Britain’s Screen ‘Inferiority Complex’: Union and Institutional Responses to the Coming of Sound, 1929-35

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Sound cinema came to Britain and the rest of Europe during a period of general decline in national film industry. The end of the First World War had seen capital and investment in British filmmaking decrease, bolstered by the great rise of American cinema during the period. By the middle of the 1920s, American film imports dominated British screens almost completely, with less than five per cent of films shown in the country being of British origin, and the rest being imports from France, Germany, Italy, and, in the vast majority, the United States. The implications on employment and productivity within the industry were stark, but they extended beyond to broader cultural concerns. At a parliamentary reading of what would imminently become the Cinematograph Films Act of 1927, the then President of the Board of Trade Sir Philip Cunliffe-Lister asked “Should we be content for a moment if we depended upon foreign literature and upon a foreign Press in this country? [...] The greatest proportion of the Press is British, and we should be very anxious if the proportion was in the opposite sense as it is with British films.”

The 1927 Films Act was designed to safeguard a certain level of film production within the British industry, and stimulate investment, particularly from American producers and distributors, who would now need British films in order to continue to exhibit those from

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Hollywood. The Act became popularly known as the Quota Act, due to its stipulation that from 1929, 5 per cent of films shown on British screens were to be made by primarily British filmmakers and filmed within the Empire, a figure that rose to twenty per cent by 1936. The Act also intended to prevent the practice of block and blind booking, wherein film renters only offered highly sought after – and typically American – films if the exhibitor would also book less lucrative fare, often without these films having even been made. Many of the film rental companies within Britain were under the control of American studios.

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Investment in film production rose pronouncedly in the immediate aftermath of the Act, with dozens of new production companies and combines vying to create films within this new environment. However, 1927 was also the year that the Warner Bros. part-sound feature *The Jazz Singer* was released to record-breaking box office figures in the United States, and event which catalysed a rapid transition of the American film industry to sound cinema. The film also played in London to great fanfare, but it wasn’t until the release of *The Singing Fool* in 1928 that Britain’s transition period truly began. Swiftly, film companies began to convert themselves to sound film production, and cinemas throughout the country began installing sound apparatus. Some technology for these changes was developed by numerous firms throughout the country, but it was equipment from American companies Western Electric and RCA that soon dominated production and exhibition, helped by the fact that, on the exhibition side, RCA-recorded films could be played on Western Electric equipment.

By 1930, 73% of films trade shown were sound, rather than silent, of which only 16% were British. 334 cinemas had been wired with Western Electric sound equipment, whilst 145
had RCA reproduction systems. Sound conversion was expensive for cinemas and studios alike, with exhibitors being particularly impacted by the high cost of initial installation and continued maintenance, not to mention the fact that sound apparatus was typically only rented to cinemas, rather than bought outright. The desire for reliably popular films was thus greatly increased, as cinemas needed to pay for themselves more so than ever. Film renters, who themselves had to meet a quota of 7.5% British films on their catalogues, surreptitiously continued blind and block booking practices, offering valuable films if exhibitors undertook an unspoken agreement to book less valuable, often British, films. These cheaply produced British films made for quota earned the name “quota quickies”, and soon became the bane of the British film industry.

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The Federation of British Industries – known as the FBI – was a lobbying group established during the First World War in order to represent business during the tumult of wartime. As the war ended and the years progressed, its interest was primarily towards matters of international trade. R. F. Holland writes, “The major theme in the organisation’s discussions throughout this period was the recovery of Britain’s industrial competitiveness in overseas markets.” International trade had been instrumental to the spread of cinema throughout the world, yet British dominance of the world market had been elusive since the war, and the British industry was greatly dwarfed by America, even within its dominions. To this end, the Film Group was established within the FBI, consisting of many of the country’s major film producers. In May of 1930, the Group’s chairman Charles Tennyson sent a

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memorandum to the Walter Graham, then President of the government’s Board of Trade, writing “The introduction and widespread adoption of talking films brought a check to the development of the British Industry which is likely to prove permanent unless legislative changes are introduced.” Capital investment was not forthcoming for film production in the country, and quota practices by film renters meant that there was a glut of poor quality films on the market that exhibitors felt coerced to buy. The Film Group reflected the worries of the Cinematograph Exhibitors’ Association, the trade association that represented cinemas in the country. Their annual report for the year ending 1929 related that “pressure was brought to bear upon the Renter licensees to withhold films from competing apparatus, which, if effective, would have prevented their sale, as exhibitors could not purchase equipments for which they were not sure of a supply of films.” The effect of all such practices was that the reputation of British films was being tarnished, and there was a limited supply of good films for quota purposes.

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The Film Group recommended that a minimum budget of £150 per 100 feet of film should be applied for all feature-length films eligible for quota registration. The intended effect was to make it unprofitable for poor-quality films to be released to cinemas, as the low box-office returns would not recoup production costs. The Group also recommended that the requirement within the Quota Act that film scenario writers must be British should be relaxed, in order to attract writing talent from Europe. The coming of sound had closed off

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4 Memorandum from Film Group, 12 May 1930, MSS.292/675.8/3, TUC Archive, Modern Records Centre, Warwick University.

non-English speaking audiences to British and American films, which had the dual impact of limiting the audience for British film and increasing the reliance on the British Empire for American exports. This recommendation had been discussed prior to the passing of the Quota Act, and the memorandum stressed that “experience has shown that the general body of trade opinion which was opposed to the restrictions has proved to be correct.”

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In August of 1930, talks began between the FBI’s Film Group and the General Council of the Trades Union Congress towards a concerted action regarding the issues raised in the May memorandum. Correspondence between Neville Keamey, Secretary of the Film Group, and Walter Milne-Bailey, Secretary of the Economic Department of the TUC General Council, shows a strong common interest held by both towards this end. Still, matters proceeded slowly, as the word diffused within these two large organisations. Ultimately, a meeting was held in June of the next year between deputations from the Film Group and the TUC. Film Group members included John Maxwell, Chairman of British International Pictures; Charles Woolf, Director of the Gaumont British Picture Company and Chairman of Giansborough; Simon Rowson, Managing Director of Ideal Films; and several other heads of major British film producers. Around this time, Kearney wrote a lengthy internal memorandum outlining many of the major issues facing the industry. Invoking a sense of nationalism attached to the cultural importance of film, he wrote, “[...] the populations of all countries in the Empire are gradually - almost imperceptibly - becoming Americanised in manners and customs, habits and methods, speech and idiom through constant familiarity with American films. This applies more particularly to the younger generations and to native

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6 Memorandum from Film Group, 12 May 1930.
populations. The latter especially are much influenced by the portrayal of verbal pictures and scenes of American origin and invention which they assume in their ignorance to represent British habits and English speech." American interests now controlled many of the major exhibition circuits in key Dominions such as Canada, Australia, New Zealand and South Africa. The loss of control over such key markets only served to further limit the potential scope for British film distribution, compounded by the continued refusal of American firms to distribute British films in the United States in any major volume. Kearney placed much of the blame with shortsighted financial institutions that have failed to support the British industry with the zeal of American financiers in that country. Previous suggestions to amend the Quota Act to raise the necessary quota to 50% was by this point deemed undesirable, as British films were already exceeding quota requirements, and investment would ideally create natural growth within the marketplace.

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An article by film critic George Atkinson was brought to the attention of the Film Group and the TUC, published a few days after the meeting held at the FBI offices. In it, Atkinson asserts that the quality of true British films can now be said to rival that of America; he writes, “Britain’s screen ‘inferiority complex’ has been smashed for ever. We are equal, and in some respects, superior to our rivals.” Nonetheless, he makes mention of the poor quality of films being made by American-controlled British producers for quota purposes, which have

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7 M. Neville Kearney, Memorandum with regard to British Film Production and the Cinematograph Industry, April 1931, MSS.292/675:8/3, TUC Archive, Modern Records Centre, Warwick University.
been decried by audiences and labelled – in his mind wrongly – as representative of all British films. Indeed, he accuses these often-pseudonymous critiques as being written by “hired thugs” for American interests. During the next few months, a sub-committee of the FBI and TUC drafted an interim report to be presented to the Board of Trade in order to stimulate action. Including many of the issues mentioned in previous memoranda, the report also took care to mention the effect of American films on the sale of goods within the general marketplace. The sub-committee reported, “As a result of seeing such an overwhelmingly large proportion of American films, cinema audiences are familiarised with American products of all kinds and this is an important aid to their sale in this country, in the Dominions and Colonies and elsewhere.”

Indeed, American films were seen to be criticising British goods in the process of promoting their own. The report also reiterated the educational and cultural Americanisation that these films effected, writing that American English is not inherently bad, but not to be desired within the Empire. The recommendations put forward were identical to those of the 1930 Film Group memorandum: a minimum budget for quota eligibility and a relaxation of restrictions against non-British scenario writers.

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At the annual Trades Union General Congress in Bristol, the TUC endorsed the recommendations set forth in the sub-committee’s interim report. However, at a monthly meeting of the CEA, a resolution was passed to oppose the recommendations being brought by the FBI and TUC, due to a general unwillingness to increase the quota requirement of the

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9 Sub-Committee of the FBI and TUC, Film Industry: Joint Interim Recommendations of the Sub-committee of the FBI and the TUC (Redrafted), 28 August 1931, MSS.292/675.8/3, TUC Archive, Modern Records Centre, Warwick University.
Cinematograph Films Act to 50% British films. A. B. King of the CEA’s Scottish branch related that British films could be relied upon to reduce takings at cinemas whenever they were shown, meaning exhibitors there were reluctant to show them any more than absolutely necessary. As such, a dramatic increase in the proportion of British films shown would have a devastating effect on cinema takings. Neville Kearney, reading of this resolution in a September edition of *The Times*, wrote to the editor to correct this misinformation, as the sub-committee report had not included any recommendation of raising the quota; in fact, he stresses that the recommendations included were in line with those of the 1930 memorandum, which had been written in consultation with the CEA. The exhibition sector was, of course, dealing with its own concerns regarding the state of the industry. The race to remain competitive meant that independent cinemas rushed to wire for sound during 1930, at the great expense of 2-3 million pounds that year alone. Renters, recognising the independents’ desperation to recoup their costs, were able to draw rates of 40-50% of box office from many of them for the more valuable films in their catalogues. The desire for the cinemas to acquire the most attractive films burned ever more brightly, with independents stuck in this vicious circle, despite exhortations from the CEA to organise.

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Further delays followed, during which the FBI’s own general council eventually unanimously agreed to support the sub-committee recommendations on October 15th 1931, clearing the way for the report to be presented to the government. However, a general election had been called for the 27th of that month, necessitating a further delay whilst parliament changed. The minority Labour government of 1929 had collapsed in the summer of 1931,
after the government failed to reach consensus about austerity measures in the wake of the Great Depression. The Conservative majority National Government coalition formed after the election on the 27th October sought to increase protectionist measures in order to preserve British economic performance, particularly under the stewardship of the Chancellor Neville Chamberlain. Ostensibly, the climate was potential amenable to the bolstering of existing protectionism, from either Labour or Conservative ideology. However, in an effort to balance the composition of the government, Walter Runciman was appointed as President of the Board of Trade. A member of the Liberal National party, he was reluctant to subscribe fully to the Conservative push towards protectionism, a move which, as historian David Wrench writes, “[Runciman said] ‘a Free Trader like me can see nothing but disaster.’”

The FBI and TUC sub-committee submitted their recommendations to Runciman’s Board of Trade on March 8th 1932. In a covering letter written by Neville Kearney, he was key to stress the important of British Film for the general trade prospects of the country, as well as the Anglicising effect it would have on the Empire’s further reaches. A copy of the memorandum was also informally dispatched to Downing Street a day later. This led to a deputation of the two organisations meeting with Runciman in April, with Film Group members including studio chiefs John Maxwell, Charles Woolf, Simon Rowson and Michael Balcon. It was agreed that the Board would see to the recommendations put forward by the earliest convenience. Yet by November of that year, seven months since receiving the deputation, no news had emerged from the Runciman office. A letter requesting further

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action was then sent, followed by another one in March of the following year. Walter Milne-Bailey of the TUC recognised that “Unless we keep at him he will probably do nothing.”

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It wasn’t until 1936 that a committee was appointed by the President of the Board of Trade to receive further evidence and consider the Quota Act, which was due to expire in 1938. Parliament eventually passed the 1938 Films Act, which added the long sought after minimum cost requirements for quota films. Recent scholarship has revealed that British films made under the first Quota Act were better received than both critics and the industry claimed, and the 1938 Act had the dual result of increasing the cost of production and the greatly reducing the prevalence of double features in cinemas. Employment in British filmmaking did not improve. Money for the more expensive films now made still came largely from America.

Perhaps the free market ideals of Runciman and his ilk may have worked against the wishes of the FBI and the TUC with regards to the Films Act of 1927. Many in the wider community felt that the best way for British film to defeat the encroachment of American films was to simply make better films, without going through the trouble of further legislation. Whilst in the public-facing media those concerned about the fate of British cinema were keen to invoke ideological and nationalist sentiment in order to stir public interest, the unions chose to focus as much on the commercial effects of the coming of American talkies, which were said to act as salesmen for America and its goods. In the economic landscape of the

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12 George A. Atkinson, ‘Trade Follows The Film: Making Britain Known to Peoples Overseas’, *The Daily Telegraph*, 1 July 1931, sec. Film Notes.
time, such rhetoric was likely calculated to evoke sympathy from a protectionist government without disparaging America herself. Still, either through the inaction of the Runciman Board of Trade or the reluctance of the government to enact yet further protections on the film industry, it wasn’t until the expiry of the first Quota Act in 1938 that the desired change was achieved, for better or worse.