description of the inner workings of contemporary Hollywood. One of the basic industry structures described by Wasko, and integral to the history of runaway production, is the

delineation of labor into “above-the-line” and “below-the-line” job sectors. The phrases “above” and “below-the-line” first refer to an industry division of production expenses, which are secondarily applied to the labor that fit into their respective expense categories; it is likely that “the line” was an actual dividing line used on accounting forms during the studio era. That said, above-the-line costs typically encompass script development and other creative expenses, including writers, directors, actors (usually the “stars,” and not secondary or background performers), and producers. The unions and guilds affiliated with above-the-line workers, and playing key roles within the history of runaway production, include the Screen Actors Guild (SAG), the Directors Guild of America (DGA), the Writers Guild of America (WGA), the Alliance of Motion Picture and Television Producers (AMPTP), as well as the now-defunct Society of Independent Motion Picture Producers (SIMPP).

Conversely, below-the-line costs apply to the more technical and hands-on aspects of production and post production, such as lighting, transportation, equipment rental, wardrobe, editing, and set construction. The largest population of film and television workers identified as below-the-line belong to the International Alliance of Theatrical and Stage Employees (IATSE or IA), and include, but are by no means limited to, grips, set dressers, makeup artists, wardrobe stylists, editors, special effects technicians, property masters, and scenic painters and construction labor. While the IA usually provides crews for television commercials, series, and made-for-TV movies, the National Association of Broadcast Employees and Technicians (NABET) represents technical crew members working in broadcast and cable television, particularly news production, including camera operators and broadcast engineers. Finally, the International Brotherhood of Teamsters is also counted amongst below-the-line labor, with 4,000 drivers and security staff registered with the Hollywood Local alone (Wasko, 2003, p. 47).

Though runaway production has involved both above- and below-the-line labor, these groups have often ended up on different sides of the issue. A primary reason for this split has been the differential effects of location shooting on above- and below-the-line labor: in almost all cases, key actors, directors, and writers have been understood as irreplaceable labor that must travel with productions; below-the-line labor, on the other hand, have more often been considered interchangeable, with most set labor (with the exception of a few department head positions and highly skilled camera operators) hired on-site. A secondary reason for the division of interests between above- and below-the-line labor more generally is pay structure: most above-the-line labor, including members of the Writers', Actors', and Directors' Guilds, are paid a negotiated percentage from the exhibition and syndication revenues of film and television programs, called residuals or royalties. This pay stipulation has been fiercely protected by above-the-line guilds in their contract negotiations with the Alliance of Motion Picture and Television Producers (AMPTP) and has often served as an impetus for strikes, including the 2007-08 WGA strike over residuals for new media distribution of television and film. Residuals, however, are not paid to below-the-line labor, including members of the IATSE. Subsequently, resentments have festered between the two labor factions as below-the-line labor have been necessarily affected by the frequent work stoppages staged by above-the-line labor over residuals—work stoppages that have no resulting benefit for below-the-line labor groups, and that the latter have often blamed for exacerbating runaway production practices.

Other studies have looked at the culture of Hollywood production from a labor perspective, including John Caldwell (2008) densely detailed ethnography of film and television work in Los Angeles. Specifically, Caldwell attempts to provide insight into the way film labor makes sense of their localized work life, as well as overarching industry practices, including

labor outsourcing. Though the issue of runaway production is mentioned, it does not form a cohesive theme in Caldwell's study, as the focus remains much more on microsocial labor processes, including the telling of below-the-line war stories, labor mentoring practices, and rituals of "pitching" project ideas.

Similar to the approach taken in this dissertation, some scholars of media industries and labor have constructed in-depth histories that examine the political activities and influences of Hollywood production workers. Steven Ross's (1998) history of "below-the-line" film crew (e.g. lighting technicians, camera operators, riggers and set construction staff) chronicles the way radical union politics in the 1920s and 30s bled over into the films they helped to create. Lary May's (2000) study, on the other hand, highlights the political activities of the industry's "above-the-line" elite—actors, producers, and directors—and their contributions to the social and symbolic construction of an American way of life. He gives particular attention to the Cold War era, providing useful context for the earliest discussion of runaway production in the 1940s and 50s that were closely related to the House Un-American Activities Committee hearings in Hollywood.

As film and television production have transitioned into transnational industries over the last 60 years, media industry and labor researchers have also shifted their focus to "global Hollywood" and the changes and challenges facing an increasingly regional and international Hollywood work force. In almost all instances, the issue of runaway production has warranted some mention.

Runaway Production

The issue of runaway production covers a broad spectrum of topics that have attracted researchers from several disciplines, including economics, law, political science, and media

studies. Researchers in the areas of business and law have considered the impact of runaway production on the stability of California's industry, including employment, with the purpose of generating potential solutions to Hollywood's labor outsourcing problem. Conley Ulich and Simmens (2001) suggest that programs such as "Film California First," which provide reimbursements to productions for the use of public property, and state level tax credits for production wages are imperative in order to keep Hollywood from turning into "Hollyhasbeen" (p.357). Business analysts from outside the U.S. have also considered the implications of runaway production for the Los Angeles work force, as well as the possible benefits of attracting runaway productions to their communities, specifically the U.K. (Randle & Culkin, 2005).

Economists have demonstrated a particular interest in the subject of runaway production, chiefly as an indication of the globalizing flows of capital and labor that comprise the contemporary Hollywood motion picture industry. Allen J. Scott, an economic geographer at UCLA, has predicted a continued intensification of production outsourcing from Hollywood. Specifically, he has argued that recent "runaway" films such as *The Lord of the Rings Trilogy*, *The Matrix*, and *Cold Mountain*, filmed in New Zealand, Australia, and Romania respectively, provide evidence of a globally expanding network of Hollywood locations that pose a challenge to even the most successful North American runaway locations, namely Vancouver, B.C. (Scott A. J., 2005; Scott & Pope, 2007).

Economic geographer Susan Christopherson has been one of the most prolific researchers in the area of media labor studies, and has devoted several articles and books to the changing patterns of media labor distribution and mobility within increasingly transnational industries (Christopherson, 2005; Christopherson, 2009; Christopherson & Clark, 2007; Christopherson & Righor, 2010). Christopherson's work is closely related to Doreen Massey's. But while Massey

has focused mostly on traditional manufacturing and service industries, such as automobile production in the U.K. and the outsourcing of skilled labor from Silicon Valley, Christopherson's work looks more specifically at the unique conditions of film and television production work and their impact on global divisions of labor and capital mobility; for instance, the intermittent nature of projects, and the segmentation of preproduction, production, and postproduction work. Christopherson was one of the primary researchers on an industry analysis of the impact of runaway production on California film workers in the 1980s, and testified on the study's findings before a Congressional hearing in Monterey in 1985 (Assembly Committee on Economic Development and Technology and the Assembly Subcommittee on Sports and Entertainment, 1985). She has consistently argued that the issue of runaway production should be understood as a labor reaction to two distinct economic processes within the globalizing film industry: the fragmentation of "routine" and specialized production practices, and the fostering of inter-regional competition and divisiveness among workforces by transnational media corporations (Christopherson & Clark, 2007, p. 103; Christopherson & Storper, 1989). In this sense, Christopherson shares a view of globalization processes with Appadurai (1996) and Miller et al. (2001), in that she sees multiple industry factors (e.g. labor, capital, government policy, corporate interests) being engaged across multiple geographic planes or "scapes" (e.g. local, regional, national, transnational). Along with this shared perspective on globalization, Christopherson's concept of the "divide and conquer" approach to media labor distribution is one that I have adopted in my own study, considering its relevance to the discourse of runaway production and its divisive effects on regional labor solidarity.

Within media studies, runaway production has formed a subject of interest for over 40 years, particularly for political economists. As previously mentioned, Thomas Guback's

International film industry (1969) contains one of the earliest academic discussions of the issue by name, defining runaway film production as “American companies investing their money in *foreign* film production, production which is foreign-based to begin with and probably never would have taken place in Hollywood” (p.74). In keeping with the rest of his book, Guback treats the subject as one of many economic condition affecting the ebbs and flows of film production capital around the globe. Other film industry studies that give at least some brief mention of runaway production include Tino Balio’s *The American film industry* (1976), which follows Guback’s lead in defining the issue as concerning only films made outside the U.S.

Media and cultural policy scholars, led by Toby Miller, have looked at runaway production as a result of the increasingly cozy relationships between multinational media corporations and various government entities around the globe. Miller and Leger have argued that Hollywood has worked in tandem with the “Washington Consensus” to promote a neoliberal global trade agenda (Miller & Leger, 2001). Some countries like Canada have attempted to protect their indigenous media industries against a U.S. media deluge by arguing for exemptions of cultural products from their free trade agreements with the U.S. However, Miller and Leger argue that Hollywood has been engaged in “major governmental and business assaults on the legitimacy of national self-determination undertaken by other countries to utilize state support to generate and sustain cultural industries” (p.91). As Hollywood has attempted to expand its distribution horizon overseas, a “network of practices and institutions” have been utilized to soften stubborn markets, including the technical training of local labor for use on co-productions in the host country; a practice that has been going on since just after WWII, coinciding with the first mentions of “runaway production” among Hollywood film labor (Miller, 2003, p.134; Miller, Govil, McMurria, & Maxwell, 2001; Miller & Leger, 2001). The result has been a New

International Division of Cultural Labor (NICL); a theory which reconciles the importance of “‘flexible’ cultural labor to the new global cultural economy” (Miller & Leger, 2001, p. 90).

Throughout this dissertation, the NICL is used as a key construct for discussing the shifting power dynamics between above- and below-the-line labor within the discourse of runaway production. The NICL describes the differential distribution and mobility of cultural labor in the service of transnational industries, including Hollywood film production. As previously explained, above-the-line labor has tended to be the more mobile labor force, travelling with so-called runaway productions no matter how far flung their locations. Below-the-line labor, on the other hand, has tended to be the more stationary workforce. And yet as Massey (1984) and Miller and Leger (2001) have explained, it is not only the mobility of labor, but also the power of certain labor to exercise power over capital distribution and the means of production within the NICL. In the case of Hollywood labor, above-the-line interests have had the upper hand within the NICL, and the frustration caused by the stasis of below-the-line Hollywood labor is argued to have formed the central logic behind the discourse of runaway production.

Toby Miller, et al. (2001) also provide some insight into the history of runaway production, with brief overviews of its relationship to larger shifts in the film and television industries, such as the dismantling of the Hollywood studio system in the 1940s. But overall, Miller’s work does not function as a detailed history of the issue, nor does it engage in a critical analysis of the functions of runaway production as a historical, discursive formation. Rather, Miller primarily discusses runaway production as being a potentially disruptive and empowering movement for disenfranchised Hollywood labor, whereas my work attempts to understand how

runaway production privileges a particular worldview of global media industries and may in fact contribute to the further disenfranchisement of *all* labor within the NICL.

One of the most comprehensive treatments of runaway production is Elmer and Gasher's (2005) recent collection of essays titled *Contracting out Hollywood*. The contributing authors analyze runaway film production as a contemporary subject, considering its significance to economics and globalization, the construction of narrative and aesthetic forms, audience reception, experiences of specific production communities both inside and outside the U.S., and the reception and production of specific films television programs (p.2). The book is divided into three sections. The first describes how transnational media interests and the major Hollywood studios have influenced policy developments that have in turn contributed to regional and global distributions of film production and labor (Christopherson, 2005; Goldsmith & O'Regan, 2005). This includes a discussion of cost prohibitive Hollywood union contracts since the 1980s, and the subsequent instatement of budget-friendly subsidies in Canada² and Australia. Tom O'Regan, along with Susan Ward, has since elaborated on the role of runaway production in the development of Australia's Gold Coast production community, arguing that Hollywood's investments in the area have only run as deep as the region's ability to create competitive tax incentives. This has severely limited Australia's ability to leverage their success as a runaway location to bolster the production and global distribution of their own indigenous content (Ward & O'Regan, 2007).

² In the two major international trade negotiations conducted in the last 20 years involving the U.S. and Canada, the Free Trade Agreement (FTA) of 1988 and the North American Free Trade Agreement (NAFTA) of 1993, Canada lobbied to exclude cultural industries from the final treaties. The exclusion of cultural goods from the treaties protects Canada's media industries by allowing them to create various economic incentives, namely industry subsidies and tax credits, to encourage the development and distribution of commercially competitive and culturally unique Canadian media products. It has also been suggested that Canadian lobbyists advised French officials involved in the General Agreement on Tariffs and Trade (GATT) negotiations in 1993 to insist on the same cultural exemption for European trade with the U.S. (Hoskins et al., 1996).

Section two of *Contracting out Hollywood* focuses on recent trends in the outsourcing of digital production services such as animation and post production work to Australia's Gold Coast and India's "Bollywood" region (Breen, 2005; Govil, 2005). Breen is mostly concerned with conflicting perspectives on the relevance of production location to audiences versus producers: he argues that while location matters little to audiences, it matters a great deal to localized labor who take pride in participating in and identifying with Hollywood production. But perhaps more importantly, location matters to "runaway" producers trying to balance technical needs with a limited bottom line; Breen argues that despite Australia's expanding production infrastructure, they still cannot compete with the animation and special effects prowess of Hollywood. The Pixar animated sea adventure, *Finding Nemo* (2003), is cited as a prime example: the film was set in Australia's Great Barrier Reef, but made entirely at Pixar's state-of-the-art production facilities in Emeryville, California. Breen's chapter raises important questions about the viability of "runaway" locations like Australia's Gold Coast in production industry sectors heavily dependent on skilled labor and expensive, high tech equipment, such as animation and special effects. But in fact, these are not new questions. As it will be discussed in chapter four, the international distribution of skilled and semi-skilled animation labor has been a subject of debate since the 1970s and 80s, when Hollywood's animators went on strike in support of an anti-outsourcing "runaway clause."

The final section of *Contracting out Hollywood* is concerned with the reproduction and experience of place and "placelessness" in runaway productions since the 1980s. For instance, Matheson (2005) describes how both Canadian audiences and the Canadian film community embraced the ambiguously located and American-funded TV program *Night Heat* as their own, largely because it was filmed in Toronto. A similar study by Serra Tinic (2006), published in

Television & New Media, examined the “placelessness” of Hollywood television shows made in Vancouver, including *The X-Files*, *Highlander*, and *Stargate*. Tinic concludes that while runaway Hollywood productions in Vancouver tend to “erase” Canadianess, they do not deplete Vancouver of its indigenous labor and production resources. Rather, Tinic sees community and alternative media in Vancouver as serving an empowering role in contesting and reinstating Vancouver as a situated yet globalizing place, despite its anonymous role within American runaway productions (p.157). I expand upon Matheson and Tinic’s discussions of the relationship between Canadian national identity, their indigenous media industries, and runaway productions in chapter five, where I provide a detailed history of Canada’s counter-discourse to Hollywood’s claims of runaway production.

Within the introduction to the edited collection, Elmer and Gasher (2005) provide a thoughtful overview of the history of runaway film production, grounding the issue in the restructuring of the Hollywood studio system after the war, as well as the staging of “frozen funds” productions in Europe. Beyond the political and economic histories of runaway film production, they also acknowledge that it is an issue requiring more serious consideration as a cultural construct. Their discussion alludes to, but does not elaborate on, the many meanings that have been given to runaway film production in its history as an industry discourse; the issue of domestic runaways warrants only a brief mention. The most obvious shortcoming of Elmer and Gasher’s history is that it is limited to one chapter of their book; no other chapter in the collection elaborates on the history of runaway film production before the 1980s. And even then, runaway film production is constructed as a phenomenon of non-U.S. production. In sum, Elmer and Gasher’s book begins the work of treating runaway film production as a complex historical and cultural issue, an approach missing from previous treatments. But because their work is

necessarily brief, it leaves the door open for a more in-depth history of runaway film production—a primary goal of my project.

The most closely conceived historical analysis of runaway production to my own is Andrew Dawson's (2006) article "Bring Hollywood home!": Studio labor, nationalism and internationalism, and opposition to 'runaway production'," published in the Belgian academic journal *Revue Belge de Philologie et de Histoire*. In his twenty page treatment of the subject, Dawson compares what he describes as the two most defined periods of runaway production resistance in Hollywood: the 1957-1965 anti-runaway labor campaign, characterized by McCarthyist politics and jingoism, and the 1999-2003 campaign that relied on the rhetoric of anti-free trade and fair trade practices. Like Elmer and Gasher, Dawson identifies European "frozen funds" production as the main impetus for runaway productions in the postwar period. Though limited to only a few pages of his article, Dawson manages to identify some of the key players and events that defined the Hollywood anti-runaway production labor movement of the 1940s through the 1960s, most notably the anti-communist and anti-runaway production activities of Hollywood IA and AFL Film Council president Roy Brewer, failed labor initiatives to boycott foreign runaway productions (also their products, in the case of TV commercials), and the ultimately ineffectual 1961 runaway production hearings before the House Committee on Education and Labor in Washington, D.C. Dawson also makes mention of intermediate developments in the fight against runaway production in the 1970s, specifically the animation guild's successfully negotiated "runaway clause."

While Dawson's discussion of postwar runaway production usefully corroborates many of the findings in Elmer & Gasher's and my own archival work on this period, his major contribution to the history of runaway production lies in his discussion of more recent anti-

runaway labor activities in the 1990s and 2000s, with nearly half of his article dedicated to this era. He divides the period into three phases: a “unity” phase starting around 1999, in which producers, along with members of the DGA and SAG, and later the anti-runaway production labor group, the Film and Television Action Committee (FTAC), called for U.S. subsidies to counteract the effects of industry subsidies in Canada and bring work back to Hollywood; a “radicalism” phase beginning in the spring of 2001, in which the FTAC and the more politically radical and obscure labor coalition, the Hollywood Fair Trade Campaign (HTAC), joined forces to oppose tax subsidies as a form of “corporate welfare” and instead called for the implementation of countervailing tariffs against runaway productions by the International Trade Commission (ITC) and the U.S. International Trade Administration (p.1116); and finally, a “realism” phase beginning around 2002, when the FTAC began to back off of its campaign for countervailing tariffs as some of its own members were forced to take work in Canada, and subsequently many in the industry began to accept runaway production as just part of the reality of contemporary film and television production (p.1118). Combined with other recent works on runaway production in the 1990s and 2000s (e.g. Elmer & Gasher, 2005; Miller, Govil, McMurria, & Maxwell, 2001; Wasko, 2003), Dawson’s history provides a comprehensive account of the most important policy initiatives, and the organizations behind them, in this period. With this in mind, I try to complement, rather than replicate, Dawson’s and others’ work by filling out the oppositional discourses to Hollywood runaway production in the 1990s and 2000s; a topic that has received much less attention in the more recent body of research.

As a labor historian, media and otherwise,³ Andrew Dawson uses his history of runaway production as a case study to compare the strategies of labor organizations facing outsourcing

³ Andrew Dawson’s other publications have focused almost exclusively on U.S. labor and industry practices during industrialization, and not media labor (e.g. Dawson, *Lives of the Philadelphia engineers*, 2004)

problems in their industry. He argues that labor movements that have relied too heavily on aggressive nationalism and other isolating strategies, such as Hollywood's various anti-runaway production campaigns, have tended to meet with less success than those that have tried to build international labor coalitions; he cites SAG's enforcement of Global Rule One as an example of the latter. But while Dawson considers the ideological foundations of certain labor strategies and policy initiatives within the history of runaway production, he stops short of probing the ideological underpinnings of the discourse itself. For instance, could the accusatory tone of the discourse of runaway production be interpreted as imperialistic? Or could it be argued that runaway production has been used to rationalize "corporate welfare" and the neoliberal agenda of Hollywood's ownership class? It is a critical analytical omission that Dawson shares with other scholars who have addressed runaway production in their work, and one that I hope to shed light on in the critical history of runaway production presented in this dissertation.

THEORY & METHODS

Theories of Discourse and Power

This dissertation has been constructed as a critical, historical discourse analysis, with an understanding that discourse is produced by, interpreted within, and often reproductive of specific and dominant ideological frameworks. This analytical approach is grounded in Stuart Hall's (1996) theory of power and discourse, in which he argues that we actively struggle with, and at times successfully resist, hegemonic structures of power as they are represented and produced through mediated and non-mediated texts. For Hall, the ultimate power of discourse is its ability to function as a "regime of truth"; to motivate people to act upon it regardless of its validity, which he argues is often difficult to determine. Discourse, therefore, is something more

than just a way of organizing language: it is a cultural practice that both represents and produces knowledge in strategic ways.

Most researchers who have engaged in studies of runaway production have approached the subject as an empirically valid social and economic phenomenon, focusing on the economic plight of Hollywood and U.S. media labor in the wake of ever-escalating production outsourcing. But few, if any, have turned their analytical focus back on runaway production as a discursive phenomenon, despite its highly protectionist and imperialistic connotations. I would argue that this is in large part due to the general treatment of economic issues, including employment trends, as “self evident” and valid, when in fact they are anything but this. In *New keywords* (2005), J.K. Gibson-Graham describes the social shift from thinking about economy as managed by people in society to thinking about society as managed by economy, with the result being that “the economic imaginary has lost its discursive mandate and become an objective reality” (p. 96). Similarly, David Ruccio (2008) has noted the ambiguities and disjunctures that plague contemporary discourses and representations of economy, particularly among academics approaching the subject from diverse disciplines other than economics. Rather than attempting to verify the most accurate of these representations, Ruccio argues that we should be critically examining their consequences “in terms of reproducing and strengthening the existing economic and social institutions and of imagining and generating new ones” (p.7). In this sense, I have followed Hall and Ruccio’s lead, treating runaway production as a discursive regime of truth and set of productive economic representations that has at once challenged and reproduced dominant political and economic ideologies guiding the development of globalized Hollywood film and television industries since World War II, including the primacy of Western democracy and global capitalism.

Fordism, Post-Fordism, and Flexible Specialization

This brings us to a discussion of the link between studies of runaway production and theories of modernity, postmodernity, and subsequent modes of production and labor. There is, of course, an expansive literature that has actively debated the stage of social and economic development in which we currently reside, all with implications for the way that we understand labor in relation to production practices. It is typically argued that over the last 100 years we, as a society, have been in the process of transitioning from a “Fordist” to a “post-Fordist” mode of economy and production. Fordism is an era defined by the rise of the Ford Motor Company and the wildly successful production of its Model T starting around 1913. The automaker is credited with mastering the art of mass production by utilizing assembly lines and modern machinery to quickly produce large quantities of low priced goods (Allen, 1996, p.281). More broadly, the Fordist mode of production has become synonymous with certain characteristics of modern society, including vertically integrated industries, stable markets controlled by oligopolistic interests, scientific and technological progress, rationality, and the routinization and disciplining of labor practices (Storper, 1994, p. 195). All these factors combined are said to produce economies of scale, in which production costs decrease, the quantity of available goods increases, and the demand for goods also increases as more people have expendable income from their jobs in various sectors of industrial production—a self-sustaining system.

The emergence of the Hollywood film industry coincides with the beginning of the Fordist industrial era, as early industry giants including Charlie Chaplin and Cecille B. DeMille set up their studios in and around Los Angeles between 1913 and 1917. The Hollywood “studio era” of the 1920s and 30s is often described as having instituted Fordist assembly-line techniques to the production of films, though there is some debate within industry studies whether the

description has been appropriately applied. Though films during this era often relied on predictable storylines and certain routinized production practices, including the use of soundstages, no two films were truly identical in the way that cars or other consumer goods could be (Smith, 1998, p.8). But other factors clearly demonstrated a Fordist mode of production at work in Hollywood, not the least of which was the overwhelming, oligopolistic grip that the studios had on the production and distribution of films in the U.S. In 1944, Hollywood's "big five," which included Paramount, RKO, Warner Bros., Fox Films, and Loew's/MGM, dominated the domestic film market: their films represented nearly three quarters of all films viewed by Americans at that time, while nearly 25% of domestic theaters were also owned and operated by the same studios (Storper, 1994, p.203; Waterman, 1982, p.16). It could also be said that the Hollywood film industry greatly benefited from the shift in mass consumption practices characteristic of the Fordist economic turn, with the emergence of a large middle class with money and time to spend on leisure activities like movie going.

Fordism is a system that works best when it is centrally coordinated (e.g. Detroit as the power center of U.S. auto production), and when the types of goods being produced are relatively standardized (as opposed to customizable). Since the early-to-mid 1970s, however, the organization of industrial production and consumer markets have undergone distinct changes, which some argue are indicative of a new, post-Fordist industrial era (Amin, 1994). Centralized modes of production have been increasingly challenged by the decentralization of production authority within globalizing industries. As such, American industrial giants like Ford must now compete against globally dispersed competitors (i.e. Germany's Volkswagen, Japan's Honda) for market dominance, both domestically and overseas. Advances in production technologies have also increased the possibility of flexible modes of production, where manufacturers can more

easily engage in small batch production to satisfy specialized consumer markets around the globe (Piore & Sabel, 1984). The latter also coincides with the “information society” thesis, which suggests that Western societies have entered a post-industrial economic era dominated by the production, distribution, and consumption of information, aided by rapid developments in information technologies in the last half of the 20th century.

The theorized emergence of a post- or neo-Fordist mode of production in Hollywood serves as an interesting explanatory device, in terms of when and why the discourse of runaway production first appeared. But it is important to note that there is a great deal of disagreement within media industry studies as to whether this transition has actually occurred. For those who support the idea of a transition to a post-Fordist mode of production in Hollywood, they point to the 1948 *U.S. vs. Paramount* anti-trust case (a.k.a. “The Paramount Decision”), closely coinciding with the first appearances of runaway production in the press in 1949. The anti-trust ruling effectively dismantled the Big Five’s oligopolistic stranglehold over the distribution and exhibition of films in the U.S. Storper (1994) argues that at this crucial point in the industry’s history, the major studios shifted out of necessity to a system of “flexible specialization.” A defining characteristic of flexible specialization within the film industry, according to Storper, was the shift towards more competitive, yet cooperative, production practices. This included increased collaboration between the studios and independent production companies, which allowed the studios to rid themselves of some of the burdensome overhead costs of entirely in-house production. The shift toward more competitive industry practices naturally brought major changes for film production labor. Under the studio system, the Big Five had attempted to monopolize the labor market by putting actors, writers, producers, directors, and skilled production labor under long-term exclusive contracts. After the Paramount Decision, the studios

ended the practice of signing exclusive contracts with labor, and instead took their chances on hiring labor and talent on the open market. For movie stars and other much-sought-after “above-the-line” talent, it was a veritable boon, as they were able to demand much more lucrative per-project contracts when freed from their stagnated studio contract salaries. “Below-the-line” workers, on the other hand, were at a distinct disadvantage outside the studio system, with Hollywood’s craft unions reduced to the role of “hiring halls” at the mercy of the cost-conscious independents (p.206). Unmoored from their “home” in the studios, it is at this juncture that labor put to use the discourse of runaway production to express their frustration.

Storper has been accused of being overly selective in his account of Hollywood’s transition to a post-Fordist mode of production. Instead, Smith (1998) contends that the Hollywood film industry has shown distinct signs of vertical re-integration in the 1980s and 1990s, and that it is too soon to declare that the industry has moved beyond Fordist models of industry organization and control. By Smith’s account, and other prominent film industry scholars including Tino Balio, Hollywood is still comprised of a small group of massive media conglomerates, with oligopolistic control over certain sectors of the industry, specifically finance and distribution. As such, Smith suggests that it is perhaps better to understand Hollywood’s contemporary mode of production as quasi-Fordist, or as David Harvey (1990) would describe it, “late capitalist”: while certain elements of production and consumption have become more fragmented with the globalization of the Hollywood film industry, there still remains a great concentration of power and control within Hollywood, in terms of capital accumulation, ability to reproduce and broadly disseminate a Hollywood film aesthetic, as well as dominance of technological innovation within the industry. This final explanation seems to make the most sense within the history of runaway film production provided in this dissertation. The

concentration of power and control over the New International Division of Cultural Labor, and thus over the distribution of production and labor, has shown no signs of weakening over the last 60 years. Rather, as Curtin (2003) has argued, we are seeing the endurance of global media capitals like Hollywood that remain very much in control of the flow of capital, labor, and other resources through the global industry system.

Theories of Media and Globalization

In the past, theories of media and globalization were dominated by the concept of cultural imperialism, in which media and cultural products were argued to flow from a Western-dominated center to a non-Western periphery. The secondary recipients of Western media were then argued to be in danger of losing their localized cultural identity, and localized media, under this deluge of Western cultural influence. Much has changed in scholarly thinking about globalization and the role of media, with many media and communication scholars now supporting models that represent more complex, multi-directional global flows of cultural influence and capital. And rather than models that depict a flow of influence from a more modern West to “the Rest,” contemporary theories of media and globalization consider the ways that multiple modernities may co-exist and interact in a globalizing world (Appadurai, 1996; Harvey, 1990).

One of the most influential contemporary models of globalization, and one that serves as a foundation for this study of runaway production, is Arjun Appadurai’s (1996) theory of global “scapes.” Within this model, Appadurai identifies five major landscapes or dimensions that he sees as most important to shaping cultural, political, and economic experiences of globalization: 1) ethnoscares, representing globally mobile groups and individuals, including guest workers, tourists, immigrants, and various exiles and refugees; 2) mediascapes, comprised of both the

electronic means of media and information distribution, as well as their content; 3) technoscapes, which include “both high and low, both mechanical and informational” technologies capable of traversing global boundaries at high speeds; 4) financescapes, characterized by transnational pooling and global flows of capital; and finally, 5) ideoscapes, made up of “the ideologies of states and the counterideologies of movements explicitly oriented to capturing state power or a piece of it...[consisting of] chains of ideas, terms, and images, including *freedom, welfare, rights, sovereignty, representation*, and the master term *democracy*” (pp. 33-36). Appadurai’s scapes are argued to represent many of the key components and disjunctures within the history and discourse of runaway production, including matters of mobile and immobile labor forces and production processes (i.e. ethnoscape, mediascape, technoscape), foreign investment and the fairness of free trade policies and cultural industry subsidies (i.e. financescape), and the political, economic, and cultural ideologies used both to defend and challenge production outsourcing (i.e. ideoscape).

Theories of Space and Mobility

Theories specifically addressing labor mobility, spatial distribution, and spatial and cultural identities also form an important part of the theoretical foundation of this dissertation on runaway production. A central logic within the discourse of runaway production is arguably the loss of territorial ownership and cultural identity with the Hollywood production industry; the discourse vividly describes how Hollywood labor feel that their industry has “run away” from them. In order to explore this aspect of the discourse, I turn to Nestor García Canclini’s (1995) theory of the deterritorialization of cultural identity in a global context. For Canclini, deterritorialization is a discourse used to express “the loss of the ‘natural’ relation of culture to geographical and social territories” (1995, p. 229). Similarly, it is argued that the discourse of

runaway production has been used by Hollywood labor to describe the loss of a natural relationship between media (i.e. cultural) production and its geographic “homeland” in Southern California. Alternately, theories of reterritorialization and “corporate transculturalism” (Kraidy, 2005) describe cultural discourses “in which fluid identities and porous cultural borders are depicted as growth engines in service of a cosmopolitan capitalism” (p. 90). This perspective proves particularly relevant within counter discourses to runaway production, as producers and other free trade interests reprimand Hollywood production labor for their old-fashioned and short-sighted understanding of the political economy of global Hollywood.

One of the most influential scholars in this conceptual territory comes from outside media industry studies—geographer Doreen Massey. One of her most compelling arguments, and the one mostly closely integrated within this study of runaway production, describes how labor distribution and mobility are subject to the power geometry of time-space compression, the latter being a key characteristic of globalization (Massey, 1984). Massey explains that while the mobility or immobility of labor are important factors for illustrating power relationships within globalizing industries, labor’s relationship to the “flows of interconnections”—their ability to influence or control the time-space compression of capital and production resources—is even more important. Miller and Leger have integrated Massey’s theory into their construct of the New International Division of Cultural Labor, arguing that the mobility of media industry capital and production resources is greatly determined by producers and other corporate interests who have the ability to create “interconnections” and cultivate ideal production conditions through industry-friendly government policies (Miller & Leger, 2001). Michael Curtin’s (2003) conception of “global media capitals” is also closely related to Massey and Miller’s work.

Through this theory, Curtin identifies Hollywood, along with other global centers such as Hong Kong and Bombay, as media industry switching stations from which concentrations of industry elites and multinational media corporations control the global flows of creative, economic, and human capital. Within this history of runaway production, I use Curtin's concept of global media capitals to better understand how various labor groups conceptualize Hollywood's role in globalizing media industries: as a situated place where production happens, as a control center from which global productions are conceived and exported for manufacturing, or as a mobile process deterritorialized from its geographic home in Southern California.

Research Questions

In the course of this research on runaway production, several practical and conceptual questions have been posed to elaborate on those raised within its theoretical framework. Given the sparse coverage of the development of runaway production in previous studies, the first group of questions guiding this dissertation has been necessarily historical:

- Under what conditions did the issue of runaway production emerge?
- How has the discourse changed since its first mentions in the late 1940s, and why?
- Who have been the major contributors to the discourse of runaway production over time, and what purpose has the discourse served for the various entities involved, e.g. film labor, studio owners, state and federal legislators, and the press?

These questions have not only led to a more detailed understanding of the historical development of runaway production, but have also provided fresh insight into the nature and progression of the relationship between Hollywood and state legislative interests since the 1940s, particularly concerning the regulation of production and labor practices both at home and abroad.

A second set of research questions employed in this study has concerned the function of runaway production as a Hollywood labor and industry discourse, as well as its function within and compatibility with more overarching political, economic, and cultural contexts:

- How has runaway production functioned as an anti-outsourcing discourse?
- How has the discourse represented and served the interests of Hollywood and U.S. labor?
- Has the discourse of runaway production in any way served Hollywood's dominant industry interests (e.g. producers and studio owners)? If so, in what way?
- How has the discourse functioned in relation to dominant political and economic ideologies at various points in its history? e.g. anti-communism in the 1950s.
- How and with what effect has the discourse of runaway production been used to challenge dominant values and belief systems in the U.S. over time?
- How has the discourse functioned to reinforce Hollywood's claim to being the authentic "home" of global film production?
- And finally, how has the discourse of runaway production, and its construction of Hollywood and the U.S. as the authentic homes of film and television production, been understood or perhaps challenged by production interests in so-called "runaway" locations?

As stated previously, it has been a primary goal to understand how the discourse of runaway production has functioned as a "regime of truth": representing and reinforcing a particular ideological worldview that constructs Hollywood as the best and most authentic producer of media and all other locations, both home and abroad, as criminal interlopers. In this sense, these

questions have helped to illuminate the function of the discourse of runaway production within the more broadly conceived, culturally imperialistic worldview of “the West and the rest” as explicated by Stuart Hall (1996) and other cultural scholars. But these questions have also provided fresh insight into the way that runaway production and other pro-labor movements and their discourses may take on a hegemonic function, ultimately fostering programs such as industry tax breaks that paradoxically reinforce and even reward the neoliberal globalization that below-the-line labor have opposed.

Methods of Analysis and Data Collection

This study of runaway production has been constructed as a critical discursive history, meaning that my goal has been not only to create a detailed chronology of the issue, but also to critically analyze its historical development and function as a media industry discourse. The analytical approach employed in this study has most closely followed the structure of ideological criticism, in which ideology is understood to be “a pattern or set of ideas, assumptions, beliefs, values, or interpretations of the world by which a culture or group operates” (Foss, 1996, p. 291). Foss explains that the primary goal of ideological critics is to “discover and make visible the dominant ideology or ideologies embedded in an artifact and the ideologies that are being muted in it” (pp.295-6). Everyday discursive practices, including media texts, are argued to function as symbolic vehicles for the production and dissemination of cultural ideologies, as well as important sites for struggles over their meanings (Hall, 2000). In this dissertation, the historical discourse of runaway production has been treated as a cultural artifact through which dominant ideologies such as the primacy of Western media industries over processes of cultural production, the “natural” progression of the global free trade of cultural products, and the

degeneracy and ineffectuality of trade unionism, have been alternately negotiated, challenged, and reinforced.

In order to construct this history of runaway production, several industry and government archives were visited, including the special collections libraries at the Academy of Motion Picture Arts and Sciences in Los Angeles, UCLA, and the University of Southern California, the film industry archives at the Wisconsin Historical Society in Madison, and the California state archives in Sacramento. Through these archives, an extensive catalogue of over two thousand primary source documents was compiled, including popular and trade press articles, government documents, and various organizational and production-related materials. First, popular press articles pertaining to runaway production were collected from the *New York Times*, *Chicago Tribune*, and *Los Angeles Times*. Articles were also collected from prominent newspapers in Canada, namely the *Vancouver Sun* and the *Toronto Star*. These cities have historically supported the most vital commercial film and television production communities in the U.S. and Canada, and were therefore considered most likely to have engaged the issue of runaway film production in their respective newspapers. These news items were used primarily to investigate how the issue of runaway production was being framed by the popular press and presented to the general public. They also provided important political, cultural, and economic context in terms of the juxtaposition of the issue of runaway production with other major issues of the day, such as election cycles and the Cold War.

Media industry trade publications formed another important source group, and included the *Hollywood Reporter* and *Variety* in the U.S., *Playback* in Canada, as well as several newsletters and journals produced by Hollywood's unions and guilds. At the most basic level, these trade publications provided valuable insight into U.S. and Canadian industry perspectives

on the issue of runaway production. The publications of the specific unions and guilds also provided an open forum for their members to expound on their beliefs and worldviews regarding runaway production—something that the more objective-minded and space-conscious popular press could not provide. In this way, the media industry trade press, like much alternative media, was approached as an important outlet for information about labor issues and debates that would not normally make it through the gatekeeping and agenda setting functions of the mass media.

Similarly, various industry documents, including film production notes and internal communications, and the private papers and oral histories of industry figures central to the discourse of runaway production, were also consulted. While not always directly related to the discourse of runaway production, these documents often illustrated the power that certain individuals, namely directors, producers, and movie stars, had over labor decisions and overseas production planning. These archival materials were then used to frame discussions of the shifting labor dynamics within the NICL, as well as shifting logics within the discourse of runaway production over time.

Finally, government documents examined for this study included records of Congressional hearings on media labor and runaway production, special reports produced by the Department of Commerce, as well as a wide range of industry subsidy initiatives proposed at the state and federal levels. These documents help to demonstrate how the issue of runaway production evolved into a legislative discourse; one that could be translated into implementable policies. They also show how political and labor interests began working together to address the issue of runaway production, and how the discourse was used to try to reach mutually beneficial ends.

CHAPTER SYNOPSIS

The chapters in this dissertation have been organized around the major conceptual formations and shifts in the discourse of runaway production since its first appearances in the 1940s. Chapter two, the first of four analysis chapters, describes the introduction of the issue of runaway production in the late 1940s by Hollywood trade unions protesting the staging of U.S.-backed “frozen funds” productions in Europe. While Hollywood’s studio owners and film producers argued that these productions were an extension of the democratic mission of the Marshall Plan to stabilize European economies, Hollywood’s “below-the-line” production labor countered that the outsourced productions were a form of “un-Americanism.” It is argued that the debates over runaway production in the 1940s and 50s portended the decreasing power and mobility of below-the-line labor within the newly developing International Division of Cultural Labor, while at the same time showcasing the increasing power and mobility of Hollywood’s ownership class, whose global neoliberal agenda was more closely aligned with the ideologies of free trade and global democracy dominant in postwar Washington.

Chapter three follows the discourse of runaway production into the 1960s, when themes of runaway free trade and runaway industry extravagance served as its primary organizing constructs. During this period, Hollywood labor argued that producers were running away from organized labor in search of cheaper alternatives abroad, particularly in the case of labor-intensive blockbuster productions like *Cleopatra* (1963) that were becoming the cornerstone of the industry. Labor also complained that “runaway” actors and directors who insisted on living abroad for tax purposes were driving productions out of Hollywood. It is at this juncture that so-called runaway directors and producers argued for recognition of a distinction between economic and “creative” runaways—productions staged abroad for the purpose of location authenticity,

and not cost savings. The counterargument was also made that the need to pursue new markets for Hollywood films abroad was vitally important to the growth and stability of the home industry, and trumped any runaway complaints of Hollywood's trade labor. The growing tensions between Hollywood's above and below-the-line labor classes over runaway production practices in the 1960s are argued to reflect Massey's (1984) theory of global labor power geometry, in which certain privileged groups not only exercise more mobility within an international division of labor, but also more control over the flow of capital and investment within the system. This power differential extends to the construction of "authentic" images within the global mediascape (Appadurai, 1996).

Chapter four examines the distinctive shift in the discourse of runaway production toward domestic competition in the 1970s and 80s. Several states not previously known for their affiliation with film and television production began setting up their own state film commissions and aggressively courting the industry during this time period, including Georgia, Florida, and Texas. As Hollywood stalwarts like Dino de Laurentiis and Disney Studios began investing more heavily in production facilities in other states, Hollywood's production labor increasingly framed the discourse of runaway production around right-to-work laws and other state incentives that they perceived to be anti-competitive. The growing emphasis on domestic and regional production competition in the 1970s and 80s is argued to demonstrate how processes of globalization tend to function through multiple "modes of organization," including municipal, local, and international contexts (Pieterse, 2004). It is also argued that the discourse of domestic runaway production played into a "divide and conquer" strategy employed by Hollywood's studios and producers who used regional competition to isolate and weaken the bargaining power of organized production labor in the U.S. (Christopherson, 2005). Also discussed in this chapter

is the negotiation of a “runaway clause” by Hollywood’s animation guild in an effort to stem the outsourcing of labor-intensive “ink and paint” work overseas. Animation labor’s runaway story is one that ultimately hinges on the use of new digital communication technologies to manage the global distribution of animation work—a scenario that arguably reflects the function of the “technoscape” in processes of globalization.

In the final analysis chapter, the case of Canadian runaway production is the primary focus. But given the considerable academic literature on the development of “Hollywood North” in the 1990s and 2000s, the discussion instead centers on the counterdiscourse to runaway production constructed by Canadians during this period. On one level, the discursive battle between Hollywood and Canadian labor represents a continuation of the regionalization of labor competition in the New International Division of Cultural Labor (NICL). It also is argued to reflect the development of a system of global “media capitals”: a network of major industry hubs that manage the flow of global capital, creative work, and other resources throughout the NICL (Curtin, 2003). Finally, it is suggested that governmentality, or the instrumental use of national and cultural identity by governments in the service of transnational industries, has become a guiding logic in the debates over runaway Canadian subsidies in the 1990s and 2000s (Bennett, 1992).

CHAPTER TWO: “HOLLYWOOD AT THE CROSSROADS”: RUNAWAY FILM PRODUCTION AND THE POSTWAR FILM INDUSTRY

INTRODUCTION

This chapter focuses on the earliest discussions of “runaway film production” by the Hollywood film industry and press during the 1940s and 50s. It is argued that U.S. involvement in the postwar restoration of Europe, as well as the Cold War with Russia, played crucial roles in inspiring and developing the early discourse of runaway film production among Hollywood labor. In the case of European restoration, it is shown that the discourse of runaway film production developed in direct response to the negotiation of the Anglo American Film Pact of 1950, in which the Motion Picture Association of America agreed to exchange production investment in the United Kingdom for access to film exhibition funds “frozen” after the war. The 1950 Film Pact is argued to represent an early step toward the establishment of a New International Division of Cultural Labor (NICL) (Miller, Govil, McMurria & Maxwell, 2001) in the service of a globalizing Hollywood film industry. And perhaps not surprisingly, the discourse of runaway film production—at its core a protectionist, anti-globalization discourse—developed right alongside the NICL, serving as an expression of the fear and frustration of Hollywood labor over the rapidly changing labor conditions of their industry.

In the second section of the chapter, the influence of Cold War politics on the discourse of runaway film production is explored, and in particular the integration of the volatile discursive themes of anticommunism and un-Americanism. The ideology of anticommunism is shown to have permeated “runaway” debates in the 1940s and 50s, having been activated by both Hollywood labor and industry elites at some point during this period. However, the latter are argued to have used the rhetoric of anticommunism most effectively as a “control mechanism”

on behalf of Hollywood's ownership class (Herman & Chomsky, 2002), specifically to quell jurisdictional battles among Hollywood trade unions in the mid 1940s, to force Leftist film workers into exile via the House Un-American Activities Committee Hearings, and finally, to quiet Hollywood labor's dissent over foreign production practices.

The postwar political and economic recovery of Europe and the development of the Cold War were, of course, intricately intertwined. And as such, these events and their related discourses frequently appeared side-by-side in the early history of runaway film production. Together, they paint a compelling picture of the dramatic shift toward the global made by the Hollywood film industry (along with many other industries) following the war. Yet, as Malcolm Waters (2001) has argued, globalization is more than a shift toward globalized modes of production, but is also "a social process in which the constraints of geography on economic, political, social and cultural arrangements recede, in which people become increasingly aware that they are receding and in which people act accordingly" (p.5). The discourse of runaway film production in the postwar era arguably reflects the increasing awareness among Hollywood labor of their receding role within a globalizing film industry, and their need to "act accordingly" and fight to maintain a significant position within the New International Division of Cultural Labor.

SETTING THE STAGE FOR THE "RUNAWAY" DEBATES

Though the discourse of runaway production would bring attention to the practice of Hollywood production overseas in the late 1940s, it by no means signaled the beginning of such practices. On the contrary, Hollywood's majors had actively pursued both distribution and production opportunities in Europe for most of the 1920s and 30s. During these decades, foreign markets brought in approximately 35% of Hollywood's exhibition revenues, with English-speaking countries, namely Great Britain, representing 50% of revenues earned outside the U.S.

and Canada (Balio, 1996, p.32; Thompson, 1985). With such significant earnings on the line, Hollywood film interests looked for ways to both sustain and perhaps expand European markets.

European filmmakers, particularly in France, Germany, and Italy, were leery of Hollywood's increasing dominance of their cinema screens. The result was a "Film Europe" lobbying campaign that called for collaboration amongst pan-European film industries to compete with, and keep at bay, the ever-powerful American film industry (Higson & Maltby, 1999). In addition to calls for increases in government support of domestic productions, the Film Europe contingent called for import quotas and tariffs on the distribution of foreign films, with a specific focus on those coming from America. Despite apprehensions over American cultural imperialism, Europe had its share of successful film production studios. Germany's Ufa Films had been established in 1917, around the same time as some of Hollywood's earliest studios. In the 1920s, Ufa set the standard for commercially viable film production in Europe with international hits like Fritz Lang's *Metropolis* (1927) and the development of international stars like Marlene Dietrich and Greta Garbo (Kreimeier, 1996). Some argue that in the pre-Nazi era, the German film industry easily ranked second in the world behind Hollywood with regards to sales and reputation (Balio, 1996). But with the installment of the National Socialist Party in 1933, the prominence of Germany's industry began to decline as studios such as Ufa were forced to give up their independence and creative control to the State. And as Europe became embroiled in the Second World War starting in 1939, the Film Europe campaign was naturally abandoned.

The Hollywood studios were not deterred by the Film Europe campaign, and in some ways may have benefitted from it. The "majors" applied two primary tactics in their attempts to access European markets. Their first was to contract popular European stars like Dietrich and Garbo to appear in Hollywood films in order to appeal to European audiences; a practice Fritz

Lang called “trophy hunts” (Bergfelder, 1999, p.304). Another involved producing films specifically for the European market, which is perhaps best exemplified by Paramount’s Joinville venture.

Motivated by the rush to provide “talking” pictures to eager audiences around the world, Paramount invested \$10 million dollars in soundstages just outside Paris in the city of Joinville in 1930. Though Paramount and other Hollywood majors had begun dubbing their existing silent and sound pictures for foreign audiences, the Joinville project was to take a different approach. The Paris studio’s primary task was remaking some of Paramount’s Hollywood and Astoria productions using European casts speaking their own languages. For instance, *Sarah and Son* (1930) was a Paramount release that told the story of a mother from New York trying to find her kidnapped son just after the First World War. The film was remade in six different language versions at the Joinville studios, including *Toute sa vie* (1930), *Toda una vida* (1930), and *Il Richiamo del cuore* (1930) (Waldman, 1998). The Joinville project was abandoned after three short years because, as Paramount’s executives argued, audiences outside the U.S. would rather see Hollywood stars than little-known actors from their own countries speaking their own languages (p.xii).

Hollywood’s other European market exploitations began to slow dramatically as the Second World War approached. In 1929, Hollywood had distributed over two hundred films to the German market. By 1932, the number of films dropped to fifty, and by 1936, Germany was no longer accepting film imports from the U.S. (Balio, 1996, p.35). It was a similar story in Italy and Spain. The British market, a lucrative distribution and trade outlet for the Hollywood majors, also fell off the distribution charts as theaters were boarded up with the beginning of Nazi bombing raids in 1939.

Back at home, the Hollywood production industry had managed to survive the Great Depression relatively unscathed. Though movie attendance had taken a hit in 1932, the numbers began to rebound by the following year, jumping from an average 60 million weekly attendance in 1933 to 88 million by 1936 (Balio, 1996, p.30). Despite the relative economic stability of the Hollywood film industry, the 1930 and 40s proved to be a tumultuous time for Hollywood production labor. The film industry's largest trade union, the International Alliance of Theatrical and Stage Employees (IATSE), had engaged in a protracted, and sometimes violent, battle with the Conference of Studio Unions (CSU) for jurisdiction over Hollywood's studios. From these events emerged some of the key voices within the earliest debates over runaway film production in Hollywood. And it is also through these events that the issue of runaway film production became inextricably linked with other important political agendas in Hollywood at the time, namely the campaign against Communist infiltration of the industry at home and abroad.

Even before foreign or domestic competition appeared on the radar of Hollywood labor unions, turmoil within their unions had set the organizations off kilter. In 1937, thirty-seven set decorators left IATSE to form their own representative labor group, the Society of Motion Picture Interior Decorators (SMPID). They became affiliated with the Conference of Studio Unions in 1944—a group with suspected communist leanings—after a failed attempt to certify their contract with the National Labor Relations Board (NLRB). IASTE leadership disputed the set decorators' affiliation with the CSU, as well as the legitimacy of their contract, arguing that some of the set decorators were still members of Hollywood's IA Local 44. IATSE's strategy ultimately worked: SMPID's contract negotiations stalled for several months, forcing the CSU into a protracted strike that led to the notorious Black Friday riots outside Warner Brothers studios on October 5, 1945 (Horne, 2001).

Disturbed by the violent tactics of the CSU and eager to restore order to the industry, IATSE international president Richard Walsh went in search of a union steward who could restore order to Hollywood's IA local and reinstate its jurisdiction over wayward members. Walsh found that person in Roy M. Brewer, a labor leader from Oklahoma who had made a name for himself organizing his state's film projectionists at the age of 16 and becoming the youngest president of Oklahoma's AFL at 23 (King, 1953). Brewer's first order of business as head of Hollywood's IATSE local was to begin a relentless smear campaign against the CSU and its leader Herb Sorrell. Sorrell's reputation as a labor leader was already in tatters after the Black Friday incident, having been found guilty of inciting a riot and sent to jail for a short time, though he was later acquitted on all charges. Brewer marked Sorrell as part of a communist conspiracy to infiltrate Hollywood labor organizations in order to gain access to the motion picture industry, which could then be used as a covert propaganda tool by the "Reds." By 1948, Brewer's strategy had effectively dismantled the CSU along with Herb Sorrell's credibility as a labor leader. Producers afraid of being associated with a known or suspected communist organization quickly fell in support of IATSE's agenda, creating untenable working conditions for CSU members in their studios, and forcing the organization into yet another strike that dealt the final blow to their already depleted coffers. Roy Brewer had accomplished what he'd been hired to do: put down the CSU insurrection and restore the IATSE's jurisdictional dominance within Hollywood's studio system. With the confidence of Hollywood's labor community behind him, Brewer was ready to take on another looming threat—the increasingly common practice of making Hollywood films abroad.

In the years following the CSU strikes, Brewer became integrally involved in two powerful union coalitions in Hollywood: the Motion Picture Industry Council (MPIC) and the

Hollywood AFL Film Council. It is through these organizations that Brewer campaigned against foreign production practices and helped forge the discourse of runaway film production.

Organized in 1947, the Hollywood AFL Film Council was a group comprised of representatives from nearly all of Hollywood's film industry unions. The Council boasted representation of over 25,000 organized workers in the Hollywood film industry, including members of the Screen Actors and Screen Extras Guilds, the Teamsters, Studio Janitors, and the IATSE (Brewer, 1948).

In an American Federation of Labor newsletter, Brewer described the purpose of the Council as an attempt to unite union laborers affiliated with the A.F.L. within the motion picture industry. In truth, it had only been three years since the violent CSU strike activity at Warner Bros. Most within the Hollywood film industry understood the establishment of the Council to be an attempt to portray stability and peace in the industry, not only among the workers, but between the labor organizations and the producers as well. With the House Un-American Activities Committee turning its eye toward Hollywood at precisely this time, it is also likely that the AFL Film Council was meant to represent a united, anticommunist front.⁴

The Motion Picture Industry Council (MPIC) was formed on the heels of the AFL Film Council in 1948. The MPIC was similarly part of an industry-wide effort to repair relations among labor and between Hollywood's producers and labor organizations—all relationships severely strained by the IATSE-CSU struggles of a few years previous. With more of a focus on representing the film industry's "above-the-line" labor and management class, the MPIC was comprised of a mix of ten major Hollywood organizations, including the Screen Writers' Guild, the Screen Actors' Guild, the Society of Motion Picture Art Directors, the Motion Picture

⁴ The argument has been made that Roy Brewer himself turned the attention of HUAC on Hollywood labor during his jurisdictional standoff with the CSU and its reputedly communist leader Herb Sorrell. Brewer was in fact interviewed extensively by the Committee in December 1946, ten months before the public hearings in Hollywood. (Meeks, 2009, p.171; unpublished dissertation)

Producers Association, the Screen Directors' Guild, Independent Office Workers, and the AFL Film Council (Arthur, 1949). One of the MPIC's primary functions was as an industry liaison in matters pertaining to inter- and intra-industry policy development, including consultation on censorship rules and international film trade policies (Academy of Motion Picture Arts and Sciences, 2007). The Motion Picture Association of America (MPAA) was the central agent involved in the direct negotiation of such matters, particularly regarding international trade policy development. But it was widely accepted that the MPAA represented the voice of the "majors" and their corporate interests, and not necessarily the interests of those more directly involved in the production process. As such, the MPIC was meant to provide a consulting body for the production sector of the industry that functioned separately from the MPAA, but that could also work in conjunction with the MPAA when policy issues arose that had the potential to impact production. One such issue surfaced in 1950, concerning British "frozen funds" production and the negotiation of the Anglo-American Film Pact by the MPAA.

RUNAWAY RESTORATION: POSTWAR "FROZEN FUNDS" AND OVERSEAS PRODUCTION

Film production and exhibition across Europe had ground to a near-standstill during WWII. Many theaters in England and across Europe had been forced to close due to economic or political constraints, and in many cases both. Before the war, Hollywood studios were earning roughly 30% of their exhibition revenues from foreign markets (Guback, 1976, p.394). So not surprisingly, the studios were eager to get back into European markets at war's end to pick up where they'd left off, especially as they had stockpiles of films ready to be exported that had accumulated during the war. But the European economy had changed drastically as a result of the war, with many countries left in dire financial straits. Despite efforts to stabilize the currency imbalances among European nations impacted by the war, mainly through the Bretton Woods

Agreement of 1944, many still found themselves strapped for cash and precipitously close to national bankruptcy (Grossberg, Wartella, Whitney, & Wise, 2006, p. 426). England instituted several economic measures to try to stem the flow of cash from their already depleted coffers, including a rather stiff 75% import tax on American films, as well as a \$17 million cap on exportable U.S. film exhibition revenues; proceeds exceeding the \$17 million mark were conditionally “frozen” by the British government (p.397). U.S. film interests and their Congressional counterparts were outraged by the measures, immediately organizing an embargo on the export of U.S. films to England. Anger and panic then filtered down to British theater owners, who relied on American films to fill approximately 80% of their screens: without American films, they argued, their already war-crippled industry would certainly crumble (I.A.T.S.E, 1948, pp. 225-6). Eric Johnston, president of the Motion Picture Association of America, was sent to the UK in 1948 to negotiate a compromise, dubbed the Anglo-American Agreement.⁵ The initial agreement announced on March 11 included the lifting of the 75% import tax by the British government, viewed as a major coup by Johnston on behalf of Hollywood studio interests. Yet, the British remained vigilant in protecting their rather delicate post-war cash resources: the \$17 million dollar cap on exportable revenues remained. As a consolation, U.S. film interests were offered access to “frozen” funds beyond the \$17 million mark through their reinvestment in British industry, and particularly British film production (Deal made to lift British film tax, 1948). It was a compromise Johnston and the studio execs were willing to live with for a term of four years, but one that Hollywood labor bitterly resented.

Labor leaders and members of Hollywood’s production community were immediately apprehensive about the Anglo-American Agreement, but at least initially somewhat sympathetic to the economic plight of their wartime ally. At the 1948 bi-annual convention of the IATSE,

⁵ Also referred to as the Anglo-American Film Pact.

Tom O'Brien, MP and General Secretary of the National Association of Theatrical and Kine Employees (NATTKE) of the U.K.,⁶ addressed the delegation at the behest of IATSE international president Richard Walsh. The official proceedings from the convention described a "warm and sincere" reception from the crowd, followed by a "heartfelt address" by O'Brien (I.A.T.S.E, 1948, p. 223). The general tone of his speech was conciliatory, stating that the 75% import tax was not intended to be "anti-American" or "anti-Hollywood." The British had been forced to cut back on food imports and other necessities, and in light of such cutbacks, the \$70 million annual payout for Hollywood film exhibition could no longer be justified without imposing an import tax (p.225). O'Brien applauded the MPAA's Eric Johnston for his efforts in negotiating the Anglo-American Agreement, arguing that many in Parliament, including himself, had also been working to convince England's Board of Trade (equivalent to the U.S. Department of Commerce) to retract the import tax. In the end, he encouraged continued cooperation between the British and American film industries, not only for the mutual betterment of each country's economy, but also in the interest of a mutual commitment to fight totalitarianism around the world:

The only people who will benefit by the collapse of the American and British film industries will be those who want to ruin them in order to control them for Un-American and Un-British political ends. The stage and the films, once in the hands of the enemies of Democracy, would make the destruction of Democracy the more certain.

[...]

⁶ NATTKE was the British equivalent of the IATSE, representing below-the-line film, television and stage labor in the United Kingdom. NATTKE joined the Association of Broadcasting Staff in 1984 to become the Broadcasting and Entertainment Trades Alliance (BETA). In 1991, BETA was merged into the Broadcasting, Entertainment, Cinematograph and Theatre Union (BECTU), which is still in place as of this writing.

And just as your great country and Britain are united in the big task of preserving the peace of the world and resisting the hellish doctrines of totalitarianism, so should the workers of the entertainment industry of our two nations find full security, protection and happiness in loyal and understanding cooperation now and in the difficult years before us. (pp.228-229)

The unity and goodwill prescribed in O'Brien's speech seems only to have lasted a few short months. By February 1949, IATSE and the Hollywood AFL Film Council were engaged in a full-bore lobbying effort—through the press as well as political channels—against frozen funds “runaway” production in England.

Six months after IATSE's convention, the trade press reported that the Hollywood AFL Film Council had formed a special subcommittee on foreign production. Headed by John Lehnern, Business Agent of the Hollywood Editors Guild, the committee was to investigate the practice of American companies using frozen funds to shoot films in places like England and Italy, and to explore ways of discouraging the practice (AFL Council to ask, 1949). It was also reported around this time that the Film Council would be calling on the support of the entire membership of the American Federation of Labor for support in fighting “runaway” foreign production practices that were perceived to be compounding unemployment problems in Hollywood (IA backs AFL Film Council, 1949).⁷ The Council was seeking a satisfactory solution to the “runaway” problem from Hollywood execs and producers while threatening to lobby for a government ban on the exhibition of foreign runaway films in the U.S. if none was offered (Brady, 1949). On March 7, 1949, John Lehnern and Roy Brewer met with Eric Johnston and Y. Frank Freeman of the Motion Picture Producers Association (MPPA) at the Beverly Hills

⁷ This was the earliest reference to foreign film production as “runaway” production in the U.S. press found during the course of this research.

Hotel to work out a compromise on the frozen funds production situation. According to the *Los Angeles Times*, “It was agreed unanimously that one of the principal causes of unemployment in Hollywood studios [was] the freezing in foreign countries of income earned by their American films” (Unions to help film producers, 1949, p.A1). It was also agreed that the MPAA, AFL Film Council, and the Producers Association would work together to find ways to reduce restrictions on American film production that had been created by the frozen funds rules in Europe, with Freeman designated as a liaison between the AFL Film Council and the MPAA.

At the end of March, Roy Brewer and SAG representative Kenneth Thomson went to Washington D.C. to directly solicit support from members of Congress and the House for a proposal to create counter-restrictions on British films. Senator Knowland of California, convinced to join their cause, described British screen quotas on American films and frozen funds policies as “rank discrimination” and the cause for mass unemployment among Hollywood laborers (Action sought against British, 1949, p.A8). He went on to express his disgust over the inequity of the situation, even invoking the specter of communism as a possible motivation for the British frozen funds policies:

The British loan agreement said the trade barriers were to be broken down. We have been doing the breaking down while the British have been creating new barriers. The barriers are being broken down only on our part while they (the British) create economic iron curtains. (Arthur, 1949, p.4)

On April 1, 1949, four delegates from the Motion Picture Industry Council met with president Truman to discuss the problem of frozen funds “runaway” film production—Roy Brewer of the Hollywood AFL Film Council, Kenneth Thomson of the Screen Writers’ Guild, Richard Walsh of the International Alliance of Theatrical and Stage Employes, and Ronald

Reagan, president of the Screen Actors Guild (Group talks to Truman on British film barrier, 1949). Truman was described as having given the group his “sympathetic attention” on the matter, referring them to Secretary of State Dean Acheson (p.3). The next week they met with Acheson, urging the State Department to hold the British government to Article IV of the General Agreement on Tariffs and Trades (G.A.T.T.) regarding the “limitation, liberalization or elimination” of screen quotas (Arthur, 1949, p.1; Film Council asks U.S. act on British quotas, 1949, p. A2). In a discussion draft of the proposal put before the State Department, Art Arthur of the MPIC went on to express his deep misgivings with the British situation, suggesting intentions for their film quota policies beyond economic recovery:

There is good reason to believe the motives behind this present obnoxious quota system go deeper than the question of dollars. The great influence of American pictures has been widely envied by makers of pictures all over the world and maneuvers to impair free circulation of American pictures, including the imposition of artificial trade handicaps, extend far beyond any dollar difficulties.

Failure on the part of the British government to make adequate readjustments would only point up the reasons to believe that motivations of special discrimination exist, and emphasize the necessity for speedy action at the highest governmental levels.

(p.4)

Arthur was not willing to go as far as Senator Knowland in suggesting a communist influence behind British film quotas. But at the very least, his comments were meant to label the policies as anti-competitive and therefore anti-Capitalist, words that certainly would have carried greater import during the Cold War.

The MPIC's aggressive position on British policy elicited at least one response in the *LA Times* from A. Marthason, a British citizen living in Santa Monica and a self proclaimed F.R.A.e.S (Fellow of the Royal Aeronautical Society, UK). Pointing to the MPIC's "naïve political bias," Marthason argued that it was pure hypocrisy on the part of the Council to suggest that the British should accept any and all American films when the American industry would never submit to such pressure from an outside vendor. "Imagine the outburst of patriotic Americans if the Russian Council for the Mass Production of Caviar attempted to high pressure Americans into buying, eating and liking their fishy export" (Marthason, 1949, p.A2). And of course the "fishy export" Marthason referred to was what he perceived to be a steady stream of mostly subpar American films being dumped on the British market. But the added level of hypocrisy was that even with the screen quotas and restrictions on access to frozen funds outlined in the Anglo-American Agreement, the policies still favored a mostly American presence in British theaters, though perhaps not for long:

And so I am sorry to have to break the news to the Hollywood lobbyists that although the British people must still perforce take six American films to four of their own (surely a magnanimous gesture in the cause of Anglo-American amity!) the time is not far off when American films will only be exhibited in England either on their own merits or purely on a quid pro quo basis. (p.A2)

A week later, Art Arthur of the MPIC responded to Mr. Marthason's attack in the *L.A. Times*. He countered that the MPIC was in complete agreement with Marthason: British audiences should definitely be provided with films that stood "on their own merits." But this could only happen if the British government removed frozen funds restrictions and screen quotas and created an open market where these audiences could decide for themselves which American and

British films they believed were best. He then provided a long list of British parliamentary officials who supported the MPIC's position on the mutually detrimental effects of the British film barriers, including House members William Sheppard, Oliver Lyttelton, and Tom O'Brien, who had spoken the previous year at the IATSE convention (Arthur & De Mille, 1949).

There appears to have been little immediate action taken by the State Department after the April 1949 visits to Washington by the various representatives of the film industry. Instead it seems the matter was left to Eric Johnston to address in the renegotiation of the Anglo-American Agreement in 1950. The original agreement was a four year contract, but with many changes and perceived improvements in the condition of the British economy, a renegotiation of the terms of the agreement was deemed necessary at the two year mark. In the months leading up to the talks, the Hollywood unions continued to put pressure on producers to "put the brakes" on foreign production—almost exclusively referred to as "runaway production" by this point—or they would be forced to seek solutions of their own. These "solutions" primarily referred to the unions' ongoing efforts to seek governmental support in reforming the "frozen funds" Anglo-American Agreement of 1948 and for the implementation of a national ban on the exhibition of American-financed films made overseas (Spiro, 1950). Johnston, who was generally well-received by the labor union leaders, was put in the position of mollifying the unions on behalf of Hollywood producers. In April 1950, Johnston met with the AFL Film Council, making an appeal for the importance of the foreign markets to the health of Hollywood's film industry. His appeal seems to have worked, with Roy Brewer openly conceding to Johnston's argument on behalf of the Council (p.X5). But as the time for the Anglo-American renegotiation talks approached, the Council returned to their hostile stance toward foreign production practices and toward the existence of an Anglo-American Agreement at all.

The talks were set to begin May 15, 1950 in Dublin—a location described as “neutral territory” for discussions of an issue that almost exclusively involved the U.S. and England (IATSE, 1950, p. 74). The U.S. emissaries for the negotiations included Eric Johnston and James A. Mulvey of Samuel Goldwyn Productions, both whom had participated in negotiations of the first agreement in 1948. The third emissary for the U.S. was Ellis G. Arnall of the Society of Independent Motion Picture Producers (SIMPP). Arnall had served as Governor of Georgia from 1943 to 1947, after which he was recruited by the SIMPP to help break up the monopoly of the “majors” in Hollywood on behalf of independent producers. (Arnall’s state-mindedness may also have played some part in raising awareness of the possibilities of independent film production outside the major production centers of Hollywood and New York.) On May 2, a week before leaving for the U.K. negotiations, Arnall met with the Hollywood AFL Film Council to assure its members that a “firm stance” would be taken with the British in resolving the frozen funds issue (Hollywood labor won't back down, 1950). As reported in *Variety*, Arnall promised the labor leaders that no deals would be made that continued to support the *quid pro quo*, “frozen funds for foreign production” policy. Arnall and the other U.S. negotiators anticipated a “knockdown dragout session with the British,” as the British were expected to try to reduce the yearly exportable frozen funds quota below the \$17,000,000 mark—naturally, the U.S. delegates intended to negotiate for increased annual funds access (p.22).

While Johnston and company prepared to embark on the renegotiation of the Anglo-American Agreement, turmoil within the U.S. industry over foreign “runaway” production practices boiled over onto the pages of the Hollywood trade press. In a *Variety* editorial, Arthur Hornblow, Jr., MGM producer known for his work on *Gaslight* (1944) and *Asphalt Jungle* (1950), advised the unions to wake up to the fact that film production was no longer just a

Hollywood industry, but an increasingly global one. And whether they were willing to admit it or not, the health of the Hollywood industry was integrally dependent on the health of foreign markets and production:

We're all going to travel a great deal more than we've done in the past. I think most of the boys are taking a sensible attitude in this. Hollywood would fall upon its worst days if income from overseas sources were restricted. The money earned for the industry overseas helps to carry it and helps the individual, too. The industry puts the money back in the employment of people in Hollywood. (Hornblow accents inevitability, 1950, p.2)

Hornblower's argument was common among producers: Hollywood couldn't exist without foreign production, and ultimately it would help, rather than hurt, domestic labor. But in the spring of 1950, labor saw little evidence that foreign production was creating jobs in Hollywood, as Hornblow claimed. According to published employment statistics for motion picture production in southern California, there were 13,000 people working in the industry in May of 1950, compared to 24,000 only four years before (Bernstein, 1957, p.31). For labor leaders, the reason for the lack of work was obvious—runaway production.

As the Anglo-American talks began in mid May, Eric Johnston emphasized the fact that production levels had fallen off not only in Hollywood, but internationally, in part due to war recovery. Under the circumstances, it was argued that it just wasn't realistic that American producers would have the ability to use all of the \$50,000,000 frozen in the U.K., and that new and more flexible provisions for accessing the revenues were needed from the British Board of Trade (U.S. leaders in London, 1950). The deadline for renewal of the 1948 agreement was June 11, but progress in the initial talks between Johnston and British Board president Harold Wilson was slow. As expected, the Brits proposed to decrease the amount of funds that could be

exported by the U.S. film industry annually, as well as the percentage that could be accessed through the production of American films on British soil. A new “incentive” provision was put on the table, which offered American producers access to fifty cents on the dollar for monies invested in the making of British “quota” films—films meant to fulfill the 40% British exhibitionary quota set for British movie theaters (Gains small for British film talks, 1950).

Johnston and the American film interests he represented were adamant that the British economy had experienced substantial recovery since the 1948 Agreement and that the goal should be to wean the British industry from the practice of frozen funds production rather than increase restrictions on revenue access. The American negotiators also understood that the stakes were much higher than their immediate dialogue with the British; they anticipated a domino effect among countries such as Italy and New Zealand who would follow suit in renegotiating their own frozen funds policies. Union leaders were startled by the possibility of an epidemic of “frozen funds” runaway productions spreading across Europe. Dick Walsh, the IATSE’s international president, had been asked to meet with Eric Johnston in Dublin during the Anglo-American talks to provide his opinions on deals on the table. Upon his return, Walsh presented his experience in Ireland as a cautionary tale to IATSE convention delegates:

While we were in Dublin, Eric Johnston was asked when American filming would start there. That, I believe, is typical of the question which can easily arise in many countries. This sort of thing can spread. And if they start multiplying the British situation, then we really will feel it—badly—in Hollywood. (IATSE, 1950, p. 74)

After meeting with British labor leaders in Europe, Walsh admitted feeling some sympathy for their industry: the percentage of unemployment among British studio employment was much higher than in Hollywood. He even admitted that American productions in England were “a great

help to them, more than they are a loss to us” (p.74). But ultimately he disagreed with their “so-called incentive program”:

Americans do not take kindly to coercion. When governments start telling producers where to make pictures, then I believe that labor—even at the risk of intruding upon the rights of free enterprise—may be warranted in using its power to help call a halt. (p.74)

In retrospect, Walsh’s comments were both prophetic and naïve: prophetic in their detection of the growing importance—and danger—of multinational state and corporate collusion in matters of media trade and production, and naïve in their assumption that labor had agency within such a multinational system. The ethos of global capitalism and the New International Division of Cultural Labor was already deeply embedded among Hollywood’s ownership class, and Eric Johnston was its most important emissary.

In his regular address to the I.A. delegates, Johnston seemed to have had the good sense not to dwell on the Anglo-American talks and their role in instituting an international division of film labor. Rather, he spoke more generally of the role of the American motion picture industry and its films as harbingers of goodwill and democracy around the world—an important function during the uncertain days of the Cold War:

The motion picture industry is more, gentlemen, than just entertainment. The motion picture industry is education as well. The motion picture industry is relaxation from the tensions of the day. And the motion picture industry is a vote, a vote, if you please, for democracies in these countries that long for it and wish that they had it. You in the motion picture industry have a great opportunity to help influence the hearts of men. I don’t mean by propaganda pictures—I am not for them personally—; I mean by making pictures of good ordinary American scenes in good ordinary American life. Our pictures

inevitably reflect the freedom under which we live, just as the freedom of the air that is breathed in Hollywood by the people who make these pictures. You can't see an American picture without realizing the freedom of the movement of the individuals in that picture, realizing that the employees speak to the boss and aren't afraid of him, and realizing that there is no class distinction in America. (p.216)

Johnston's speech was well-received by the IATSE delegates, though in many ways his arguments contradicted the primary goal of the union—to end runaway foreign production. But there was no debating the pro-American/anticommunist agenda behind the speech. Johnston's justifications for overseas production exemplify the neo-liberal ideology of “corporate transculturalism” (Kraidy, 2005), in which the tenets of capitalism and democracy are conflated in order to rationalize global economic trailblazing. By Johnston's logic, the Hollywood film industry was not exporting jobs—it was exporting democracy. And as a global emissary of democratic ideals, it was not only anticipated, but *expected* that the Hollywood film industry would collaborate with overseas governments and production communities with questionable political and economic affiliations. This was perhaps Johnston anticipating an imminent frozen funds production deal with Italy, which would surely produce vehement protest from fervent anticommunist Hollywood labor leaders such as Roy Brewer. As such, Johnston's speech also provides a textbook example of the use of anticommunist ideology as a mechanism for mollifying labor while paradoxically justifying U.S. corporate collusion with potentially fascist political and economic interests abroad (Herman & Chomsky, 2002). As framed by Johnston, it would be un-democratic and un-American for Hollywood labor to protest overseas production when the purpose was to spread democratic ideals.

After eight months of negotiation, the second Anglo-American Film Agreement was finally signed on December 5, 1950. Though the new Agreement kept the \$17 million annual cap on exportable U.S. film revenues in place, it included several new “incentives” for Americans to claim frozen revenues above and beyond the limit: they could claim 23% of the amount invested in the making of British quota films; they could access 50% of revenues paid to British distributors for distributing American films on a percentage basis in the Western Hemisphere; and they could claim 50% of payments made to British interests for copyrights in the Western Hemisphere. Americans were also given the ability to convert British earnings into the currency of a third country, given the consent of all concerned governments (The British Film industry, 1952, p.160). Producers viewed the new Agreement as a coup, seeing the British incentives as progress toward an eventual free trade agreement and removal of the revenue cap. Hollywood labor, however, saw the added “incentives” as a ploy for further entrenchment of American producers in overseas film production and further divestment from the Hollywood production community.

Though disappointed with the outcome of the second Anglo-American Agreement, Hollywood labor appeared to reevaluate and refresh their approach to the issue of “runaway film production” rather than abandon the cause. Their attempts to garner sympathy for unemployed Hollywood film workers had fallen flat. And yet producers had managed to win support for the Anglo-American Agreement and foreign production practices through the ideologies of anticommunism and corporate transculturalism: framing global capitalism as a cure-all for both our allies’ economic woes and our enemies’ political threats.

But Cold War ideologies could cut both ways. Hollywood labor, and specifically IATSE, had already used the discourse of anticommunism to win back jurisdiction over studios in the

1940s. In the case of runaway film production, they would have to deconstruct Hollywood producers' portrayal of themselves as democratic reformers, and instead paint these producers as un-American, fascist collaborators. In a Hollywood left skittish by recent House Un-American Activities Committee hearings investigating the relationship between the film industry and communism, it seemed like a promising strategy. But with so much momentum already behind the free trade movement in Hollywood, and so much to gain—politically and economically—if overseas markets were opened permanently to the Hollywood industry, labor was facing an uphill battle.

RUNAWAY UNAMERICANISM IN 1950s HOLLYWOOD

The potential use of the Hollywood film industry as a communist propaganda tool had been a point of concern for the American anticommunist movement from the very beginning of the Cold War. The film industry unions had been looked upon as the most logical entry-point for communist infiltration of the industry. But with Roy Brewer, one of the most vocal and dedicated anticommunists in Hollywood, at the helm of the largest trade union and a key member of other important labor coalitions, below-the-line labor seemed to fall off the radar of anticommunist interests such as the House Un-American Activities Committee. Instead, Hollywood's high-profile, above-the-line labor—actors, writers, directors—were the primary targets of investigations of communist influence within the film industry. Screenwriters were under particular scrutiny, drawing accusations that scripts were being “coded” with communist messages (Eckstein, 2004, p.429).⁸

⁸ *Salt of the Earth* (1954) is perhaps the most famous example of a McCarthy-era film that was banned by the industry at large because of its supposedly pro-communist content. Based on a true story, the film depicts a protracted labor strike against a zinc mine in New Mexico. The film's writer, Michael Wilson, was blacklisted, but continued to produce several successful scripts either anonymously or pseudonymously, including *Bridge on the River Kwai* (1957) and *Lawrence of Arabia* (1962). Herbert J. Biberman, the director of *Salt of the Earth*, was

With suspicion already cast on certain individuals and occupations within the industry, it wasn't much of a stretch for below-the-line labor to connect the ideology of anticommunism with the discourse of runaway film production; as we've seen, this had already begun to occur during the frozen funds production debates. After the negotiation of the second Anglo American Agreement in 1950, however, the unions began to lean more heavily on the McCarthyist anthem of "un-Americanism" as the principal underlying motivation for foreign "runaway" film production. First, labor argued that producers were taking productions overseas to accommodate Hollywood talent "running" from the anti-communist scrutiny of Hollywood; second, they argued that more productions were being staged overseas to accommodate Hollywood elites running from their democratic obligation to pay U.S. income taxes via a residency loophole called the "18 month rule"; third, they accused producers of running away from American unions and toward cheap, non-union, and possibly communist labor overseas; and finally, labor contended that runaway film producers and TV advertisers were misrepresenting American culture and purposely deceiving American audiences by not disclosing their projects as foreign productions.

With these four instances of "runaway un-Americanism" in mind, it is argued that Hollywood labor attempted to tap into the anticommunism, pro-democracy "ideoscape" (Appadurai, 1996) as a means for disciplining runaway film producers and directors and reterritorializing their industry—politically and economically— within the U.S. As history will show, labor was ultimately unsuccessful in using anticommunism to garner public and governmental support for their efforts to stop runaway film production. This may be attributed to labor's diminishing power within the New International Division of Cultural Labor, as well as to

among the "Hollywood Ten" who had refused to testify before the House Un-American Activities Committee in 1947, and was sent to jail for contempt of Congress.

the increasing power and agency of multinational media corporations to both define and function outside of the ideological constraints of nation-states. (Appadurai, 1996; Curtin, 2003; Miller, et al., 2001)

Runaway Television and the IATSE Convention of 1952

In the years immediately following the second Anglo American Film Agreement, the scope of the runaway production debates quickly expanded beyond European frozen funds policies. And in fact, by 1952 Hollywood labor leaders had done an about-face, publicly stating that frozen funds production and foreign production for location authenticity—referred to as “creative” runaways— were acceptable reasons for filming outside the U.S. (Spiro, 1952). As such, the IATSE convention in Minneapolis that year proved to be an important venue for redefining the discourse of runaway production. And one major industry development on the minds of conventioners that year was television.

Though film production was still the primary concern for Hollywood labor in the early 1950s, television production had become an increasingly important sector of their industry. At first, Hollywood labor had been apprehensive about the potential effects of television on their work: movie attendance in the U.S. had reached an all-time high during the war.⁹ But box office revenues began to decline dramatically as the popularity of television increased, with theater revenues falling 23 percent from 1946 to 1956 (Balio, 1976, p.315). Hollywood labor naturally felt the effects, with employment dropping from 24,000 to 13,000 during the same ten year period (p.316). Due to the mass suburbanization of the U.S. following the war, people were moving out of urban centers and away from the old movie palaces. Television was the perfect medium for this new, spatially dispersed population in need of information and entertainment

⁹ The U.S. weekly theater attendance peaked at 80 million in 1946—it’s highest point in motion picture history (Lincoln, 1976, p.372)

while remaining in the comfort and privacy of their own homes (Spigel 1992; Williams, 2003). But in the end, television programs were no different than films in that they needed to be made by skilled labor using soundstages, lighting equipment, and many other production elements primarily found in Hollywood at the time. Before long, the increasing demand for television content, including entertainment programming and advertising, was viewed as crucial to Hollywood's postwar recovery.

In the months leading up to the 1952 IATSE convention, union statements concerning foreign production began to include television, and specifically the production of advertisements made abroad but intended for American audiences ("Run-away" foreign film production irks, 1952). They argued that such production practices were "un-American" in that they:

...depriv[ed] many U.S. citizens of employment who would otherwise be employed in the production of these pictures... We deem it grossly unfair for American industry to attempt to sell American products to American workers by means of advertising films that have been made in foreign countries by foreign workers. (Film Council threatens boycott, 1952, p.8)

The Council passed a strongly worded resolution, calling for a boycott by union members of products represented in such foreign-made commercials.

At the convention, nine members of the International Sound Technicians Local 695 of Hollywood presented a formal resolution before the grievance committee calling for an officially stated position on the production of American advertising overseas:

NOW, THEREFORE, BE IT RESOLVED, that the International Alliance go on record as strongly protesting this practice and we solicit the support of all labor organizations in America and all other Americans in protesting this practice in advertisers, advertising

agencies and film producers in our efforts to convince such producers, manufacturers and distributors of commodities manufactured and sold in the United States that such a practice is unfair and should be dispensed with. (IATSE, 1952, p. 296)

Herbert Aller, the business agent for the camera operators union and an appointed delegate to the IATSE convention, argued for a resolution to establish a boycott program called “Don’t Buy” that would target manufacturers who were “connected with and responsible for the production of motion pictures under such run-away tactics” (p.297). Participants in the boycott would include members of the American Federation of Labor, the State Labor Federations, and the Central Labor Council of the United States. IATSE President Richard Walsh tabled the amendment pending further review, with concerns that the wording may lead to legal “complications.” Similar resolutions runaway television production were proposed over the next few years: SAG delegates called for a nation-wide effort to stop runaway foreign production of television commercials during the California State Theatrical Federation and New York’s State Federation of Labor conventions of 1955 (State federation opens, 1955); and in 1956, resolutions against the filming of made-for-TV movies were proposed at the biennial IATSE convention (IATSE, 1956, pp. 320-1).

The discourse of runaway television production would continue to resurface over the next 50 years, particularly regarding the outsourcing of TV animation work. But perhaps due to the extended filming schedules for television, and the much more culturally-dependent nature of television content (Bielby & Harrington, 2005; Fiske, 1987), incidents of so-called runaway television production remained limited until the 1990s and 2000s, when Canada began to attract many U.S. series.

Eric Johnston was again present at the 1952 convention, and made his “state of the industry” address to the delegates, discussing “the economic present, and the economic future of the motion picture” (IATSE, 1952, p.178). Johnston wanted to highlight the positive developments in the industry, and chided the “crepe hangers” predicting the demise of Hollywood. Instead, he saw an industry that was still vital, although certainly changing. True, theater attendance was down, and some theaters were even closing. But new theaters were also being built and new exhibition technologies were being developed and implemented. Johnston pointed to the success of the drive-in as evidence of the changing and growing industry: according to Johnston, drive-ins accounted for 20% of gross exhibition revenues in 1952, with the number of facilities growing from 155 in 1946 to 4000 just six years later (p.180).

But Johnston also admitted there would be challenges for the U.S. film industry in the years to come: the rising costs of production, for which he recommended more production “efficiency” rather than the lowering of wages or the increasing of hours worked for the same pay; higher exhibition taxes; the changing social dynamics created by the postwar baby boom, including younger marriages and more household obligations; and of course the growing popularity of television, which he mentioned only very briefly. But Johnston tried to put those challenges in historical perspective by reminding the delegates of past challenges that were overcome by the industry: the shift from silent films to talkies; the rise of radio; and the great depression. In the end, Johnston declared that the industry had entered the “electronic age,” and credited technological innovation with the continuing survival of the industry, including the development of 3D and new technologies for recording sound and color (p.182). In his typically effusive fashion, Eric Johnston ended his speech on a rousing note:

So I want to tell you this morning, at this Convention, that I look forward to the years ahead with all the enthusiasm of a young man, eagerly embarking upon the adventure of independent living. The years ahead will not be easy years. I have tried to emphasize that to you. There will be a lot of problems that must be solved. There will be forests of difficulties that must be leveled. There are mountains of misunderstandings that must be cut through. There are swamps of prejudice that must be filled. But the idea of tackling these problems, to me, is extremely exhilarating. (p.183)

Johnston's speech provides important insight into the outlook of Hollywood's ownership and management class in the early 1950s, in particular, his emphasis on the importance of technology to the progress of the U.S. film industry. Schiller (2000) and Appadurai (1996), among others, have argued the central role of technology, and specifically global telecommunications networks, to the development of global culture industries such as Hollywood. It is therefore not surprising, even at this early juncture in the "electronic age," to see Johnston pushing for technological solutions to the film industry's labor and production problems—solutions that would ultimately serve the neoliberal agenda of producers and owners, but not the economic protectionist agenda of Hollywood labor.

Johnston's speech had an ideological message as well. One of the "swamps of prejudice" he referred to was already festering and threatening to divide Hollywood's film industry and labor as it had in the 1940s: the anti-communist movement left in the wake of the Hollywood hearings by the House Committee on Un-American Activities (HUAC). While Hollywood owners and producers were ready to move on from the issue of anticommunism, the HUAC hearings had provided a fortuitous opportunity for labor to reinvent and legitimize their

campaign against foreign “runaway” production by tying the issue to the federally mandated fight against un-Americanism in Hollywood’s film industry.

Un-Americanism and the 18-Month Tax Rule

The discourse of runaway film production had found some legitimacy as a discursive critique of foreign policy. But with the issue of frozen funds production essentially resolved, Hollywood labor was in need of a new policy reform initiative. They found this new initiative in an income tax “loophole” called the “18 month tax rule.” Hollywood labor groups, including the AFL Film Council, contended that actors and other above-the-line labor were moving overseas for extended periods to qualify for a U.S. income tax exemption, and in the process, taking production work with them. Once integrated with the potent discourse of un-Americanism rampant in Hollywood at the time, labor’s campaign against the 18 month tax rule was destined to be one of their most successful anti-runaway production efforts.

Hollywood’s below-the-line labor leaders were not only cooperative, but instrumental to the HUAC hearings and their mission to rout communism from the U.S. film industry: Roy Brewer, Ronald Reagan, and other key labor figures served as high profile “friendly” witnesses for both the 1947 and 1951 committee hearings. Brewer was also labeled an architect and enforcer of Hollywood’s infamous “blacklist”—a distinction that earned him the nickname “strawboss for the purge” (Balio, 1976, p. 425). By revoking IATSE certification from films involving people from the list, Brewer could doom a picture to failure for the simple reason that IATSE projectionists—accounting for virtually all commercial theater projectionists at the time—were prohibited from handling a film without certification (McLellan, 2006).

A full year after the 1951 HUAC hearings, Brewer and Hollywood’s governing labor councils made it clear that they continued to pledge allegiance to the ideals of the Committee.

The Motion Picture Industry Council took out a full page ad in *Variety* declaring their support for the committee and condemning the anti-HUAC group the Citizens' Committee to Preserve American Freedoms (Once and for all, 1952). Just after the 1952 IA convention, the AFL Film Council requested support from the HUAC in creating legislation that would ban the importation of films believed to be made by "Communists or pro-Communists persons" living abroad (Film Council asks ban, 1952). These actors, directors, and producers were accused of denying Hollywood film workers of jobs by "running away" to countries more tolerant, and perhaps even sympathetic, to communist ideals. Italy and Spain were particularly suspicious film locations for Hollywood's anti-runaway contingency, and productions such as *Roman Holiday* were singled out for their collaborations with Italian crews. But Hollywood labor's problems with *Roman Holiday* also extended to its director, William Wyler, who in many ways served as their archetype of the 1950s "runaway" director.

Wyler was one of the most successful and powerful directors in Hollywood in the 1950s, with six Oscar nominations and two wins for best director under his belt before starting work on *Roman Holiday* in 1952. Despite his credentials, Wyler was a thorn in the side of Hollywood labor, most notably for the ways he openly defied their anti-communist and anti-runaway film production movements: in the 1940s, Wyler had formed the Committee for the First Amendment along with director John Huston to show his disapproval of HUAC's activities; in the 1950s, he had left the U.S. to engage in productions in Europe, collaborating not only with suspected communist unions in Italy, but also with blacklisted and exiled writer Dalton Trumbo on *Roman Holiday*, still working under a pseudonym at the time. Labor also suspected that Wyler had extended his stay in Europe in order to take advantage of the 18 month income tax exemption

rule, drawing production work overseas and away from Hollywood to accommodate him. As it happened, their suspicions were not entirely unfounded.

In the spring of 1952, Wyler had set up temporary residence with his family in Rome as pre-production began on *Roman Holiday*. Almost immediately, Wyler began receiving concerned letters from his Beverly Hills lawyer, Mark Cohen, warning that Hollywood labor unions were pushing to repeal or amend the 18 month tax rule. Wyler was depending on the tax rule to protect his earnings on *Roman Holiday*; Cohen seemed to believe that Wyler and others working in Europe would be protected by a grandfathering clause if changes to the 18 month rule were successfully passed (Cohen, 1952, May 14). But given the tenuous nature of the policy and the mounting negative press that had been generated by the AFL Film Council regarding actors, directors, and producers “running” overseas under the rule, Wyler was willing to consider other alternatives for protecting his earnings.

Wyler consulted his close friend, John Huston, who had been working on a string of films in Europe and Africa in the early 1950s, including *The African Queen* (1951), *Moulin Rouge* (1952), and *Beat the Devil* (1953). In a letter to his lawyer, Wyler described a conversation with Huston in Paris, in which he had been advised to look into the possibility of establishing European residency to protect his earnings regardless of the outcome of the 18 month tax rule hearings in Washington (Wyler, 1952, June 14, p. 2); John Huston was himself a dual citizen of the United States and Ireland, a move largely motivated by his disapproval of the oppressive political climate of Hollywood during the HUAC hearings (Flint, 1987). Interestingly, the problem for William Wyler was not conceiving of ways to *extend* his stay in Europe to qualify for the 18 month rule. Rather, his communications with his lawyer explicitly stated that he was looking for a way *around* the rule so that he could both qualify for tax exemption as a foreign

resident and return to the States and his California home before the 18 month time limit. As he confided to Mark Cohen:

...I do not intent (sic) staying in Europe beyond the next picture or the expiration of the 18 months—whichever is later. Of course if it is necessary under the “Foreign Resident Law,” I would stay until January 1954 in order to have spent the full calendar year abroad, but certainly not later. You can gather from this that I prefer to come home after one more picture abroad. (Wyler, 1952, November 8, p. 3)

While Wyler bided his time in Italy, the AFL Film Council and MPIC ramped up their campaign against the 18 month tax rule. In January 1953, they had begun shopping around for allies in their fight against the “tax cure,” starting with a plea for allegiance from the Screen Producers’ Guild (SPG). The SPG’s president, Sol Seigel, viewed the runaway problem as “out of their jurisdiction,” however, and referred Brewer and his cohort to the Association of Motion Picture Producers (AMPP) instead (Siegel brands IA beef, 1953). Until an agreement was met with the producers’ organization, the AFL Council barred its members from accepting foreign production work, with exceptions for films requiring location shooting or for travel required under the terms of talent contracts (AFL stiffens attitude, 1953).

The AFL Film Council met with the AMPP in late January to discuss foreign production practices, and to create some standardized system regarding labor on foreign production that would both suit the needs of producers and employ as many Hollywood union workers as possible (MPIC to hear report, 1953). The general reaction from Hollywood producers following the meetings was hostile indignation. Gunter Lessing of the Society of Independent Motion Picture Producers (SIMPP) railed against industry-wide enforcement of any agreement made between the MPIC, the AFL Film Council, and the AMPP:

No one has the right to speak for the whole industry. We will not be bound by whatever agreement is reached by anyone else. What we do is our own business, as long as it is based on good morals, betterment of production, appropriate economy and the welfare of not just the company or the union but of everyone directly or indirectly concerned.

(Gunther Lessing lashes "dictatorial" American Legion, 1953, p.11)

Lessing saw matters of production, including location choice, as solely the domain of producers and outside the authority and understanding of labor. In a letter to *Variety*, he accused AFL Film Council president Roy Brewer of attempting to “usurp the function of judge, jury and sheriff” and of oversimplifying the otherwise complicated issue of foreign production:

There are more facets to this question of foreign production than meet the eye. You know them as well as I do. Primarily, management and not labor should decide where a picture is to be made. Labor has a right to complain to management if there is no valid reason for the production of a picture away from the home base; direct action is not warranted unless there be absolutely no valid reason underlying such foreign production. It must be remembered that only a few producers ‘run away,’ as it has been erroneously termed. The main reasons for foreign production, with very few exceptions, are the utilization of blocked currencies, locations, background, cooperation with a government for the purpose of securing import permits for pictures, and other sound motives. (Lessing charges Brewer, 1953, p.11)

Of course, what Lessing and other producers called “sound motives” for foreign production were precisely the sticking point for labor. It was true that frozen funds production had become generally accepted by labor groups following the Anglo-American Agreements, and location authenticity had always been accepted as a valid reason to shoot abroad. But foreign production

for access to “authentic” background extras had not been accepted by the AFL Film Council and the MPIC, particularly since many overseas extras were non-union. Labor also contended that producers’ list of motivations for overseas production conveniently left off reasons related to personal gain, including shelter from U.S. income tax through extended foreign residency.

The perceived exploitation of the 18 month tax rule had in fact become a primary motivation for runaway film production by Brewer’s assessment. In an adjacent story to Lessing’s letter, the AFL Film Council leader listed 21 people he claimed were taking advantage of the tax rule, including such beloved Hollywood icons as Humphrey Bogart, Gary Cooper, Kirk Douglas, Gene Kelly, Clark Gable, James Mason, Gregory Peck, Claudette Colbert, Ava Gardner, Lana Turner, John Huston, and William Wyler (Brewer lists 21 names, 1953). Lessing countered that it was unrealistic to think that the actions of a few actors could be blamed for the “denial of ‘employment for thousands of workers’.” In his opinion, no producer would put themselves in a position of having production decisions dictated to them by the lifestyle preferences of their actors, just as producers weren’t about to be dictated to by labor regarding foreign production practices—or so Lessing thought (Lessing charges Brewer, 1953, p.11).

The AFL Film Council and MPIC set out to prove Lessing wrong on nearly all accounts in the following months. In February, the Councils put pressure on two television sponsors—the Los Angeles Brewery Company and Thrifty Drug—to pull their backing from two shows being filmed outside the U.S. *China Smith* had filmed six episodes in Mexico as part of an ongoing storyline in a 26 episode series; an agreement was made with their sponsor, Thrifty Drug, that the six foreign-made episodes would not air, and all future episodes would be made entirely in the U.S. (AFL pressures beer, drug companies, 1953; Labor whips “runaway” vipix, 1953; Thrifty Drug yields to AFL, 1953). Charles Lick of the L.A. Brewery Co. put up resistance to the AFL’s

request for “cooperation” in discouraging foreign production. However, he eventually gave in to the Council, and did not renew his sponsorship contract with *Foreign Intrigue*, a TV series filmed in Europe (Brewer Charles Lick protests, 1953).

The AFL Council’s aggressive tactics began to raise the ire of some foreign production communities accused of luring Hollywood producers to their countries. In particular, British film labor interests such as the Association of Cinematograph Technicians (ACT) and the Film Industry Employees Council of the U.K. (a group much like the AFL Film Council in the U.S.) were fed up with the AFL Film Council’s anti-foreign production policies, and were considering a one day ban on the exhibition of U.S. films in the U.K. as a sign of protest. The ACT had also sought the support of members of the National Association of Theatrical and Kine Employees (NATKE) in their protests against the American labor groups (Foreign kickback on AFL ban, 1953). Before any retaliatory actions were taken, Eric Johnston intervened, managing to both defend U.S. industry production practices overseas and to placate Brewer and his Council, at least for the time being (Johnston, Brewer reach no boycott, 1953).

The Hollywood AFL Film Council and the MPIC had been lobbying hard against the 18 month tax rule in Washington, and on April 14, 1953, two bills were introduced to the U.S. Congress proposing amendments to the law (HR 4544; HR 4552). Though the driving forces behind the amendments were the labor councils, support for the proposed amendments was mixed among film unions and guilds. Members of the Screen Actors’ Guild had been singled out by the Councils as the primary abusers of the 18 month tax law, and ultimately responsible for much runaway production. The Guild leadership challenged these accusations, arguing that among the 208 foreign films imported into the U.S. in 1952, only 22 had American stars, and only 3 of those actors were eligible for the 18 month tax exemption (Actors Guild asks probe,

1953). SAG instead emphasized other possible causes for increases in foreign production, including cheap labor, frozen funds practices, and access to authentic foreign “atmosphere,” otherwise known as extras (p.5). Roy Brewer quickly disputed the Guild’s claim in the press, arguing that he could personally name at least 32 actors taking advantage of the tax loophole; a noticeable increase from his previous list of 21 tax violators, though this time the list never materialized. While still defiant in his position on runaway film production, Brewer’s letter to the editor also suggested frustration, and even despondency, as he questioned the long term impact of amending the 18 month tax law on Hollywood’s future:

This business of making American pictures in foreign countries is the most serious problem we have to contend with. I am not at all certain that it will end with new personal income restrictions. The studios may have started something that won’t be easy to stop. Hollywood has always taken pride in being the movie capital of the world, but last week only twenty-two films were being made here while forty-eight were being produced in Italy and thirteen in Mexico. At that rate Hollywood won’t be the capital for much longer. (Pryor, 1953, June 7, p. X5)

New York Times reporter Thomas Pryor added that regardless of the accuracy of Brewer’s statements, Hollywood appeared to be entering a “new era” marked by “fewer pictures and faster shooting schedules”; a combination that could only lead to job losses for union film workers (p.X5). In the meantime, the 18 month tax law was a tangible explanation for what might be systemic industry changes, and Hollywood talent living overseas were starting to feel the pressure.

As the Congressional hearings on the foreign income tax rule approached, William Wyler’s lawyer, Mark Cohen, became concerned with how to best protect both his client’s

economic interests as well as his reputation. There was some discussion of hiring representation for Wyler at the tax law hearings; someone with experience speaking before Congress (Wyler, 1953, July 17). This raised some concern for potentially engendering bad publicity by opposing the rule, for which Wyler responded. “Personally I don’t give a damn about the bad publicity because we have already had that anyway, but it now looks like we’ll have bad publicity and, in addition, no tax benefits...” (p.3). But luck was on Wyler’s side. When the amendment was finally passed in August 1953, it exempted earnings collected before December 31, 1952. This date neatly coincided with Wyler’s earnings timeframe for *Roman Holiday*, with the only requirement being that he remained in Europe for the full 18 month term required by the previous terms of the law. The amendment also allowed for \$20,000 tax free earnings in 1953 (Cohen, 1953, August 8). Wyler was elated by the outcome, and eager to figure out how he could take advantage of the additional tax free earnings stipulated in the amendment:

Of course, I’m delighted at the way the repeal of the 18-month law came about, because it just got me under the wire. The deposit of the “ROMAN HOLIDAY” money, which was made on December 27 last, was made none too soon. Naturally, I am going to stay on for the completion of the 18 months, which means at least until early November. I am now trying to think of a fast way to make \$20,000 tax free. Maybe Paramount’s got some process plates they want shot in Europe. I’d be willing to put in about a week’s work.
(Wyler, 1953, August 8, p. 1)

Wyler had successfully worked the system, and made an Academy Award winning film in the process. But a few interesting insights emerge from Wyler and Cohen’s foreign correspondences. First, they legitimize to some degree the claims that the AFL Film Council had made: that some of Hollywood’s elites were prolonging their time in Europe to take advantage of

the 18 month tax law, which in some cases meant seeking out foreign production work to maximize their potential earnings. Second, the letters also illustrate how very transnational the industry and its people had become by the early 1950s: Paramount had offices in Rome and Paris; monies were being transferred fluidly and frequently across borders; all affiliated producers and production staff were regular transcontinental and inter-European travelers; Wyler and his family lived in Italy, England, and France for a year and a half to accommodate filming. And yet, we also see how the anti-runaway production agenda of the AFL Film Council and MPIC reverberated through the industry in the 1950s, affecting even the industry's most coveted directors. But in the end, Wyler's story stands as a testament to the increasing power and mobility of Hollywood's elite within the New International Division of Cultural Labor in the 1950s.

By the end of 1953, the landscape of the campaign against runaway production began to change. In September, Roy Brewer resigned from his position as head of Hollywood's IATSE, taking with him much of labor's zeal for fighting producers on the issue of overseas production (MPIC revives anti-Red plan, 1953); in a report released in December of 1953, the M.P.I.C. conceded that while there had been notable increases in foreign production in previous years, the problem was perhaps not as extensive as they had once believed. The report even offered a revised label for foreign made films, called "American-aspect pictures," and defined them as "[a]uthentic motion pictures produced abroad by American companies; or utilizing recognized American talent; or significantly involving some other American factors" (Pryor, 1953, December 11, p. 42).

With the end of the "Brewer-era" of runaway film production also came a more open derisiveness among producers and directors for the foreign production complaints of labor.

Though labor had never strongly argued against location shooting for the sake of “authenticity,” many directors and producers constructed labor’s protests in this way. Some even turned the argument of authenticity back on Hollywood labor in an effort to justify their use of European film crews. In a commentary piece titled “The Dissidents Abroad,” American director Mitchell Leisen, best known for the films *Death Takes a Holiday* (1934) and *Easy Living* (1937), bemoaned the days when a film featuring Paris had to be shot on “backlot ‘French streets’ and Stage 12 French Quarters” in Hollywood. Instead, he praised not only the use of authentic settings, but the use of “authentic” crews who knew how to convey their own culture. Remarking on his previous misconceptions of French film labor as unprofessional, unskilled, and overmatched by Hollywood labor, Leisen declared:

We are now Dissidents from this provincial view, heavily prepared to insist that French technicians have the resourcefulness, imagination and ingenuity of their Hollywood counterparts. As obvious as it sounds, there is something distinctly French about making pictures in France. And something very decidedly French comes up on the screen.

(Leisen, 1954)

Up to this point, “runaway” directors had been very careful to temper their discussions of overseas production with praise and, given a choice, preference for Hollywood crews. Leisen took no such precautions, directly questioning the abilities and authority of Hollywood labor within an increasingly global industry. Directors, producers, and even actors would continue to chide Hollywood’s anti-runaway production lobby with the need for “cultural authenticity” and global competitiveness well into the 1960s.

Runaway Extras

Mentions of runaway film production almost completely disappeared from the press over the next few years. Thomas Pryor of the *New York Times* speculated that the growing indifference of the unions to the issue was due to an abundance of television work in Hollywood (Pryor, 1956, September 2). In the mid 1950s, however, a new discourse on runaway production began to appear that scrutinized union-dodging domestic production practices, particularly in the hiring of film extras—actors without scripted lines, typically used in the backgrounds of scenes, such as a crowd in a baseball stadium.¹⁰ The Screen Extras Guild threatened to walk out of contract talks with movie and television producers over union jurisdiction “jumping” in Hollywood and San Francisco—taking their productions to locations outside the designated “extra zones” of these cities in order to hire non-union background talent at below-union scale (Pryor, 1956, April 2). Extras’ Guild president Richard H. Gordon called this practice “runaway” production, despite the fact that the name had only really been used to describe overseas production practices up to this point. He argued that increased wages for Hollywood extras would be pointless if producers “are free to ignore AFL-CIO pay scales and conditions by shooting their pictures a sleeper jump away from here” (p. 18); the goal was to extend the Guild’s jurisdiction beyond a 300 mile radius of Hollywood so that producers could no longer “run” to outlying counties.

The cost of extras became a recurring theme in defense of “runaway” production in the latter part of the 1950s. With the rise in popularity of large-scale epic films came a demand for literally armies of extras. Producers of such films often argued that it was not only cost prohibitive to hire thousands of extras in Hollywood, but that there simply weren’t enough

¹⁰ Extras usually fall to the bottom of the Screen Actors’ pay scale. Even in the 2000s, extras typically earn a flat rate of \$100 or less a day, with shoot days averaging around 14 hours.

people available to work as extras in Hollywood for such productions. As argued by Ted Richmond, producer for MGM's *Salomon and Sheba* (1959):

Who would make a picture in Hollywood these days if he knew he had to pay nearly \$2,000,000 for extras? Metro could not have made 'Ben Hur' in Hollywood either. The choice is simple. Either you make these spectacle pictures abroad or you don't make them at all. (Schumach, 1959, p. X7)

In August 1955, the American-backed projects *Daniel Boone* and *Comanche* (1956) were condemned by the AL Film Council for filming in Mexico for seemingly no other reason than to save money on labor, and specifically extras. The unions were particularly appalled by the "runaway" filming of *Daniel Boone* because of its subject matter. As stated by Teamster representative Ralph Clare, "For anything as American as a Daniel Boone film to be produced outside the United States is as un-American as anything" (AFL Film Council reopens fight, 1955, p.9).

As production practices continued to regionalize and globalize over the 1950s, extras became some of the most vulnerable Hollywood labor. And as Hollywood continued to rely more heavily on "blockbusters" in the following decades, the bargaining power of extras within the New International Division of Cultural Labor would continue to diminish—so much so that by the 2000s, the use of "human" extras in crowd scenes would become something of a novelty with the development of sophisticated computer-generated imagery.

"Hollywood at a Crossroads"

As the 1950s were drawing to a close, labor's campaign against runaway film production and un-Americanism appeared to flounder. One of the major problems facing labor was the lack of evidence supporting their contention that overseas production was responsible for increased

unemployment in Hollywood. Instead, it had become a game of “he said, he said,” with producers countering that overseas production would eventually bring *more* work back to Hollywood by opening up new export markets, and therefore generating more revenue that would be used to make more films in the U.S. What labor needed was a way to quantify their claim in order to convince policymakers to their side of the runaway debate.

And so in 1957, the AFL Film Council commissioned a study of the economic decline of the U.S. film industry since the end of World War II. The report, titled *Hollywood at the Crossroads* (1957), was authored by Irving Bernstein, an historian and member of UCLA’s Institute of Industrial Relations. Bernstein addressed several key topics, including sales, production, employment, wages, international trade, taxes, and even population trends (p. i). He noted how the economic decline of Hollywood film production was incongruous with the unprecedented growth of the U.S. economy since WWII, and offered seven possible causes for Hollywood’s troubles: 1) industry instability created by the break up of the studio system and the vertical integration of the industry through these companies; 2) the rise of independent production; 3) the phasing out of term contracts for film actors, directors, writers, and producers; 4) the breakdown of the “star system” and the talent drain created by television; 5) the diversification of investments by film companies in both domestic and foreign industries; 6) the rise of the high budget blockbuster; 7) and the loss of traditional executive leadership from the studios (pp.20-29).

The impact of foreign production and the international industry on Hollywood constituted its own chapter in the report. Bernstein began the section by relaying a published exchange between MGM head Dore Schary and Eric Johnston of the MPAA regarding the growing Italian industry: “I visited the Cinecitta studios, a thoroughly modern and complete lot, but the only two

pictures shooting at the time were David Selznick's 'Farewell to Arms' and Joe Mankiewicz's production of 'The Quiet American.'" Bernstein then asked the rhetorical question, "Where was the Italian industry? And, more important for our purposes, where in the world was the U.S. industry—in Hollywood or in Rome?" (p.45). Bernstein concluded that the industry had indeed become more global in scope—not just economically, but also cinematically. He explained how the increasing importance of foreign markets for Hollywood film rentals had created a situation where producers couldn't say no when forced to spend frozen revenues overseas—the argument often made by Eric Johnston and other company interests (p.47). But he also went on to explain that the shift in importance in foreign markets had created a demand for films with more universal appeal; something beyond the American-centric productions of pre-war Hollywood. Subsequently, it was argued that more films were being made abroad to cater to foreign audiences (pp. 47-8). But Bernstein did not agree with the position that Johnston and other industry interests had taken in the past, that foreign production had little or no impact on Hollywood employment. Rather, he stated definitively, "There is no doubt...that a substantial volume of employment formerly offered to Hollywood workers has been exported to foreign nations in recent years" (p.50). Of the many motivations he discussed for "American-aspect pictures" to be made abroad, he cited U.S. income tax laws and foreign government subsidies as the most detrimental.

Ultimately, Bernstein's *Hollywood at the Crossroads* did little to advance labor's campaign against runaway film production. Though the report supported a connection between foreign production practices and Hollywood unemployment, it may have merely muddied the waters by suggesting that many other changes occurring in the industry had also likely contributed to Hollywood's woes. The breakup of the Studio System following the Hollywood

Antitrust Case of 1948 alone had a major impact on the stability of Hollywood labor, and yet had nothing to do with foreign production practices (though interestingly, the discourse of runaway film production first appeared around the same time the antitrust decision was made).

Bernstein's report also effectively scrubbed the ideological arguments of anticommunism and un-Americanism from the list of explanations behind Hollywood unemployment and runaway film production. Film production—at home and abroad— was a matter of dollars and cents. But more than cost-savings, the marketing of American films to the increasingly-important global audience had to be taken into greater consideration in order to bolster foreign exhibition revenues. These conclusions, again, may have been more useful to producers and industry owners. After all, they wanted to treat the production and trade of films on the global market no differently than any other commodity, while labor had mostly constructed their arguments against runaway production on the notion that Hollywood films were *American* films and an *American* industry, and that filming abroad purely for cost-savings or political gain was un-American. Rather, Bernstein's report may have confirmed what labor feared the most—that the “American-ness” of Hollywood films was becoming less marketable in postwar Europe (and perhaps at home, as well, which will be discussed more in the following chapter).

Hollywood at the Crossroads seems to have signaled the beginning of the end of the postwar campaign against “runaway” foreign film production, with key players in the discourse making their exit before the decade was over. The Motion Picture Industry Council had been comprised of representatives from both labor and producers' organizations with the intention of creating industry-wide harmony and trust after the violent jurisdictional union battles of the 1940s. But support for an overarching industry council had worn thin as labor and producers had become more divided in their perspectives on foreign production and trade. With little fanfare,

the MPIC was disbanded in July 1959; the Hollywood AFL Film Council was left on its own to continue the mission against runaway film production into the 1960s.

CONCLUSION

The formal introduction of the issue of runaway film production in the 1940s and 50s was in many ways a continuation of already simmering tensions between labor and producers over territorial control of the Hollywood film industry. The established Hollywood unions had barely regained jurisdictional rights over Hollywood's studios in the mid 1940s when the threat of territorial encroachment on their industry was perceived from abroad following the war. Only this time, the "enemy" was not so clearly identified as it had been in the labor disputes with the CSU, or the turf so clearly marked as the Hollywood studios. Rather, the jurisdictional battle that labor found themselves in with producers over postwar runaway film production was waged over the drawing of ideological boundaries as much as spatial boundaries: was the Hollywood film industry a domestic industry with primary obligations to the social, political, and economic agendas of the U.S. and secondary obligations to foreign markets? Or was Hollywood becoming primarily a global industry, with priorities toward expanding the cultural and economic horizons of the U.S.? In essence, labor was struggling to maintain Hollywood's identity as a situated place with a unique cultural identity, while producers energetically lobbied to transform the Hollywood industry into a transnational process representative of, but not beholden to, American ideologies—a commodity with extraordinary value to the U.S. in both political and economic arenas. As Jeremy Packer's (2003) has observed, "[T]o be mobile is to be free to govern oneself, across a vast territory, but it is always in accordance with governing in so far as it coincides with 'convenient ends'" (p.140). The global, neoliberal ambitions of Hollywood's ownership class in the 1940s and 50s were in perfect concert with the free trade agenda of the postwar U.S. And as

such, Hollywood's owners and producers had earned a free pass to "govern themselves" on the global free market with little or no interference from federal or state authorities, and certainly with no perceived threat from Hollywood's anti-globalization unions.

Discussions of runaway film production in the 1940s and 50s also represented deepening frustrations over class divides within the industry. In an increasingly global industry, being above-the-line meant being in control of the location and staging of productions, and subsequently the spatial division of labor as Massey (1984) has described. A film crew was a relatively interchangeable commodity that could be hired on-location, whereas directors and film stars were unique and valuable commodities that had to be accommodated, either by bringing them to the desired location, or bringing the production to them. And as IATSE president Richard Walsh seemed to portend in his comments regarding the Anglo-American Agreement, once such practices of global labor distribution were established, they would be hard to stop. And so the 1940s and 50s were a time when labor came into acute awareness of their increasing powerlessness within the developing International Division of Cultural Labor (Miller, Govil, McMurria, & Maxwell, 2001), with much time spent trying to exert some political or economic control over this process—with little overall success.

Themes of class tension and industry deterritorialization would continue in discussions of runaway film production in the 1960s, but with intensified debates over runaway industry extravagance, the long term impact of free trade agreements, and the appropriate role of Congress in regulating the U.S. motion picture industry through domestic and foreign policy.

CHAPTER THREE: BLAME IT ON THE RUNAWAYS: CHASING *CLEOPATRA* AND CAPITAL AROUND THE GLOBE IN THE 1960s

INTRODUCTION

The 1960s are remembered as a time of significant political and cultural upheaval in the U.S. And as a culture industry, Hollywood was not immune to such changes. Though the Cold War raged on in Washington, Hollywood's anti-communist fervor weakened significantly in the first part of the decade: in 1960, screenwriter Dalton Trumbo openly defied the blacklist, working under his own name for the first time since his conviction for contempt of court in the 1947 Hollywood HUAC hearings (Weiler, 1960); and in 1964, Stanley Kubrick's Cold War satire *Dr. Strangelove, Or: How I Learned to Stop Worrying and Love the Bomb* (1964) found its way onto the best picture nominee list of the Academy Awards. But despite lagging credibility for McCarthyist politics in Hollywood—a cornerstone of postwar runaway production debates—Hollywood labor regrouped and intensified their campaign against runaway film production in the 1960s. Their approach included two primary understandings of the issue: as a problem created by “runaway” media trade regulation and anticompetitive economic incentives abroad, and as a result of “runaway” film budgets and lifestyles of Hollywood's top talent.

The first theme, Runaway Trade, is argued to represent competing, yet interdependent, globalization discourses of “deterritorialization” and “reterritorialization.” According to Negus and Román-Velázquez (2000) the discourse of deterritorialization constructs globalization as a positive force for “creating ‘new markets,’ breaking down barriers, and disrupting previous routines” (p.329). Throughout the 1960s, Hollywood's producers and owners employed a discourse of deterritorialization as a justification for their production ventures abroad. At the same time, it was also used as a critique of Hollywood labor unions and their seemingly blind

dedication to outmoded production routines, such as recreating foreign locations on Hollywood's soundstages. Hollywood film labor, on the other hand, is argued to have adopted a discourse of reterritorialization, calling for the reinstatement and reconstitution of Hollywood's localized identity— as a production community, as a political touchstone, and as a cinematic locale—in relation to the global (Canclini, 1995, p. 229).

The second theme, Runaway Extravagance, is examined through Doreen Massey's (1994) theory of "power geometry" of labor mobility and spatial distribution. This theory contends that we must look not only at who is or is not mobile within the global flows and interconnections of capital, but also who has power in relation to these flows. The Runaway Extravagance debates of the 1960s are argued to represent labor's growing frustration over the increasing power of Hollywood's elite, including actors, to initiate the flows and movements of film productions overseas, while labor's power to influence the flow of production back to Hollywood was being continually diminished.

A lively and contentious counterdiscourse to runaway film production also appeared in the 1960s. Mounted by Hollywood directors, producers, and actors, this discourse championed "creative runaways"— productions staged overseas or outside Hollywood based on a need for location authenticity. Location authenticity debates were not new to discussions of runaway film production, and Hollywood labor had generally been very tolerant of location shooting for authenticity up to this point. However, labor began to question such explanations as mere subterfuge for avoidance of Hollywood union pay scales, growing dependence on European film industry subsidies, and lifestyle accommodations for Hollywood's rich and famous living and working abroad. As with the theme of Runaway Extravagance, the discourse and counterdiscourse of Creative Runaways in the 1960s appears to express a power struggle within

the “power geometry” of global film production. Only in this instance, the struggle over foreign production for location authenticity was as much about controlling the “mediascape”—the global “sphere” in which images of the world are produced—as it was about controlling the “financescape,” or the global flows of capital and labor (Appadurai, 1996).

“ECONOMICS, AND NOT PATRIOTISM”: RUNAWAY FILM PRODUCTION AND THE TRADE REGULATION DEBATE

With the negotiation of the Bretton Woods Agreement in 1944, and the subsequent creation of the General Agreement on Tariffs and Trade (GATT) in 1947, the development and regulation of free trade became one of the most—if not *the* most— important global initiatives for the U.S. following the war. And not surprisingly given the timing with the creation of the GATT, free trade had been a significant underlying issue within the runaway production debates over the Anglo-American Film Pacts of 1948 and ’50. By the 1960s, Hollywood industry owners and producers argued that trade liberalization had become more than a quest for new markets and industry expansion as it was constructed in the postwar years, but rather as a matter of survival for their industry. According to their assessment, since World War II, Hollywood had become increasingly dependent on foreign revenues to keep its domestic industry afloat; and through this logic, so-called “runaway” production was just part of the trade deal required to gain access to vital European markets. Hollywood labor, however, did not buy into the urgency of free trade to their domestic industry, nor did they see it as their duty to be the sacrificial lamb for Hollywood’s global trade initiatives. Quite the contrary: Hollywood labor saw the push for trade liberalization as an excuse to “run” from U.S. unionized labor and therefore one of the major causes of domestic unemployment in their industry, and not the cure, as argued by the M.P.A.A.

The debates over runaway free trade and runaway production would play out over several important events in the 1960s, including a special Congressional Hearing on Imports and Exports in 1961. It is at this point that we begin to see the Hollywood film industry grapple with the notion of media as cultural commodities, and the subsequent treatment of such commodities and their industries within global trade policy. For many countries in Europe, the understanding of media as cultural commodities was (and continues to be) the standing rationale for the implementation of subsidies and quotas to protect their national media industries from American cultural imperialism (Miller, Govil, McMurria, & Maxwell, 2001; Christopherson, 2005; Hoskins, Finn, & McFayden, 1996). Hollywood trade interests such as the M.P.A.A. staunchly opposed such cultural definitions of media, and the protectionist measures that accompanied them, as incompatible with global capitalism and trade liberalization; motion pictures and television programs were no different than any other commodities being traded on the global free market, and should stand on their own without government intervention. Hollywood labor, however, would counter that comparable subsidies were needed in the U.S. to maintain the cultural integrity of American films and TV content in danger of being compromised by foreign runaway productions.

The 1961 Congressional Hearings on Imports and Exports

In September 1959, the Hollywood AFL Film Council launched their newest lobbying campaign with the publication of a brochure titled “The World’s Sneakiest Smuggler.” The brochure, distributed to all members of the AFL-CIO preceding their convention in San Francisco that year, presented a dire picture of the runaway film production problem for American labor, claiming that as much as 50 percent of all Hollywood features and made-for-TV movies were being made outside the U.S. (AFL Film Council intensifies, 1959). The Council

recommended the boycott of such foreign-made films by the AFL-CIO membership, and presented a resolution at the convention calling for the drafting of federal legislation that would require “runaway” films to be prominently labelled with their film location in the titles and in related marketing materials. The pamphlet and convention resolution appear to have had little immediate impact, with no specific “runaway” legislation being generated at that time. Instead, it would take another two years before the AFL Film Council and other industry representatives would get a chance to make their case before Congress.

By fall 1961, labor had made a few allies on Capitol Hill, most notably House Representative John Dent (D-PA). As chairman of the Education and Labor subcommittee on Imports and Exports, Dent was intrigued with the issue of “runaway” film production as further evidence of an overall need for a Reciprocal Trade Act—legislation that would counter the free trade agenda of big business and tighten the requirements for access to the U.S. market by foreign competitors (Lewis, 1961). Government subsidies for foreign film industries, stiff import quotas on American films, and frozen funds policies for U.S. exhibition revenues had long been thorns in the side of anti-runaway lobbyists in Hollywood—all were seen to exacerbate foreign “runaway” film production in one way or another. There were no comparable restrictions on production, exhibition, distribution, or revenues export for foreign films in the U.S. at that time.

In the month before the hearings, *Variety* editor Thomas Pryor¹¹ wrote a three part series on the issue of “runaway” film production, anticipating arguments that would be made by Hollywood management, talent, and labor. Pryor described the pre-hearing efforts of Screen

¹¹ Thomas M. Pryor covered the film industry for the *New York Times* for 30 years before joining *Daily Variety* as its chief editor in 1959. He remained at *Variety* up until his retirement in 1988. Given his long tenure with each publication and his regular attention to the issue of runaway production, it is important to note the crucial role that Pryor played in framing the issue in the American press during the 20th century.

Actors Guild president Jack Dales to organize a runaway production roundtable between the various industry factions in order to avert what would likely be an inconclusive Congressional investigation (Pryor, 1961, November 15). He explained the centrality of the S.A.G. to issues of runaway production: first, that some viewed the personal finances and lifestyle choices of Hollywood stars as responsible for the trend toward overseas location shooting; and second, that some viewed the high cost of hiring extras in Hollywood as driving large-scale productions to shoot where they could have access to inexpensive “atmosphere.” Other debated causes of runaway production included cost-prohibitive union contracts in Hollywood and the subsequent lure of cost-saving subsidy plans overseas.

Pryor did his best to present both sides of the runaway debate, although his sympathies were clearly on the side of labor. And in his last installment in the runaway production series, he expressed his concerns for the future of Hollywood’s industry, and frustration with those who seemed to dismiss the seriousness of the threat of overseas production: “[P]eople who take work out of the Hollywood studios by going abroad to make one or more pix that could and should be made here and blithely say Hollywood always will remain the center of U.S. film production are simply talking through their hats” (Pryor, 1961, November 17, p.1). In the end, he predicted that producers and above-the-line talent would remain relatively unscathed by the overseas trend, whereas the outcome appeared bleaker for Hollywood’s below-the-line labor, who faced the loss of eligibility for industry pension plans and psychological trauma due to long term unemployment.

The Congressional hearings by the House Education and Labor subcommittee were held in November and December of 1961 in Washington, D.C. They were meant to provide a forum for leaders from several industries, including agriculture, transportation, chemical, oil, and

motion picture production, to air their concerns about the impact of foreign trade practices on employment conditions in the U.S. Hollywood industry leaders turned out in full force for the hearings, including representatives from the major unions, actors, and industry executives, including the venerable Eric Johnston of M.P.A.A.

The inclusion of the motion picture industry in the Congressional hearings was the first point of contention between Hollywood's free trade and anti-runaway production factions. The AFL Film Council had lobbied hard for inclusion of the film industry in the hearings in order to frame runaway production and labor outsourcing as common denominators with the more familiar, middle-America industries present (Sherman, 1961). Representatives of Hollywood's executive class, however, played up the seeming incongruity of the film industry's presence among the other industries, arguing that the problems of glittery Hollywood could hardly be as severe or imminent as those affecting the U.S.'s rust and grain belts. Eric Johnston was the first industry representative to testify, and immediately set to the task of delegitimizing the seriousness of Hollywood's foreign production problems as compared to other industrial communities:

This committee is concerned particularly with the problem of depressed areas—with American communities that have been hard hit by the inroads of foreign competition. Hollywood, of course, has suffered its share of bumps and knocks. And it has its troubles today. Now, I've heard Hollywood called many things, but I don't think it can yet be called a depressed area. (Hearings before the Subcommittee, 1962, p.464)

Gone were Johnston's sympathies for the plight of film labor so often expressed in his IATSE convention speeches. This was purely about business, and Johnston was in his element as a seasoned trade and policy negotiator. After taking a jab at the "depressed" lifestyles of

Hollywood, Johnston went on to describe how the U.S. film industry had in fact become utterly dependent, rather than deeply undermined, by foreign production and theater revenues. With the rise of independent producers, he explained that much of the control over selection of motion picture production locations had been lost by the Hollywood majors, and subsequently unanchored from their Hollywood studios. Television was also cited as a major contributing factor in the decline of Hollywood's film industry, with many people staying home rather than going out to the movies as was the pre-World War II practice. With a weakened domestic market, Johnston argued that foreign distribution and production had become Hollywood's bread and butter. But access and dependence on these new European markets had their price: "...if we expect to sell in the foreign market, we must engage in business in the foreign market" (p.465).

And thus, Johnston defended the choice of some Hollywood producers to make films abroad, arguing that the phrase "runaway production" misrepresented both the loyalties of his colleagues to American industry and the nature of international film production and trade:

...American producers do not go abroad to make pictures because of a whim or because of trivial reasons. They do not produce abroad because they want to shirk their responsibilities to American workers. They do not produce abroad because they want to evade their contractual obligations to the unions and guilds of Hollywood.

And let me say further that the word "runaway" is inaccurate. It is not correct, as the term implies, that production pulled out of Hollywood and left workers stranded.

...There are diverse and complicated reasons for production abroad by U.S. interests.

...So it is inaccurate to speak of "runaway" production.

It is instead supplemental international production. And this supplemental production provides additional income and jobs in the United States. (pp.465-466)

Johnston opposed trade restrictions, defending the ongoing efforts to establish reciprocal film trade policies between U.S. and European film industries. Congressman John Ashbrook (R-OH) challenged Johnston on this point, noting that the term “reciprocal” was something of a misnomer in light of European trade restrictions, such as film quotas, and suggesting with a bit of cynicism that perhaps “unreciprocal reciprocal agreements” would be a more accurate description (p. 472). Johnston assured Ashbrook and the other committee members that, with continued pressure from the U.S. government, European markets would eventually become completely open. He provided evidence of several markets, including the U.K., that had loosened their trade policies since the postwar years.

Johnston’s testimony was followed by two additional representatives of Hollywood’s free trade contingent: Griffith Johnson, vice-president of the MPAA and Motion Picture Export Association of America, and Charles S. Boren, executive vice president of the Association of Motion Picture Producers. Each provided extensive quantitative evidence to support Johnston’s testimony, with Johnson discussing and comparing figures on American and foreign film imports and exports, and Boren addressing employment and production trends in Hollywood (Hearings before the Subcommittee, 1962). By their estimations, Hollywood was still very much on top of the global game in terms of production and distribution prowess. And despite the decline in motion picture production in the wake of television’s expansion, their data also showed conditions for Hollywood labor remaining relatively stable, in part due to the increased demand for telefilms (a.k.a. made-for-TV movies) (see Table 3.1).

	1958	1959	1960	1961 (8 months)	Total
Films produced in the United States	224(12)*	157(12)	122(11)	100(5)	603(40)
American films produced abroad	21	12	9	19	61
Foreign nationality films with substantial U.S. interests	19	18	19	12	68
Other British films	18	21	32	15	86
Other non-British foreign films	6	15	29	17	67
Total	288	223	211	163	885

Table 3.1: Feature films approved by the Production Code Administration, 1958-61. Presented by Eric Johnston to the Congressional Subcommittee on the Impact of Imports and Exports on American Employment, December 1, 1961. *Numbers in parentheses were noted as films having background foreign location shooting

Griffith Johnson's only warning to the committee was that Hollywood labor would likely experience a second stagnation in coming years due to the increased implementation of trade barriers against U.S. telefilms. With such barriers being erected, American production companies would again be forced to enter reciprocal agreements, likely including telefilm production abroad, in order to retain access to fast-growing foreign television markets (pp.481-2).

Members of the AFL Film Council testified next, providing counterarguments to the industry executives' construction of the foreign film trade situation. H. O'Neil Shanks, executive secretary of the Screen Extras Guild and chairman of the Foreign Film Committee of the Hollywood AFL Film Council, addressed the committee first, flanked by fellow Councilmen John W. Lehnert of the Motion Picture Film Editors union and IATSE attorney Robert W. Gilbert. The labor leaders presented three major arguments for Congressional intervention in the film industry's runaway problems: first, that contrary to Eric Johnston's statement, runaway production was indeed a national concern, with the export of film jobs not only affecting Hollywood and California labor, but labor in New York and other states as well; second, that the bolstering of foreign production was potentially jeopardizing Hollywood's standing as the world leader in film production; and finally, that runaway production was undermining the U.S.'s

ability to utilize film as a global emissary for democracy, and perhaps even aiding in the spread of communism—a continuation of the “un-American” theme employed in runaway production debates in the 1950s. Shanks elaborated on this final point, suggesting that some runaway producers were actually “surrendering control of content with respect to pictures made abroad and cooperating with Communist-controlled unions” (pp.498-9). And while salvaging jobs for American film laborers was their practical concern, the Council members argued that the fight against runaway production was also a fight against communism (p.499).

The Labor and Education subcommittee was presented with a hefty report compiled by the AFL Film Council, addressing the present and future impact of runaway film production on the Hollywood film industry (p.497). Relying heavily on data provided in Irving Bernstein’s *Hollywood at a Crossroads* (1957), the AFL Film Council report painted a very different picture of exhibition and production trends in Hollywood, pointing out, for instance, that 12 of 16 films shown in LA theaters in September 1961 had been “American-aspect” foreign productions, along with all four Best Picture Oscar winners from 1956 to 1959. The report meticulously addressed the four primary reasons provided by producers for filming abroad: location authenticity, frozen funds access, establishing goodwill with foreign markets, and competitive production costs. The AFL Film Council agreed that some films required location shooting, but otherwise took a much harder line on “creative runaways” than in the past. Their report contended that the vast majority of those American-backed foreign productions claiming location authenticity were actually running away from union and guild contracts (Hearings before the Subcommittee, 1962, p.505), with some filmmakers accused of spending weeks or months shooting on sound stages in Europe after location work was completed (p.507). In cases where location shooting was truly deemed necessary, Jack Dales of the Screen Actors’ Guild was quoted as asking, “whatever happened to

the second unit to shoot foreign exteriors, with interiors made in Hollywood?"; the 1961 release *Judgment at Nuremberg*, shot in Hollywood with German location footage spliced in, was provided as a successful example of this strategy (p.506).

Labor also quickly dismissed the "frozen funds" and "goodwill" justifications for runaway production made by Hollywood's producers. The argument that American producers were being forced to make films abroad to access frozen film revenues was discounted based on Eric Johnston's own testimony—that revenue blockages in Europe had been greatly reduced since the postwar years. And more specifically, in the eleven years since the Anglo-American Film Pact of 1951, frozen "coin" policies had been completely removed by the four nations most engaged in film production and trade with U.S. producers: the United Kingdom, France, Italy, and Germany (p.507). The AFL Film Council treated the "goodwill" and "good business" explanations for runaway production as similarly unfounded. They argued that if foreign production was necessary to the economic survival and global appeal of Hollywood—supposedly the most vital and popular production center in the world—then why weren't filmmakers from weaker and lesser known European film markets travelling to the U.S. for the same reason? Alternately, Italian studios were said to be so booked with American productions that U.S. producers were "beginning to step on each others' toes" (p.508). And yet Italian filmmakers were nowhere to be seen in Hollywood or the U.S. Finally, labor argued that if the point of American production abroad was to spread good will to all countries around the world, then why were so many productions concentrated in the same four European countries with relatively well-established film industries? The Council concluded that "shooting on foreign locations to build good will...is a dubious point when you figure out the cost, the troubles, and the economic injury and bad will created here" (p.509).

The final reason for foreign production challenged in the report was “comparative production costs.” This was a much more sensitive subject for Hollywood’s labor than the others because more often than not, exorbitant union contracts at home were blamed for American producers running abroad. The Council once again deferred to Irving Bernstein’s findings in the *Crossroads* report to counter such claims. Bernstein suggested that only “spectacle” or blockbuster films requiring extraordinary numbers of extras really experienced a “labor cost differential” by producing abroad; for all others, the benefit was marginal (p.510). Labor next discussed the subsidy structure in place in European film production markets, which often provided U.S. filmmakers with the same cost-saving benefits as indigenous productions. The report explained that European subsidies were driven by a heightened sense of the importance of film industries to their national economic and cultural welfare compared to the U.S. Subsequently, they argued that European countries had felt the need to create additional protections for their industries through the implementation of subsidies, screen quotas, and currency restrictions. By contrast, motion picture production in the U.S. was treated as a “private enterprise” and afforded no special government protections (p.511). Labor contended that the European film industry subsidies were being justified as a protective measure against competition from Hollywood—both as a formidable economic force and a cultural influence. From labor’s perspective, however, the cultural and economic protectionist argument was a pretense to justify anti-competitive subsidies that would create more runaway production from Hollywood; and if the foreign subsidies were meant to protect local culture and film production from Hollywood, why were U.S. film interests allowed to co-produce projects with them?

The report concluded with the AFL Film Council’s list of recommended solutions for the film industry’s runaway problems to be implemented by Congress. The Council first called for a

special Congressional investigation of runaway production, arguing that a government probe would benefit from the “power of the subpoena” for accessing overseas production records, which the Council lacked. They urged the committee to investigate personal earnings and tax filings of “runaway” producers and actors, as well as any overseas corporations they owned that might function as tax shelters; Otto Preminger, director-producer of the Israel-based *Exodus* (1960), and Samuel Bronston, producer of the Italy and Spain-based *El Cid* (1961), were of particular interest in this regard (p.514). Several legislative measures were also suggested, including government loans and subsidies for the U.S. film industry, the labeling and placement of import restrictions on foreign-produced films, and legal punishments for employers running abroad to avoid union contracts (pp.415-417).

Members of the Screen Actors Guild were among the last to testify on the matter of runaway film production before the Congressional committee. Interestingly, their position on the issue departed somewhat from that of behind-the-scenes labor. This was mostly due to the fact that actors had been consistently accused by the unions of running abroad in order to receive tax breaks, as in the case of the 18 month tax rule, or to accommodate political or lifestyle choices. John L. Dales, executive national secretary of the Guild and member of the AFL Film Council, defended the members of his union before the labor committee:

It is human nature to look for a scapegoat. Everybody blames everybody else for this foreign production. I must say in all honesty and without, I think, undue prejudice because I happen to be executive secretary of the Screen Actors Guild, that actors, stars, have taken an undue amount of blame for this. I made a thorough survey before I came here of the number of people that I could find today who are abroad for a tax-saving reason. I came up with six and possibly seven. (p.617)

Dales assured the committee members that the most detrimental factor in creating runaway production was foreign industry subsidies and tax advantages, and not actors.

As vice president of the Screen Actors Guild, Charlton Heston also stepped forward to defend actors' participation in foreign productions, mostly arguing that the internationalization of the U.S. film industry made such choices inevitable. In his testimony before the Congressional Subcommittee, Heston introduced himself as "a migrant worker," continuing with a tongue-in-cheek assessment of the transient life of the actor and the reality of "migrant" production work abroad:

I have been an actor all my life, and actors have from the earliest times been classed as itinerant artisans, along with tinkers, gypsies, and mountebanks.

More recently, we have achieved reasonable respectability as well as some stability. Most of us now have permanent addresses, and some place else to call home besides the room in an actors' boarding house that was our lot for so long. Those of us, like myself, who earn a large part of our living in motion pictures are still transcontinental commuters, of course, what with the legitimate stage in New York and movies in Hollywood, a 707 jet looks to me exactly like the shuttle train on the 42nd Street subway. (Hearings before the Subcommittee, 1962, p.620)

In response to the argument that actors wanted to work overseas to maintain extravagant lifestyles, Heston described his own grueling experiences making films abroad:

I have climbed Mt. Sinai barefoot for a film, and found it something less than a delightful experience. The 10 months I spent in Rome on another movie sounds exciting, I know—but the time was composed of 60-hour workweeks spent largely in the back of a chariot at

Cinecitta Studios. We work just as hard in Hollywood, of course, but we sleep in our own beds at night.

But I am an actor. I go where the work is, whether it is somewhere south of Suez, or the San Fernando Valley. But I can't act in Hollywood, if nobody makes movies there.

(p.621)

Heston explained that he supported measures that would stimulate domestic production, but felt that restrictions on foreign production were not the answer. Rather, he aligned his position with producers and investors who had long insisted that the health of Hollywood's industry was closely tied to foreign production, and restrictions would only hurt an already weakened domestic industry.

The outcome of the hearings for the motion picture industry was mixed. The Congressional subcommittee recommended an official investigation, but made no immediate legislative actions on behalf of labor; the banner headline in *Variety* following the hearings declared that "Economics, and not Patriotism" had ruled the day (1961, p. 3). And yet, the meaning of the headline extended well beyond the context of the Congressional hearings. Throughout the 1950s, Hollywood executives had argued that it was postwar patriotism and a commitment to the recovery of our wartime allies that had driven the trend in overseas film production. By the 1960s, the argument of European dependence had been replaced by a discourse of global economic interdependence; that Hollywood producers were being driven by the quest for new markets to support the domestic film industry, without which the domestic industry would surely fail—a central construct within discourses of global deterritorialization (Negus & Román-Velázquez, 2000).

Hollywood labor had made their own efforts to deterritorialize their industry in order to gain the support of the Congressional committee. By acknowledging other production communities in the U.S., they had attempted to construct runaway production as an American problem and not just a Hollywood problem. This was a tough sell, as the identity of the motion picture industry was (and continues to be) so intrinsically linked to the locality of Hollywood. And while the 1961 Congressional hearings played an important role in raising awareness among federal officials of the issue of runaway film production, few in Congress were willing to take up the cause of Hollywood unemployment over industries closer to voters' day-to-day lives, such as auto production and agriculture. Rather, in the years to come, runaway production would become a more salient issue for state and local politicians, particularly as a campaign platform in California.

Labor's Congressional lobbying for film industry subsidies touched off some heated commentary in the press, particularly from directors and producers directly or indirectly attacked as "runaways" during testimonies. Otto Preminger, a vocal critic of the anti-communist and anti-"runaway" lobbies in Hollywood,¹² saw government subsidies as incompatible with the American business tradition of competition in a free market. His blunt assessment: "If we are not good enough to compete in the world market we are not good enough" (Williams, 1961, p. 19). Preminger instead blamed domestic industry problems on out-of-control union contracts and lack of leadership. He derided the unions for their short-sighted understanding of Hollywood and its film industry, declaring both to be undeniably international: "But it is nonsense to say that we must make almost every picture here. It is old-fashioned thinking. We must develop global thinking. Our government thinks globally. It is necessary in every field today" (p.19). Fed up

¹² Preminger has been identified by some as the first to defy the Hollywood "blacklist" by hiring Dalton Trumbo to write the screenplay for his 1960 release *Exodus* (Weiler, 1960).

with the “racket” of production in Hollywood and the U.S., Preminger had declared his intention to work “away from Hollywood” from that point forward. Members of the Writers’ Guild of America also came out against the AFL Film Council’s campaign for subsidies and quotas, with West coast president Charles Schnee accusing the Council of running a “headline-hunting attack” against the U.S. film industry (Shanks, Lehnert, & Gilbert, 1961). The Council defended their position and restated their case in a letter to the *Los Angeles Times*, explaining that in light of failed attempts to engage management on the matter of “runaway” film production and deal with the problem internally, outside assistance from the government—possibly in the form of subsidies—was considered a necessity.

The 1961 Congressional hearings seem also to have inspired individuals beyond the executive committee of the AFL Film Council to make their own token efforts to invigorate state and federal interest in runaway film production. Harrold A. Weinberger, a 30 year veteran of the industry and assistant director on such television programs as *Gomer Pyle, USMC*, started an extensive letter writing campaign in the summer of 1962. In a cover letter mailed to all the major Hollywood trade unions, he asked labor leaders to urge their memberships to send letters to President Kennedy, Senators Wayne Morse (D-OR), Thomas H. Kuchel (R-CA) and Clair Engle (D-CA), and Congressman Alphonzo Bell (R-CA) regarding the detrimental effects of runaway film production on their industry. Weinberger provided several letter templates for the union leaders to pass along to their members for penning their own letters to elected officials, as well as an informational bulletin titled “Stop Runaway Production,” meant to give Hollywood film workers a more in-depth understanding of the problems of foreign production. The timing was considered crucial since it was a campaign year and Congress was set to adjourn in August. He included a copy of his own letter to the president (Weinberger, 1962, July 9), in which he blamed

exorbitant foreign export duties, screen quotas, and foreign government tax breaks and subsidies for the problems of the domestic industry (p.1). He asked that the government consider reducing their financial support for countries imposing unreasonable export duties on the U.S., particularly for those using the duties to finance “runaway” productions. He also asked that films be reclassified as commodities at the federal level so that an *ad valorem* tariff (a percentage-based tax) could be applied to all imported films (p.2).

While some film workers like Harrold Weinberger attempted to take matters into their own hands, organized Hollywood labor and management groups attempted to put aside their differences following the 1961 Congressional hearings and collaborate on a domestic industry agenda to abate runaway production practices. In the spring of 1962, the Hollywood Joint Labor-Management Committee on Foreign Film Production was formed, comprised of members of the AFL Film Council and the Association of Motion Picture Producers. The committee created a list of possible industry policies and legislative actions that might slow the foreign production trend, primarily focusing on individual and industry level tax reforms (Plans offered to lessen, 1962). After petitioning the Department of Labor for a federal investigation of “runaway” film production, Labor Secretary W. Willard Wirtz appointed Assistant Secretary George Weaver to work with the Joint Committee to determine if federal assistance was needed (Wirtz appoints board on "runaway" films, 1963). The Hollywood labor-management group presented their list of concerns and possible solutions to Weaver and several leading legislators in California, including Senator Kuchel (Film unions seek, 1963). In particular, they recommended a federal subsidy for domestic production to counteract the effects of foreign industry subsidies, to be implemented through the recycling of federal movie admissions taxes back into the U.S. film industry. Assistant Secretary Weaver organized a preliminary investigation of “runaway”

production in response, so that a more informed decision on potential legislation could be made. However, the investigation appears to have dissolved in early 1964 with the demise of the Hollywood Joint Labor-Management committee: by February 1964, a majority of producers active in the joint committee shifted their support in favor of foreign production practices, necessitating a split from labor and the AFL Film Council in their pursuit of industry subsidies ("Runaway" film joint committee, 1964).

While organized film labor continued their efforts to garner federal-level support against runaway production in the early 1960s, state level anti-“runaway” lobbying efforts were also beginning to materialize. In California, labor interests appealed to the state senate for tax relief for productions staged in Hollywood in order to keep up with tax incentives offered abroad. Up until 1963, films had been taxed by local assessors on both their tangible and intangible value: tangible value included basic costs for production, such as film stock and equipment rentals; intangible value included the estimated worth of scripts, film rights, and “star value” (Ostrow, 1963, p. B7). The proposed Rees Tax Relief Bill was intended to do away with taxes on intangible value—perhaps the largest portion of the tax burden for producers—which labor groups hoped would attract production back to Hollywood. With an amendment added that would give local assessors the authority to determine what would be considered tangible or intangible—and ultimately taxable—the bill passed through the California State Assembly. But despite majority approval, some state legislators and local assessors vehemently opposed the bill, arguing that the anticipated burden on the local economy by the film tax exemption would far outweigh the benefits to the industry. Calling the “runaway” film production argument a “smoke screen,” County Tax Assessor Philip E. Watson elaborated on what he saw as the extraordinary injustice of the bill:

I resent being put in the position of having to tell a homeowner that his \$12,000 house must be assessed at \$3000 while a \$40 million picture like “Cleopatra” must be assessed at the value of a few dollars’ worth of raw film. (Brown asked to veto, 1963, p.24)

Closed-door sessions were held with Governor Edmund “Pat” Brown later in June. The sessions were attended by Assessor Watson and several Assemblypersons arguing against the Film Tax Exemption Bill, as well as several industry leaders in favor of the bill including Charles Boren of the Association of Motion Picture Producers and IATSE president Pat Somerset (Brown ponders bill, 1963). In the end, Governor Brown vetoed the bill based on the estimated loss of tax revenues, but called for a special commission to study the film industry problem for a possible redrafting of the bill in 1964 (Lembke, 1963).

As it would happen, Governor Brown’s reluctance to support the Rees Tax Bill and runaway film production relief played out to his advantage in 1964. That spring, a series of reports were published suggesting the domestic industry had turned a corner, with the number of productions staged in Hollywood estimated to be 25% higher than the previous year (Smith, 1964, June 16; Smith, 1964, June 15). Several explanations were provided for the resurgence, including increased domestic telefilm production, rising theater attendance, and increased overseas production costs. By 1965, production in Hollywood was reported to be so strong, some producers even expressed concern over the availability of studio space (Bart, 1965, July 10); a situation which fueled yet another runaway production panic, this time with concern for increased efforts by other states to attract overflow production work from Hollywood, including New York (Garrigues, 1966). Hollywood was officially fighting a “two front” war against runaway film production, with competition for production dollars coming from locations both foreign and domestic. And while non- or anti-union contracts were the primary concern for

Hollywood labor regarding domestic competition in the 1960s (Windeler, 1969), apprehension over film industry subsidies would eventually enter the discourse of domestic runaway film production in the decades to come.

By the end of the 1960s, Hollywood labor had made very little headway with their construction of runaway production as runaway trade. Proposals for federal and state subsidies for the film industry had consistently met with diffidence—even in California where the industry represented an important sector of the state’s economy. A major hurdle for labor within the runaway trade debate was the need to reterritorialize Hollywood production as a local, if not national, cultural industry in need of protective economic policies. According to Hollywood’s ownership and management class, the genie was already out of the bottle. Hollywood production was already effectively a globalized and deterritorialized industry (Negus & Román-Velázquez, 2000); more a commodifiable production process than a place or space of production. Massey (1994) has described how reterritorializing discourses of place and spatial locality employed by labor are often rejected within classical liberal models of economy as provincial, reactionary, and even a form of romanticized escapism from the realities of globalizing industry (p.151). In the debates over runaway trade, Hollywood labor were similarly constructed as naïve to the realities of global industry and production, as well as to the nature of “real” economic strife experienced by labor in other “real” industries such as agriculture and manufacturing.

A second major hurdle for labor within the runaway trade debates had been the persistent myth of industry extravagance. Hollywood owners and their representatives had consistently referenced their industry’s glossy reputation as evidence of its financial soundness, despite the

extraordinary disparity between above- and below-the-line wages.¹³ Regardless of its accuracy, it was an effective strategy for dampening interest among state and federal legislators in supporting film industry subsidies: even if labor was correct and the Hollywood production sector was in serious trouble because of free trade policies and runaway production, who would be the one to champion industry subsidies for Hollywood—the land of swimming pools and movie stars? Interestingly enough, Hollywood’s below-the-line labor would turn the argument of industry extravagance back on above-the-line labor, arguing that the extravagant lifestyles of Hollywood’s elite were a major cause of runaway film production in the 1960s.

“GO BIG OR GO HOME!”: RUNAWAY EXTRAVAGANCE AND OVERSEAS PRODUCTION

A second major theme found in discussions of runaway film production in the 1960s blamed the problem of production outsourcing on increasingly extravagant “blockbuster” productions and the excessive lifestyles of their stars. Blockbusters had become increasingly important to the Hollywood film industry in the 1950s and 60s as a way to compete with television. Films such as *Lawrence of Arabia* (1962), *Dr. Zhivago* (1965), and *The Sound of Music* (1965) took full advantage of the “big screen” by using Cinemascope and other widescreen formats to dazzle audiences with epic tales set in exotic landscapes; something that television was unable to offer on its small, black-and-white screen.¹⁴

Blockbusters also provided long term employment for some Hollywood film labor, mostly “above-the-line” actors, directors, producers, and other key technical crew. But they presented new and unexpected problems for many “below-the-line” workers whose jobs could

¹³ According to Bernstein’s (1957) report, the average below-the-line film worker made around \$3 an hour in 1957, about 30 cents per hour less than a construction worker with a comparable job title (e.g. painter, electrician, Teamster) (p.40).

¹⁴ Color television was not widely adopted in the U.S. until the late 1960s, when the major networks began to broadcast most of their line-ups in color (http://www.fcc.gov/cgb/kidszone/history_colortv.html).

easily be filled on-site. As was discussed in the previous chapter, many producers argued that it was cost prohibitive to shoot blockbusters in Hollywood due to the high cost of using union extras; and blockbusters typically required thousands of extras to populate their signature, epic battle scenes and crowd scenes. On the other end of the spectrum, blockbuster films were heavily dependent on big-name movie stars and directors for their marketing strategies. And it was Hollywood labor's concern that these individuals were exercising an incredible amount of influence over how—and more importantly to the runaway production debates, where—films would be made. Specifically, it was argued that actors and directors were driving productions abroad to accommodate their indulgent, globe-trotting lifestyles.

The runaway production debates of the 1960s regarding industry extravagance are argued to reflect what Massey has described as the “power geometry” of globalizing industry (1994). This theory explains that, in relation to the global flows of capital and resources, “[d]ifferent social groups have distinct relationships to this anyway differentiated mobility: some people are more in charge of it than others; some initiate flows and movements, others don't; some are effectively imprisoned by it” (p.149). Those in charge are described more specifically as “the jet-setters, the ones sending and receiving the faxes and the e-mail, holding the international conference calls, the ones distributing the films, controlling the news, organizing the investments and the international currency transactions” (p.149). The discourse of runaway production as runaway industry extravagance served as an expression of the frustration felt by Hollywood's below-the-line labor as they became “imprisoned” by the decisions of Hollywood's jet-set—decisions that often seemed capricious and self-indulgent, and lacking in concern for their potentially negative effect on the “home” industry.

Runaway Cleopatra

One film that repeatedly surfaced within the runaway extravagance debates was the Egyptian melodrama *Cleopatra* (1963). Shot entirely on location in London and Rome, the film had taken almost 3 years to make, had gone over budget by \$42 million, and left 20th Century Fox on the verge of bankruptcy (Tribune series will tell the woes of "Cleopatra", 1963). Much of the blame for the film's problems was placed on its star, Elizabeth Taylor, whose erratic and self-indulgent behavior on the set would become legendary within the industry. Production notes from the film describe almost daily shooting delays due to sudden illnesses and various other "unavailabilities." On one particular shoot day in March 1962, Taylor was having difficulty delivering her lines and reported that she was ill. She was dismissed in order to consult her doctor, but was later "observed to behave in quite hilarious manner" in the commissary (Wanger, 1962). That same evening the actress called a doctor to her villa after getting glitter make-up in her eye, which eventually led to the cancellation of the next day's shooting, but only after crew stood by for an hour and a half waiting for word from Taylor's managers. An article in the *Los Angeles Times* described how incessant filming delays had unexpectedly pushed the production schedule into the winter months, causing concern that *Cleopatra*'s papier mache sets would be destroyed by winter storms (Gris, 1960). Industry reporter Henri Gris concluded, "Hollywood has learned a bitter lesson. The greener grass of foreign lands has proved anything but that... Nothing of this would have happened had the picture gone before the cameras in sunny, if smoggy, Hollywood" (p. F3). *Cleopatra* was a modest commercial success and won four production-related Oscars in 1963. But the film was generally panned by the critics for historical inaccuracies and subpar performances. Hollywood's below-the-line labor referenced the film as a

cautionary tale of the misguided logic and potentially disastrous consequences of runaway blockbusters and their out-of-control stars.

Elizabeth Taylor's overseas antics continued to serve as fodder for Hollywood's anti-runaway contingent well into the 1960s. One article reported that Taylor had insisted that three consecutive films be staged in Europe so that she could remain close to her husband, Richard Burton, while he also worked overseas (Browning, 1968). Browning described the extraordinary lengths to which one film—*The Only Game in Town*—had gone to accommodate Taylor, recreating Las Vegas (where the film was set) in Paris (where Taylor was residing): “Since there’s nothing in Paris that even remotely resembles Las Vegas, they had to fly over cases of doorknobs, bathroom fixtures, carpets, slot machines, and even parking meters from the United States to Paris” (p.B7). The story was accompanied by a picture of Taylor with the simple caption: “The Runaway.”

Some actors sided with Hollywood film crews and their contention that foreign location shooting was being driven more by the personal indulgences of the industry's elite than a need for authentic locations. Acting legend Bette Davis, who made her name in the 1930s during the Golden Age of Hollywood studio production, scoffed at the location authenticity excuse:

You do not go to motion pictures to see scenery. You go to see acting. You cannot do your best acting on location. They just go overseas today because they have fun. You know, I have a feeling they have an absolute ball in Europe. (Hopper, 1962, October 18 p. C3)

Alfred Hitchcock held similar views on the real motivations for runaway production. As he commented during an acceptance speech at the 1965 Screen Producers Guild banquet, “There’s only one way to stop runaway production, that is by persuading producers and directors to be

faithful to their wives” (Producers pick, 1965, p.A4). Screenwriter Ernest Lehman, who had penned Hitchcock’s *North by Northwest* (1959), took a similarly derisive view when he created a list of 19 “suggestions” for how to stop runaway productions, nearly all focusing on the decadent (and sometimes deviant) lifestyles of Hollywood actors and producers. They included:

- 1) Re-educate the women of France and Italy to despise sex
 - 2) Turn over to the Secret Army of the Algerian Rebels all Paris chefs...
 - 4) Build the Via Veneto on Sunset Strip
 - 5) Rename Santa Monica Beach “the Riviera”...
 - 7) Give every married writer, producer, director and male star over 40 an interlocutory decree...
 - 9) Speed up construction of the local Playboy Club...
 - 15) Make boarding school mandatory for all Hollywood children over the age of one
- (Lehman, 1962, p. 49)

While Hitchcock and Lehman were able to find humor in the situation, some actors took exception with accusations of “runaway indulgence” and overseas productions. Instead, they argued that they were simply doing their job and were in no position to insist on shooting in the States given the tenuous nature of their work. In a commentary piece written for the *Hollywood Reporter* titled “‘Runaway’ of Necessity,” Western star Van Heflin asked the question: “Is an actor a runaway if he leaves the country to make films, or is he simply following his profession?” (Heflin, 1962). He proceeded to meticulously address the most pointed criticisms of “runaway” actors working abroad, including the old “tax cure” argument. By his estimation, an actor’s career, like the career of a professional athlete, had a limited shelf life; they could be a box office hit one day and a flop the next. For this reason, Heflin supported the choice of some actors to

seek tax protections for their earnings, including foreign residency. These were common practices among managers and owners in more traditional industries, such as textiles and oil production. And yet, he argued, actors were treated as though they were being self-indulgent rather than demonstrating business savvy as in those other industries. Interestingly, Heflin conceded to labor's perspective that Hollywood had become too reliant on risky, multi-million-dollar extravaganzas. In particular, he questioned the practice of relying too heavily on "name" actors to buoy otherwise mediocre projects—a criticism that appeared directed at *Cleopatra*, in production at the time. Instead he called for producers to return to making "quality productions on a sensible budget," regardless of their location (Heflin, 1962).

In fact, the Screen Actors Guild made some earnest efforts in the early 1960s to address their possible contribution to runaway industry extravagance and runaway production. Near the end of 1962, the Guild's membership, mostly comprised of thousands of modestly paid, unknown players, voted for a moratorium on pay raises in an effort to attract producers back to Hollywood. Producer-director Stanley Kramer, whose work included *The Caine Mutiny* (1954) and *Judgment at Nuremberg* (1961), applauded the Guild's efforts. Yet he acknowledged that the problem was not so much with the "little people," but with producers who regularly overbid stars' salaries, and the stars themselves who demanded above-scale compensation for their work. Kramer challenged stars to "scale down" their salary demands, while also encouraging producers to "have the guts" to cast unknown talent (Self-searching in the movies, 1962, p.A4).

But contrary to Kramer's assessment, the Screen Actors Guild also saw problems with the way salaries of the "little people," namely secondary players and background talent, were used as a bargaining chip by producers and directors of runaway blockbusters. George Steven's production of *The Greatest Story Ever Told* (1965) was a pivotal case, as the director had never

“run” from the U.S. to make a picture. Even when making *The Diary of Anne Frank* (1959), Stevens had chosen to blend background images of Holland with Hollywood studio footage in order to keep the production stateside. But despite previous efforts, the director made it known that exorbitant Hollywood production costs—particularly for the thousands of required extras—were forcing him to move *Greatest Story* to Spain where background talent of “Biblical proportions” could be hired for a fraction of Hollywood union scale (Pryor, 1961, November 16). He also contended that Hollywood’s wardrobe unions had blocked the importation of thousands of costumes for the film, insisting the garments be handmade for an estimated \$145,000 compared to \$7500 in overseas wardrobe rentals (p.1). Stevens’ commentary on the *Greatest Story* predicament started a bargaining frenzy among Hollywood politicians trying to score points with local labor interests (Plot Hollywood's "Greatest Story", 1962). In March 1962, Stevens received a letter from the office of Los Angeles Mayor Sam Yorty, promising to organize “quite a prestigious clambake” if *Greatest Story* was relocated to Hollywood; Yorty proposed presenting Stevens with a scroll of thanks “for his thus giving such a big boost to local film-making” (Letter from Maxwell Hamilton, 1962). When Stevens finally signed deals with Hollywood’s Screen Extras Guild and Costumers’ union a few months later, Hollywood labor interests hailed the director as a varitable Pied Piper of runaway production: “The easy way would be to shoot the picture foreign—the Stevens way is not to stop runaway production, but to start the march back to Hollywood production” (Letter to George Stevens from Tom Andre, 1962).

But George Stevens was an exception, as many directors and actors adamantly defended their choice to work abroad, even for reasons considered “indulgent” by Hollywood labor interests. After a long stint shooting in Paris for his film *How to Steal a Million Dollars* (1966),

director William Wyler proclaimed to the press his disinterest in ever working in Hollywood again. He complained bitterly that Hollywood's 9 to 6 union-mandated schedule had "appalling" effects on his actors' performances, as they were often required to report for hair and makeup as early as 6 a.m. to accommodate the schedule. And from his experience, the early hours were bad for both their appearance and the level of energy they brought to the set:

The cast always looks haggard. The women get circles around their eyes by 3 in the afternoon and you can't do close-ups anymore. Everyone is falling asleep after he returns from lunch. As for love scenes, it's uncivilized to shoot a love scene at 9 in the morning. Everyone looks foolish. (Dart, 1966, p. 27)

Wyler even ventured to argue that the more rigid Hollywood schedule actually encouraged bad behavior by actors, as they often chose to simply report late to work everyday rather than adhere to the early hours—shutting down productions until they arrived. Rather, Wyler insisted that "running" to Europe and to a more leisurely noon to 7:30 p.m. schedule was a matter of necessity, and not indulgence. And given the later start times on European shoots, he argued that he had greater expectations of actors while working overseas than in Hollywood; to support his claim, he described having fired George C. Scott from an overseas production for arriving to work five hours late.

While producers and actors may have been in agreement on the benefits of leisurely European production schedules, opinions diverged in regards to the necessity of overseas production for talent recruitment. Producers maintained that foreign productions were important opportunities for recruiting and grooming fresh, European actors that would appeal to globalizing film audiences. In an interview with Hollywood columnist Hedda Hopper, film producer Walter Wanger contended that imported foreign talent such as Marlene Deitrich and

Maurice Chavalier were the reason Hollywood had dominated foreign markets for so long (Hopper, 1962, August 16). The goal was to have “world-wide appeal,” and English and French producers who had stubbornly “stuck to their nationalism” according to Wanger, were now seeing the benefits of co-producing with the U.S. and using “outside” talent. He also explained that the roles of actors and producers in the production process were no longer as cut and dried as they had been; and thus, it was only natural to expect the stars to have more of a say in how and where productions occurred: “Nowadays the front office expects to be treated as stars, and the talent as executives. Talent always requires special treatment and we should give it to them” (p. C8).

Many Hollywood actors, however, were chafed by the competition from abroad. In 1963, the leadership of the Screen Actors Guild argued that runaway producers were creating bidding wars between U.S., U.K., and Canadian screen actors groups for telefilm projects, resulting in negotiated wages well under union scale for all three groups. SAG decided to address the problem by initiating negotiations of the Toronto Agreement: a collective bargaining agreement between the British Equity, the Irish Actors Equity, the American Screen Actors Guild, and the Association of Canadian Television and Radio Artists. The agreement required telefilm producers to pay the same wage scales and abide by the same residual contracts in all participating countries—an attempt to discourage productions from “running” from one country to another in search of the best deal on secondary talent (“Runaway film” foreign wage pact, 1963). The unity amongst the three acting guilds, however, was short-lived.

By 1965, the Screen Actors Guild had begun consulting with federal labor and immigration agencies in search of possible options for barring overseas actors from working in Hollywood (Bart, 1965, February 7). Guild executive John Dales clarified that they were less

concerned with the few “distinguished” actors like Alec Guinness who worked regularly in Hollywood, and more concerned with the trend of importing secondary talent from overseas (p.X7). Much like the “runaway” trade debates of the past, some Hollywood talent felt that foreign labor policies were non- reciprocal—foreign actors could work in Hollywood as they pleased, while Hollywood actors were sometimes barred from working for foreign production companies overseas. Complaining that Hollywood and Broadway actors were being “elbowed out” by a British “invasion,” American icon Jack Palance explained, “I am opposed to this invasion because there’s no protection for us. American producers filming overseas do not demand that a certain percentage of the cast must be Americans. But the English and other foreign film-makers do” (Harford, 1967, p. 16). Palance contended that the inequities in treatment of British versus American actors extended beyond the productions to the ways actors were recognized for their achievements in either country: “Year after year, the British dominate our Academy Awards and we stand around and cheer. We never designate them ‘foreign actors,’ but Lee Marvin can only win in the British Oscars as best foreign actor” (p.16). Palance grumbled about his impending film project, *Vegas 66*, which was scheduled to shoot in Spain for five weeks—no doubt, in his opinion, for government subsidies and cheap Spanish talent. He placed the blame for such blatant “runaway” productions on the doorstep of the Screen Actors’ Guild, and challenged the Guild to find a way to remedy the situation:

There’s no hope anymore that Hollywood will ever regain its one-time glory as the world’s film capital. Costs being what they are, the film industry just isn’t coming back. But if the Screen Actors’ Guild would do something to curb runaway productions instead of giving them an open invitation to run away, it would help restore some of the old action in Hollywood. (p. 16)

Yet another industry camp saw the internationalizing of Hollywood's talent pool and films as a natural and healthy process rather than a case of indulgence or European exceptionalism. British film star Laurence Harvey, who had portrayed an American in *The Manchurian Candidate* (1962), responded to industry criticisms of overseas productions and the possibility that he was himself a variety of "lend-lease runaway" actor (Alpert, 1961). Calling the whole "runaway" issue nonsense, Harvey explained his position:

Nobody's taking any money from anyone. I'm not running away from England when I work here and if I work abroad I'm not running from Hollywood. I'm running with the times. Yes, that's it, I'm running with the time; not running with it—usually I'm running into it. (p.Q10)

By the end of the decade, Hollywood's unions had become embattled in their fight against "runaway" actors and blockbusters. "Go big or go home!"—a saying often heard on film sets, even to this day—had become both a creative and economic touchstone for Hollywood's industry, with some of the most successful epics of all time being produced overseas in quick succession: *Doctor Zhivago* (1965) filmed in Spain; *The Dirty Dozen* (1967) filmed in England; and the beloved *Sound of Music* (1965) filmed on location in Germany and Austria. However, unions were still waiting to see the reciprocal creation of domestic jobs from these successful overseas extravaganzas, as "runaway" producers were often promising; dwindling film and television projects in Hollywood suggested quite a different effect on their home industry. *New York Times* columnist Robert Windeler described Hollywood as "lively for a ghost town" (Windeler, 1968, January 8, p. 127), referring to the fact that MGM had reported its best earnings in over 45 years, and yet its Hollywood studios were nearly vacant.

The ongoing tensions between Hollywood's general below-the-line labor and above-the-line actors over the issue of runaway production had caused a permanent rift in the relationship between their respective unions and guilds: in 1965, the Screen Actors Guild officially left the Hollywood AFL Film Council, which had long been the primary organizing force against "runaway" production practices (King V. , 1965). The late 60s also saw a new "runaway" trend of sorts among Hollywood actors: the "run" for Washington and political office—a rather explicit display of the authority actors had gained within the "power geometry" of the New International Division of Cultural Labor (Massey, 1994; Miller, Govil, McMurria, & Maxwell, 2001). The two most celebrated instances at the time were screen and stage star George Murphy's successful bid for California Senator in 1964 and Ronald Reagan's gubernatorial triumph in 1967. Murphy publicly stated his commitment to addressing the issue of runaway film production while in office (King L. , 1967), and Reagan's political ambitions were heartily supported by Hollywood's anti-runaway lobby—particularly by his long-time colleague in the fight against runaway film production, Roy Brewer (McLellan, 2006). Perhaps not coincidentally, attacks on actors and their construction as "runaways" would decrease over the next decade. Instead, Hollywood's efforts against runaway production would become increasingly dependent on the influence and support of actor-politicians on Capitol Hill—a trend that has endured into the 21st century.

"A TREE IS A TREE, A ROCK IS A ROCK. SHOOT IT IN GRIFFITH PARK!": CREATIVE RUNAWAYS AND THE LOCATION AUTHENTICITY DEBATE

A final theme found in discussions of runaway film production in the 1960s re-examined the long-accepted practice of "creative" runaways, or foreign production for the sake of location authenticity. Hollywood labor had always conceded the need to shoot some productions abroad for creative purposes, with the expectation that any scenes that did not depend on identifiable

locations, such as interior shots that could be filmed on soundstages, would be filmed in Hollywood using local labor. By the mid to late 1960s, however, Hollywood labor began to complain that many of these so-called “creative” runaway productions were engaging in economic runaway activities: filming interior scenes on less expensive foreign soundstages, employing locals as non-union extras, and even using foreign locations as stand-ins for U.S. locations to avoid Hollywood labor and production costs. Rather than deny the accusations, many of Hollywood’s elite, including actors, producers, and directors, engaged in an organized and highly vocal defense of location authenticity shooting. They countered that Hollywood labor were out of their league when it came to understanding the more sophisticated tastes of modern audiences, as well as the more sophisticated political economy of a globalizing Hollywood film industry. Within this new world order, location choices were the domain of producers and directors, and Hollywood labor needed to learn their place and wait their turn.

It is argued that the backlash from above-the-line labor over the issue of creative runaways was, once again, an expression of their growing power within and in relation to the New International Division of Cultural Labor (Miller, Govil, McMurria, & Maxwell, 2001). It is also argued to represent the growing popularity of the business ethos of corporate transculturalism (Kraidy, 2005), “in which fluid identities and porous cultural borders are depicted as growth engines in service of a cosmopolitan capitalism” (p.90). In this instance, the argument over location authenticity is constructed as a trivial complaint made by a Hollywood labor force unaware of the globalizing nature of their industry; where the images on the screen were becoming as transnational and hybridized as the economics that supported them. Finally, it is suggested that the counterdiscourse to creative runaways was meant to function as a disciplinary measure against anti-runaway labor in Hollywood. As Jensen (1998) observed in

her study of the country music industry, “Invoking the concept of authentic or real or genuine anoints some things as good, pure, and true, while denigrating theirs as bad, corrupt, and false. It offers a way of bestowing virtue on some forms while denying it to others” (p.7). A similar dichotomy was created within the debates over creative runaways, where many producers, directors, and actors lauded the authenticity of overseas locations and production crews while bemoaning Hollywood’s lack of authenticity as both a location and a labor force. These judgments are argued to be disciplinary in the sense that they were constructed as a reprimand against Hollywood labor, in some cases literally addressing them as obstinate and daft children, and thus as a reminder of their subordinate position to the industry’s mobile elite.

Location authenticity and the audience

One of the more common justifications of location shooting within the “creative runaway” debates of the 1960s was that postwar audiences were more sophisticated and well-travelled than in the past, and demanded cinematic realism. In a lengthy commentary in the *Hollywood Reporter*’s annual anniversary issue, actor Anthony Perkins, who would make a string of films in Europe throughout the 1960s and 70s,¹⁵ warned that a return to old fashioned soundstage productions in Hollywood would not be enough to satisfy the modern movie-goer:

Sixty years ago they were willing to accept the painted backings of the George Melies and Edward Porter films, but we have educated them too well. Perhaps if Hollywood had never started going on location, audiences would have remained content with sound stage recreations, but they have seen too much of the real thing to be fooled by process shots and hot house jungles... If we want to return to making films exclusively in Hollywood,

¹⁵ European film productions in which Perkins appeared in the 1960s and 70s included *Goodbye Again* (France, 1961), *Five Miles to Midnight* (France, 1962), *Phaedra* (Greece, 1962), *Is Paris Burning?* (France, 1966), and *Ten Days of Wonder* (France, 1971).

we will have to make the audiences unlearn everything we have taught them. (Perkins, 1959)

Perkins went on to discuss the benefits of shooting in exotic locations such as Thailand, where both the actors and the audience could engage in the “realism and excitement always attendant to location filming.” But according to Perkins, this excitement was not limited to overseas productions; domestic productions such as Otto Preminger’s *Anatomy of a Murder* (1959) (shot on location in Michigan) and Alfred Hitchcock’s *North by Northwest* (1959) (filmed on location in Chicago, New York, and at South Dakota’s Mount Rushmore) had benefitted greatly from shooting outside Hollywood for the sake of location authenticity.

Other industry insiders offered their opinions on creative runaways and the types of circumstances that warranted filming outside Hollywood. *The Journal of the Screen Producers Guild* dedicated an entire issue to the question of runaway film production and location shooting in December 1960, with several prominent producers providing commentary from all sides of the debate. In producer Darryl Zanuck’s feisty piece, “Shoot it where you find it!”, he insisted that the issue of location authenticity was much more complicated than most understood it to be. He argued that creative “integrity,” and not economics, should be the deciding factor in shooting abroad; but at the same time, creative integrity did not always means shooting on location:

It is ridiculous to produce THE GREATEST STORY EVER TOLD in Jerusalem because the Jerusalem of that era no longer exists. You can recreate it in Hollywood or Madrid or Greece or anywhere else where they have soft, rolling hills and olive trees.

On the other hand, how do you reproduce the Cote d’Ivoire of West Africa in Hollywood? This is a special locale and a special civilization (if you can call it that). How could you reproduce Dublin anywhere except Dublin?

...You cannot make Arizona or even Mexico really look like the west coast of Africa. If you have any integrity at all, you must go there. (Zanuck, 1960, p. 3)

Zanuck also cited the importance of capturing local atmosphere, noting rather parochially that in the case of Africa, “[t]here were certain scenes which you cannot do with Hollywood or Harlem Negroes—they have to be African” (p.3). In his final assessment, the film industry’s job was to rise above “television dimensions and phony reproductions,” and give audiences something they could only see in theaters (p.31). Location authenticity, which for Zanuck and many others in the industry at the time equated with geographic, racial and cultural exoticism (Shohat & Stam, 1994), was one way to accomplish that goal.

In his *JSPG* article, Kirk Douglas generally agreed with Zanuck’s position on location authenticity and period films, defending his decision to shoot the majority of his “sword and sandal” epic, *Spartacus* (1960), in Hollywood rather than Rome. Like Zanuck’s Jerusalem, Douglas and the other creative directors of the film agreed that the ancient Rome of the story was no longer apparent in the modern city. But as he explained in his jocular style, the decision to shoot in Hollywood wasn’t without some personal sacrifice:

Rome is unsurpassed among cities for fettucini, opera, sidewalk-café-sitting, girl-pinching and museums. It is one of the wonders of the 20th century world. It also has a long and distinguished history, more than twenty centuries old. But modern Rome and the Rome of the pre-Christian era are the same in name only.

Rome, so the poets tell us, was not built in a day. Rome, the production managers told me, could not be rebuilt in a day—and that was the prime reason we decided to shoot “Spartacus” in Hollywood. It was not an easy decision to make, for I am a man who likes, fettucini, opera, sitting in a sidewalk-café, etcetera. (Douglas, 1960, p. 5)

Douglas later conceded, however, that location shooting was sometimes necessary, as on his film *The Vikings* (1958):

[T]he channel between Newport Beach and Catalina simply does not look like a Norwegian fjord, and not even the latest Hilton hotel can double for the 10th century castle—with two drawbridges yet!—which we found on the coast of France. (p.6)

Ending with a patriotic flourish, Kirk Douglas expressed doubt that he would ever leave Hollywood again to make movies unless absolutely necessary, and declared “Hollywood is where the grass is greenest” (p.6).

But in fact, Douglas and the producers of *Spartacus* had found some patch of “green grass” in Spain, shooting key battle scenes there using Spanish infantrymen as Roman legions—though not without some substantial troubles. After extended negotiations with the film’s producers, the Lieutenant General Chief of Staff of the Spanish Army turned down Universal Studio’s application to film the troops at the last minute; the studio responded with a threat to sever any future production agreements with the Spanish government, ensuring that the Motion Picture Association of American would follow suit (Marañón, 1959). Not surprisingly, the matter was quickly resolved and the Spanish troops were made immediately available to the Hollywood production.

Criticism of overseas production came under counterattack in producer William Perlberg’s indignantly titled *JSPG* article, “What do you mean? Runaway production!” For Perlberg, technological improvements in movie exhibition, and subsequent exotic location shooting to show off the improvements, had both naturally lead to less production in Hollywood and more production abroad:

Clarity of pictures and size of screen are increasingly taxing the abilities of our art directors to provide believable exterior settings. Our magic “make do” wand that has served us so well for almost fifty years is losing its power. When it comes to making Paris on the back lot, our trick bag is falling apart at the seams. I think it is for the best. (Perlberg, 1960, p. 7)

Perlberg agreed with Douglas and Zanuck that scripts with historical content were often the determining factor in where and how a film would be made. But rather than contending that ancient historical settings could be recreated anywhere, he argued that recent history, specifically WWII, absolutely required location shooting. Based on his experience making the war film *The Counterfeit Traitor* (1962), he explained:

We shot the picture where it happened. On the streets that Eric Erikson¹⁶ walked; in the houses that were hideouts, etc. Where could you get the ruins and rubble of Berlin’s Kammergericht but in Berlin? Does Southern Pacific have three complete German trains, proper vintage? Does Paul Mantz have a Junkers tri-motored 1939 aircraft? (p.7)

Perlberg also agreed that the local human factor was important in capturing the essence of authenticity of a place. But for his film *Traitor*, it was more about what the local technicians brought to the film than perhaps the extras in front of the camera: “Hollywood set dressers for instance, are great but no amount of research can match actual experience. Our interior decorators lived in the environment, witnessed the events and dressed the sets accordingly” (p.8). Interestingly, Perlberg dismissed the notion that cost and efficiency of production were reasons for shooting abroad. In his experience, the costs were nearly the same as in California, the language barrier and logistics of staging productions in Europe was a constant struggle, and

¹⁶ *The Counterfeit Traitor* was based on the real-life story of allied spy Eric Erikson, who worked behind enemy lines in Germany, Denmark, and Switzerland during WWII.

English-speaking Hollywood crews would almost certainly prove to be faster than those in Europe. But despite these challenges, the quest for realism in films was not “incidental” in Perlberg’s opinion, but on a continuing and “upward” trend (p.7).

The redundancy of Hollywood location shooting, and in particular the incessant filming of the iconic Griffith Park in Los Angeles, became its own point of contention within the creative runaway debates. Griffith Park was well known as a “go-to” location in Hollywood, and featured prominently in the film classics *Birth of a Nation* (1915) and *Rebel Without a Cause* (1955). Director Philip Dunne (1961) challenged the language of the runaway production debate in his article “Griffith Park is not Enough,” referring to a well-known Hollywood industry adage: “A tree is a tree, a rock is a rock, shoot it in Griffith Park!” His primary contention was that because he actively searched for interesting locations, he felt it was more accurate to call his projects “run-to,” rather than “runaway,” productions:

In these days of fierce competition from TV, motion pictures have an obligation to fill the eye with beauty and drama, as well as the mind. To get this quality on screen, you have to go where it is. You have to spend the time, the energy—and the money.

You have to run, not away from something, but to it. (Dunne, 1961).

Producer-writer Samuel Marx recycled the “Griffith Park” allusion in his 1968 *JSPG* commentary on runaway production. But his critique of the anti-runaway lobby displayed none of the patience or subtlety of Dunne’s. Rather, he chastised those opposing foreign production for location authenticity, questioning their sense of progress as well as their intelligence:

The first anti-runaway was the producer who stopped his director from leaving the city limits, saying “A tree is a tree, a rock is a rock, shoot it in Griffith Park!” Remember,

though, that this historic pronouncement was issued when the industry held to the irresponsible fixation that movie audiences had the mentality of a twelve year old.

Today, fortunately, we fix no limits on the mentality of audiences or at least we benevolently believe they are as smart as we are. Anybody who thinks the “tree-is-a-tree” line funny might consider how the antics of our anti-runaway factions are going to look a decade from now, particularly if the view is from the moon or some adjacent planet.

They’re likely to believe the industry itself possessed the mentality of a twelve-year-old. (Marx, 1968, p. 9)

Marx’s attack on Hollywood labor continued, criticizing them for their rigid adherence to union wages and job descriptions, and lauding the “altruistic” film crews overseas—where “[p]rop men plug in lights with no objections from electricians” (p.10). In the end, he argued that in an industry that was globalizing both creatively and economically, it was labor’s dogged commitment to a non-existent thing called “runaway production” that was really at the bottom of Hollywood’s employment troubles:

Creatively of course the phrase “runaway production” is nonsensical and self-destructive. In light of our shrinking universe, the fantastic ease and speed of travel, the endless education we have perpetrated on audiences from the beginning—that movies create illusion through reality—there is simply no such thing as runaway production. (p.9).

Marx’s comments are perhaps the most explicit example of the disciplinary nature of the counterdiscourse to creative runaway production. Although from Marx’s perspective, it is not above-the-line industry interests who are disciplining below-the-line labor through the practice of overseas “runaway” production. Rather, below-the-line labor are constructed as punishing

themselves through their lack of understanding of the globalized and mobile nature of their industry.

While producers, directors, and film stars had their say about creative runaways in the trade press, Hollywood film crews made their own efforts to explicate the issue at the IATSE's 1966 convention in Detroit. Several anti-runaway film production resolutions were presented at the convention, many with a focus on so-called location authenticity productions overseas. Delegate Donald Haggarty of Burbank's film technicians local 683 called attention to the trend in "spaghetti Westerns" being made in Italy and Spain, soliciting laughter from the audience when he commented, "I guess that is 'authentic locale,' because there are a lot of Italian cowboys" (IATSE, 1966, p. 194). Haggarty's resolution called for support of House Bill 6010, which condemned "unfair competition" and "deceptive" exhibition, advertising, and distribution practices related to films made outside the U.S. The Bill specifically called for location labelling on such films so that audiences would be aware of where the films were made.

Along with the issue of deceptive representations of locations in runaway productions, Haggarty was also disturbed by the borrowing of Hollywood's "authentic" identity as a production center by overseas film industries. After quoting a London paper describing their city as "Hollywood East," Haggarty complained, "Not only are they stealing the jobs of the American craftsmen and technicians, but they are bragging about it" (p.194). Haggarty's comments drew passionate response, particularly from Delegate A.T. Dennison of Hollywood's studio lighting technicians local 728. He railed against the misrepresentation of American culture and values in films made abroad, describing how the film *The Victors* (1963), made in England by blacklisted director-writer Carl Foreman, had depicted American soldiers as cruel and ruthless killers.

Before being called into order by IATSE president Richard Walsh, Dennison challenged the delegation:

I say to this Alliance, let's see decent, respectable pictures, made in America, that built this industry, one of the greatest industries that was ever developed.

If we are going to sit by and allow pictures to be made overseas that disgrace this country, and we do nothing about it, and we have to take the blame because they were made out of the control of this country... (p.196)

The resolutions and statements made by the IATSE delegates clearly articulated their desire to reterritorialize their industry, both on and off the screen. In their minds, Hollywood and the U.S. were the authentic “spaces of belonging” of the motion picture industry, both geographically and rhetorically (Morley, 2001). But by all accounts, the deterritorialization and commodification of the Hollywood industry were already in full swing by 1966. Claims at being the authentic “home” to the industry, or claims that Hollywood films were the exclusive domain of American nationalism, were becoming harder to make.

And yet, creative runaway concerns were not isolated to foreign film production. In the late 1960s, industry observers noted a surge in domestic film production, with many staged outside Los Angeles for the purposes of location authenticity. Not everyone bought the explanation, including Robert Windeler of the *New York Times*. Cynically describing Hollywood as the “former film capital,” he hypothesized that the “ever-blossoming” problem of domestic runaway production was likely due to cheaper labor and the availability of “sixth-day” shooting schedules in other states¹⁷—heavily penalized by Hollywood unions— and not location authenticity as claimed (Windeler, 1969, p. 131). New York City, a long-time production rival of

¹⁷ Union pay rates are predicated on a 5 day shooting schedule. If a shooting schedule goes to a sixth consecutive day of shooting, union film workers start the day in overtime.

Hollywood, mounted a more concerted effort to build its reputation as a major film center and attract more film work in the mid-1960s, with some apparent success (Garrigues, 1966). *Barefoot in the Park* (1967), *The Odd Couple* (1968), *The Producers* (1968), and *Rosemary's Baby* (1968) were just a few of the high-profile films from this era that prominently featured New York as their backdrop. The city's heavily unionized production community argued that both New York's unique locales and efforts to break down licensing barriers for productions, spearheaded by Mayor John Lindsay, were responsible for their late 60s boost in productions—and not “runaway” incentives or overinflated production figures as some Hollywood industry people intimated (Sutherland, 1968).

Other U.S. locations also began to market their unique attributes in an effort to attract creative runaways from Hollywood. Actor Richard Boone became a vocal advocate of a developing production community in Hawaii, arguing that the state “has everything that California had when it attracted the motion picture industry to settle in the 1920s. It has beauty, sunshine and it's ideal in every respect for filmmaking” (MacMinn, 1968, August 21, p. F21). While the TV series *Hawaii 5-0* had come to the state for realism and to take advantage of the tropical scenery, Boone contended that other film and TV genres, particularly Westerns, would find plenty of useful locations—the “big” island boasted ranches with over 40,000 head of cattle and cactus-strewn landscapes that could easily stand in for Arizona. When asked whether Hollywood labor might perceive the Hawaii production push to be a case of economic “runaway” production, Boone offered his interpretation of the difference: “After all, Hawaii is very much a part of the United States. This is not foreign production” (F21). Jack Lord, star of *Hawaii 5-0* also responded to the “runaway” production accusation, arguing on the basis of the impracticalities of shooting on the islands: “This is not runaway production. It's costing us 25-

30% more to film here than in Hollywood. But we feel its worth it because we're getting a fresh kind of hot look from this new environment" (MacMinn, 1968, August 20, p. F17). Heading off the suggestion that the TV show was there just for the luxury of living and working in Hawaii, Lord added, "We're here to work. This is not a laua."

The domestic version of the creative runaway debate finally arrived at Hollywood's backdoor, as productions staged in other parts of California came under the suspicion of Hollywood unions and industry reporters. *Los Angeles Times* writer Robert Joseph (1967) quipped that as Mayor Yorty had turned his attention to bringing "runaway" productions back to L.A. from far-flung locations such as Yugoslavia and Spain, "several were unobtrusively slipping out the back door of Hollywood on their way north to that other increasingly active rival foreign film capital—San Francisco" (p.C16). A few critically acclaimed films had come out of the northern California city in the late 60s, including Mike Nichols' *The Graduate* (1967) and *Guess Who's Coming to Dinner?* (1967), as well as the hit TV series *Ironside* (1967). California "runaway" directors like Nichols and Dick Lester (*Hard Days Night*, 1964) justified their non-Hollywood productions as creatively rather than economically motivated. Speaking about his San Francisco-based production *Petulia* (1968), Lester explained:

Los Angeles is too powerful a city. The images would overwhlem the story. San Francisco is more subtle; and therefore more suitable for our picture which is a sad love story. I'm not sure you can tell that kind of story in Los Angeles. (p.C16)

Robert Joseph pointed out the dual ironies of Lester's *Petulia*: the first being that the production was British-funded and in some ways a "runaway" from Shepperton, England; the second irony was that the original novel, John Haase's *Me and the Arch Kook Petulia*, was set in Santa Monica and Hollywood, making it "a particularly bitter production pill to swallow" for the L.A.

film community (p.C16). Adding insult to injury, the screenplay had been rewritten with San Francisco as its backdrop, completely erasing Los Angeles from the narrative.

The discourse regarding domestic creative runaways represented a final stage in the deterritorializing of the Hollywood film industry, and the disciplining of Hollywood labor, in the 1960s. The globalization of the industry had come home, and the local, “authentic,” spaces of belonging constructed by Hollywood labor for their industry had been violated. Just as it had been demonstrated to Hollywood labor that they were interchangeable within the New International Division of Cultural Labor, it was now made plain that Hollywood, as an “authentic” space of production, could be deconstructed and replaced within the NICL at will; and the NICL was not only made of faraway “foreign” places, but also “local” spaces like San Francisco, tantalizingly close to Hollywood. As Appadurai (1996) has suggested, the flow of financial capital and the construction and flow of images within the NICL are closely linked. And if a minor adjustment in the mediascape is needed to make capital flow more freely through the finanscape, such as the restaging of a narrative just outside Hollywood and its restrictive union rules and salary requirements, then so be it.

Domestic runaway production would become an even more prominent issue of debate in the 1970s and 80s, as many other U.S. communities previously unaffiliated with the industry, such as Orlando, began to compete for Hollywood production dollars. Hollywood labor would once again attempt to reterritorialize their industry by building alliances with other California production communities and state agencies in effort to construct California as the authentic home to the film production industry.

CONCLUSION

Hollywood film and television production underwent substantial changes in the 1960s, most notably the shift away from stagey, stylized studio productions toward more “realistic” cinematography, and a scaling down of Hollywood’s factory-style production schedule to a few “blockbusters” a year. These changes were folded into the runaway production debates of the 1960s, reflecting continuing class struggles among the industry’s various labor and production interests, and specifically mounting tensions over increasingly apparent international divisions and control of film labor and production processes along class lines.

For producers and Hollywood’s industry elite, the new emphasis on exotic, “spectacle” films was a matter of fiscal necessity—a response to changing audience tastes and lifestyles that was seen as an effective way to get Baby Boomers out from in front of their televisions and back into the movie theaters. The fact that such films often required overseas locations, either for “authenticity’s” sake or for much-needed access to human or infrastructural resources, was incidental and not an intentional “running away” from Hollywood’s production community, or so producers claimed. For Hollywood labor, however, the push for “location authenticity” and large-scale, blockbuster productions too-conveniently served the social and economic motives of Hollywood’s producers and stars. Rather, “location authenticity” and “blockbuster productions” were seen as newly-conceived excuses to perpetuate runaway production practices set in motion in the 1940s and 50s by frozen funds and tax exemption policies, including the use of generous foreign subsidies, the hiring of cheap, non-union “atmosphere,” and the indulgence in extravagant lifestyles by Hollywood’s elite talent.

In addition to shifts in creative and economic constructions of runaway film production, there were also changes in the political landscape of the runaway production debates in the

1960s. In the previous two decades, Hollywood labor's power to influence production practices, at home and abroad, had been predicated on their ability to conjure the forces of Americanism engendered during World War II. But as the war faded into history and patriotism took a backseat to emerging, lucrative trade relationships with Europe, Hollywood film labor's construction of runaway film production as un-Americanism began to fall apart. With the end of the blacklist in the 1960s, officially recognized with the crediting of screenwriter Dalton Trumbo on one of Hollywood's most successful blockbusters, *Spartacus* (1960), the film industry's above-the-liners were able to turn the tables on Hollywood labor, portraying so-called runaway productions as the salvation of a domestic industry damaged by labor's anti-communist crusades. Hollywood's below-the-line labor was rapidly losing ground in their struggles against runaway film production, while Hollywood's jet-setting elite seemed to continually gain political and economic capital within the New International Division of Cultural Labor. This is consistent with Massey's (1994) description of the "power geometry" within the international division of labor as a self-perpetuating force. As she explains:

It is not simply a question of unequal distribution, that some people move more than others, and that some have more control than others. It is that the mobility and control of some groups can actively weaken other people. Differential mobility can weaken the leverage of the already weak. The time-space compression of some groups can undermine the power of others. (p.150)

The more control that Hollywood's above-the-line interests could gain over the construction and flow of the political, economic, and aesthetic "scapes" of the globalizing film industry, the less power that below-the-line labor had over them. And by the end of the 1960s, the labor groups that had been so effective in organizing and defining Hollywood's anti-runaway production

movement, particularly the AFL Film Council and the IATSE, were almost completely absent from the discourse. In the future, below-the-line labor would need relaunch their efforts to recruit allies better situated within the power geometry of the NICL—namely policymakers who might be able to reconstruct the “finanscape” of California and redirect the flow of runaway productions back to Hollywood on behalf of labor.

CHAPTER FOUR: TV, 'TOONS, AND TEXAS: HOLLYWOOD'S FIGHT AGAINST OFFSHORE ANIMATION AND STATESIDE COMPETITION

INTRODUCTION

Discussion of runaway production in the major metropolitan newspapers dropped off considerably in the 1970s and 80s: the *Los Angeles Times* had published 71 stories directly referencing runaway production in the 1960s, but only 60 such stories in the 1970s and 80s combined. However, runaway film production remained an active subject in the trade press, documenting important shifts in legislative strategies, production practices, and perspectives on union culpability in regards to California's ever-unstable film industry. The most significant among these shifts were an increased concern with domestic runaway production, foreign competition for television production, and the exportation of production services such as animation work and film lab processing to other countries. The 70s and 80s also marked a time of growing awareness of the "runaway" potential of Canada and Mexico—countries whose borders with the U.S. delineated highly divergent attitudes and policies towards labor management, film industry subsidies, and the free trade of cultural commodities.

The shift in the discourse toward domestic competition in the 1970s and 80s is argued to coincide with a new stage of reterritorialization of the Hollywood film industry that emphasized localism and regionalism over nationalism. But this is not to say that the development of regional competition and a discourse of domestic runaway film production were separate phenomena from the development of global Hollywood. Rather, as Pieterse (2004) has noted, globalization is more than an internationalizing of capitalist systems of production, distribution, and consumption, but instead involves an "*increase in the available modes of organization: transnational, international, macro-regional, national, micro-regional, municipal, local*" (p.50, emphasis in the original). Though there had been some scattered mentions of domestic runaway

production problems in previous decades, most of the early debates had been focused on foreign competition and the role of the nation-state in regulating transnational production and trade relationships. And indeed, many of Hollywood's anti-runaway production policy efforts up through the 1960s had been focused on garnering support from federal legislators for national-level tariffs and trade embargoes. In the 1970s and 80s, however, below-the-line production labor joined forces with municipal and state agencies of business and tourism to form film offices dedicated to creating industry-friendly policies to attract runaway productions, or in the case of California and Hollywood, to bring such productions "home." The resulting discourse of domestic runaway film production is argued to reflect the growing interconnection between municipal, state, regional, and transnational processes within the globalizing film industry, and the ease with which Hollywood's media corporations navigated labor policy and coordinated production processes across these multiple planes.

A second closely related theme that emerges in discussions of runaway production in the 1970s and 80s is the role of new media and communication technologies in facilitating transnational media production and labor outsourcing. These were decades of rapid advancement in computer and telecommunications technologies; and media production industries, like many others, were quick to utilize these technologies to reduce costs and speed production. Within discussions of runaway film production, Hollywood labor lamented the impact of technological development on jobs previously considered safe from exportation, including editing, special effects, and animation work. Some discussions of runaway film production during this time also seem to anticipate the role that networked communications would play in facilitating runaway productions; allowing producers to easily manage several worksites from one central location, or to electronically outsource high-tech production services such as special FX. In this way, the

discourse of runaway production in the 1970s and 80s is argued to reflect a crucial stage in Hollywood's evolution into a global "media capital": a creative and financial industry hub "bound up in a web of relations that exist at the local, regional and global levels, as well as the national level" and managed through rapidly developing new media and communications technologies (Curtin, 2003, p. 204; Schiller, 2000).

RUNAWAY TELEVISION PRODUCTION

The 1970s and 80s marked a time of heightened interdependence and convergence between television and film industries. The rise in popularity of cable television and premium movie channels like HBO in the mid 1970s provided a powerful new distribution outlet for both old and new Hollywood films. The sudden growth in television channels via cable also meant an increased demand for original content, including made-for-TV movies and cable-exclusive television series (Straubhaar & LaRose, 2006, p. 191). Likewise, the introduction of the Videocassette Recorder in the late 1970s, at first seen by Hollywood film interests as a "subversive" technology and the inevitable downfall of their industry, was fully embraced in the 1980s as an equally valuable distribution outlet and lucrative revenue stream (Wasser, 2001).

Overall, where the growth of the Hollywood film industry had seemed to stagnate over the previous two decades, the television industry had continued to expand and flourish. And in the end, it could be argued that the television and film industries ultimately needed each other to survive—the former with limitless distribution potential, the latter with limitless content production capabilities. It was then perhaps inevitable that Hollywood producers would begin to look to foreign markets for budget-friendly television production locations, just as they had done in the past for film productions; and also equally inevitable that foreign competition for

television production would make its way into the runaway production debates of the 1970s and 80s.

In the 1970 anniversary issue of *Variety*, Hollywood Film Council president John Lehnert identified runaway production as film labor's #1 concern for 20 years running (Lehnert, 1970). Among the seven factors Lehnert outlined as contributing to runaway production and Hollywood unemployment, changes in television production practices accounted for three: specifically, the export of television production work and financing to foreign locations, the reduction of episodic TV schedules, and the increase in rerun television programming.

Foreign economic runaway production had always been a core concern for U.S. film labor leaders, and naturally carried over into the runaway television debates. What labor didn't anticipate was that foreign competition for television production might come from the non-commercial sector of public television. In 1970, the Mobil Corporation issued a much-publicized \$1.1 million grant to the Corporation for Public Broadcasting, of which roughly half was allocated to underwrite 39 one-hour episodes of the British-made series *Masterpiece Theater*, including its distribution to U.S. audiences by public television station WGBH Boston (Gould, 1970). The move was denounced by IATSE representatives as a blatant act of runaway investment, with American dollars supporting the British film industry at the expense of American jobs. When it was discovered that the Motion Picture Pension Fund—representing 38 unions and guilds, 27,000 production workers, and \$99 million in investments—owned 21,000 shares of Mobil stock, the fund's chairman, Donald Haggerty, threatened to dump the stock and stage boycotts, rallies, and picket lines in retaliation for the company's disloyalty to the U.S. industry. IATSE members were even encouraged to get rid of their Mobil credit cards, with

Haggerty proclaiming, “We’re going to tear a page out of Cesar Chavez’s book” (Steiger, 1970, p. D11).

In his article on the Mobil incident, *New York Times* columnist Jack Gould considered whether the educational goals of public television outweighed the “runaway” investment concerns of the U.S. production unions. His final comments suggested sympathy for the former:

Arguments do—and should—abound over individual items of public broadcasting, as they do in commercial broadcasting. But progress does not lie in isolationism, either domestically or internationally. Different sectors within a single country and different countries as a whole have much to learn from each other. If various forms of TV can narrow cultural breaches and promote social and economic understanding, particularly in times of stress, they should be given free reign to do so. (Gould, 1970, p. 123)

Gould’s comments reflect the contradictory “political rationality” of public TV, in which “reasoned” debate amongst an educated White citizenry was prioritized over the “irrational” and emotional social dilemmas raised by the less educated working class, including union labor (Ouellette, 2002). In this instance, public television’s mission to bring “quality,” “educational” programming to the U.S. masses, even at the expense of U.S. labor, was a price worth paying. Mobil executives called the whole situation “an unfortunate misunderstanding,” explaining to the unions that the company had merely purchased rights to older programming, which had already been produced and aired in England. The Mobil execs also contended that introducing American audiences to the theater-style programming of the *Masterpiece* series might create future demand for similar productions in the U.S.

While it appears that Donald Haggerty conceded to the agenda of the oil giant, his intentions for an anti-runaway production rally were still realized. On November 30, 1970, more

than 3,000 union film workers attended an anti-runaway production rally at the Los Angeles Palladium, sponsored by the Hollywood Film Council (Wright, 1970). Council president John Lehnars was flanked by some of the industry's most avid legislative supporters, including Pennsylvania Representative John H. Dent (D-PA), Senator-elect John Tunney (D-CA), and California Governor and long-time anti-runaway production campaigner Ronald Reagan. Dent, who had served as chairman of the Education and Labor subcommittee on Imports and Exports during the 1961 Washington hearings on runaway production, promised rally attendees that he would hold a new round of hearings on the issue. Tunney and Reagan both proposed a 20% tax incentive package for films made in the U.S., as well as the possible need for tariffs on foreign imports. For Reagan, a U.S. film industry subsidy could be justified, if only as a token of appreciation for the industry's cultural and economic service to its country, and not as an economic life preserver:

I think we ought to remind the Government that the movie industry has been one of the greatest earners of foreign exchange over the years. This industry sold America. We set the style throughout the world and gave millions of jobs to people not even remotely associated with our industry. America remains the only country in the world where foreign films can play without restriction. We never asked for government help, still Hollywood continued to dominate the market because we had assembled here the greatest pool of talent anywhere in the world. (p.84)

While acknowledging the merits of Dent and Reagan's diplomatic approach to the film industry's unemployment problems, Lehnars suggested stronger measures were needed to get their point across to runaway producers. He read a letter of support from the leadership of the AFL-CIO offering to back any film union boycotts or "concerted trade union economic

activities” organized against runaway productions (p.84). The planned boycotts would not only target runaway motion pictures, but also American products depicted in runaway commercials, a growing trend according to Lehnert.

Some of the anti-runaway initiatives and counter-actions proposed at the Palladium rally managed to gain some traction following the event. A tax-related Domestic Film Production Incentive Act outlining the 20% tax incentive program endorsed by Reagan and Dent was introduced to Congress by Representative James Corman (D-CA) in spring of 1971 (Dales, 1971). Twenty six industry leaders, including IATSE’s Richard Walsh and the MPAA’s Jack Valenti, attended a two hour meeting with President Nixon to discuss the incentive bill. Also on the agenda were industry concerns regarding the Federal Communications Commission’s 1970 Primetime Access Rule, which restricted the amount of network programming that network owned and affiliated stations could carry during primetime in an effort to encourage more local and independent programming (Straubhaar & LaRose, 2006). Hollywood labor feared the Access Rule would further suppress production schedules in an already anemic employment climate. Nixon, however, described the tax incentive bill as a “Pandora’s Box” that the executive office was not willing to open during the present Congressional session (Nixon nixes Hollywood relief, 1971). He also washed his hands of the Access Rule issue, pointing out that the FCC was an independent agency and subsequently out of his jurisdiction. Industry interests continued to press Nixon for legislative support for the U.S. film industry over the next few years, with Ronald Reagan having reportedly sent a personal letter to the President in fall of 1971 urging his consideration of yet another tax incentive bill proposed by the Joint Labor-Management Committee for Domestic Motion Picture Production (Gov. Reagan wants Nixon's aid, 1971). As with previous efforts, this bill was also met with apathy by the Nixon White House.

Discussions of the outsourcing of television commercials also extended beyond the Palladium event. In spring of 1972, the trade press reported a distinct trend in Hollywood production companies setting up branches in Mexico specifically for the purpose of making commercials. One such company, Cinemobile, had produced a Canadian Beer commercial in Churubusco Studios just outside Mexico City, a move that had saved the company \$24,000 in production costs (Tusher, 1972). But the real incentive seemed to be the savings generated from the use of Mexican, non-SAG actors. By avoiding the American guild, Cinemobile estimated they would skirt \$17,000 per year in residuals payments for a commercial slated for a three year run. And because the actors were bilingual, the commercial was shot in both English and Spanish, allowing for broader distribution of the spot.

Incensed by the blatant runaway activities of companies like Cinemobile, several film labor groups organized a protest march against runaway commercial production on October 27, 1972 in New York City. Six hundred people representing twelve unions within the East Coast Council of IATSE and the Conference of Motion Picture and Television Unions paraded down Madison Avenue, holding up banners with the slogan, "If you show it in America, if you sell it in America, make it in America" (Dougherty, 1972; Fighting Runaway Production, 1972-73). Many journalists at the event cited one of the highlights of the day as the inclusion of a camera crane mounted on the back of a truck, straddled by a beautiful woman carrying a sign that read, "Make it with me in America."

At a rally in Grand Army Plaza following the march, industry officials, including Grand Marshall and IATSE president Richard Walsh, blamed overseas production and domestic non-union production of television commercials for approximately \$3.5 million in lost wages for U.S. workers (Dougherty, 1972, p.50). Other trade union leaders urged their members to boycott

products made by runaway advertisers; toy manufacturers were singled out as producing their commercials “on a runaway scale.” The crowd was also urged to throw their support behind the Foreign Trade and Investment Act of 1972—also known as the Burke-Hartke Trade Bill—sponsored by Representative James Burke (D-MA) and Senator Vance Hartke (D-IN). The bill outlined a general plan for restricting foreign imports in all sectors of the economy, including the creation of a federal commission that would establish annual production schedules and import quotas. It also proposed to impose some control over the “geographic patterns of goods” (Canto, 1983/84), which made it particularly compatible with the film and television industries’ efforts to contain more production within Hollywood and the U.S. more generally. Though the Burke-Hartke Bill never passed, it was considered highly influential in setting a protectionist tone for subsequent industry and trade discussions in the early 1970s.

Though legislative efforts continued to be frustrated, a few television producers responded proactively to labor’s protests against runaway production. In 1971, the popular series *Bewitched* had planned to shoot eight episodes in Europe as part of a family vacation storyline (*Bewitched remains H'wood*, 1971). However, producer William Asher decided to shoot the episodes in Southern California instead, explaining that, “No producer today can morally afford to take his show out of Hollywood. The employment crisis in Hollywood is such that we must call upon our ingenuity to keep all production at home” (p.1). Asher conceded that the show had travelled to Salem, Massachusetts the previous year to shoot eight special episodes—the location being particularly relevant to the show’s witchcraft theme. The difference for Asher in the case of the Salem shoot was that the entire Hollywood crew had been flown to the East Coast for the occasion, which would not have been the case had the show decided to shoot its European episodes overseas. Asher additionally attempted to bolster his reputation as a non-runaway

producer by pointing out that he kept the primary production of *Bewitched* in Hollywood, despite the fact that the family depicted in the show was supposed to live in Westport, Connecticut.

Discussions of runaway foreign television production took a notable turn in the 1980s, with increasingly frequent mentions of competition from Canada. While Canadian runaway production will be discussed in greater detail in the following chapter, it is worth noting here that some of the earliest mentions of Canadian runaway production in the U.S. press involved the production of television series and “movies of the week” (a.k.a MOWs). In an article describing the “cut-rate” Canadian TV trend, Morgan Gendel of the *Los Angeles Times* outlined several economic incentives drawing Hollywood producers to Vancouver and Toronto, including a favorable exchange rate of \$1.38 Canadian to one U.S. dollar, anywhere from \$15,000 to \$65,000 in monthly savings on studio space rental over L.A., the ability to use IATSE-affiliated crews, and the ability to negotiate a one-time residuals buyout with Canadian actors (represented by the Alliance of Canadian Cinema, Television and Radio Artists) saving producers roughly 50% over what they would normally pay American Screen Actors Guild members (Gendel, 1986, pp. SD-D1). Even with airfares and per diem costs figured in for necessary U.S. talent and crew, one producer estimated that savings were still around 20% to 25% for most productions.

Though Canadian runaway production created concern for Hollywood labor, the quality of the productions was generally derided in the U.S. press. Gendel noted that U.S. primetime TV would “snicker” at the common use of 16 millimeter film on Canadian productions—a choice that was made in order to save money on film stock, but not without implications for image quality. The trials and tribulations of a movie-of-the-week called *Firefighter*, depicting the story of the first female firefighter hired by the Los Angeles fire department, were also described with some amusement by U.S. film industry commentators: the production had suffered near-constant

rain showers and water-stained wardrobe while on location in Vancouver (Wilson, 1986); another reviewer noted that neither the script nor the scenery “rang true,” calling *Firefighter* the “ultimate runaway production” for filming the Los Angeles story in Vancouver (Margulies, 1986, p. G10). But not all Canadian productions could be so easily criticized, with successful television series such as *Night Heat* (1985-1989) paving the way for the tremendous rise in quality film and television productions that would come out of Canada in the 1990s and 2000s.

The discourse of runaway television production rehashed many of the themes used in past debates, including runaway foreign investment and, to a certain extent, runaway un-Americanism as it appeared within the “buy American, film American” discourse concerning commercial runaways. A unique characteristic of the 1970s anti-runaway television debates, however, was the much more visible, activist approach taken by labor in the staging of large-scale rallies. The “protest march” strategy could certainly be attributed to the times, when anti-Vietnam War protests and pro-ERA marches were common occurrences. But much like anti-war and women’s rights activism in the 1960s and 70s (Gitlin, 1980; Tuchman, 1978), labor’s anti-runaway rallies received little coverage or positive support in the popular press.

It also seems evident that the issue of runaway television production held some local and regional appeal, spurring production communities and legislators outside Hollywood and California to get involved in a way not necessarily seen in previous runaway film production efforts. This may be attributable to the more localized nature of television compared to film in that it is argued to play a crucial role in the construction of localized community identities and the circulation of local and regional values (Morley & Robins, 1995). While the film industry “belonged” to Hollywood, the television industry belonged to all American communities, big and small, who relied on the medium for local news and local-interest programming. And as a more

community-based medium, it would have been much easier for members of Congress and state politicians to throw their support behind anti-runaway television production initiatives because they could argue the importance of such legislation to the maintenance of their local economies and cultures.

The loss of television production to runaway practices would continue to be a concern for U.S. labor, though the damage was generally limited to short-schedule, smaller budget productions such as commercials and movies-of-the-week. By contrast, major television series tended to remain in New York and Hollywood for the simple fact that television stars and core production staff could not be expected to live in far-flung locations for extended periods of time, perhaps years if a show was successful. But even this obstacle would be challenged in years to come when TV series began to set up shop in Vancouver, B.C.—a mere 2 ½ hours flight from Los Angeles.

ANIMATION AND THE “RUNAWAY WARS”

Up until the 1970s, the discourse of runaway film production had stayed relatively focused on location-based production, such as live-action feature films. Beginning in the 1970s, however, other sectors of the industry that had seemed impervious to outsourcing trends began to surface within the runaway debates, including animation.

Animation had been a part of the Hollywood film industry almost as long as the industry had resided in Southern California, with Walt Disney Studios serving as its anchor since the 1920s (Wasko, 2001). The animation industry grew along with the demand for animated features, and in 1941, animation workers chartered the Screen Cartoon Guild Local 852 with the help of union leader Herb Sorrell. The Cartoon Guild, however, was short lived, having been broken up by Roy Brewer in 1947 in his efforts to dismantle Sorrell’s Conference of Studio

Unions (CSU); in 1952, the Hollywood cartoonists reorganized as IATSE Local 839, though they continued to be recognized as an independent guild. Hollywood and New York animators managed to skirt the runaway production turmoil experienced by the movie and television unions in the 1950s and 60s, mostly due to the specialized nature of the work and the concentration of skilled animators in the U.S. But in the early 1970s, the increasing demand for cable television content sent Hollywood animation studios in search of inexpensive workers, particularly for the labor intensive ink and paint portion of production (Wells, 2003). Australia, Japan, South Korea, Taiwan, and the Philippines were all prime locations for the outsourcing of Hollywood animation work (Yoon & Malecki, 2009), and thus the primary focus in what would become known within the Cartoonist Guild as the “runaway wars.”

On one level, labor outsourcing experienced by the animation industry in the 1970s and 80s is easily understood as part of similar outsourcing trends that occurred within other information industries at the time, including the mass relocation of IT call centers to India (Mosco, 2006). As such, it could be argued that the outsourcing of animation production work and the subsequent debates over runaway animation support Braverman’s (1974) thesis on the development of a new division of information and service labor, in which IT and service work would eventually become “de-skilled” and divided in the same way that had occurred in manufacturing. More specifically, this theory predicted that “conception” work (such as scripting and art direction) would become concentrated in an industry hub such as Hollywood, and “execution” work (such as ink and paint) would be outsourced to the lowest bidder (Mosco, 2006, p. 773). In the case of Hollywood and the animation industry, such an arrangement helped to reinforce the New International Division of Cultural Labor and the subordinate role of production labor to the more powerful producers and managers residing above-the-line. The

runaway animation debates, therefore, document the increasing tensions between above- and below-the-line film labor as Hollywood continued to evolve into a global “media capital”—more involved in the development, financing, and management of production on a global scale than necessarily its physical manufacture (Curtin, 2003).

Problems began in 1971 when Hanna-Barbera began sending “pre-materials” produced by Hollywood animators to their Australian facility for completion (Ornstein, 1971). Once members of IATSE Local 839 learned of the practice, they refused to work on the projects intended for outsourcing. In a strongly worded statement to the *Hollywood Reporter*, representatives from the Cartoonists Guild explained their opposition:

The runaway production scheme is a rope around our necks and we will not put our heads into it to get management out of a bad situation at the expense of our jobs.

Writers and storyboard artists will not prepare material that would be used to put their fellow animation workers out of work. Management, in fact, is demanding animation workers kill off their own jobs—even help destroy the American animation industry—and be grateful for the chance to do it. (p.1)

Hanna-Barbera’s producers called the union’s threatened work stoppage a breach of contract and promised to fire anyone who refused to work on an assigned project. But in fact, the Cartoonist Guild had organized a similar—and successful—work stoppage against the children’s program *Curiosity Shop*, forcing the show’s producers to discontinue outsourcing completion work to Yugoslavia. A temporary resolution was eventually reached in the 1971 case. But tensions over runaway production were rekindled eight years later when animation outsourcing became a sticking point during contract negotiations between Local 839 and Hollywood’s most prominent TV animation production studios (Waters, 1979).

Hanna-Barbera, Ruby Spears Productions, and De Patie-Freleng Enterprises, producers of the majority of network TV's Saturday morning cartoons at the time, were accused of sending as much as 75% of their animation production work overseas, namely to Taiwan, Korea, Spain, and Australia (Waters, 1979, p. A20). Production company reps countered that L.A.'s labor base was not sufficient to meet their production needs, and that they were occasionally forced to outsource work due to last minute scheduling decisions made by the networks. While the cartoonists conceded that unpredictable network deadlines were exacerbating the problem, they felt that animation producers were more often running away to overseas production centers for economic reasons; to support their argument, they quoted producers who had openly admitted that outsourcing cut their production costs in half compared to Hollywood. As a result, the cartoonists wanted to include an "anti-runaway clause" in their new three year contract, obligating the producers to exhaust animation labor resources within Hollywood's "studio zone" before sending excess work overseas.

Producers from Hanna Barbera, Patie-Freleng, and Ruby Spears were at first eager and willing to negotiate as their September 8 season start date loomed. However, contract talks with the cartoonists stalled, and on August 12, 1979, 1200 animators from IATSE Local 839 walked out of negotiations and declared a strike against the three production companies (Waters & Bernstein, 1979). Almost immediately, the animators found themselves at odds with the IATSE's international office in New York and its president, Walter Diehl, who claimed that the cartoonists' strike was "unauthorized" by the parent union (Bernstein, 1979). Diehl was apparently concerned that the animation strike over runaway production would interfere with plans for an industry-wide IATSE strike of all 26,000 national members over increases in wages and benefits, which was slated to begin around September 5. Bud Hester, president of IATSE

Local 839, declined to end the animators' strike, explaining the precariousness of his situation: "If Mr. Diehl wants our members to return to work, he can come out here himself from New York and see just what kind of response he'll get to that idea from our members. If I tried to call off the strike, I'd be shot at sunrise" (p. B30). Hester also challenged Walter Diehl's claim that the animators' strike was unauthorized, countering that Diehl had given Local 839 written permission for the strike vote and verbal permission for the strike itself.

In the end, Hester's defiance of Diehl and the parent union paid off. On August 24, 1979, Ruby Spears caved to the Local 839's demands and negotiated a new contract that included the "anti-runaway clause" (Townsend, 1979). Similar agreements with Hanna Barbera and Patie-Freleng quickly followed. Local 839's vice president, Morris "Moe" Gollub, declared the foreign labor clause the first of its kind to be written into a film or television industry contract in the U.S. Though initially irked by the timing of the cartoonists' strike and its possible impact on the organization of a general IATSE strike, their efforts seem to have left an impression on Walter Diehl: their newly minted "anti-runaway production clause" was immediately co-opted by the parent union leadership and included in the industry-wide contract negotiations. But unlike Local 839, the IATSE international board ceded the runaway clause before the final contract was drafted.

Despite the animators' victory in negotiating the inclusion of the anti-runaway clause in their 1979 contract, enforcement of the clause proved difficult. Local 839 president Bud Hester accused the production companies of "blatantly violating the clause," and threatened arbitration in order to make the producers honor their contract (Waters, 1980). The production companies continued to paint themselves as victims of late scheduling by the studios, arguing the necessity to outsource large amounts of work in order to meet network deadlines. With the expiration of

the 1979 contract looming, 1600 union cartoonists once again walked off the job on August 5, 1982. This time they wanted a guarantee that the major production companies, including Disney, Warner Brothers, and Filmation, would honor the original 1979 agreement to give U.S. animators “first crack at the jobs” before outsourcing animation work to foreign production centers. The animation producers offered to either include the anti-runaway production clause in the new contract or negotiate wages and benefits increases for the cartoonists, but not both (Bernstein, 1982, p. E1). After nine and a half weeks off the job, representatives from the IA national office stepped in and made the choice for them: as part of national IATSE contract, the cartoonists forfeited the anti-runaway production clause for a 26.2% pay increase, applicable to all 24,000 members of the parent union (Cartoonists end 9 1/2 week strike, 1982). The “runaway wars” were over for Local 839.

Over the next few years, the animation industry experienced a rapid expansion: the massive growth of cable TV combined with an increasing interest in cartoons as marketing tools for the toy industry had pumped up cartoon programming from 3 to 4 hours a day in the early 1980s, to 11 ½ hours per weekday by 1988 (Culhane, 1987, p. H31). And yet 47% of Hollywood’s animators were reportedly unemployed in December 1987, with the blame once again being placed on foreign runaway production practices. In a story previewing the 1988 TV animation season, Michael Webster, vice president of Disney Pictures’ television animation division, defended the need for Hollywood’s animation producers to outsource work, particularly to Japan: with a greenlight to create 30 hours of their new hit children’s series *Duck Tales*, and a production schedule of approximately 20 weeks to produce each half hour program for the series, Webster argued that Disney had no choice but to outsource some of the work—there just weren’t enough animators in Hollywood to get the job done. Rather, he described Disney’s production

process as an “international work exchange,” with character designs and models, soundtracks, background designs, and animation direction all done in California, while 1500 Japanese workers were responsible for inking, painting, and photographing the completed animation cells. Though Webster admitted the outsourced work amounted to a substantial per episode savings over using U.S. animators, up to 30% or \$125,000 per 30 minute program, he insisted that the primary reason for using Japanese labor was the availability of a large and highly skilled workforce:

Japan is the most expensive place outside the U.S. Out of sight for most. But we’re staying there simply for the quality. We’re getting consistently beautiful work from Japan. Otherwise, we’d be out of there. It’s expensive, but we’re making them to last.
(p.H33)

Criticism of the foreign animation production trend in the late 1980s, however, came from several directions, including Hollywood’s animation union, domestic animation studios, and children’s programming advocacy groups. Bud Hester of the Cartoonists Guild could think of no other reason for the high levels of unemployment among Hollywood animators except runaway production: “There is more animation being done today than there’s ever been in history, yet we’re getting a smaller piece of the action. The criteria is how you can get it done cheap rather than a good product” (Culhane, 1987, p. H33). Bill Melendez, producer of Charles Schultz’s *Peanuts* TV specials since the 1950s, agreed with Hester, arguing that outsourcing systems like Disney’s were motivated by pure greed. Commenting on his own “do-it-all-at home” studio, “All the animation is going to be done right here. When we got to go to Japan or China for this kind of stuff, then I’ll give it up. I’ll *withdraw*” (p.H33). Peggy Charan of the advocacy group Action for Children’s Television saw the issue of animation outsourcing as intertwined with a general loss in quality of children’s animated programming. But for Charan

the problem did not begin with the animation studios, but with toy manufacturers who she argued had taken over and ruined children's programming. Because of their massive investments in animation as a marketing tool for their products, toy companies were argued to have an inordinate degree of influence over content development as well as production decisions, including the use of cheap labor abroad rather than quality union labor in the U.S. (p.H31).

But the possibilities for the animation industry, and the problems of runaway production, extended well beyond the children's market. In December 1989, the landscape of television animation changed forever with the debut of the longest running and most successful "adult" animation series of all time—*The Simpsons*. After the series' first season, the bulk of its ink and paint work and "in betweens"¹⁸ production were outsourced to South Korea, which *Simpsons* producers defended as both a matter of practicality and a matter of creative quality control (Alum Silverman directs "Simpsons Movie", 2007). In the true irreverent spirit of *The Simpsons*, the show's writers were willing to lampoon growing public panic over labor outsourcing, with episodes such as "Kiss Kiss, Bang Bangalore" (April 9, 2006) depicting the relocation of Springfield's nuclear power plant to India. The show's creators were also not averse to parodying their own outsourcing of labor by including a scene in the episode *Itchy and Scratchy: The Movie* (1992, November 3) in which Korean animators are seen bent over their desks, laboring away on animation cells. The monumental success of *The Simpsons* at the end of the 1980s, and the subsequent normalization of animation outsourcing, seem to have sounded the death knell for small U.S. animation studios such as Filmation trying to function outside the runaway foreign production model. In 1989, Filmation folded after a three decade run of producing successful series such as *Fat Albert and the Cosby Kids* (1972) and *The Tom and Jerry Comedy Show* (1980) (Sito, 2006).

¹⁸ Drawing of intermediate animation frames between the dominant action frames.

Vast changes in production technologies were also on the horizon for the animation industry, with the commercial transition to digital ink and paint work beginning in the late 80s. Disney began to integrate computer animated elements into their feature films in 1989,¹⁹ and by 1995 had formed a lucrative partnership with Pixar Animation Studios to produce full-length 3D computer animated features; technology they debuted in the wildly popular film *Toy Story* (1995). Many within the Hollywood animation industry have argued that the digitizing of the production process has actually brought about a reverse runaway trend and a “Second Golden Age” for Hollywood animation in the 1990s and 2000s. Because of the concentration of high tech animation studios in Hollywood, animators there have been able to reterritorialize the industry and re-establish Hollywood’s claim on being the authentic home of animation production.²⁰ But as Appadurai (1996) has argued, the “technoscape” of transnational media is a fluid configuration, able to quickly shift to take advantage of advantageous political and economic circumstances. As such, it is likely only a matter of time before animation labor overseas are re-skilled for digital production, and a new cycle of runaway animation “wars” begins.

In actuality, unemployment complaints by Hollywood animation labor in the 1970s and 80s did not only reside with foreign runaway production practices. Beginning in the early 1970s, Disney, along with several other Hollywood production interests, started to invest in production facilities in other parts of the U.S., resulting in the final runaway discourse to be discussed in this chapter—domestic runaway production.

¹⁹ Just as the *Wizard of Oz* (1939) used “Somewhere over the Rainbow” as a metaphor for the transition to color film, Disney included a digitally inked and painted rainbow in the final scene of *The Little Mermaid* (1989) to mark their first major foray into digital animation (Kerlow, 2004).

²⁰ According to IATSE Local 839, Disney’s animation staff rapidly expanded after 1985: from 125 to 1500 in 1995. Similarly, Local 839’s membership has swollen to 3,000 in recent years (IATSE Local 839, 2000).

DOMESTIC RUNAWAY PRODUCTION

California has been like the husband who takes his wife for granted and when she finds a lover, wonders where he went wrong.

---Senator Alan Robbins, *New York Times*, 1974

The 1970s and 80s were a time when several U.S. states not traditionally associated with film production began to aggressively market themselves to Hollywood producers as amenable production locations: from billboards lining Sunset Strip declaring Illinois the place where “Show Business is Our Life,” to splashy half page ads in *The Hollywood Reporter* depicting the word “Florida”—and not Hollywood—as the iconic sign in the hills. As in the case of foreign “runaway” production in previous decades, the Hollywood unions questioned many of the economic incentives used to attract production to other states, including the availability of non-union workers under “right-to-work” laws, and access to state-level tax incentives. In the 70s and 80s, however, Hollywood unions began to work closely with California state legislators, including Governor Ronald Reagan, to make the motion picture industry a political and economic priority for the state: through numerous tax relief proposals, the creation of a state-commissioned Motion Picture Council, and high-profile hearings on California’s domestic “runaway production” problems.

The discourse of domestic runaway production is significant in that it brings to light the importance of local and regional divisions of labor and production within processes of globalization. In more traditional understandings of the political economy of globalization, it has been argued that transnational industry primarily occurs at the level of the nation-state, with local and regional interests affected mostly as an indirect result of national policies. Contemporary theories of globalization argue the diminishing importance of the nation-state to transnational industry, and specifically transnational media industries. As LeFebvre (1991) has stated, “No

space disappears in the course of growth and development: the worldwide does not abolish the local” (p.86). And in matters of production and consumption, media industries are more often operating within and between multiple levels including, but not limited to, municipal, local, regional, national, and international domains (Christopherson, 2005; Straubhaar & LaRose, 2006; Pieterse, 2004). The development of municipal and state production communities across the U.S. in the 1970s and 80s, and the domestic runaway production debates that followed, serve as evidence of the latter, multi-level construction of globalization. The rise of domestic production outside Hollywood was not a separate development from foreign production practices. As will be shown, many of the same types of production practices implemented at the international level and protested by Hollywood labor in the past were simply downsized and reapplied at the regional, state, and municipal levels in the 1970s and 80. The result was rather frenetic efforts by Hollywood labor to construct their problems with production outsourcing as significant to multiple political and economic interests: business and political leaders in Los Angeles, California state legislators in Sacramento, as well as federal legislators in Washington, D.C.

The discourse of location authenticity also re-emerges within the debates over domestic runaway production, much like in previous instances in the 1950s and 60s. In the 1970s and 80s, authenticity is implemented as both a reterritorializing discourse by Hollywood labor trying to lure productions back to California, and as a deterritorializing discourse by “runaway” producers, directors, and production companies attempting to establish new production communities in other states. This again could be argued to support the conceptualization of a multi-leveled, overlapping model of globalization, where the “mediascape” in which images of the world are

produced, is similarly contested across local, regional, national, and international planes (Appadurai, 1996).

Georgia was among the first states to make a serious play for Hollywood production, led by Governor Jimmy Carter. The state had welcomed John Boorman's production of *Deliverance* in 1972, granting access to the remote mountain county of Rabun, situated on the Chattooga River upon which much of the movie's action takes place. The production reportedly spent around \$1 million hiring local carpenters and truck drivers, eating in local restaurants, and buying various other goods and services from local shops— everything from “shoe laces to liquor” (Funke, 1974, p. 135). What the residents of Rabun County and Georgia state officials had not anticipated was the influx of tourism in the wake of the production; several businesses, including river boat tour companies, had quickly set up shop to accommodate curious film tourists. Governor Carter sprang into action, setting up a state level Motion Picture and Television Advisory Committee, specifically assigned the task of marketing Georgia as a production location as well as assisting productions in progress (Kaminsky, 1972). In advance of a promotional visit by Georgia state delegates to Hollywood in 1972, a half page ad appeared in the *Hollywood Reporter* that included a picture of Jimmy Carter with a bold caption underneath reading: “Meet Jimmy Carter. The man who blew up a car, burned down a house, and changed the course of a river. All on cue.” The ad copy described how the governor himself would be in Los Angeles for two days to discuss film production with any interested parties, prompting the slogan, “Georgia. We'll do anything to be in show business.”

From Hollywood labor's perspective, Georgia was but one of many states vying for “runaway” dollars. In July 1974, *The Hollywood Reporter* declared Arizona the “domestic runaway capitol of the United States,” contributing to an estimated \$16 million in annual

production revenues leaving the state of California (Tusher, 1974, p. 1). A string of major motion pictures, mostly Westerns, had been shot in Arizona in the previous year, including *The Trial of Billy Jack* (1974), *The Hanged Man* (1974), *Death Wish* (1974), and *Alice Doesn't Live Here Anymore* (1974). In fact, the state had become such a hot location commodity that some speculated it was the busiest production center in the U.S., only surpassed by California and New York. Representatives from Arizona's State Film Commission and Office of Economic Planning and Development attributed the production boom to several factors, including unique locations such as the Grand Canyon and Superstition Mountains, good weather, and a concerted effort by state officials to ease the location permit process, known to be quite cumbersome in L.A. In 1984, Texas had reportedly taken over the third spot behind California and New York in terms of production volume, with state film representatives touting a new \$35 million state-of-the-art soundstage at the Dallas Communication Complex (Hulbert, 1984). The investment was far from foolhardy, as projects flocking to Texas at the time included high-profile, Oscar-winning and nominated films such as *Tender Mercies* (1983), *Terms of Endearment* (1983), *Silkwood* (1983), and *Places in the Heart* (1984). Hollywood producers working in Texas argued that it was the authenticity of locations there, and not the bottom line, driving the production surge. As explained by Dan Brown of Zanuck-Brown Productions:

The story still decides the location—no one's making films in Texas simply because they're cheaper. Today's audience is very picky about regional authenticity, which is why we'll shoot a few brief scenes from *Target*, our new Arthur Penn film, where the script dictates, in Dallas. *Casablanca*, for instance, was shot entirely in Culver City, Calif. but if it were being filmed today it would be done on location. (p.H11)

Producers also commented on the “eagerness” appeal of Texas—that their crews and “starstruck property owners” were much more enthusiastic and cooperative compared to Hollywood’s jaded workers and citizens, particularly in regards to pay scales and locations fees. The Hollywood unions, however, argued that Texas was a haven of anti-unionism. Not only was the state out of the jurisdiction of the Screen Extras Guild, it also was a “right-to-work” state, where production crews could be comprised of both union and non-union workers without penalty. All totalled, some estimated production savings between 15 and 30 percent in Texas over California.

By 1985, nearly every state in the U.S. had established a film office, with a concentration of competition coming from states all along the Atlantic coast: from New York and Massachusetts in the North, to the Carolinas and Florida in the South. Though a relative newcomer to film production, Massachusetts had an established television industry, with the venerable WGBH Boston providing the state with a national reputation for high quality public broadcasting and documentary production. But commercial hits like *Cheers* and *St. Elsewhere* had brought both positive attention and a 24% increase in tourism to the state, generating enthusiastic support from Governor Michael Dukakis for efforts to expand the industry in Massachusetts: “If you can get a film company to come in and spend two or three million bucks, it’s a nice addition to a state’s economy. Besides, it’s a hell of a lot of fun” (Harmetz, 1985, p. C15). Dukakis expressed some sympathy for Los Angeles film workers hostile toward “outside” interests coming to their city to promote “runaway production.” While the governor declared his sensitivity “to the idea of going raiding” in L.A., he also made clear that he’d do what he had to do to attract production to his state, even if it meant a trip to Hollywood to close a deal (Luther, 1984, p. OC1).

North Carolina had tapped into Hollywood royalty when powerhouse producer Dino De Laurentiis decided to build a production complex in the coastal town of Wilmington. His North Carolina Film Corporation was comprised of both sound stages and permanent outdoor sets, including urban streetscapes constructed for the film *The Year of the Dragon* (1985) that served as a stand-in for New York's Chinatown. For De Laurentiis, the North Carolina enterprise was purely a matter of economics: he could hire extras for \$35 a day, rather than the \$91 a day charged for union extras in Hollywood; De Laurentiis also estimated that the street sets for *Dragon* would have cost roughly three times as much to build in Hollywood as compared to North Carolina due to the differential in union scales between the two locations. A little further down the coastline, Florida had also become a considerable concern for Hollywood unions with the opening of the Walt Disney World Theme Park in 1971. The California film community strongly disapproved of one of Hollywood's most venerable studios making such a major investment outside the state. In 1989, Disney became even more entrenched in Orlando with the construction of the Disney/MGM Studios—a combination resort, theme park, and working television and film production complex. Disney CEO Michael Eisner presided over the opening of the new park area, presenting a dedication plaque that immortalized the company's shifting understanding of Hollywood:

The world you have entered was created by the Walt Disney Company and is dedicated to Hollywood—not a place on a map, but a state of mind that exists wherever people dream and wonder and imagine, a place where illusion and reality are fused by technological magic. We welcome you to a Hollywood that never was—and always will be. (Vagnini, 2009)

While Hollywood labor may have felt like Disney had abandoned them, it was clear that Disney felt in no way beholden to Hollywood as a situated place. It is also clear that Disney knew its audience and their expectations: they weren't necessarily looking for "authentic" experiences of place, either in film or in their visits to amusement parks. Rather, they could be satisfied with a fusion of "illusion and reality." Orlando was just as good a place as anywhere else to reconstruct some version of Hollywood—and perhaps one better than the original, "a Hollywood that never was," including a Hollywood without union problems. Florida was a right-to-work state, where unions could not impose sole jurisdiction over media production practices

In a year-end edition of the *Hollywood Reporter*, an article titled "Runaway Production: Home is where the shot is" considered the "war between the states" over production work (Newman, 1989). Ted Kaye, vice president of film and video production for Disney/MGM in Orlando, commented that the studio was indeed gunning for the number two spot behind Hollywood in terms of production business in the U.S. With production budgets estimated at 20% under L.A. and New York's going rates, a growing community of production professionals, and permit-free policies for Florida locations, Kaye felt it was only a matter of time before Orlando could live up to its nickname "Hollywood East" (p.84).

In response to the onslaught of domestic competition in the 1970s and 80s, a call to arms went out among Hollywood's anti-runaway production labor interests. Only unlike previous decades, Hollywood labor managed to garner serious interest among California state legislators, resulting in a series of proposed (and in some cases passed) bills relating to runaway film production, a series of public hearings, a restructuring of the location permit system in L.A., and the creation of a state film commission to promote and nurture the California industry. L.A.'s location permit system was the first target for reform chosen by Hollywood's anti-runaway

production contingency. Some labor representatives and public officials feared that the tangle of permits required to shoot in Los Angeles, and the time and energy spent running from one municipal agency to another to get them, was discouraging production work in Southern California; to shoot in L.A. communities such as Santa Monica or Malibu required permits from Los Angeles County, the city of Santa Monica, the state of California, as well as permissions from local fire, police, and health offices (Funke, 1974, p. 135). The solution was the creation of the Los Angeles City One-Stop Film Coordination Office, where production and location managers could go to obtain all the necessary permits. In the 1975 anniversary issue of the *Hollywood Reporter*, L.A. Councilman Joel Wachs praised the newly established One-Stop office, attributing its inception with a reversal in runaway production and providing “a new spirit to both the industry and the community” (Wachs, 1975, p. 12). The following year, the *Los Angeles Times* showcased the success of the One-Stop office in a feature story about the “resurgence of street location shooting” in the city (Jones, 1976, p. C1). Coordinators from the newly re-titled City Inter-Departmental Committee for Economic Development (CICED) explained how one \$50 permit issued by their office now replaced the roughly 20 different approvals needed to shoot in L.A. They were also assisting with coordinating traffic and crowd control around congested city street locations, making films like *Car Wash* (1976)—filmed almost entirely at the intersection of 6th and Rampart Boulevard—possible. CICED coordinator Bill Johnson bragged that in recent months he had facilitated as many as ten productions in progress in a six block radius, which he believed was a sure sign that runaway productions were coming back to L.A.

Around the same time that the one-stop permit office in Los Angeles began operation, efforts were also being made to establish an industry coordinating office at the state level. As

early as 1971, L.A. city officials, most notably Mayor Sam Yorty, had called for the establishment of a central coordinating agency that would “‘more aggressively’ halt ‘runaway production’, particularly to nearby states” (Metropolitan, 1971, p.A2). The State Assembly responded in September 1974 with the creation of the Unit for Motion Picture Development. The official functions of the Unit were the implementation of promotional and informational campaigns regarding film locations around the state, assisting production companies with securing location permits, and facilitating and coordinating efforts between local, state, and federal governments, and private sector groups in the service of motion picture productions (Motion Picture Development Unit, 1974). But within a year, the fate of the Motion Picture Unit was uncertain. Governor Edmund Brown, Jr. began dismantling the state’s Department of Commerce, having concluded that issues of business development and international trade were better left to the private sector, including the motion picture industry.

In May 1975, however, California State Senator George Moscone attempted to salvage state services for the film industry by proposing the creation of a Department of Tourism and Motion Picture Production Development within the Business and Transportation Agency (California Senate Bill 1189, 1975). The new Motion Picture council was to be comprised of eleven representatives from the state legislature, local government, motion picture companies, and motion picture labor groups and professional organizations, to be appointed by the governor. Moscone and other proponents of the bill argued that the goals of the office of tourism and of the motion picture industry were essentially the same: to increase travel to and within California. And according to the California Tourism Council, similar film commissions were becoming commonplace in other states, particularly “runaway” states competing directly with California for tourism and motion picture production dollars, such as Colorado, Arizona, and Florida

(California Tourism Council, 1975). And yet, the bill was opposed by key legislative groups, including the Business and Transportation Agency where the new department was to be located. These legislators saw SB 1189 as an attempt to resurrect the Department of Commerce, and with it the state's involvement in business and trade development: as stated in a handwritten note at the bottom of the Agriculture and Service committee's veto request, "The Phoenix rises from the ashes. A rose by any other name is still the Dept. of Commerce." Governor Brown eventually vetoed SB 1189, arguing that "[t]here is no credible evidence that a special state bureaucracy in California can promote tourism more effectively than the Chamber of Commerce and local business" (Brown Jr., 1975). It was also believed that California didn't need to make the kind of massive investment in promoting its film industry as other states were making for the simple fact that California had a global reputation as the "home" of the film industry.

Efforts were renewed the following year to not only revive but expand California's Motion Picture Development Unit. The biggest problem facing the Unit was funding: the Unit had received some modest funding from the Governor's Office and the legislative general fund, but under the condition that the program would be fiscally self-sufficient within the year. One plan to generate funds was introduced by State Senator Alan Robbins in April 1976, who proposed that the Motion Picture Development Council collect fees for the use of state owned property by motion picture productions (California Senate Bill 1620, 1976). A nearly identical bill was introduced to the State Assembly by Herschel Rosenthal in August (California Assembly Bill 3114, 1976), which was eventually signed into law by Governor Brown in September 1976. In addition to providing the Motion Picture Development Council with the means to sustain itself through service fees, the new statute allocated \$50,000 in "start up" funds for the implementation of the new service plan. With legislative legitimacy established and a funding structure in place,

the Motion Picture Development Council (and its future forms) would become central to several anti-runaway production initiatives in the state legislature over the next several years.

The issue of runaway film production continued to grow in importance and visibility within the California legislature in the 1980s. The California Motion Picture, Television, and Commercial Industries Act of 1984 (California State Senate, 1984), sponsored by Senator Herschel Rosenthal, was considered the state's first official anti-runaway legislation. The statute was created to fulfill "a need for concerted efforts by California state and local governments to provide an environment supportive of, and conducive to, the undertakings of the motion picture industry in this state" (p. 5910). Among its provisions were increased financial support for the Motion Picture Council, establishment of discounted permit fees for use of state property and employees for film production, and authorization of the Film Council and the California Film Office to coordinate statewide efforts in issuing various permits for film and television productions. Within a year, the Industries Act seemed to pay off, with a record number of film permits issued in Los Angeles (Gladstone, 1985). Much credit was given to Lisa Rawlins, the California Film Office's director, who described her job as "to stand at the border with with arms outstretched and say to film makers, 'Don't go away!'" (Harmetz, 1985, p. C15). Rawlins was allocated a \$380,000 budget to promote production in California and to continue to simplify the state's notoriously prohibitive locations permit system. The state film office was also put in charge of assisting the development of local film commissions in over 60 communities throughout the state (Assembly Committee on Economic Development and New Technologies, 1985).

The California Motion Picture, Television, and Commercial Industries Act of 1984 also spurred a series of in-depth hearings around the state on the issue of runaway production. One of

the most well-documented of these hearings was held in Monterey's City Hall on December 9, 1985 and served as a joint hearing of the State Assembly Committee on Economic Development and Technology (headed by Assemblyman Sam Farr), and the State Assembly Subcommittee on Sports and Entertainment (chaired by Assemblyman Gary Condit). The location of the hearings outside L.A. served a very specific purpose: the focus of the hearings was to be on the preservation of California's—and not just Hollywood's—film and television production industry. According to a report generated by the California Film Office and distributed at the hearings, out-of-state “runaway” production was responsible for an estimated \$1 billion in production revenue losses in California in 1984; and of 156 films shot in the U.S. that year, 56 were shot entirely in California, 29 were shot partially in California, and 80 were shot entirely in other states. New York, Arizona, Texas, and Florida were named the top four “runaway” states (Assembly Committee on Economic Development and New Technologies, 1985, dsa1, p.2).

Leaders from all sectors of the film industry were called to testify on runaway production, including producers, state officials, location managers, union representatives, and commissioners from municipal film offices around the state. The hearings began with testimony from Clint Eastwood—a Hollywood actor, producer, and director, and also a California native. Eastwood provided a practical yet sympathetic perspective on the domestic runaway production trend. He acknowledged that production costs were sometimes a motivation for shooting in other states—as an example, he described having rented a parking lot for three weeks in New Orleans at the same price he'd paid to rent parking in Los Angeles for one night. Eastwood also admitted that it was refreshing to work in communities where the residents were happy to have them there, whereas L.A. resident who are frequently inconvenienced by film productions could be quite

hostile. Despite these shortcomings, Eastwood was made it clear that he was still committed to supporting production in his home state:

California, I think, I was born and raised in the state, I would much rather do all my films very close to home. At this point in life I'm getting to enjoy the comfort of being near home. But sometimes certain states, if you need the Grand Canyon or you need some spectacle, it's attractive to go elsewhere. California has the widest variety of terrain and cities as any state in the union. So, I would rather shoot here. (p.8)

Lisa Rawlins of the California Film Office testified next, and immediately tried to reframe the critique levelled by Eastwood and other “runaway” producers that Los Angeleans had become too “jaded” with the production industry. She pointed out that the industry was important to many communities across the state, and not just Los Angeles—communities that were in dire need of the “economic shot in the arm” the film industry could provide and that would surely give productions a warm reception. An in an effort to open producers’ eyes to locations around the state, Rawlins office was helping to organize a California locations trade show as well as weekend tours around the state for industry locations managers. Later in the interview, Assemblyman Condit asked Lisa Rawlins to comment directly on the legitimacy of the issue of “runaway production”:

It's real, but I think that your prior comment comes into play. We have found since January, a lot of companies calling and saying, “Well, you know, if you can't get us what we want, we're leaving the state.” We're seeing the issue turn on us from time to time. Those were brought gingerly to our knees. “We want this location or...” You can't really blame them for that. They have been successfully lured and wooed by another states [sic]. The advantage, of course, in other states is they only have a drop in the bucket, as far as

production is concerned, to us. We cannot spend that kind of time and money luring an industry that is based here. I think that our answer is, in responding to their needs, in cutting all red tape. I think that runaway production does exist. I don't think that it is crippling the industry, and I don't think that it is necessarily crippling the state. But I think we're losing enough jobs and enough money to warrant our attention. (dsb2, p.19)

Rawlins was careful not to overstate the importance of domestic runaway film production to the problems faced by California's industry. At the same time, it seems evident that Rawlins was on a mission to deterritorialize the film industry from its problematic identity as strictly a Los Angeles industry. Even if it meant putting various California communities in direct competition with each other, the bottomline would be revenues generated for the state; and as the state film commissioner, that was her top priority.

Concerns over the potential loss of postproduction work in Los Angeles, a key sector of the industry that thus far had remained relatively untouched by runaway production practices, were also addressed during the hearings. Jim McCabe, a locations manager for Universal Pictures, explained that, in fact, some elements of postproduction were increasingly being done on-location and outside Hollywood. In a discussion with Assemblyman Farr, McCabe explained how television shows like *Miami Vice* and *Magnum, P.I.*, shot in Florida and Hawaii respectively, were able to edit their shows on location. In short, these productions could fly an editor to their location, edit raw footage on-site, then transmit the final cut back to Hollywood via a satellite link. McCabe saw limitations to the use of technology for outsourcing postproduction work, particularly visual and sound effects that required complex and expensive equipment only found in Los Angeles. All the same, his testimony on the role of technology in domestic runaway practices seemed to come as a revelation to Assemblyman Farr:

ASSEMBLYMAN FARR: I'm hearing you say something I've never heard anybody say before, and that is another concern for runaway production, as technology improves, is that technology can run away from California as well.

MR. MC CABE: Easily. (dsa3, pp.13-14)

McCabe's testimony ended on the same question posed to state film commissioner Lisa Rawlins on the legitimacy of the issue of "runaway film production." Perhaps in an act of self-preservation, McCabe hesitated to put the blame for production outsourcing on "runaway" producers, but instead shifted the focus to differences in localized production conditions:

I don't know if it's necessarily physically, producers getting on planes, and taking the raw stock, and going out of state to film it. Again, it's attitudinal. Runaway production in the sense that people are unhappy when they can't do the kind of work they'd like to do in their own state. A company may shoot in the state, or the community, but because of the tensions created by misunderstanding and lack of communication, it creates the "Gosh we're here, but we don't want to be here. Nobody wants us here."

It sounds like runaway production, at least in the minds of everyone involved.

(dsb4, pp.2-3)

It's interesting to note that McCabe reframed the runaway production issue not as a problem of foreign outsourcing, but as a matter of local and regional competition. McCabe was also careful not to explicitly mention cost savings from one location to another. Rather, it is implicit in his comment about runaway production as a matter of "attitude"—if Hollywood could get an "attitude adjustment" and make conditions more amenable to producers and locations managers—then perhaps productions wouldn't have to leave the city or state.

In an effort to garner outside perspectives on runaway production, the Assembly Committee on Economic Development and New Technologies had also invited academics studying film industry trends to testify at the hearings. Susan Christopherson, whose work on film labor and regionalization have been cited throughout this chapter, was a visiting professor at UCLA at the time of the hearings and head of a special project funded by the Haines Foundation of Los Angeles that had analyzed changes occurring in the economic organization of the film industry. Christopherson seemed dubious towards the issue of runaway production, describing it as “an old idea” that had been around since the 1950s . By contrast, the UCLA project had been intended to deemphasize “attitudes and impressions, and anecdotal information” and shed light on the actual “locational patterns” occurring within the industry (dsb4, p.4). Christopherson described 1973 as a watershed year, during which the industry experienced a shift from outsourcing production work to Europe—what the professor called “real runaway production”—to a trend in productions being staged all around the U.S., and not just California. Despite the startling finding that 50 to 70% of U.S. motion picture production was being conducted outside Southern California, it was also found that Los Angeles’ film labor force still accounted for 74% of all U.S. film labor, and was on the rise. Christopherson attributed this discrepancy between production volume and employment volume in Hollywood to the industry’s transition from studio-based production to contractual or “per job” production hiring. So instead of having a small labor force working steady, forty hour work weeks as had been the norm in the studio system, the newly emerging Hollywood industry had a large workforce working less frequently and for shorter stretches of time—an industry system that Christopherson believed pumped up the unemployment numbers and obscured the actual, substantial amount of production work being done in L.A.

Assemblymen Statham and Condit expressed concern over the fact that the UCLA report appeared to “deemphasize” and even “ignore” the issue of runaway production. Professor Christopherson responded that it was simply a matter of how one defined the film industry. For the purposes of the UCLA report, they had considered all stages of production as part of the industry: from equipment and prop rental companies to advanced technology services such as editing and special effects. For Christopherson, the term “runaway production” was too narrowly focused on the filming stage of production and therefore misrepresented the economic and employment landscape of the industry (dsb4, p.12). The project’s recommendation to legislators and state film interests was to nurture sectors of the industry still dominated by California, namely technology-oriented production services, financial backing, and creative development and “think tank” services. In essence, Christopherson’s vision of a future Hollywood fit neatly with Sassen’s (2000) “global cities” or Curtin’s (2003) description of emerging “media capitals”: a transnational center in the global economy where finance, planning, design and conceptualization work congregates.

The final group to testify at the hearings was comprised of film commissioners from various northern California communities. Joe O’Kane, director of San Jose’s Film and Video Commission, spoke at length about the improvements being made by the California Film Office in coordinating and streamlining the state’s industry. But while O’Kane agreed that the state had a problem with runaway production going to other states, he also observed that productions and communities almost wholly independent from Los Angeles were also developing across the country. Referring to the making of *Blood Simple* (1984) by Minneapolis natives Joel and Ethan Coen, “That was Minneapolis money, it was filmed in Texas, and posted in New York. It had nothing to do with California. The distribution came out of California, but everything else

involving that production...Filmmaking is becoming more regionalized” (Assembly Committee on Economic Development and Technology, 1985, December 9)

In the years following the Monterey hearings, the state legislature threw its support behind the California Film Commission and its mission to curb runaway production, introducing several bills to guarantee the commission’s operational budget, expand its staff, and fund its initiatives, such as the “one stop” location permit office (California Assembly Bill 3312, 1986; California Assembly Bill 3066, 1986; California Assembly Bill 3555, 1986; California Assembly Bill 2589, 1986; California Assembly Bill 7, 1987). In 1989, the Film Commission published a report on the “Economic Impact of the Film Industry in California,” co-sponsored by the California Chamber of Commerce. Using industry statistics from 1987, the report found that California captured 70% of all U.S. feature film production and 87.5% of U.S. television production; everything above and beyond those figures was considered “runaway production” to other states (Economic Impact Study, 1989). Of particular note was the report’s comparative data, looking at average production expenses in key competitive production communities across the country, including Dallas, Miami, Chicago, and New York. Only one non-U.S. location was included in the production expense comparisons—Vancouver. Though Vancouver was found to have the most cost saving potential for runaway producers, mostly due to exchange rate (\$1.25 Canadian to \$1 U.S. dollar at the time) and lower hourly rates for crew, the report seemed to dismiss Vancouver as an immediate threat, pointing out that crews there were still generally inexperienced.

While Canada was becoming a runaway concern to the north, border-jumping runaway productions had also become a concern in Southern California. With the Mexican border and the lure of cheap labor only 135 miles away—closer than many of the state borders that had caused

jurisdictional consternation for the Hollywood unions--runaway production to Mexico was frequently framed within discussion of stateside runaway production. The Hollywood production community argued that due to the shared topography of Southern California and much of Northern Mexico, there was no need to take productions to Mexico—anything meant to look like Mexico could certainly be recreated and shot in and around Los Angeles with union crews. Compared to Canada, the stakes also appeared to be higher, as Mexico was attracting high profile directors and their large scale film projects, and not the “half-baked,” B-grade Movies-of-the-Week running to Vancouver at the time. Sam Peckinpah, one of the most successful and powerful Hollywood filmmakers in the 1970s and 80s, was particularly active in Mexico and particularly antagonistic toward Hollywood union gripes about runaway production. Tensions between the director and the unions were rooted in his consistent choice to film outside Hollywood: *The Ballad of Cable Hogue* (1970) in New Mexico, Arizona, and Nevada; *Straw Dogs* (1971) in England; and *The Getaway* (1972) in Texas. In 1969, Peckinpah filmed one of his most successful films, *The Wild Bunch*, in Durango and Cuahíla, Mexico.

Upon his return to Mexico in 1973 to film *Bring Me the Head of Alfredo Garcia*, the Hollywood unions launched an attack against Peckinpah and his “runaway” film practices. In October 1973, several film unions banded together at a conference in Detroit, calling themselves the National Conference of Motion Picture and Television Unions (NACOMPTU). Member unions included IATSE, AFTRA, SAG, and NABET. Their first order of business was to adopt a resolution condemning Peckinpah as an unabashed runaway director. The unions had been particularly riled when Peckinpah had declared in *Variety*, “For me Hollywood no longer exists. I have decided to stay in Mexico because I believe I can make my pictures with greater freedom here” (Kirk, 1973, p. 1). NACOMPTU called for a boycott of Peckinpah’s films by its members,

and picketing of theaters where they were being shown. The *Los Angeles Times* interviewed Peckinpah on location in Mexico, seeking a response to the unions' threatened boycott. A rather unflattering portrait of the director and his producer, Martin Baum, was conveyed in the article:

Sam Peckinpah chomped, almost defiantly, on a shank of goat in a Mexican cantina, picked up a tortilla with his free hand and denounced a threatened boycott of his work.

Producer Martin Baum laughed and stabbed a finger at the goat and tortillas. "You can't get that in Los Angeles," he said. "Tell that to the unions." (Meisler, 1973, p. F26)

Peckinpah defended his choice to film in Mexico on the basis of location authenticity: the story of *Bring me the Head of Alfredo Garcia* was set in contemporary Mexico. Peckinpah also argued that he was misquoted by *Variety*, having said he would never work for Metro Goldwyn-Mayer and not that he would never work in Hollywood again; the director was locked in a dispute with the studio over "unauthorized" editing of his film *Pat Garrett and Billy the Kid* (1973). With these clarifications, Martin Baum dismissed the unions' accusations that their current film was a "runaway production":

BAUM: I think that the unions have a good case with the wrong picture. I think they picked on Sam because he is a colorful man. It guarantees their getting into the papers. There's been more written on this picture than on Watergate.

PECKINPAH: Not quite.

BAUM: Well, there's been more in *Variety*, in the trade papers. The issue is runaway productions. This is not a runaway production. (p.F27)

The unions' beef with Peckinpah would eventually blow over. But anxieties over film labor outsourcing to Canada and Mexico would only be exacerbated in the following decades, particularly in the wake of the North American Free Trade Agreement of 1994.

The development of the discourse on domestic runaway film production in the 1970s and 80s coincided with an evolving regionalization of the film industry, both on terms of its political economy and cultural identity. Far from being a subtle development, many in the industry recognized and commented on the new regional nature of industry competition during this time. But what is also apparent is that few in the industry saw the regionalization of film production as part of the larger, globalizing trend in Hollywood film production that had already been set in motion in previous decades. The final evidence can be seen in the grouping of non-U.S. production communities such as Vancouver with domestic runaway locations in the California Film Commission's 1989 report. Though national exchange rates were a factor, the competition for runaway production work was not framed as one between the U.S. and Canada, but between Vancouver and Hollywood, or California more generally. In this way, the discourse of domestic runaway production demonstrated that the development of the new division of cultural labor was (and continues to be) dependent upon the coordination of economic policies across governments. But contrary to Miller, et al.'s (2001) thesis, the coordination of economic policies friendly to multinational corporations was not (and is not) limited to the level of the nation-state or to international trade and production policies. Instead, as predicted by Straubhaar & LaRose (2006) and Pietrse (2004), we see a complex negotiation between municipal interests (e.g. L.A.'s one-stop permit office), state agencies (e.g. the California Film Commission and the state legislature), as well as national and international policymakers (e.g. federally mandated tax incentives and labor policies in Canada and Mexico).

That said, Miller et al. (2001) seem to get it right when they describe the role of technology in the New International Division of Cultural Labor as a tool in securing “capital’s continuing domination of labor” rather than as a tool for labor’s liberation. Regardless of the fact that productions were only “running” to other states and cities within the U.S., technology was used to further immobilize Hollywood labor; or as Massey (1984) might describe it, the use of technology increased the power of above-the-line labor by giving them more control over the “time-space compression” of the production process—shifting production work like editing quickly from one place to another via satellite technology—while at the same time weakening below-the-line labor by emphasizing their “differential mobility” (p.150). The same process was occurring in the outsourcing of animation work, but on an international scale, once again demonstrating the interconnection between local, regional, and international production processes in globalization, as well as the crucial role of technology in managing this complex, multi-levelled division of labor.

CONCLUSION

Two major shifts in the organization and management of the film and television industries in the 1970s and 80s are argued to have played a major role in shaping the discourses of runaway production during this time: the localizing and regionalizing of competition for production labor, and the integration of technology for the management of film and television production.

The discourse of runaway animation is argued to document the evolution of Hollywood into a global media capital (Curtin, 2003): a transnational “switching station” where capital is raised and project ideas designed and developed, but is increasingly disengaged from the physical production of the final media product. In their battles against runaway animation in the

1970s and 80s, Hollywood animators recognized that the studios were attempting to segment the production process in the same way reflected in the “media capital” model, with animation storyboarding and design allotted to the more skilled Hollywood labor, and the less skilled and labor intensive ink and paint work outsourced to inexpensive non-union labor abroad. Labor was able to briefly reintegrate and reterritorialize the process through the negotiation of their “runaway clause.” But through the deskilling and technologizing of portions of the animation process, a key strategy used by transnational media industries to mobilize and outsource production services (Schiller, 2000; Mosco, 2006), the animators eventually lost their “runaway wars” with the Hollywood animation studios.

The discourses of runaway television production and domestic runaway production brought attention to the overlapping of local, regional, national, and international production interests for emerging transnational media industries (Straubhaar & LaRose, 2006; Morley & Robins, 1995). Though television had been experienced mostly as a “localized” medium—reflecting community, regional, and national values—the rise of cable and global distribution systems such as satellite highlighted the increasingly transnational nature of the industry and the production of its content. The discourse of runaway television production provides some insight into labor’s struggle to reterritorialize television production as a local and regional process as transnational media interests sought to deterritorialize it and expand the distribution of television content to global markets. Similarly, the discourse of domestic runaway production seems to reflect the integration of local and regional production labor forces into the highly competitive New International Division of Cultural Labor (NICL) (Miller, et al., 2001). This takes on a disorienting effect within the discourse, with competition for Hollywood production work represented in all manner of local and regional threats: on one day it was Arizona, the next,

Orlando, and on yet another, Mexico, etc. Christopherson (2005) has argued that the regionalization of media industry competition since the 1970s was meant to create just this kind of disorientation among union production labor—with local and regional labor forces more concerned with identifying and undercutting the competition (oftentimes other Locals belonging to the same union) than joining forces with them to create more equitable labor conditions. Put in another way, the regionalization of labor competition and the resulting discourse of domestic runaway production have served (and continue to serve) the hegemonic needs of transnational media industries who ultimately benefit from labor infighting.

CHAPTER FIVE: SO-CALLED RUNAWAY FILM PRODUCTION: CONSTRUCTING—AND CONTESTING—CANADIAN RUNAWAY PRODUCTION²¹

INTRODUCTION

There has been a notable upsurge in interest in runaway film production in the 1990s and 2000s: trade press coverage has skyrocketed during this time, with both *Variety* and *The Hollywood Reporter* publishing over 1200 news items on runaway production—more than all previous decades combined. Greater volume in popular and trade press coverage has been accompanied by an increase in academic research on runaway production. Greg Elmer and Mike Gasher (2005) have compiled an excellent edited collection outlining several issues relevant to contemporary runaway production, including global media market development, the outsourcing of digital post-production work, and the construction of place and audiences through runaway films. Toby Miller, et al. (2001), Thomas Guback (1969), Manjunath Pendakur (1990), and Janet Wasko (2003), among others, have addressed runaway production within their various studies of the political economy of “global Hollywood.” One theme that emerges across recent popular, trade, and academic press coverage of runaway production is an intense focus on Canada as a runaway location.

In this chapter, I pick up the thread of Canadian runaway production, highlighting some of the key developments in this discursive shift, including debates over Canadian industry subsidies. But given the prolific coverage of Canadian runaway production from a U.S. industry perspective, the majority of this chapter will be spent examining an aspect of the current discourse that has been largely ignored—the construction of a counter-discourse to “so-called” runaway production by the Canadian film industry. Central within the Canadian counter-

²¹ This chapter is based on previously published material, and appears with the permission of Routledge, Taylor & Francis Group. Article citation: Johnson-Yale, C. (2008, June). So-called runaway film production: Countering Hollywood's outsourcing narrative in the Canadian press. *Critical Studies in Media Communication*, pp. 113-134.

discourse is a justification for industry subsidies and Canadian-Hollywood “co-productions” as last lines of defense against runaway U.S. cultural imperialism. The Canadian “runaway” film industry is also argued to be a part of a new, globalized film industry, in which even the most unlikely places—Canada, New Zealand, Romania—may become competitive forces, perhaps to the point of emancipating themselves from their overly-dependent “service” relationship with Hollywood. But as will be discussed in the final theme of Canadian runaway discourse, the elevation of Canada’s status within the global film industry in the 1990s and 2000s has been tempered with a sense of paranoia over “reverse” runaway production—productions running to other foreign locations, between Canadian provinces, and even back to the U.S.

As anticipated in discussions of Canadian runaway production in the previous chapter, the interactive discourse of runaway production between Hollywood and Canadian film interests is argued to reflect the industry’s shift toward a multi-directional system of “media capitals.” As described by Michael Curtin (2003), the current global film industry is no longer one that strictly turns on the axis of Hollywood, but is rather an industry with several large nodes that both compete and collaborate within the New International Division of Cultural Labor (Miller, et al., 2001). It will also be argued that Canadian and U.S. discourses of runaway film production represent a continuation of the regionalization of film labor noted in relation to domestic runaway production in the 1970s and 80s; a trend in which localized labor communities, often represented by the same unions, are isolated and forced into competition by the multinational corporations who control the global film industry (Christopherson, 2005).

Finally, the Canadian discourse of “so-called” runaway production, and specifically debates over national and provincial subsidies for their industry, are argued to function within a larger meaning system of “governmentality”—in which culture is conceived as “an instrument of

government... to be applied in the service of government” (Bennett, 1992, p. 25). Thinking through the concept of governmentality, the contention is made that the Canadian government has effectively used its film industry as a means for liberalizing and commodifying “Canadianness” in exchange for a more powerful position within the NICL. And to a large degree, the Canadian public has willingly accepted the dilution of their “Canadianness” in exchange for an identity more closely linked to the glamour, and fortunes, of Hollywood. But this political and economic rendering of Canadianness is in large part a co-construction with the Hollywood film industry— a finely tuned “cultural technology,” deftly capable at sanitizing and commodifying cultural products for the global media market.

SETTING THE STAGE FOR CANADIAN RUNAWAY PRODUCTION

Should we blame the government? Or blame society?

Or should we blame the images on TV?

No, blame Canada, blame Canada.

—“Blame Canada,” *South Park: Bigger, Longer & Uncut Soundtrack* (1999)

In the 1980s, Canada was still barely a blip on the radar of Hollywood’s anti-runaway production lobbyists, with Canadian runaway production warranting only a handful of mentions in the popular and trade press during that time (e.g. Gendel, 1986). Even when Canada turned up in discussions of runaway production in the 80s, Hollywood labor tended to dismiss the Canadian threat: in their opinion, the amateurish “runaway” movies-of-the-week and low-budget TV series coming out of Vancouver and Toronto dispelled any concerns over Canada’s runaway potential. But these Hollywood castoff projects began to add up by the late 1980s, with some sources estimating Hollywood “runaway” investments in Canadian productions at around \$400 million (Bates J. , 1987). Real money was suddenly at stake, and from this point forward, Canada increasingly became the focal point of social, political, and economic discourses of runaway film production in the United States.

The debate over the impact of Canadian runaway production on U.S. film labor in the 1990s and 2000s was, and continues to be, primarily constructed around economy: specifically, that the primary motivation for Hollywood producers to “run” to Canada has been to save money over comparable production costs in Los Angeles and other U.S. locations. And with so few Hollywood film and television projects made in Canada actually set in Canada, arguments for location authenticity (aka “creative runaways”) have been roundly dismissed by U.S. labor groups. On the most basic level, Hollywood producers could get more for their money in Canada due to the strength of the U.S. dollar in the 1990s and early 2000s. In 1990, \$1 US exchanged for \$1.17 CND. By 1998, the U.S. dollar traded for \$1.48 CND, finally peaking in 2002 at \$1.57 CDN. On this factor alone, a producer could anticipate increasing the value of any film or television project budget by more than 30% simply by taking their project to Canada over shooting in the U.S., an extraordinary value when considering projects running into the tens of millions of U.S. dollars—some topping US \$100 million in the 2000s.²²

Along with an attractive exchange rate, Hollywood “runaway” producers in the early 1990s also saw Canada as a haven from what they argued to be L.A.’s costly production regime, including location permits and soundstage rental fees, costs for police and fire department presence, and union labor wages. This was particularly relevant for producers of low budget television series and movies-of-the-week, clambering to supply programming to fill the needs of ever-expanding cable networks. Leading the early wave of Canadian “runaway” television production in the late 1980s and early 90s was Hollywood producer Stephen J. Cannell. A native Los Angeleno, Cannell had produced and written a string of small screen hits including *The Rockford Files* (1974-80), *The Greatest American Hero* (1981-83), and *The A-Team* (1983-

²² An example would be *X2: X-Men United* (2003), filmed primarily in Ontario and British Columbia for a reported budget of US \$110 million (<http://boxofficemojo.com/movies/?id=x2.htm>)

1987). Though Cannell was at the top of his game in the 1980s, he and his business partners complained bitterly of the lack of financial support for their hour-long episodic programs: network license fees that were meant to offset a substantial portion of production costs had stagnated at around \$800,000 per hour-long episode in 1986, leaving producers to absorb upwards of \$500,000 in additional expenses per episode (Harris, 1986). The federal government had also retracted a 6 $\frac{2}{3}$ % Investment Tax Credit (ITC) around this time—a small but significant sum that Hollywood producers had relied on since the mid 1970s to take the edge off of production costs. Under these increasingly difficult circumstances, Cannell Productions' chief operating officer, Michael Dubelko, justified their venture into low-cost Canadian production: “[The reason was] purely economic. We didn't go there to get a different ‘look’ or anything. We're saving \$250,000 every single week, and we figured we're losing the ITC anyway” (p.A1).

As luck would have it, Cannell Productions hit a homerun with their Canadian TV project *21 Jump Street*. Filmed in Vancouver, B.C. from 1987 to 1991, the series depicted the life of an undercover police officer—played by Johnny Depp—posing as a high school student in a large, unidentified U.S. city. Along with launching Depp's career, *21 Jump Street* also helped forge Vancouver's reputation as a viable option for high quality Hollywood productions. Emboldened by success, Cannell expanded his Vancouver enterprise in 1989 with the construction of North Shore Studios. With legitimate production facilities in place, other high-profile Hollywood projects followed, including *The X-Files* (1993-2002), *Catwoman* (2004), *The Fog* (2005), and *The Lizzie Maguire Movie* (2003). Though Cannell has since turned his attention to a new career writing crime novels and has little direct involvement with North Shore Studios today, the studio stands as a testament to his early investment in Vancouver's film production renaissance in the 1990s and 2000s, and is now recognized as Canada's largest production facility; an achievement

revered within the Canadian film and television production community, and reviled by Hollywood production labor.

“Runaway” Hollywood film producers following in Cannell’s footsteps in the 1990s found even more financial incentives waiting for them in Canada in the form of industry subsidies and tax credits. In two of the most recent international trade negotiations involving the U.S. and Canada—the Free Trade Agreement (FTA) in 1988 and the North American Free Trade Agreement (NAFTA) in 1993—Canada successfully lobbied to exclude cultural industries from the final treaties (Hoskins, Finn, & McFadyen, 1996). Their argument was that U.S. media were overwhelming their media markets and stifling the growth of their own indigenous media industries: in 2004, U.S. imports were estimated to represent 75% of Canadian television programming and 95% of their movie viewership, generating around \$1.3 billion in revenues for U.S. conglomerates from sales of theater tickets, DVDs, and other media goods to Canadian consumers (Hoskins, Finn, & McFadyen, 1996, p. 75; Neil Craig and Associates, 2004, p. 3).

The exclusion of cultural products from the free trade agreements with the U.S. gave the Canadian government the power to create various economic incentives, namely industry subsidies and tax credits, in order to encourage the development and distribution of commercially competitive and culturally unique Canadian media products. This policy move did not sit well with American media interests. However, Canadian Minister of Heritage Sheila Copps, part of the NAFTA negotiating team that secured the cultural exemption for Canada, defended the government’s aggressive cultural policy agenda with the U.S.:

Somebody could argue (we shouldn't) do anything for fear that it might upset the Americans, but I think that is a bit of slippery slope.

We have to focus on the strength of our policy, on the fact that we did negotiate a cultural exemption in the NAFTA for a reason and that they signed on understanding that exemption. We are not a 51st State, and if we don't have a regulatory framework to keep Canadian television and to try to create a climate for Canadian film, we won't have culture and we won't have country. (Cuthbert, 1996, p. 1).

As intimated by Copps, the Canadian film and television industries were the intended beneficiaries of culture industry protections resulting from the NAFTA, with substantial federal and provincial tax subsidies put in place shortly after the negotiations.

The Canadian Film or Video Production Tax Credit (CPTC) and the Film or Video Production Services Tax Credit (PSTC) were the two major subsidies created by the Department of Canadian Heritage. Established in 1995, the CPTC was intended to support indigenous productions, initially providing a 12% tax rebate for net production expenditures, and then upgraded in 2005 to a 25% tax credit for “the eligible labor costs of a Canadian-controlled production corporation which produces Canadian film or video productions” (Canadian Audio-Visual Certification Office, 2004, pp. 4-5). Beneficiaries of the CPTC include *Corner Gas* (January 2004-April 2009), a popular television series produced by the Canadian Television Network depicting the life of a gas station attendant in the fictional town of Dog River, Saskatchewan.

While the stringent conditions of the CPTC seemed to comply with the objectives of the NAFTA cultural exemption—to protect and bolster indigenous Canadian film and television industries—the provisions of the Film or Television Service Tax Credit (PSTC) were more outwardly focused. Created a few years after the CPTC in 1997, the stated objective of the PSTC was to encourage the employment of Canadian citizens, regardless of the national

affiliation of the production, or the “Canadianness” of the content. The PSTC originally provided an 11% credit for “qualifying Canadian labor expenditures” for film and television projects staged in Canada. The subsidy was increased to a 16% rebate in 2003 for productions with budgets of at least \$1,000,000 CDN (approx. \$645,000 US at the time) (Canadian Audio-Visual Certification Office , 2004, p. 8). In the case of the PSTC, the qualifying definition of “Canadian” labor required only that the persons were residents of Canada at the time payments were made, and that all services were performed by said labor on Canadian soil.

Though the tax credit under the PSTC was less generous than the CPTC, it appeared to create the desired incentive for foreign productions when combined with exchange rate savings and provincial tax credits. As of February 2010, locally produced projects in British Columbia could receive combined federal and provincial tax credits totaling an astounding 78.5% (B.C. Film Commission, 2010, February 28. *Tax credits available to domestic film and television productions*) (Table 5.1). Tax credits for foreign productions staged in B.C. were still quite generous, with the province offering a 33% credit in addition to the federal PSTC credit of 16% (Table 5.2). Additional “regional” and “distant location” credits were also made available for productions using B.C. locations outside the more desirable Vancouver area, providing another 12% credit on top of the base provincial and federal credits, for a 61% tax incentive for those willing to go a little farther afield (B.C. Film Commission, 2010, February 28. *Tax credits available to foreign film and television productions*).

Tax Credit	Value	Tax Credit Based On
Basic	35%	The qualified BC labor expenditure of the corporation
Regional	12.5%	The qualified BC labor expenditure of the corporation outside the Vancouver area
Additional Distant Location PSTC	6%	Added to the regional tax credit for principle photography done outside the Lower Mainland region, north of Whistler and east of Hope
Canadian Federal Production Tax Credit (CPTC)	25%	Qualified Canadian labor expenditure of the corporation, in additional to provincial tax credits

Table 5.1: Film or Video Production Services Tax Credit (PSTC). (British Columbia Film Commission, 2010, February 28. *Tax credits available to domestic film and television productions.*)

Tax Credit	Value	Tax Credit Based On
Basic PSTC	33%	The qualified BC labor expenditure of the corporation
Regional PSTC	6%	The qualified BC labor expenditure of the corporation outside the Vancouver area
Additional Distant Location PSTC	6%	Added to the regional tax credit for principle photography done outside the Lower Mainland region, north of Whistler and east of Hope
Canadian Federal PSTC	16%	Qualified Canadian labor expenditure of the corporation, in additional to provincial tax credits

Table 5.2: Film or Video Production Services Tax Credit (PSTC). (British Columbia Film Commission, 2010, February 28. *Tax credits available to foreign film and television productions.*)

Most Hollywood-backed productions filmed in Canada have been made with the help of the PSTC subsidy, including Ang Lee’s critically acclaimed *Brokeback Mountain* (2005).

According to production interests on either side of the border, Ang Lee in fact wanted to shoot the film in Wyoming where the original short story was set (Dinoff, 2006, p. 28; McKay, 2006, p. E09). His initial dissatisfaction with the choice to shoot in Canada was expressed in an article about the film featured on Wyoming’s official tourism website: “One day I was shooting some

[Canadian] mountain peaks and they asked me what to write in the script supervising notes. I said, ‘a cheap imitation of Wyoming’ (“Wyoming Inspires Heralded Movie’s Look”). But with a relatively modest budget of \$14 million, the film’s producers contended that shooting on location in Wyoming would have been economically impractical due to the lack of industry infrastructure in the state (e.g. labor, equipment rental companies, soundstages) to support a large film production (Dinoff, 2006). In Alberta, where much of the film was shot, skilled labor and equipment could be brought in from nearby Vancouver. Tom Cox of Alberta Film Entertainment, one of the executive producers of the film, explained:

Ang Lee did not want to come here. Because the story is set in Wyoming, he wanted to honor the writing... but there is no real infrastructure there. There is no company like ours that has a track record like we have with the unions, crews and government, and there is no incentive there.

It actually became a creative differential that (Lee) could quantify. He was able to add some weeks to his schedule and go farther afield. (McKay, 2006, p. E09)

By partnering with the Alberta Film Entertainment (AFE) company, Lee and the U.S. producing company Focus Features (an affiliate of NBC Universal) were able to claim no less than 35% in federal and provincial tax credits for labor expenditures, adding weeks to the shooting schedule that would have been cut under more restrictive budget conditions.

There’s little doubt that Canada’s federal and provincial production subsidies were, and continue to be, instrumental in the astronomical growth of their film and television industries. Toronto, Montreal, and Vancouver have emerged as globally competitive production centers—the latter ranked the third largest in North America behind New York and Hollywood (British Columbia Film Commission, 2010). Though Hollywood “runaway” producers greatly benefited

from Canada's subsidy system, below-the-line labor groups like the Film and Television Action Committee (FTAC) contended that Canada's film subsidies were anti-competitive and specifically designed to lure away their jobs. But unlike previous decades, the complaints and accusations of Hollywood labor were met by equally vehement defenses and counter-accusations from Canadian labor interests who defiantly reconstructed Hollywood's outsourcing discourse as "so-called" runaway production in their own popular and trade press.

SO-CALLED RUNAWAY PRODUCTION: THE CANADIAN COUNTER-DISOURSE

In the 1990s and 2000s, a highly contentious relationship developed between the U.S. and Canadian film communities over the issue of runaway film production. On the one hand, Hollywood labor saw Canadian industry subsidies as an abuse of their negotiated free trade cultural exemption, and called for U.S. sanctions against Canadian "runaway" productions benefitting from the subsidies. Canadian industry representatives, on the other hand, argued that "so-called" runaway production was merely a corrective for years of American media cultural imperialism in Canada. As in other instances of runaway production, the adversarial debates between U.S. and Canadian labor over runaway production are argued to reflect competing discourses of "deterritorialization" and "reterritorialization" (Canclini, 1995). For Canadian film workers, it was most beneficial to construct Canadian-U.S. film productions as part of a larger trend towards globalized film production, in which the industry abides by no territorial boundaries; for U.S. film workers, it was imperative to defend and redefine the territorial boundaries of the film industry around its historical base in Hollywood. What results are three primary counter-discourses to "so-called" runaway film production constructed by the Canadian film industry: a narrative of cultural imperialism, which constructed the "so-called runaway production" debate as hypocritical and inaccurate in light of the U.S.'s historically privileged

media trade relationship with Canada; a pro-globalization narrative, which described the rhetoric of runaway production as archaic and the production relationship between the U.S. and Canada as cooperative within a transnationalized film industry; and finally, an emancipation narrative that envisioned an internationally competitive and influential Canadian media industry freed from its reliance on U.S. runaway investment.

On one level, Canadian counter-discourses to “so-called” runaway film production challenged Hollywood’s hegemonic grip over the global film industry; production labor in Vancouver and Toronto presumed to compete with Hollywood and U.S. labor on a level playing field. However, Susan Christopherson (2005) has argued that such instances of “labor localism” tend not to empower labor from one community or another, but rather support the “divide and conquer” strategies of multinational media conglomerates who benefit most from forcing regional and national labor into direct competition with each other. And in this sense, the discourse—and counter-discourse— of runaway film production is argued to *serve*, and not challenge, the hegemonic interests of MNC’s by dividing Canadian and U.S. labor into competing camps, despite the fact that they are represented by many of the same unions and guilds.

On another level, it could be argued that the counter discourses to runaway film production represent an ongoing struggle by the Canadian production community to overcome what Appadurai (1996) has called transnational “production fetishism”:

...an illusion created by contemporary transnational production loci that masks translocal capital, transnational earnings flows, global management, and often faraway workers (engaged in various kinds of high-tech putting-out operations) in the idiom and spectacle

of local (sometimes even worker) control, national productivity, and territorial sovereignty. (p. 42)

Through the discourse of so-called runaway film production, Canadian film interests desperately tried to construct the successes of their film and television industries as the result of a cooperative, if not independent, relationship with Hollywood studios and producers. Similarly, Canadian government officials repeatedly defended their industry subsidy system as primarily beneficial to Canadian—and not Hollywood—film industries. Instead, I would argue that Canadian film centers like Vancouver were operating under an “illusion” of localism and “territorial sovereignty,” when in fact they were just as vulnerable as Hollywood labor to the whims of multinational media corporations truly in charge of the New International Division of Cultural Labor (Miller, et al., 2001).

Runaway Cultural Imperialism

The first distinctive discourse of runaway film production identified in the Canadian press relied on the contentious thesis of cultural imperialism. It is a concept closely linked to theories of globalization, describing the dominant flow of cultural products, such as media programming, from one nation or culture into others, subordinating the latter’s indigenous cultural production and consumption (Schiller, 1976, 1992/1969). While cultural imperialism is not a universally accepted construct (e.g. Appadurai, 1996; Bertrand, 1987, p. 270; Kraidy, 2005; Negus & Román-Velázquez, 2000), it appears to have formed a central logic in discussions of the media trade and production relationships between the U.S. and Canada in the Canadian press.

The stage for the cultural imperialism narrative was more or less set by the U.S. release of the Monitor report on runaway production in 1999. The Monitor Report (1999), sponsored by the Screen Actors and Directors Guilds of America, explicitly quantified the damages done to the

U.S. film industry by the migration of film production to non-U.S. locations. Several runaway destinations were discussed in the report, including Australia and the U.K. However, Canada was clearly framed as the primary offender, with 81% of U.S.-backed film productions made abroad in 1998 said to have gone to Canada—about 232 productions in 1998 compared to 63 in 1990 (p. 3). The report estimated the total loss of direct production expenditures for the U.S. film industry at US\$2.8 billion, with U.S. job losses cited at 23,500 and counting (p. 16). A similar report was sponsored by vice president Al Gore and released by the U.S. Department of Commerce in 2001, which corroborated the Monitor report's findings. It also focused much attention on Canada, putting the country at the top of its list of “principal foreign destinations of runaway film production” (p. 46).

Several Hollywood labor interests rallied around the findings of the runaway production reports, including the Film and Television Action Committee (FTAC). Formed in the spring of 1999, the FTAC was a film industry labor coalition, with key members from several Hollywood unions including the International Alliance of Theatrical and Stage Employees, the Screen Actors Guild, and the Teamsters (About the FTAC, 2007). The group's chairman was Jackson “Jack” DeGovia, president of the Hollywood IATSE's Art Directors Local 876 and a seasoned Hollywood production designer of over 25 years, with film credits including *Die Hard* (1988), *Sister Act* (1992), and *Speed* (1994). DeGovia, like his predecessor Roy Brewer, originally hailed from Oklahoma; and also like Brewer, DeGovia seemed to embrace his role as a firebrand within Hollywood's anti-runaway production movement, engaging in several contentious rhetorical battles with Canadian industry representatives in the following years.

In the wake of the Monitor Report release in the summer of 1999, DeGovia organized several large scale rallies to admonish Canadian runaway production, while also showing support

for proposed California film industry tax credit bills AB 358 and 484, authored by Assemblypersons Scott Wildman (D-Burbank) and Sheila Kuehl (D-Santa Monica), respectively. On July 6, one thousand film workers from Los Angeles and Northern California, accompanied by a three mile convoy of various production vehicles, gathered at the Capitol building in Sacramento for a noon rally; according to DeGovia, the vehicles were meant to represent the extraordinary production resources of California—camera cranes, grip trucks, dressing trailers—sitting idle due to the Canadian production exodus (Madigan, *Hollywood invades capitol*, 1999). On August 15, around 5,000 film workers—the largest of the FTAC gatherings—marched along Hollywood Boulevard, chanting “Bring Hollywood Home” and wearing t-shirts depicting the Canadian Maple leaf at the center of a bull’s eye. Gathered in front of the Pantages Theatre in the heart of Hollywood, Jack DeGovia addressed the crowd, lamenting the impact of foreign subsidies on California’s industry: “We are not a commodity. This rally is not the last. These bills are not the last. We will not stand by and let foreign governments buy our lives and our families” (Fritz, 1999). The FTAC had an uphill battle trying to convince California Governor Gray Davis of the necessity of tax breaks for one of the state’s most successful industries. But rather than flaming out on the Governor’s desk, Senate Bill 756 (a combined version of the original Assembly Bills 358 and 484) languished and “died on file” in the California Senate in November 2000.

As the FTAC and California legislators ramped up their efforts to stop runaway Canadian production in the late 1990s, Canadian journalists and film workers responded strongly to what they perceived to be the unfair demonization of the Canadian film industry. One Canadian reporter mocked such characterizations, suggesting U.S. anti-runaway activists might prefer the names “Darth Vancouver, and the evil Canadian movie-of-the-week empire” or “Vancouver—

home to the cinematic maquiladores of the north” over “Hollywood North” (Burgess, 1999, p. C4). In an attempt to completely invalidate the issue, the Canadian press generally referred to Hollywood’s outsourcing complaints as “so-called runaway production” (e.g. Kelly, 2002; Powell, 2000).

The Canadian film industry also challenged the findings of the U.S. Monitor report, releasing their own report in 2004, prepared by Neil Craig Associates. As stated in its opening paragraphs, “People in the Canadian film industry feel that Canada continues to be attacked unfairly, based on the inflated claims made in the Monitor Report and recent scaremongering... The results of this study dispel many of the myths perpetuated by [that report]” (Neil Craig and Associates, 2004, p. 2). The much-anticipated study painted a very different picture of the media trade relationship between the U.S. and Canada, including in its figures not only the revenues gained by Canada from U.S.- backed film productions (around U.S.\$1.17 billion for 1998), but also revenues paid back to the U.S. media industry in the form of cinema admissions, sales and rentals of videos and DVDs, and broadcast licenses. With revenues paid out for U.S. media goods and services estimated at U.S.\$1.3 billion, the Neil Craig report noted a continuing Canadian cultural trade deficit to the U.S. (p. 3). In essence, the Canadian study contended that any discussion of the economic relationship between the U.S. and Canadian media industries had to include a complete picture of all related profits and losses—from production through consumption. Inspired by the Neil Craig report, the Canadian news media often mirrored the sentiment that Canadians were entitled to work on U.S.-financed film productions in light of the mass consumption of U.S. media products. As Patrick Whitely of Film Ontario commented, “Look at the billions of dollars worth of American product that we consume in this country. I believe we have a right to be part of the manufacturing of that product” (Bracken, 2004, p. 1).

U.S. media saturation was also described as having marginalized attempts by domestic media producers to gain an economic or cultural foothold in their own country. One filmmaker explained how even Canadian independent projects often came to rely financially on the U.S. media industry, both directly and indirectly:

If you look at most of the “Canadian” television work being done here—which accounts for the lion share of Canadian production spending— most of it is still being created through partnering with American companies where the creative components still come from south of the border Most B.C. filmmakers are now doing a couple of shows of their own and then they move into the service sector to work for the Americans. It’s the only way they can survive financially. (Morgan, 2001, p. F2)

A journalist from the Canadian film trade magazine *Playback* made a similar argument regarding the impact of co-production on the domestic industry, while also questioning the way so-called “Canadian” production revenues had been described by U.S. runaway reports:

By my count, it’s pretty much a wash. The Canadian public pours close to \$1.5 billion into U.S. studio and network coffers while virtually ignoring productions developed in its own backyard and \$1.9 billion in U.S. shoots come north and help stimulate an entire cultural sector. No big deal. Less so when you consider that much of the spending on U.S. productions goes to salaries of American talent and, in many cases, crew that come north. (Vamos, 2004, p. 14)

Other commentators bemoaned L.A.’s inevitable talent drain on the Canadian production community, luring away the country’s best writers, directors, and actors, and further crippling the development of a viable domestic industry. In an article titled “Runaway Production in

Reverse,’’ Ontario-born actor David Hewlett, best known for his work on the *Stargate* television series, explained the dilemma:

I love Toronto. I always thought I’d stay here. And I do plan to come back. But unfortunately, from a business perspective, it makes sense to go down there. One episode of *ER* will do more for me than five years on *Traders* [a popular Canadian-produced TV drama]. That’s so sad, but it’s true. (Howell, 2001, p. 8)

As illustrated by Hewlett’s comments, there was a strong sense that even when Canadians were able to create successful domestic productions, their legitimacy as actors and filmmakers was inevitably dependent upon affiliations with Hollywood. And what Hollywood had that Canada didn’t was a historically and materially constructed system of institutions that functioned to reinforce its place at the center of the motion picture universe. For Canadian film laborers like Hewlett, it was evident that Canada’s film industry was no match for the overwhelming historical and cultural legitimacy of Hollywood, and success in the global film industry required being situated at the geographic center, and not the periphery, of pop cultural meaning-making in Hollywood.

Finally, there were those who described the cultural subsidies offered by the Canadian government—subsidies meant to encourage indigenous media production, but more often diverted to U.S. productions in Canada through policy loopholes—as the country’s only defense against the overwhelming presence of U.S. cultural imperialism. According to industry editorialist Susan Tulusso:

Canada only does this cultural policy thing because without it, that amorphous blob which we point at and say, ‘There, that’s Canadian culture’—even that vague definition

of Canadianness would evaporate. Ill-defined as our cultural boundaries may thus far be, we must not erase them. (Tolusso, 2001, p. 6)

Discussions of runaway film production and cultural imperialism in the Canadian press reflected what Negus & Román-Velázquez (2000) have identified as the “homogenization of culture” argument (p. 338), relying heavily on the notion that global audiences are vulnerable dupes, readily absorbing any and all U.S.-centric ideologies coded in media content to the exclusion of their own localized cultural knowledges and practices, and subsequently evolving into an Americanized global monoculture. Canadian culture, as both a framework of meaning-making for media audiences and a practice in the production of media, was depicted as rapidly dissolving under the tide of U.S. cultural influence. Even “so-called runaway production,” described by many Canadian film workers as a long-overdue balancing of the media trade relationship that has long benefitted the U.S., was ultimately constructed as an expression of U.S. cultural imperialism: American-developed and -financed productions were able to assume Canadian national identity for tax purposes with little or no responsibilities for representing Canadian culture on the screen. It would appear that even the descriptor “Canadian” had been colonized by U.S. media industries, throwing into question the real Canadian contribution to any productions identifying themselves as such.

Pro-Globalization

A second prominent theme identified within Canadian discourses of runaway film production was “pro-globalization.” This theme was characterized by the construction of global industry as a positive force, “creating ‘new markets,’ breaking down barriers, and disrupting previous routines and a settled sense of distance between different people and places” (Negus & Román-Velázquez, 2000, p. 329). Proglobalization discussions of runaway film production

described a co-operative and harmonious relationship between U.S. and Canadian film industries—a new corporate “reality” that is progressive, productive, and, most importantly, profitable, as evidenced by the success of Canadian production communities such as Vancouver. By contrast, Americans using the rhetoric of runaway production were framed as uninformed and distastefully protectionist of now-fluid cultural, economic, and geographic boundaries characteristic of the transnational and transcultural flow of the contemporary film industry.

A first manifestation of the pro-globalization discourse of runaway film production in the Canadian press relied on what Marwan Kraidy (2005) has described as “corporate transculturalism,” or “a discourse in which fluid identities and porous cultural borders are depicted as growth engines in service of a cosmopolitan capitalism” (p. 90). Kraidy’s concern was with the strategic deployment of discourses of hybridity, a highly contested concept that in its best use describes a continuum of experiences of the blending of cultural forms, and at its worst reinstates discourses of ethnic and racial purity. Thus, corporate transculturalism is viewed as an ethically questionable and profit-motivated use of the concept of hybridity, serving the needs of “a neoliberal economic order that respects no borders and harbors no prejudice toward cultural and ethnic difference that can be harnessed for growth” (p. 90).

One manifestation of corporate transculturalism in counter-discourses of runaway production was through “counterflow,” referring to the infusion of diverse cultural representations within American made media to appeal to non-U.S. audiences (Kraidy, 2005, p. 77). Within Canadian discussions of runaway film production, the argument was made that a Canadian cultural counterflow had become increasingly prevalent in mainstream U.S. media, particularly television. References to Canada in U.S. TV programs were used as evidence of the normalcy and mass marketability of the hybridization of Canadian and American cultures on the

screen. Memorable examples include a *Montreal Gazette* review of an episode of the popular U.S. presidential drama *The West Wing* in which the author commented on the foregrounding of Canada in the storyline: one of the characters is informed that the north Minnesota border town in which she grew up had been re-zoned as part of Manitoba (Branswell, 2002). Throughout the article, the journalist speculated, along with the senior Canadian consulate in L.A., that there must be Canadians working on the show's staff; Branswell was particularly thrilled that the show ended with the singing of "O, Canada." She offered this TV event as evidence of a latent "Canadianization" of Hollywood, despite "so-called runaway production" tensions: "What with all the anger over runaway productions, Canada isn't that popular in some TV and film circles in Los Angeles. But you'd never know it from watching *The West Wing*" (p. D6). The fact that 1.5 million Canadians watched the episode was offered as further proof of the overwhelming approval of the show's attempt at a culturally "hybrid" storyline, fitting neatly into the model of marketability inherent in discourses of corporate transculturalism.

Similarly, a case for Canadian counterflow was made regarding the growing number of Canadian actors "infiltrating" American television. An article in the *Toronto Star* provided a list of twenty-one Canadian-born actors starring in popular U.S. programs at the time of publication, including Eric McCormack of *Will & Grace*, Vanessa Lengies of *American Dreams*, Shaun Majumder of *Cedric The Entertainer*, and Gregory Smith of *Everwood* (More Canadians invade, 2002). A tongue-in-cheek commentary on runaway film production was woven into the story:

The Americans think we're stealing away their film and television industries by luring "runaway" production up to the Cheap White North. But their rage is typically misdirected. The Canadian conspiracy to dominate American show business is not a threat from without, but within Much more to the point, the increased flow of

northbound American production has put our homegrown taxbreak talent on a fast-track to the major leagues. (p. H15)

Canadian TV show host Jay Baruchel also discussed the undetected Canadian “invasion” of Hollywood:

I think that back home there’s a lot of people who work hard, and I think we know it, but it’s kind of a matter of time before the rest of the world finds out. I mean, we don’t go around promoting ourselves so much. Bit by bit, we kind of get into the bloodstream of America. And because we’re very similar, you don’t know we’re there. It’s kind of like Invasion of the Body Snatchers. That’s Canada. Body Snatchers and health care.

(Canadian invasion, 2001, p.11)

Of note is the reversal in use of the “talent drain” argument previously made in the narrative of cultural imperialism. Here, the Canadian talent exodus to L.A. is used as a point of national pride, and as substantiation that Canadian actors have blended seamlessly into American-style television programs. The mention of “so-called runaway film production” in tandem with the actor story seems to have been an effort to show that cultural blurring has happened on multiple levels in the industry, regardless of whether some U.S. film workers are willing to admit it or not. And the fact that these actors had appeared on some of the most popular U.S. shows alongside famous U.S. talent was used to demonstrate further that hybridity was highly marketable.

During this time, the Screen Actors Guild of America was more concerned with the luring of its members to foreign locations under dubious conditions than Canadian counterflow through Hollywood. In 2001, the Guild began a campaign to enforce its already-existing “Global Rule One,” which explicitly barred its members from working on nonunion, non-signatory

projects staged in foreign locations. Past enforcement of the rule was patchy at best. In what seemed to be an elevated climate of economic runaway production, particularly to cheaper locales in Canada, the SAG felt it needed to be particularly vigilant about getting its members to abide by the rule. According to 2001 Guild President Melissa Gilbert, SAG's health and pension funds had lost an estimated \$23 million in contributions due to members working on nonunion runaway productions (McNary, 2001). During the contentious campaign in Spring 2002 for the SAG presidency between incumbent Gilbert and Valerie Harper, the issues of runaway Canadian productions, industry subsidies, and Global Rule One enforcement were front and center. Stephen Waddell of the Alliance of Canadian Cinema, Television, and Radio Artists (ACTRA) chided Harper, in particular, for what he perceived to be her anti-Canadian rhetoric. Again, taking of the banner of corporate transculturalism, Waddell lamented the accusations and assumptions he saw behind the SAG push to enforce Global Rule One:

It's the same mindset that's at play, where the Hollywood-based performer believes those jobs that used to be in Hollywood should always be in Hollywood. Those jobs now are being shared, quite properly, by other workers outside the United States getting what is our fair share. (Sokoloff, 2002, p. A3)

Discourses of counterflow and pro-globalization also surfaced in the form of anti-protectionist rhetoric, where attempts at national “cultural gatekeeping” by Hollywood labor were dismissed as disruptive to the free and open flow of cultural products (Kraidy, 2005, p. 78). This approach was particularly salient in discussions of “so-called runaway production” in which Canadians responded to criticism for the re-creation of U.S. landscapes in Canada for TV and film productions such as *My Big Fat Greek Wedding* (2002), *The X-Files*, and *Brokeback Mountain* (2005). In a story about the impending production of a TV series set in Pasadena,

California, but slated to film in Vancouver, Lynne McNamara (2001) chided those leveling the “runaway location” argument as hypocritical:

[F]olks, let’s not forget, it’s called show “business.” They’re shooting the show here because it’s cheaper. Not because Vancouver looks anything like Pasadena. It doesn’t. Did you hear us complain, when, in the early days of Hollywood, movies about Canada were all the rage and . . . Arizona stood in for Saskatchewan in the 1952 western *Pony Soldier* and Washington State for British Columbia in the 1937 movie *God’s Country*? The 1936 Mountie musical *Rose Marie* was shot mostly at Lake Tahoe (although some footage was actually shot in B.C.) and in 1929, Yosemite National Park played us in another Mountie flick, *Tiger Rose*. But did we grumble? Nooooo. We’re far too polite. (p. B9)

For McNamara, the commodification of culture was a two-way street. If the U.S. film industry could “invade” the cultural boundaries of Canada via the representation of its landscapes in film, then the Canadian industry also had the right to interpret U.S. national and cultural identities through similar representations. In this line of thinking, such boundary distinctions contradicted the realities of show “business.”

Discourses of pro-globalization crept into political commentary as well, specifically within the California gubernatorial recall election of 2003 between Austrian actor and republican candidate Arnold Schwarzenegger and incumbent democrat Gray Davis. Schwarzenegger included the issue of runaway film production on his campaign platform, promising to push for competitive tax incentives to help revive California’s ailing film industry (McCullough, 2003). The last film the actor was scheduled to appear in before potentially entering political office was *Terminator 3: Rise of the Machines* (aka *T3*; 2003). Although the US \$170 million film was

originally slated to shoot in Vancouver Film Studios, Schwarzenegger personally renegotiated its relocation to Los Angeles in what appeared to be an act of appeasement towards California's vehement anti-runaway lobby. In a campaign speech addressed to the California Chamber of Commerce, Schwarzenegger explained:

When I started to film the movie *Terminator 3*, they wanted the movie in Canada. I wanted to shoot it in California. They said, 'Well, there's an \$8 million (U.S.) cost difference.' So I said, 'Let's sit down and talk about it.' We sat down with the producers and the different heads of the different departments, and after a week of talking and going back and forth, everyone was willing to kick in some money. I put in personal money of mine, the producers and heads of department were willing to shave a little bit off the budget, and we were able to film the movie right here in Los Angeles and around the Los Angeles area. At the same time, we helped create jobs, hundreds of new jobs, and that's what I want to do as governor. I want to bring business back to this state. (Knelman, 2003, p. A03)

Schwarzenegger's commitment to addressing California's stagnant film industry sent some tremors through the Canadian industry, but most reactions in the press ridiculed his economic protectionist agenda. Referring to rumors that Schwarzenegger had shaved money from his own substantial fee to keep *T3* in L.A., Tom Adair of the British Columbia Council of Film Unions called it a one-time "patriotic pay cut" that he doubted other U.S. movie stars would be willing to take (McCullough, 2003, p. I1). Other critics also chose to downplay the *T3* incident, arguing that the distressed state of California's budget made any long-term attempts by Schwarzenegger to reclaim the state's ownership of the film industry doubtful:

"Schwarzenegger is likely to find that political currents and a budget mess in Sacramento will

limit him to cajoling and arm-twisting rather than serving up more concrete measures such as financial incentives” (Bates J. , 2003, p. D8).

Similar disdain for economic protectionist activities was expressed toward American grassroots labor groups such as the Film and Television Action Committee (FTAC) which, as discussed previously, actively organized anti-runaway rallies in the U.S. and lobbied for anti-runaway legislation before Congress—a group claiming to have over 150,000 supporters, including several labor and government organizations (About the FTAC, 2007). One of the primary criticisms of the FTAC by the Canadian press was their singular focus on Canada as well as their seeming ignorance of the widespread global growth of film production.

Several articles appearing in Canadian trade and popular press critiqued the FTAC’s position on “so-called” Canadian runaway production. Journalist Doug Saunders chronicled a visit to FTAC member Brent Swift’s special effects workshop in Los Angeles. In an ironic twist, Swift had been hired to construct and blow up a model of a downtown Vancouver high rise for a U.S.-produced action film. As described by Saunders: “Once the explosives had been detonated and the building had crumbled to the ground in a cacophony of fire and carnage, a smile must have flashed across Brent Swift's face.... ‘This movie shows what's wrong with the system,’ Swift says. ‘There's no reason not to shoot it in Hollywood, except the Canadian government has paid the producers to take their jobs to Vancouver.’” Saunders provided a droll response:

In the past two years, thanks to people like Swift, the "runaway production" has changed from an obscure show-biz term into one of those menacing spectres, like the San Andreas Fault and Africanized killer bees, that enliven dinner-table conversations across the Los Angeles basin. Many people in Hollywood believe the runaway menace is destroying the movie industry... North of the border, you won't hear the phrase "runaway productions,"

though. The preferred term is "Hollywood North," and the favoured myth has to do with American money creating a Canadian industry. Hollywood's movie shoots and the jobs and dollars that go with them, the story goes, will help build a lasting Canadian movie industry. In Los Angeles, it may look like erosion, but in Canada it looks like construction. (Saunders, 2001, p. 94)

In an article entitled "Production to Runaway Beyond Canada," *Playback* journalist Ian Edwards also provided a critique of FTAC's protectionist mission:

[FTAC] claims that Canada, and specifically Canada, with its production-attracting subsidies, tax incentives and other perks, is responsible for the loss of US\$2.8 billion in production budgets and up to 30,000 American jobs each year. U.S. production shot in Canada, says FTAC, should be subject to countervailing duties and other penalties. But it's a big wide world out there, and Brent Swift, FTAC's spokesman, has said that after a victory over Canada, he'll take on other markets that steal U.S. business. After Canada, though, which is the biggest threat: Australia, France, Bulgaria? (Edwards, 2002, p. 10)

Both Saunders and Edwards perceived an increasing value of corporate transnational flow over the patrolled cultural and economic boundaries of the anti-runaway activists in the U.S. film industry. Inherent within the discourses of counterflow was a commitment to processes of economic mobility and cultural fluidity via commodification. By contrast, the discourses of runaway film production and economic protectionism espoused by Arnold Schwarzenegger and the FTAC were rooted in cultural and industrial stasis—antiquated, divisive, and unrealistic ideals, in the opinion of some Canadians. Of course, there is some hypocrisy in Edwards' position, given that Canada's film industry success was primarily built on cultural protectionist

measures instituted within NAFTA and other trade agreements with the U.S. But the point stands that the Canadian film industry felt justified in its use of industry incentives in order to be globally competitive—and they were not the only country offering such incentives on the global market.

A final connection between discourses of runaway film production and rhetorics of pro-globalization was found in Canadian press discussions of “co-production,” in which the boundaries of labor relations between Canada, the U.S., and other countries were blurred: workers at all levels, both “above” and “below-the-line,” regardless of nationality, were described as working on common ground and toward common goals on so-called Canadian runaway projects. Anti-runaway discourse, by contrast, was framed as discordant and antithetical to a globalized film industry. A prime example was found in a *Playback* article in which the author responded to controversial statements by the FTAC that had drawn comparisons between the movement of September 11 terrorists across the Canadian border and the migration of film productions between Canada and the U.S.:

At the threshold of a fresh year, ripe for a new co-production renaissance, it's time to be thinking about forging, not severing, international relationships—for Canada to look beyond its co-production treaties to cultivate new partnerships that further enhance our synergies with nations as far away as New Zealand and as close to home as the U.S. (Yaffe, Canada vs. US, 2002, p. 4)

Some Canadian industry experts emphasized the way co-production, as opposed to the stagnant, monolithic production environment of Hollywood, reinvigorated the film production process. As stated by a producer from the Canadian-based *X-Men* sequel:

[W]hen you shoot a huge movie [in Vancouver], you can still feel the excitement here. I think the trades in Los Angeles have worked on so many big movies, they've lost the novelty feeling—as one would expect. But here, even on coffee breaks, people want to watch—they want to contribute and take in the experience of being a part of something this big. (Monk, 2003, p. D3)

By this logic, co-production and a transnational film industry model not only contributed to the overall economic fortitude of the industry, but also perhaps to its creative growth, in the breaking down of production routines, another trait which Negus & Román-Velázquez (2000) have attributed to discourses of proglobalization.

In summary, positive constructions of globalization in the film industry and discourses of runaway film production employed several rhetorical strategies to support their logic, including emphasizing the marketability of hybrid media production and content, castigating economic protectionism in Hollywood, and valorizing “synergized” multinational production teams. Each of these rhetorical strategies was inscribed with what Canclini (1995) has called the language of “deterritorialization,” referring to “the loss of the ‘natural’ relation of culture to geographical and social territories” (p. 229). If filmmaking could be called a cultural practice, then the proglobalization discourses of runaway film production in Canadian media described a process in which filmmaking had been dislodged from its territorial identification with Hollywood; instead, it was argued that productions could be successfully staged almost anywhere in the world, especially in Canada. At the same time, the cultural composition of filmmaking in Hollywood was depicted as being in flux, with Canadians “infiltrating” and destabilizing its all-American image. However, as will be shown in the last narrative of “so-called runaway production” in the

Canadian press, the dislocation of cultural practices and identities from geography in processes of globalization can also result in discourses that celebrate and privilege the local.

The Narrative of Emancipation

Where there are claims to deterritorialization, discourses of “reterritorialization,” or the reconstitution of cultural and geographic boundaries, will also be found (Canclini, 1995). This type of identity reinstatement is evident in the final thematic discourse of runaway film production found in Canadian press coverage—the narrative of emancipation. In these statements, Canadian film interests and journalists proposed a break from their “service” production relationship with the U.S., arguing for a more self-sufficient and nationalistic industry. In many ways this discourse represents the flip side of the narrative of cultural imperialism: the argument was made before that Canadian film workers had a right to participate in the production of U.S. media they had historically been forced to consume; the emancipatory discourse takes the next step, proposing that the Canadian film industry had the right and ability to produce and profit from the production of its own media on a national and international scale.

Canada’s extensive production infrastructure and unique landscapes—both selling points for their “service” relationship with the U.S.—were reclaimed within the emancipation narrative as the very features that could make the country’s domestic industry globally competitive. For instance, in a discussion of the international success of the Canadian independent film *Cube* (1997), actor David Hewlett—one of the film’s stars—proposed “indie” filmmaking as an untapped market in Canada:

That’s what’s so irritating about Canada. This country could be like the mecca for independent film. We’ve got all the talent up here, and all the infrastructure, to make the best indie films. And I say “indie” only because it’s a monetary thing. We can make the

little films that will make a ton of money. And I don't know why we don't. (Howell, 2001, p. 8)

Arnold Schwarzenegger's anti-runaway campaign also seemed to function as a lightning rod for emancipatory discourses in the Canadian press. During this time, Canada's viability as an international, and not just American, film location was lauded in a *Playback* editorial:

The truth is that aside from our tax credits, low dollar and quality crews that keep foreign production racing through our borders, we are becoming increasingly alluring with the building of new, world-class soundstages specifically designed to attract big-budget features [E]ven if U.S. Congress is convinced to pass legislation to entice more producers to shoot in the States, and particularly in California . . . there is no doubt that as sure as Canada has maintained its status as the world's greatest hockey nation, it will persevere as the world's foremost film production location. (Yaffe, 2002: The year of the coproduction, 2002, p. 4)

The second move toward emancipation from U.S. dependence offered within Canadian media coverage of “so-called runaway production” was the need to overcome the Canadian industry's historically constructed sense of inferiority—in terms of production abilities and quality of media produced—to its southern neighbor. Opinion columnist Ken Ferguson of *Playback* outlined what he felt should be Canadian industry priorities for gaining confidence and independence:

Canada can achieve greatness in this industry, but it must start by thinking big. We need to shake our tiresome inferiority complex and set the bar much higher. This cannot be done without a national focus—a game plan based on two major goals: (1) develop a Canadian product that will be enjoyed at home and abroad, and (2) strengthen our

standing as a reliable producer of foreign (not just American) product. (Ferguson, 2005, p. 12)

Similar comments regarding the development and legitimacy of the Canadian film industry were made by members of the production community in coverage of British Columbia's annual film and television industry awards—the Leos. As stated by Walter Daroshin, Leo awards chairman, “We’ve grown from an industry of people who laid carpet and wound cable to a community of artists, and people who not only crew—but create, and even own the copyright to the property” (Monk, B.C.’s talent pool spills over, 2002, p. D7)

Emancipatory discourses in the Canadian press also emphasized the improved quality and marketability of domestically produced programs in comparison to those from the U.S. In an interview regarding her award-winning documentary about Canadian tribute bands, *Mockstars*, filmmaker Michelle Welygan expressed her confidence in Canada’s ability to produce appealing products, both culturally and aesthetically:

Sure, a lot of people in Vancouver work in the service industry but as a result, we’ve amassed this incredible talent pool and learned how to make things look slick and—for lack of a better term “American”—[sic] but these are our stories we’re telling. And that’s the most important thing. (Monk, B.C.’s talent pool spills over, 2002, p. D7)

A crucial part of the emancipatory vision offered by Canadian journalists and film workers was a critique of their own industry and government’s political actions toward building a strong domestic production sector. These statements typically focused on how the development and implementation of domestic policies by Canadian film unions and federal and provincial governments potentially frustrated Canada’s efforts to become a global producer and distributor of media. For instance, Toronto producer Howard Rosen encouraged industry members to

consider “the big picture” in light of pending action by Canada’s Actors Guild to limit the number of work permits available to foreign talent:

Ultimately, it’s in our hands. We as an industry have to decide if perceived short term gain of these types of edicts is more important than long-term damage to the industry. As a producer of indigenous and service productions, my feeling is why waste time being the sneezing flea, why not find ways to be the mouse that roared? (Rosen, 2001, p. 8)

Ken Ferguson of *Playback* added his voice to those who questioned the way Canadian film subsidies were being used to support the historically unprofitable indigenous industry, perhaps at the expense of a sustainable, internationally competitive industry:

There is a valid need for the various regions within Canada to develop their cultures and tell their own stories. But this should not be exercised as an excuse to use scarce public funds to build unviable filmmaking facilities that target business from the U.S. or other parts of Canada. To do so is just dumb; it weakens our ability to compete as a nation and to have our talent take its rightful place on the world stage. (Ferguson, 2005, p. 12)

Salient within all of the emancipatory statements discussed in this section was a deeply embedded contradiction. On the one hand, there was a desire to become independent of the U.S. media industry, either by diversifying the Canadian industry’s collaborations with foreign producers or by developing a strong, independent, commercially sustainable domestic industry. On the other hand, there was an acceptance that the Canadian film industry’s independence was to some degree predicated on its ability to replicate the U.S. media’s production methods and aesthetic at the expense of a unique Canadian product. As a result, the lines drawn between narratives of cultural oppression and emancipation were considerably blurred. Anthony McGrew (1996) has argued that such contradictions are inherent within discourses of globalization,

accented by conflicting concepts such as centralization and decentralization, and homogenization and heterogenization. The narrative of emancipation in Canadian discussions of runaway film production both depends upon and runs counter to the narrative of cultural imperialism outlined previously, with the central contradiction being Canada's submission to the U.S.'s cultural imperialist model for media production, consumption, and distribution as the means for emancipation. The masking of dependence on transnational investors such as the U.S. film industry is also an important part of the process of "production fetishism" according to Appadurai (1996); though the Canadian film industry wanted to give the perception of having the political and economic wherewithal to stand on its own as a unique global "media capital" (Curtin, 2003), its dependence on Hollywood financing, management, and creative project development was always just under the surface.

Reverse Runaway Production

Despite the Canadian film community's many efforts to deconstruct and dismiss the discourse of runaway film production, they also employed the discourse to describe their own problems with migratory production and inter-provincial competition. As mentioned earlier, certain regions outside the popular Canadian production centers of Vancouver and Toronto began to offer their own "distant location" tax incentives in addition to those offered at the federal level, such as Saskatchewan and Manitoba. In the 2000s, many U.S. states also began to pass their own highly competitive tax incentives, including Louisiana, Michigan, and Illinois. For the latter, the tax credit is currently set at 30% of taxable production expenditures made in Illinois, and 30% of labor costs for Illinois workers; an incentive that many in the Chicago production community credit for landing the \$100 million production of *Dark Knight* in 2008 (Illinois Department of Commerce and Equal Opportunity, 2009). Combined with a weakened

U.S. dollar following the 9/11 attacks and the economic recession beginning in 2008, the economic edge long experienced by Canadian production was, to some degree, equalized. Other political and social factors have also been blamed for a decline in Canadian production, most notably the 2003 outbreak of Severe Acute Respiratory Syndrome (SARS) in Toronto. Subsequently, some Canadian film interests have lamented a “reverse” runaway production trend, with productions once guaranteed to flock to Vancouver or Toronto either locating in the U.S., seeking deals in more far flung Canadian locations, or globe trekking to other cheap foreign locations, such as New Zealand and Eastern Europe.

In 2002, concerns over a drop off in U.S. productions in Canada began to make their way into the trade press. Montreal production was down US \$113 million from the previous year, while Toronto reported a noticeable drop in bigger budget TV movies-of-the-week (Kelly B. , 2002). Expectations had been high that production would rebound in 2002 after a miserable 2001 production season, mostly blamed on prolonged Writers and Screen Actors Guild contract negotiations that temporarily halted production planning for fear of strikes, as well as the economic aftermath of the September 11 attacks. Toronto film commissioner Rhoda Silverstone suggested that the Canadian industry was, at least on some level, suffering from U.S. anti-runaway production backlash: “That’s definitely going to have some effect. Some have decided to stay home because of the runaway production issue” (p.14). Stephen Waddell, executive director of the 20,000 member Alliance of Canadian Cinema, Television and Radio Artists (ACTRA), echoed Silverstone’s assessment:

Clearly the campaigns going on in the United States, with respect to runaway productions, have had some effect. This past week in Cannes, Clint Eastwood was

applauded and cheered by American actors and journalists for moving his production of *Mystic River* to Boston, rather than coming to Canada.” (MacDonald, 2003, p. R1)

But for Toronto, the U.S. campaign against runaway production was the least of their problems. In 2003, the World Health Organization placed the Ontario city on a watch list for SARS, having an immediate impact on the staging of U.S. productions there: the Jennifer Lopez film *Shall We Dance?* (2004) was quickly relocated to Winnipeg, while a remake of *The Goodbye Girl* moved to Vancouver (p.R1). Paul Kenyon, owner of a film locations services company in Toronto, expressed his frustration over the financial impact the SARS scare was having on his business: “SARS was completely irrational. We had a \$750,000 loss as a result of SARS, and there hasn’t been much to talk about since then” (Adams, 2004, p. R5). Overall, the estimated financial impact for Toronto’s once-thriving film industry looked dire: U.S. production spending had dropped more than 40% from a high of \$567 million in 2001 to \$333 million in 2003 (Mitchell, 2004, p. D11). Ken Ferguson acknowledged the industry crisis created by the SARS scare, but felt that other issues were also contributing to Toronto’s runaway production problems:

I think (SARS) definitely had a huge effect on the film industry, but I think it’s more or less like a volcano on top of the rumbling—like the rumbling of problems starts but when the volcano erupts that’s when you get the attention. I think SARS was the icing on the cake. (p. D11)

Instead, Ferguson described a “perfect storm” of factors affecting Toronto’s film industry, including a strengthening Canadian dollar, a trend toward low cost reality TV production, and increased competition from other provinces. “We have our own form of runaway productions where shows are going to Winnipeg and even the Yukon.” Pointing out the lack of infrastructure

in these remote locations, Ferguson added, “It makes no sense to us. But it probably makes no sense to the guys in L.A. when things come here” (Austen, 2004, p. 1).

Increased foreign competition also became a concern for Canadian film communities. Industry commentators took notice when New Zealand entered the spotlight after the mass success of the *Lord of the Rings* trilogy in 2004. Several other high profile projects followed, including remakes of *The Last Samurai* (2003) and *King Kong* (2005). In a *Globe and Mail* article titled “Runaway film work running away,” business reporter Eric Reguly expressed confusion over New Zealand’s success:

It wasn’t supposed to be this way. For a long time, Canada was probably the leading destination for so-called foreign location film production. Canada was nearby and spoke the same language. It had a cheap dollar. What’s equally important, it had an infrastructure...It meant you could fly the directors and actors to Canada and leave almost everyone else behind. The thought of anyone spending 15 hours on a plane to make a film on a South Pacific island was ridiculous. (Reguly, 2004, p. B2)

Reguly and others blamed the work slippage on a move by the Canadian government in 2001 to remove one of the production tax shelters offered to foreign productions; the tax credit was later restored and even increased, but some felt it had knocked them out of the game. Don Carmody, an L.A.-based producer of the Toronto-made Oscar winner *Chicago* (2002), admitted that times had changed and that the film would more than likely have been made in New York in 2004 (the time of the interview) than Toronto due to new tax incentives offered by the state. He also saw competitive production centers emerging in Eastern Europe, with high profile Hollywood projects like Anthony Minghella’s *Cold Mountain* (2003) shooting a majority of its schedule in

Romania. Carmody admitted owning a home in Toronto to stay close to work there, but wondered aloud, “Maybe I had better sell it and buy a house in Bucharest” (Austen, 2004, p. 1).

Fears over reverse runaway production once again resurfaced within the Canadian film and television industries in 2007, with the beginning of the U.S. economic recession. One of the major selling points for attracting productions to Canada had been the favorable exchange rate. But in September 2007, the U.S. and Canadian dollars reached parity for the first time in 31 years (\$1 CDN=\$1 US: Loonie reaches parity, 2007), sending waves of panic through Canada’s media production communities. As one production company owner in Montreal lamented, “The gossip within the American industry will be—why go to Canada?” (Kelly B. , 2007, p. B2). With the onset of the Writers Guild strike in November 2007, Ontario, Quebec, and British Columbia quickly boosted their provincial incentives by as much as 7% to keep their existing work from running away back to the U.S. (Kelly B. , 2008). But despite the incentive increases, 2008 was a miserable year for Canadian production, with Toronto’s industry reportedly making \$79 million in U.S. productions that year, compared to \$287 million in 2007 (Jowett, 2009, p. A11).

To make matters worse, many U.S. states also began augmenting their own anti-runaway film industry subsidies. In 2008, Michigan instituted a 40% tax credit covering a broad spectrum of film and television production expenses, including the bloated salaries of key actors (Paul, 2009). And in March 2009, Governor Schwarzenegger signed a tax incentive bill guaranteeing \$100 million subsidy for below-the-line labor costs on California film and television projects; the first such subsidy bill to pass in the state (Wood, 2009, p. 3). Though U.S. and Canadian currencies were still close to parity in the summer of 2010 (\$1 US to .99 Cnd), reverse runaway production concerns began to subside as productions in Toronto rebounded by more than 40% over their 2009 figures (Singleton, 2010, p. 35). For some, the rebound of the Canadian industry

was proof of their enduring reputation as a quality production labor force—something that would stand the test of time and continue to attract U.S. and other foreign producers, regardless of exchange rates. While others saw the rebound as primarily the result of the willingness of Canadian governments, both federal and provincial, to up the ante and increase production tax credits. As an executive officer of the Directors Guild of Canada British Columbia Council warned, “The dollar's the least of our worries. They've [U.S. producers] become accustomed to the fact that it's not going back to 72 cents. A U.S. dollar is a U.S. dollar here and in Michigan. The issue will be what the bigger production incentive will be” (Bradshaw, 2010, p. R5). Now, everyone was playing the industry subsidy game. And the only way to reverse the flow of so-called runaway productions, from either side of the border, would be to continue to raise the stakes and increase—an ominous prospect.

This final thematic category of Canadian runaway production illustrates an arguably troublesome trend in the regionalization of film labor as observed by Susan Christopherson (2005): the more divided and localized production labor becomes, the better it is for multinational media corporations attempting to negotiate the best deal among dispersed, competitive global production communities. As in other globalized industries, the power of union contracts is typically undermined by such practices, where labor groups and their complicit state and federal governments are forced into a “race to the bottom”—matching and undermining each other’s industry tax incentives and labor contracts in order to attract any production dollars they can in the short term. As has been demonstrated throughout the history of runaway film production in the U.S., competition for production work has not been limited to the national level. Rather, city, state, and in the Canadian case, provincial level competition has been commonplace. Again, this trend fits neatly with Michael Curtin’s conception of “media capitals”

in a globalized industry: production labor, financing, and political incentives shift and flow among several major media capitals or “nodes,” providing multinational corporations the flexibility to activate the most advantageous combination of factors at any given time. In a sense, the Canadian film industry’s desire to be a player on a global scale had been realized; but with their elevation to the status of global media capital came the uncertainty of the transnational deck being reshuffled in favor of another global media capital—perhaps Bucharest or Boston—depending on the most favorable political and economic conditions at any given time.

CONCLUSION

The 1990s and 2000s have been a period of increased public consciousness and scrutiny of processes of globalization, with more open public debate regarding unbalanced free trade pacts, predatory multinational corporations, cultural imperialism, and labor outsourcing. Both U.S. and Canadian discourses of runaway film production have reflected these political, cultural, and economic shifts, with each constructing themselves as victims—and sometimes benefactors—of a globalizing film industry. From an American perspective, film workers in Hollywood and across the country have been victims of loopholes built into the North American Free Trade Agreement, allowing Canada to institute anti-competitive industry subsidies to lure away American jobs. From a Canadian perspective, negotiated cultural exemptions, industry subsidies, and so-called runaway productions are merely correctives for decades of American cultural imperialism, particularly through media trade.

Interestingly, the competing perspectives of U.S. and Canadian film communities represent both the disjunctures and compatibilities between economic and cultural agendas in a globalizing industry. On the one hand, industry trade groups such as the Motion Picture Association of America have consistently opposed the notion of defining the U.S. film industry

as a cultural industry in need of subsidies and protections as Canada has done. Such definitions have been viewed by the MPAA and its constituency as ultimately hindering free trade policies—policies that treat film and media products strictly as commodities competing in a global free market, and consistently favor the U.S. (e.g. Crabtree, 2004; DiOrio, 2001; Pollock, 1984). And yet as we see in the Canadian case, Hollywood producers and above-the-line interests have greatly benefitted from the cultural subsidies and industry protections instituted by Canadian federal and provincial governments. As was shown in the Canadian discourses of runaway film production, the disjuncture between American global capitalism and Canadian cultural protectionism has been bridged by the ideology of corporate transculturalism (Kraidy, 2005), where the definition of culture itself can be manipulated and put into the service of a capitalist agenda.

Though emphasis has been placed on the competing national discourses of runaway film production in the 1990s and 2000s, there is also much evidence demonstrating how the global film industry transcends the nation-state. Labor interests have been regionalized in both the U.S. and Canada: Hollywood has been pitted against Vancouver, New York, and Chicago production communities; Chicago has been pitted against Toronto, and Toronto has been pitted against Montreal and Vancouver, etc. In this sense, the 1990s and 2000s represent a point where the discourse of runaway production has become more recognizable as a rhizomatic construct—a tangle of multi-vocal, transhistorical, but interrelated discourses (Duara, 1996; Malkki, 1996). But this is not to suggest sympathy or harmony among those dispersed production communities in the U.S. and Canada activating the discourse of runaway production on their own behalf. Rather than working together to create common standards and stability for organized labor within the New International Division of Cultural Labor, international film unions such as the

International Alliance of Theatrical and Stage Employees are beset with in-fighting and turf battles amongst their own locals—locked in a classic “race to the bottom” in their efforts to compete for production dollars (Christopherson, 2005). State, provincial, and federal governments are arguably complicit in this process, scrambling to create the most attractive subsidy package and become the next favorite “runaway” location.

CHAPTER SIX: CONCLUSION

RUNAWAY FILM PRODUCTION, OR RUNAWAY DISCOURSE?

Runaway film production has been with us for over 60 years. In its most basic form, this discourse has been used by Hollywood and U.S. film labor to describe the outsourcing of production to less expensive non-U.S. locations. But as this history has shown, runaway production is a discourse with multiple meanings, dependent upon shifting and overlapping political, economic, and cultural variables. In the 1940s and 50s, the discourse of runaway production described film labor as a bargaining chip within U.S.-European postwar politics. In the 1960s, McCarthyism was combined with runaway production in order to frame Hollywood's elite as un-American deviants "running" to Europe for political and economic exile. In the 1970s and 80s, the discourse of runaway production was once again re-imagined to describe domestic and regional competition for production dollars. And finally, in the 1990s and 2000s, we've seen the discourse of runaway film production folded into continuing debates over globalization and free trade practices, emboldening production communities like Vancouver labeled as "runaway locations" to challenge the protectionist sentiments embedded within the phrase.

On the surface, the multiple meanings applied to runaway production over time seem random and discordant. But as Stuart Hall (1996) explains, discourses are comprised of groups of statements that "provide a language for talking about—i.e. a way of representing—a particular kind of knowledge about a topic" (p.201). They actively produce and limit our understandings of issues, and in some instances force us into a particular worldview, even if we are consciously opposed to it, as in Hall's critique of the discourse of "the West and the rest." Similarly, I argue that the multiple and often contradictory statements that have comprised the discursive formation of runaway production have provided a language and framework for understanding globalizing

media industries. Specifically, the discourse has attempted to reinforce the natural superiority of Hollywood (and sometimes more broadly, the U.S.) as the “authentic” home of motion picture and television production while constructing all other competing production communities as the naturally inferior, criminal harborers of Hollywood’s “runaways.” Locations as far-ranging as Europe and Australia, and as close as San Francisco and Mexico, have all been constructed at some point in the history of runaway production as less authentic than Hollywood, no matter their histories as film production communities outside their relationship with Hollywood. And despite Canada’s best efforts to question the validity of the discourse of runaway production, they also have fallen into the discursive trap described by Hall, where they have been forced to respond to runaway accusations within the worldview of “Hollywood and the rest.” For better or worse, Hollywood has been the yardstick against which Canada and other production centers have been made to measure themselves. And the discourse of runaway film production has only worked to reinforce this Hollywood-centric subject position.

Of course, the argument could (and has) been made that there is some truth in the discourse of runaway production; that Hollywood represents the industrial home of global film production, and like many other globalizing production hubs (e.g. Detroit) their labor have increasingly suffered the effects of outsourcing. But as Hall has contended, the truth or falsehood of such a discourse is often difficult to prove, and is in many ways secondary to its ability to *function* as truth. The manipulation of language in discourse can shift perceptions so that something that seems false can be “*made* ‘true’ because people act on them believing that they are true.” Subsequently, “it is power, rather than the facts about reality, which make things ‘true’” (p. 203). In the many variations of the discourse of runaway production discussed in this history, the facts that support the phenomenon have constantly been in flux: runaway locations,

political and economic motivations of “runaways,” Hollywood unemployment figures, U.S. lost revenue figures, etc., have continually been proposed, contested, and reconstructed since 1949 when the discourse came into use. But regardless of the actual truth or falsehood of runaway production, it is *made* true by the fact that people have been compelled to respond to it and act upon it. Labor groups, legislators, journalists, and even academics have all in some way contributed to the “truth” of runaway production as an outsourcing phenomenon by writing numerous articles about the issue, organizing public rallies against it, and proposing and sometimes passing legislation to end the practice.

It could also be argued that time itself has contributed to the “truthfulness” of runaway film production—both its endurance as an independent discourse, as well as its relationship to the historical archive of neoliberal supra-discourses, including globalization and the “manifest destiny” of global free trade. As du Gay (2000) has explained, “the concept of ‘globalization’ has achieved such widespread exposure and has become such a powerful explanatory device and guide to action that it sometimes appears almost unquestionable” (p.115). Likewise, the “unquestionable” and inevitable nature of the discourse of globalization has served as both an explanatory device and a point of opposition within debates over runaway film production: Hollywood and U.S. labor argued for legislation to help control the effects of globalization on production workers, while their opposition has argued the inevitability of global free trade and labor outsourcing. In either instance, the discourse of runaway production has been bolstered and reified by its association with the discourse of globalization—one of the most powerful economic discourses in terms of its ability to incite action and *re*-action on an international scale.

RUNAWAY PRODUCTION AS A HEGEMONIC DISCOURSE

Accepting the multiplicity and ambiguity of runaway production as a historical discourse, two questions arise: how and why has the discourse endured? Runaway film production was a discourse that originated amongst labor, with labor's interests in mind. It was meant to highlight the injustice of production labor outsourcing for an industry that had been, up to that point, almost entirely geographically bound to Hollywood. And yet when examining the history of runaway film production, it is questionable whether the discourse has been effective in garnering public sympathy and support for Hollywood and U.S. film labor, or whether it has served as an effective platform for anti-outsourcing legislation. Hall (1996) has explained that a common discourse can be used by different groups with disparate, even directly conflicting, class interests (p.203). And so it would appear to be the case with runaway production where, despite labor's seeming intention to challenge existing power and class relations in the Hollywood film industry, history demonstrates that it has more often functioned to reinforce the existing power structure.

From the frozen funds production debates of the 1940s and 50s to the Canadian subsidies debates of the 1990s and 2000s, anti-runaway production efforts have resulted in several measures that have ultimately benefited transnational media corporations, including union concessions and state level tax credits. These same anti-runaway policies have also empowered runaway producers to pit localized film labor communities against one another by encouraging each to come up with a more competitive production incentive package than the next; a "divide and conquer" strategy that has eroded union solidarity and collective bargaining power amongst union film labor, particularly for the International Alliance of Theatrical and Stage Employees (Christopherson, 2005). In essence, labor and industry subsidies meant to stop runaway film production have inadvertently reframed the problem as one of labor and supposedly bloated

labor costs. Time and time again, “runaway” producers and directors defended their collaboration with non-union labor as their only recourse when faced with exorbitant union wages in Hollywood, most memorably in cases involving union extras and union animators. And in nearly all instances, union labor capitulated to the producers’ and directors’ demands; even the Hollywood animators’ landmark “runaway clause” was eventually excised from their contract in exchange for wage increases (that they were likely already owed). This labor-oriented construction of runaway production has conveniently taken the focus away from owners and producers and other aspects of production under their control that have impacted film budgets perhaps even more than below-the-line labor costs, including increasingly extravagant transmedia marketing strategies, elaborate digital effects, and bloated above-the-line salaries (Wasko, 2003, p. 47).

Arguably, the history of runaway production tells the tale of the shaping of Hollywood labor into “governable” subjects within the New International Division of Cultural Labor. In the beginning, the discourse of runaway production represented a challenge to the dominant political and economic structures of the Hollywood film industry: labor attempted to exert their will and “bring Hollywood home” through disciplinary actions, such as lobbying for the repeal of the 18 month tax rule and labeling runaway actors and directors as un-American. But by the 1970s, we began to see runaway production as a rallying cry for industry-friendly policies; policies that, as explained before, tended to focus on solving the “problem” of union labor costs through corporate-friendly tax credits for labor.

In summary, the discourse of runaway film production has better served the hegemonic interests of those controlling the New International Division of Cultural Labor (NICL)—producers, directors, studios and other production owners— than the interests of below-the-line

production labor. According to Miller et al. (2001), labor oppression is inherent within the NICL, characterized by a careful balance between “labor productivity, exploitation, and social control,” coordinated by multinational corporations and various government entities (pp.120-1). But rather than disrupt the cycle of oppression and exploitation instituted by the NICL, runaway film production seems only to have exaggerated its effects. As evidenced in the case of the IATSE, the discourse of runaway film production has reinforced the localizing and compartmentalizing of labor across the NICL: it is a discourse of geographically-bounded economic protectionism, perfectly compatible with the free trade, free market values of corporate Hollywood that thrive on market competition. While the goal of unions is to create some stability in the value of labor through collective bargaining, the isolation and destabilization of film labor locals through the discourse of runaway film production and within the NICL makes film labor no different than any other commodity on the open market. In many ways, the discourse of runaway film production has only worked to highlight the vulnerability of below-the-line labor within the NICL, particularly their lack of mobility within, and control over, the political, economic, and cultural “scapes” of transnational media industries (Appadurai, 1996).

RUNAWAY PRODUCTION, THE STATE, AND CULTURAL PATRIMONY

The hegemonic nature of the discourse of runaway production may also be related to the conditions of governmentality that have existed within the Hollywood film industry itself. As defined by Bratich, Packer and McCarthy (2003), governmentality is “the arts and rationalities of governing, where the conduct of conduct is the key activity” (p.4). Rather than being the sole domain of the State, “the conduct of conduct takes place at innumerable sites, through an array of techniques and programs that are usually defined as cultural” (p.4). As one of these cultural sites, the Hollywood production industry has functioned as an ideal instrument of governmentality,

both in terms of the products produced as well as its function as an industry. In short, Hollywood films and media products have provided a way for people to reflect on themselves as “governed” subjects, particularly in regards to prevailing “morals, manners, and ways of life” (Bennett, 1992, p. 26). This theme was particularly prevalent in the runaway production debates in the 1940s through 1960s, when producers, directors, and leaders of the M.P.A.A. justified the production of American narrative films in foreign countries as emissaries for democracy in the politically and economically vulnerable countries of post war Europe. On an industry level, Hollywood film production has provided an ideal model of Western neoliberalism: a mobile, self-governing industry that maintains its regulatory independence by proselytizing U.S. free market values (Packer, 2003). This was also a popular argument during the Cold War era of runaway production, when Eric Johnston and Jack Valenti argued the value of staging Hollywood productions in countries in danger of Communist take over, to show the “American Way” of working and doing business.

The importance of the state in perpetuating the hegemony of global Hollywood is also evident within the runaway subsidy debates, where its role appears to go beyond controlling industry resources to commodifying cultural heritage. As previously explained, there is a coordination and collusion between various interests within the NICL, most particularly between transnational media interests and the state (Appadurai, 1996; Miller, et al., 2001). The story of runaway production corroborates this model, but also makes clear that one of the most important contributions that the state has made to global Hollywood is its ability to institutionalize definitions of culture that best serve the political and economic needs of industry owners, and by default, the interests of the state. I would also argue that the history of runaway production requires us to look beyond international trade activities and policies, the primary focus within

most analyses of global Hollywood and runaway production, and consider the way that local, regional, provincial and state governments are also constructing and commodifying cultural meaning in the service of the NICL.

Tony Bennett (1992) has argued that within systems of state power, culture is not treated as an object of government, or a “subversive opposite” of government, but rather as “an instrument of government... to be applied in the service of government” (p.25). More specifically, Bennett has defined culture as:

[A] historically specific set of institutionally embedded relations of government in which the forms of thought and conduct of extended populations are targeted for transformation—in part via the extension through the social body of the forms, techniques, and regimens of aesthetic and intellectual culture. (pp.26-27)

While Bennett used the public museum as his subject for understanding the role of cultural institutions in transforming the “thoughts and conduct” of the public on behalf of government, he also considered the question of cultural trade policies and the case of government mandated film quotas and industry subsidies in Australia and Canada. He noted the peculiarities and pitfalls of trying to define “Australianness” within policy language for the sake of applying industry subsidies: How would “Australianness” be explicated in terms of film production finance? And in terms of film aesthetics, would “Australianness” automatically be assumed to be the caricatured and seemingly more “authentic” Outback Australia, or would urban aspects also be folded into the landscape of Australia’s cultural film policy initiatives?

In the history of runaway production, we see the struggle to define cultural meaning and authenticity predicted by Bennett played out between media owners, labor, and the state. On the one hand, it appears to be the case that media industry owners have historically had more

influence than labor at national and international levels. In the U.S., these industry owners, represented by the M.P.A.A., have been able to effectively block efforts to subsidize the film industry as a cultural industry by arguing the importance of maintaining a commodity structure in support of global free trade. Alternately, Canadian industry interests, in association with the Department of Canadian Heritage, have fought for a cultural definition for their media, successfully negotiating cultural exemptions in its major free trade negotiations with the U.S., specifically the GATT and NAFTA. And as discussed in chapter five, these exemptions have been key in justifying national level film and television industry subsidies.

Clearly in each case, the state has played an important role in defining culture in relation to, and through, their respective media industries. But it is also evident that these decisions have ultimately fallen out in favor of hegemonic interests, namely the Hollywood studios. Canadian subsidies for their indigenous industry were instituted to create a more cohesive Canadian cultural identity. And yet, these same subsidies have seemingly served to further commodify their cultural identity within the New International Division of Cultural Labor, as they have become increasingly focused on flexible “corporate transculturalism” (Kraidy, 2005) and Hollywood investment. In turn, the “authentic” meaning of Canadianess has been reduced to a pragmatic set of constructs that can be easily defined and practically applied within industry subsidies, e.g. quotas for Canadian-identified labor in various sectors of production. In the U.S., the M.P.A.A.’s free trade agenda has fit seamlessly with that of the state, while at the same time the state has given its blessing to Hollywood’s ownership class to play the cultural subsidy game in other countries in order to engender good will and ultimately break down such cultural protectionist practices.

Film labor interests, on the other hand, have more effectively appealed to municipal and state level legislators to help create anti-runaway production policies, often in response to national level subsidies in other countries such as England and Canada. This has included efforts by the Los Angeles and California Film Commissions to simplify the location permit process, and more recently, the surge in state-level subsidies across the country in places like Illinois and Louisiana. Much like the cultural subsidies in Canada, municipal and state policies in the U.S. have functioned to define and protect unique, geographically-specific (if not culturally specific) workforces. But this has also meant that, like Canada, the cultural identity of labor has been reduced to a set of practical criteria to be met by a visiting production, e.g. tax credits that apply only to Louisiana labor costs. In this sense, there seems to be a direct correlation between the devaluing of labor via subsidies, and the devaluing of their cultural identity: to Hollywood producers, labor in places like Canada, Louisiana, and New Zealand share one important identity—that of inexpensive labor. And no other set of institutions has been more instrumental in commodifying the cultural identity of production labor than the state.

RUNAWAY PRODUCTION AND THE SHIFTING SPATIALITIES OF MEDIA LABOR

The discourse of runaway film production and the development of a New International Division of Cultural Labor might also be argued to represent a more general, historical shift in the spatial construction of labor. Organized labor groups are, by their very nature, preoccupied with territoriality. This is evident in the language that unions use to identify themselves: regional chapters of unions call themselves “locals,” as in Chicago’s IATSE Local 476, or Hollywood’s IATSE Local 33. The identification of Locals can also be used to mark out union “turfs” within a particular market, e.g. Chicago IATSE Local 2, representing stagehands for the city’s theaters and concert venues, and Local 476, representing Chicago film and television production labor.

Though located in the same city, few hold memberships in both Locals. Territoriality is also evident in organized labor's focus on "jurisdictions." Unions are constantly in the process of trying to expand and reinforce their jurisdiction over workers in specific geographic regions, in specific industries, and in specific workplaces.

Given organized labor's dependence on spatial definitions, we can begin to see the history of runaway film production as an extended, discursive reaction to the systematic deterritorialization of labor begun in the 1940s and 50s. The introduction of runaway film production into the Hollywood union lexicon was prefaced by the jurisdictional battle in Hollywood between IATSE and the Conference of Studio Unions (CSU). And as discussed in chapter one, many other policies and events followed that greatly restricted the ability of Hollywood unions to maintain jurisdiction over their industry: the passing of the Taft-Hartley Act (1947), the General Agreement on Tariffs and Trade (GATT, 1949), the disbanding of the studio system (1948), and the opening up of European markets after World War II through the Marshall Plan (1947), to name a few. And certainly, with all the changes that were being instituted at the time that were meant to hem in the spatial authority of Hollywood labor, and organized labor more generally, it must have truly felt like their industry and work was "running away."

The sense of spatial disruption experienced among organized labor, both inside and outside Hollywood, seems only to have increased in the 1990s and 2000s. As the historical progression of the discourse of runaway production demonstrates, and as many scholars of global media industries have argued (Miller, Govil, McMurria, & Maxwell, 2001; Morley, 2001; Mosco, 2006; Schiller, 2000; Appadurai, 1996; Curtin, 2003), the primacy of the nation-state has been gradually challenged and deteriorated by the rise of powerful multinational corporations.

Arguably, we see this trend mirrored in union involvement in anti-runaway efforts, as international and national union representation have gradually over the last 60 years turned over anti-runaway production efforts to state and regional labor interests, including state and municipal film commissions and regional lobbying groups like Hollywood's Film and Television Action Committee.

And yet, the discourse of runaway production reveals another layer of labor deterritorialization, as Hollywood unions have fought to retain some ownership over what constitutes "Hollywood" production in a transnationalizing industry. As many industry scholars have observed (Bordwell, 1985; Miller, et al., 2001; Wasko, 2008), Hollywood has evolved over the last 100 years from being a "place" where production occurs, to an exportable production process. I would take this argument one step further to suggest that the history of runaway production has shown Hollywood to be more than an exportable process, but rather an exportable production "space." As described by Meaghan Morris (1988), space is the product of the transformation of place, and not the substance of place; space "occurs" and is composed of intersections of mobile elements—"space is a practiced place." Hollywood would seem to be the epitome of "practiced place": the production practices and routines of Hollywood the "place" distilled into a mobile, ephemeral experience of labor. And if space is productive, as James Hay (2003) and Henri LeFebvre (1991) have argued, labor working within this space necessarily becomes its product—in this instance, it becomes Hollywood labor. Therefore, as an expression of the spatial disruption of film labor, the discourse of runaway film production becomes more than just a lament over the loss of production work to locations outside geographic Hollywood; it becomes a lament over the loss of a spatialized and previously privileged labor identity—one

that can be easily reproduced, and exploited, within the multiple and dispersed spaces of global Hollywood.

Finally, this brings us to the issue of labor mobility as expressed within the historical discourse of runaway film production. As argued by Massey (1984) and Miller, et al. (2001), the global and/or regional movement of labor is predicated upon their relation to the flows of capital and political power within the New International Division of Cultural Labor: those with more power over political and economic flows tend to have more agency within the NICL, while those with little influence tend to be at its mercy. The history of the discourse of runaway production repeatedly demonstrated this dynamic, as above-the-line labor interests, including producers, directors, and movie stars, were able to exercise control over the investment of production dollars in “runaway” locations, as well as influence industry-friendly economic policies on local, regional, and international scales—Elizabeth Taylor could force investment in overseas production by insisting on working abroad, while Arnold Schwarzenegger could redirect the flow of capital back to L.A. at will in order to “bring Hollywood home.” This control over the flow of capital and political power has also meant that above-the-line production labor has been more mobile within the NICL; they are the “runaways” who have travelled alongside transnational capital investments, and they are the architects and keepers of the transnational Hollywood “ideoscape”—the emissaries of global capitalism in international trade agreements and the faces of democracy and all-Americanism in the “runaway” media products produced.

Alternately, below-the-line labor’s (e.g. lighting technicians, wardrobe attendants, carpenters, extras, etc.) mobility has been shown to be greatly limited throughout the history of runaway production, along with their ability to influence the movement of capital and development of economic policies within the NICL. On a federal level, labor opponents of

runaway production practices have been given an audience with government officials, but rarely have these meetings resulted in actual policy initiatives, let alone binding legislation. Labor has had more success influencing anti-runaway policies at the local and regional level, though these efforts have had little long-term impact on the flow of production investment to Hollywood or other U.S. production centers, or on the construction of these localized labor forces as mobile. But as previously discussed, the lack of agency and mobility of Hollywood labor within the NICL has not precluded the commodification and mobility of the Hollywood labor *identity* on the global free market. In this sense, the history of runaway production is the history of the development of a Hollywood labor diaspora, with Los Angeles as its mythic and nostalgic homeland, back to which Hollywood's wayward "runaways" may some day return.

THE FUTURE OF RUNAWAY PRODUCTION

As Hollywood production has continued to globalize, and so-called runaway locations like Vancouver have sustained their success and proven their legitimacy as global production centers, several questions arise: Has the discourse of runaway production run its course? Can Hollywood and U.S. film labor continue to make charges of runaway production in an industry defined by political, economic, and cultural mobility? Is the trend toward Hollywood filmmaking heavily dependent on post-production visual effects (i.e. *Avatar* (2009), *Harry Potter and the Deathly Hollows* (2010)) making the issue of production labor outsourcing and runaway production irrelevant, or perhaps obsolete?

The sixty years of history depicted in this dissertation stand as a testament to the resilience of the discourse of runaway production. Regardless of its accuracy in describing unemployment issues in Hollywood, or production labor competition domestically and abroad, it has a momentum and usefulness as a lobbying device. This is evident in the Hollywood trade and

mainstream press, where runaway production continues to make regular appearances. At the time of this writing, Hollywood labor was attempting to use the discourse to justify reductions in local production taxes that might keep projects from “running” to Illinois, New York, and other domestic locations (Varrier, 2010). There also appeared to be a new cycle of runaway production debate centering on Eastern Europe and Budapest (Bilefsky, 2010). With the U.S. economy in deep recession, and state film industry tax credits under increased scrutiny, the argument could be made that the rhetorical power of runaway production as a cultural and economic discourse could become all the more potent.

The discourse of runaway film production is also finding new life within global production communities dubbed “runaway locations” themselves. As described in chapter five, the discourse of runaway production has cropped up among labor in Canada’s major production hubs, Toronto and Vancouver, as other Canadian cities and their provinces have created industry subsidies and made their play for Hollywood production dollars. In some instances, we now see non-U.S. production locations adopting the identification of “runaway location” as a way to declare their position as a community willing to negotiate steep incentives to attract Hollywood producers. This is the case with New Zealand, currently caught in the middle of a battle between Australian unions and Hollywood producers over the production contract for the much-anticipated *Lord of the Rings* prequel, *The Hobbit*. Production interests in New Zealand are both proud of their success as a runaway location, and also fearful that they may also fall victim to Hollywood’s runaway production practices if a satisfactory deal can’t be reached (Editorial: Losing the plot in “Hobbit” row, 2010). So contrary to the notion that the globalizing of Hollywood has somehow normalized mobile production practices and neutralized the discourse of runaway production, I would argue that the opposite is true: Continuing expansion and

development of the NICL has only intensified competition and the sense of industry ownership among locations now deeply invested in maintaining some relationship with Hollywood.

Finally, I am unconvinced that increasing dependence on computer-based film production practices will spell the end of labor disputes and runaway production complaints. Again, one need only look at the runaway problems cropping up around *The Hobbit* in New Zealand to see that even films heavily dependent on visual effects are often still very dependent on human actors and crew to bring the characters to life and create a realistic atmosphere. Films that are mostly comprised of visual effects also tend to have much higher budgets than their live action counterparts: in 2009, live-action Oscar winner *The Hurt Locker* had a budget of \$15 million, while the visual effects extravaganza *Avatar* had a reported production budget of \$237 million. Interestingly, both projects did some of their filming in well-known runaway locations: *The Hurt Locker* in Vancouver, and *Avatar* in New Zealand. But clearly, the stakes were much higher for the producers of *Avatar* who faced a much steeper deficit to break even, and therefore had the most to gain by using budget-friendly “runaway” locations with generous tax incentives.

In short, despite impressive technological advances in filmmaking, it is still a process that requires the collaboration and skill of hundreds of people per-project. Someone still needs to operate the camera, set the lights, hang the green screen, prepare meals for the crew, drive trucks, apply makeup, buy wardrobe, coordinate stunts, design sets, hand out props, so on and so forth. And as long as there remains a human element in filmmaking, with production jobs at stake, I am convinced that the discourse of runaway production will endure.

LIMITATIONS AND FUTURE RESEARCH

One of the major obstacles faced in the planning of this project, and likely all historical research, was the ability to visit all relevant archives. With limited travel resources, priority was

given to libraries and special collections containing materials not readily available through interlibrary loan or internet databases, as well as archives that provided a broad scope of relevant industry or government materials. That said, there were a few specialty archives left off the “must visit” list that I would like to include in future research on runaway production, including the Eric Johnston collection at the Eastern Washington State Historical Society in Spokane containing the personal papers of the late president of the M.P.A.A., and the Hoover Institution at Stanford University, which holds an important collection of materials on the House Un-American Activities Committee hearings. This study was also limited in its exclusive use of print news media coverage of runaway production. Again, this was mostly a practical consideration, as print news is generally more accessible and searchable than television news archives. However, given the wealth of coverage of runaway production by print media I did not feel that the quality of the research was compromised by the exclusion of TV news. That said, I would hope to include television news coverage of runaway production in future treatments of the subject.

Another possible limitation to this research was the scope of the analysis. This project, along with the majority of existing scholarship on the issue of runaway production, focused primarily on the U.S. context. But as I attempted to illustrate with the discussion of Canadian responses to runaway film production in Chapter 5, and indeed with all discussions of runaway production set outside Hollywood, it is a subject with meanings and repercussions reaching far beyond Southern California. So a natural path for future research on runaway production would be to examine the issue as it has been discussed and experienced in other “runaway” locations, including England, Australia, South Africa, and the Czech Republic. I would also argue the need for more detailed work on runaway production as it has been experienced by domestic locations

outside Hollywood, including Chicago, New York, and Orlando. All three cities have been accused of being “runaway” locations by Hollywood labor. And yet, each of these locations has also experienced its own version of runaway production to other domestic and foreign locations. For instance, Chicago is geographically closest to Toronto, ON, and has subsequently been placed in direct competition with its northern neighbor, often losing, as in the cases of *Chicago* (2002) and *The Blues Brothers 2000* (1998).

In this regard, the subject of state level film industry subsidies also deserves more extensive inquiry. Nearly every state in the U.S. now has a subsidy or tax credit in place that compensates film productions for using local labor and resources. As an example, the state of Michigan now offers an incredible 40% tax credit on all qualifying production expenditures, including above-the-line employee salaries. How are states such as Michigan justifying such steep financial commitments to the development of a local film industry, particularly during an extended economic recession? What are the political and economic discourses surrounding the passage and implementation of such legislation, and how do they compare to those used by Hollywood and other global “media capitals”?

Finally, I believe there would be value in looking more closely at the framing of media labor by news media, both in relation to coverage of runaway production and coverage of media industries more generally. There is a long tradition of compelling research showing the propensity for American news media to negatively frame oppositional political movements, mostly notably feminist and anti-war activists (Gitlin, 1980; Tuchman, 1978). Unions have been subjected to a similar fate, with labor initiatives and contract disputes often framed negatively by the press; that is, when such issues are deemed newsworthy at all by the mainstream media (Kumar, 2008; Martin, 2004). Though this study of runaway production was not constructed as a

formal content analysis, there is some evidence to suggest that organized film labor has suffered a similar type of “symbolic annihilation” (Gerbner & Gross, 1976) in the news media. In reading through thousands of trade and popular press articles during the course of this research, I detected a gradual decline in the inclusion of union sources in coverage of runaway production and a gradual increase in the use of “official” or elite sources such as politicians, state and municipal film office representatives, directors and producers, and studio executives; a source bias that has been observed within network news programs in their coverage of a variety of news topics, not just labor news (Jones, 2008).

Within runaway production coverage, news media also seemed to increasingly rely on a negative framing of film unions and their complaints about production outsourcing; specifically, the press seemed to gravitate towards depictions of Hollywood and U.S. film labor as overpaid whiners, out of touch with the “real” labor problems experienced by other industries. I believe there would be great value in quantifying these impressions as a way to better understand how news media may be tailoring representations of media labor issues such as runaway production and the globalization of media industries more generally. It would also be interesting to compare the news framing of film labor in the history of runaway production with the framing of other labor forces faced with similar outsourcing issues. Has film labor’s affiliation with Hollywood helped attract media attention to issues affecting their industry (e.g. a higher quantity of news coverage than other labor forces)? Or, has their affiliation with Hollywood encouraged a negative, less sympathetic framing of film labor issues compared to other industries (e.g. construction of film unions as a “pampered” labor force)?

Along these same lines, I would argue the need for studies of news coverage of media labor beyond that of runaway production, such as the Writers Guild of America strike of 2007,

and the protracted Screen Actors Guild contract negotiations of 2008-09. These events introduced crucial questions regarding the translation of labor value within rapidly converging media industries; namely, how should on-screen and off-screen labor be compensated for media distributed online? From an academic perspective, we might ask what these recent contract negotiations tell us about evolving cultural and economic perceptions of old and new media as “practiced places” of labor and production. Are new media simply another type of “runaway” location, where media labor can be deskilled and devalued by multinational media interests? Or, as proponents of citizens media have argued, do new media represent spaces of emancipation from the NICL: where labor can educate their memberships about important issues and network with other distant union locals to limit labor exploitation within the NICL? These are just a few of the research topics and questions that I feel are of vital importance to the future development of the field of media industry studies.

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