113

CHAPTER 36

ALTERNATIVE INTERPRETATIONS OF TIME-SERIES DATA ON THE GROWTH OF THE LATIN AMERICAN FILM INDUSTRY, 1926–1970

by

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115

Introduction

This study develops alternative interpretations of time-series data on periodization of changes in the health of Latin America's film industry. In developing the interpretations, first I attempt to show how time-series data can be used successfully to formulate convincing counterposed theoretical frameworks, both of which help us to understand the complexities of historical problems. Second, I address the question of reliability of data as they affect the interpretations.

Tables 3600 through 3604 indicate changing patterns of film industry development between 1926 and 1970 which can be interpreted two ways. On the one hand, recent interpretive studies point to negative U.S. influence as the predominant factor in Latin America's cinematic underdevelopment.[1] On the other hand, U.S. government and U.S. film industry publications see Latin American film censorship and restrictions on remittance of profits as the greatest obstacles to domestic film industry growth in Latin America.[2]

The first interpretation conforms to the dependency model of analysis.[3] Abstracting from the model to examine the Latin American film industry, it can be argued that Latin America's film industry growth has been determined principally by foreign cinematic development, and that the initial stage of underdevelopment "is not seen as a temporary, evolutionary stage, but a persistent, natural condition."[4]

The second interpretation conforms to what we may here term the "free trade model of analysis." This model is based on the assertion that foreign investment and unrestricted trade have encouraged domestic film industry development and, in fact alleviated Latin America's early reliance on foreign film fare.

Periodization

Interpretations advanced in the dependency and free trade models of analysis are based on periodization of twentieth-century film industry growth revealed in time-series data. This periodization corresponds to economic and political events in the history of Latin America. In response to the Great Depression of the 1930s, for example, Latin American countries sought to lessen their dependency on the international market through economic diversification and industrialization, government playing an increasingly active role in that development.[5] Similarly, the 1930s marked the commercial advent of Latin America's film industry and the first examples of government legislation enacted to promote domestic film industry development.[6] World War II was an even more significant watershed. The war generated enormous demand for industrial goods, and Latin America became an active participant in that growth. Film industry development followed suit, especially after the war (see tables 3600 and 3604).

Time-series data, then, suggest three developmental stages in the history of Latin America's film industry: limited growth (1926-1940), rapid growth (1940-1960), and stagnation of growth (1960-1970). The period of limited growth was characterized by dependence on foreign films and a low demand level for the exhibition of films. Tables 3603 and 3604 illustrate Latin America's dependence on foreign films between 1930 and 1940. Table 3603 shows that in 1930 more than 90 percent of the films exhibited in Latin America were produced in Hollywood. Latin American film companies, lacking capital, equipment, and skilled technicians, could not compete with the better-financed, technically superior film industry in the United States. During this period, however, domestically produced films did begin to attract a larger portion of the Latin American audience. At the cultural level, domestic audiences turned with greater frequency to Latin American films because they were recorded in the native language and because they portrayed Latin American values and life-styles more realistically than did their European and American counterparts.[7] Government, too, played a symbolic but influential role in promoting Latin American films. Through protective legislation and

[1] See my "An Historical Overview of Latin American Cinema," *Newsletter of the Rocky Mountain Council on Latin American Studies* 3:4 (1978), pp. 1-11; and Fernando Solanas and Octavio Getino, *Cine, Cultura, y Descolonización* (Buenos Aires: Editorial Siglo 21, 1973).

[2] See U.S. Department of Commerce, *U.S. Service Industries in World Markets: Current Problems and Future Policy Development* (Washington, D.C.: G.P.O., 1976).

[3] On the dependency model of analysis see, C. Richard Bath and Dilmus D. James, "Dependency Analysis of Latin America: Some Criticisms, Some Suggestions," *Latin American Research Review* 11:3 (1976), pp. 3-54.

[4] Ibid., p. 5.

[5] On Latin America's reaction to the Depression of the 1930s, see E. Bradford Burns, *Latin America: A Concise, Interpretive History* (2d ed., Englewood Cliffs, N.J.: Prentice Hall, 1977), p. 177.

[6] The first piece of legislation enacted to promote national film industry development occurred in Brazil in 1934. That legislation required all motion picture theaters to screen a minimum of 100 meters of nationally-produced footage with each film program.

[7] For discussion of the general Latin American objection to the Latin image projected in American films, see Allen L. Woll, *The Latin Image in American Film* (Los Angeles: University of California, Latin American Center Publications, 1977), pp. 29-41. For discussion on the Mexican case, see Carl J. Mora, "Mexico's Commercial Films: Sources for the Study of Social History," forthcoming in *Proceedings of the Pacific Coast Council on Latin American Studies*, Vol. VI.

well-publicized antimonopoly (foreign) cases,[8] Argentina in particular encouraged domestic film industry growth. This growth is illustrated in table 3604, the national share of the Argentine film market rising from .2 percent in 1934 to 11.2 percent in 1939.

The limited growth period was also characterized by a relatively low demand level for the exhibition of films. This demand would normally be measured in terms of attendance (table 3601), but since attendance figures date back only to 1955, we cannot use this data to measure the demand level during the limited growth period. Instead, we must rely upon an indirect measurement tool, the number of motion picture theaters (table 3600). If we assume that the construction of additional movie houses between 1926 and 1955 reflected the growing number of filmgoers in Latin American countries, then we can use the data on motion picture facilities to measure film exhibition demand. In this vein the data in table 3600 do not indicate that the demand for film between 1926 and 1940 was substantially lower than that during the rapid growth period. In percent figures, for example, the number of motion picture theaters in Argentina, Brazil, and Venezuela increased 504 percent, 550 percent, and 883 percent, respectively between 1926 and 1940. In absolute terms, however, the growth in motion picture theaters was considerably slower in the limited growth period than it was during the period of rapid growth. The difference between the two periods is further accentuated by the fact that the dramatic increase in the number of movie houses between 1926 and 1930 represents, in part, the conversion from large silent-cinema theater houses to smaller, more numerous sound-cinema houses. Therefore, the subsequent increments in theater construction during the rapid growth period demonstrate that pre-1940 demand levels were quite low.

By comparing pre- and post-1940 figures in tables 3600, 3603, and 3604, we can begin to appreciate the tremendous growth experienced by the Latin American film industry between 1940 and 1960. We can observe in table 3600, for example, that between 1940 and 1950 more than half of the Latin American countries experienced increments of 50 percent or more in the number of motion picture facilities.

[8] Probably the best known of these antimonopoly cases took place in 1937, when Argentina brought to trial eighteen members of the Argentine Film Distributors Association for violation of national antitrust laws. See Natalio Bruski, "Distributors Lose Appeal from Argentine Ruling," *Motion Picture Herald*, October 30, 1937.

Table 3600

MOTION PICTURE THEATERS, 20 LC, 1926-70

(N)

Country	1926	1930	1940	1950	1955	1960	1965	1970
A. ARGENTINA	200	975	1,208	1,881	2,063	2,228	1,587[a,b]	1,637[c]
B. BOLIVIA	16	20	38	60	47	82	120[d]	~
C. BRAZIL	200	1,600	1,300	1,736	3,301	3,284	3,261[e]	3,194[a]
D. CHILE	200	221	263	300	410	336	336	368[f]
E. COLOMBIA	200	218	274	500	641	819[g]	895	726[h]
F. COSTA RICA	8	21	42	100	100	136[i]	~	~
G. CUBA	350	457	375	516	555	481[j,k]	~	439[l,c]
H. DOMINICAN REP.	-	31	28	55	74	84	~	80[f,c]
I. ECUADOR	25	25	37	71	240	122	164	164
J. EL SALVADOR	33	~	41	32	34	55[i]	~	57[f]
K. GUATEMALA	20	39	38	25	99	105	~	105[f,c]
L. HAITI	6	9	7	24	21	26[m,i]	20[d,b]	~
M. HONDURAS	6	27	23	28	30	60[i]	~	~
N. MEXICO	700	701	829	1,726	2,062	2,000[j,k]	1,555[b]	1,765[c]
O. NICARAGUS	11	24	27	-	50	98	104[e,i]	~
P. PANAMA	30	38	54	60	60	62	~	23[h,c]
Q. PARAGUAY	~	9	8	-	30	55	~	~
R. PERU	60	70	212		243	319[j]	~	276[l,c]
S. URUGUAY	101	125	181	177	220	223[g,i]	386[e]	180[a]
T. VENEZUELA	18	123	177	350	575	744[g,k]	~	436[f,c]
LATIN AMERICA	~	~	5,162	~	10,855	11,319	~	~
UNITED STATES	~	23,000	17,003	20,239	19,000	15,105[j,k]	9,805[b]	10,520[c]

a. 1967.

b. Does not include drive-in cinemas or their capacity (in parentheses) for cars: Argentina, 1; Haiti, 1 (450); Mexico, 5 (3,200); United States, 3,600.

c. Does not include drive-in cinemas or their capacity (in parentheses) for cars: Argentina, 8 (5,150); Cuba, 1 (550); Dominical Republic, 2 (420); Guatemala, 1 (544); Mexico, 3 (1,970); Panama, 1 (330); Peru, 1 (100); Venezuela, 20 (4,030); United States, 3,900.

d. 1964.

e. 1963.

f. 1971.

g. 1959.

h. 1968.

i. It was not indicated if the cinemas concerned were equipped to exhibit 35 mm or 16 mm films.

j. 1961.

k. Does not include drive-in cinemas or their capacity (in parenthesis) for cars: Cuba, 2 (1,366); Mexico, 5 (2,500); Venezuela, 3 (900); United States, 6,000 (2,400,000).

l. 1972.

m. 1958.

SOURCE: David Charles Botting, Jr., "History of the Motion Picture in Latin America," Ph.D. dissertation, University of Chicago, 1950, table 5; *The Motion Picture Almanac* (New York: Quigley Publishing Company, 1931), pp. 313-314; UNESCO, Department of Mass Communications, *World Communications: Press, Radio, Film, and Television* (New York: UNESCO, 1951, 1956), *passim*; UNESCO-SY, 1963, table 37; UNESCO-SY, 1967, table 7.2; UNESCO-SY, 1968, table 8.2; UNESCO-SY, 1972, table 11.2; UNESCO-SY, 1973, table 13.2.

Table 3601

CINEMA ATTENDANCE, 20 LC, 1955-70

	1955		1960		1965		1970	
	Attendance (M)	Per Capita Visits	Attendance (M)	Per Capita Visits	Attendance (M)	Per Capita Visits	Attendance (M)	Per Capita Visits
A. ARGENTINA	120[a]	6.3[a]	145	7.0	344[b]	15.5[b]	53	2.2
B. BOLIVIA	~	~	~	~	3[c]	.7[c]	~	~
C. BRAZIL	312[d]	5.0[d]	316	4.5	314[e]	3.8[e]	234[b]	2.5[b]
D. CHILE	28	4.2	~	~	61	7.1	47[f]	4.8[f]
E. COLOMBIA	56[g]	4.1[g]	67[h]	5.8[h]	80	4.3	92[i]	4.2[i]
F. COSTA RICA	~	~	~	~	~	~	~	~
G. CUBA	~	~	49[j]	8.4[j]	~	~	~	~
H. DOMINICAN REP.	4	1.5	~	~	~	~	~	~
I. ECUADOR	8	2.2	~	~	15	2.9	22	3.7
J. EL SALVADOR	9	4.1	15	8.1	~	~	10[f]	2.9[f]
K. GUATEMALA	9	2.6	10	3.6	~	~	9[f]	1.7[f]
L. HAITI	1	..	1[k]	1.3[k]	1[c]	..	~	~
M. HONDURAS	2	1.2	~	~	~	~	~	~
N. MEXICO	362	11.7	374[j]	10.7[j]	346	8.0	251	4.9
O. NICARAGUA	5[l]	3.9[l]	6	5.7	7	4.1	~	~
P. PANAMA	~	~	~	~	~	~	5[i]	3.6[i]
Q. PARAGUAY	~	~	~	~	~	~	~	~
R. PERU	~	~	67[j]	6.7[j]	~	~	~	~
S. URUGUAY	~	~	25[h]	9.8[h]	16[e]	5.7[e]	~	~
T. VENEZUELA	42	7.0	60[h]	7.8[h]	~	~	37[f]	3.5[f]
UNITED STATES	2,000	12.1	2,165[j]	12.0[j]	2,288	11.8	920	4.5

a. 1953.
b. 1967.
c. 1964.
d. 1954.
e. 1963.
f. 1971.
g. 1956.
h. 1959.
i. 1968.
j. 1961.
k. 1958.
l. 1952.

SOURCE: Unesco, *World Communications* (1956), *passim*; UNESCO-SY 1963, table 37; UNESCO-SY, 1967, table 7.2; UNESCO-SY, 1968, table 8.2; UNESCO-SY, 1972, table 11.2; UNESCO-SY, 1973, table 13.2.

Domestic film industry growth during this period was also implied by Latin America's decreasing dependence on U.S. films. Table 3603 reveals that the U.S. percentage of screen time in Latin America dropped from 91 percent in 1930 to 67 percent in 1955. Part of that vacuum appears to have been filled by domestic films, as illustrated by table 3604. Here we see that Mexico, in particular, sustained phenomenal growth in the percentage of nationally produced films exhibited in Latin America. The percentage of nationally produced pictures shown in Mexico jumped from a prewar figure of 6.6 percent in 1939 to 28 percent in 1944. And during the same period, the portion of the Argentine market filled by Mexican films increased tenfold, moving from .9 percent in 1939 to 11.1 percent in 1944. Continued rapid growth in the postwar years (1945-1960) was also manifested in motion picture facilities (tables 3600 and 3602) and cinema attendance (table 3601).

The late 1950s and early 1960s marked the film industry's transition from a period of rapid growth to one of stagnation. Tables 3600 through 3602 show that between 1960 and 1970 almost every Latin American country suffered per capita and total reductions in cinema facilities and film attendance. This turnabout during the period of stagnation is underscored by concurrent population growth and recent data which indicate that the drop in cinema attendance cannot be atributed to economic hardship or income maldistribution. In fact, statistical evidence suggests that cinema attendance was financially accessible to a higher percentage of the population during the 1960s than it was during the period of rapid growth.[9] Such dramatic declines in cinema attendance and motion picture facilities, therefore, pose great obstacles to the successful explanation of periodization according to the dependency and free trade models of analysis.

Film Industry Periodization According to the Dependency Model of Explanation

The above patterns in statistical change can be explained in "dependency" terms as follows: While Latin America's film industry experienced changing patterns of growth between 1926 and 1970, its entire history was determined by dependency. This persistent condition of dependency was expressed in three ways: directly, as economic dependency on the U.S. film industry; indirectly, as a manifestation of Latin America's general economic dependence on the United States; and culturally, as a psychological dependency on the stars, themes, and film genre particular to U.S. film fare.

[9] See John L. Martin, "Labor's Real Wages in Latin America since 1940," in James W. Wilkie and Peter Reich, eds., *Statistical Abstract of Latin America*, Vol. 18 (Los Angeles: UCLA Latin American Center Publications, 1977), pp. 211-232.

Table 3602

SEATING CAPACITY IN MOVIE THEATERS, 20 LC, 1955-70

Country	1955 Number of Seats (T)	1960 Number of Seats (T)	1960 Seats (PTI)	1965 Number of Seats (T)	1965 Seats (PTI)	1970 Number of Seats (T)	1970 Seats (PTI)
A. ARGENTINA	922	1,034	50	1,416[a]	64[a]	–	–
B. BOLIVIA	32	44	12	66[b]	16[b]	–	–
C. BRAZIL	–	1,899	27	1,973[c]	24[c]	1,911[a]	20[a]
D. CHILE	300	400	52	265	31	258[d]	28[d]
E. COLOMBIA	410	536[e]	34[e]	461	25	431[f]	20[f]
F. COSTA RICA	43	73	58	–	–	–	–
G. CUBA	410	370[g]	54[g]	–	–	–	–
H. DOMINICAN REP.	31	36	12	–	–	–	–
I. ECUADOR	–	91	21	114	22	114	19
J. EL SALVADOR	37	54	21	–	–	57[d]	16[d]
K. GUATEMALA	61	71	18	–	–	71[d]	13[d]
L. HAITI	6	8[h]	2[h]	12[b]	3[b]	·	–
M. HONDURAS	–	42	22	–	–	–	–
N. MEXICO	–	1,975[g]	55[g]	1,399	33	1,496	30
O. NICARAGUA	48	–	–	–	–	–	–
P. PANAMA	39	52	51	–	–	28[f]	19[f]
Q. PARAGUAY	19	15	8	–	–	–	–
R. PERU	–	319[g]	32[g]	–	–	–	–
S. URUGUAY	122	148[e]	57[e]	180[c]	64[c]	124	42
T. VENEZUELA	340	44[e]	57[e]	–	–	–	–
UNITED STATES	10,200	8,000[g]	62[g]	6,295	32	10,000	49

a. 1967.
b. 1964.
c. 1963.
d. 1971.
e. 1959.
f. 1968.
g. 1961.
h. 1958.

SOURCE: UNESCO, *World Communications* (1956), *passim*; UNESCO-SY, 1963, table 37; UNESCO-SY, 1967, table 7.2; UNESCO-SY, 1968, table 8.2; UNESCO-SY, 1972, table 11.2; UNESCO-SY, 1973, table 13.2.

During the limited growth period, Latin American film companies could not match Hollywood's prolificacy. But U.S. film companies dominated the Latin American market owing less to the superior number of films than to the monopolisitc marketing practices that accompanied their distribution. Through a manipulative market process called "block booking," U.S. distributors compelled Latin American movie house proprietors to commit their theaters annually to the exhibition of a minimum number of U.S. films. Consequently, to exhibit even one U.S. film, Latin American theaters often had to devote the majority of their screen time to films distributed by a single company.[10] Moreover, this marketing method reduced the need for additional films, thereby inhibiting the production of Latin American films. The inability of Brazil, Latin America's second largest film market, to assume even 1 percent of its own feature film market (see table 3604) typifies the dependency and cinematic underdevelopment perpetuated by the U.S. film industry.

Economic dependence on the U.S. film industry was even more apparent during the period of rapid growth, as evidenced by Prencinradio, a World War II program sponsored by the U.S. government to promote inter-American mass communications development, and by the postwar activities of the U.S. film cartel, the Motion Picture Export Association of America. Established in 1942, the Prencinradio program called upon the United States to supply Latin American film industries with production capital, equipment, and technical assistance. In return, the aided industries were expected to produce "war effort" films.[11] At the same time, the program hinted at retaliatory consequences on those countries which failed "to eliminate Axis sponsored and produced pictures from exhibition throughout the Hemisphere."[12] While the program's benefit to Mexico, as described above, was no less than spectacular, its implementation proved disastrous to the Argentine film industry. In effect, the United States decided to cripple the Argentine cinema owing to that government's unwillingness to take a pro-Allied stance. By withholding from Argentina all raw film stock, the United States brought Argentine film production from its zenith in 1942 to its lowest rapid-growth-period production level in 1945 (see table 3604).

The impact of this boycott, however, reached far beyond the temporary decline of the Argentine film industry. It suggested to the U.S. film industry the power that lay in operating as an organized cartel in foreign markets — an option that would be pursued immediately after the war. Moreover, it foreshadowed the cooperation between the U.S. government and Hollywood that would later determine the success of the U.S. film industry's foreign film market strategy.

The formation of a motion picture cartel after the war

[10] See James Lockhart, "U.S. Film Companies in Mexico Deny Monopoly Charge," *Motion Picture Herald*, July 10, 1937.

[11] Donald W. Rowland, *History of the Office of the Coordinator of Inter-American Affairs* (Washington: G.P.O., 1947), pp. 81-82.

[12] Ibid.

(123)

strengthened U.S. film industry control over the Latin American film market. This Motion Picture Export Association of America (MPEA), established in 1946 under the aegis of the Webb-Pomerene Export Trade Act of 1918,[13] was devised supposedly for cooperative marketing and investment purposes and to insure free exchange of media of expression; its functional intent, however, was first revealed in 1948 when, to protest film rental price controls promulgated by Brazil's Central Price Control Commission, the MPEA withdrew from the Brazilian market all U.S. productions. This was the first of many boycotts initiated by the MPEA to protest "discriminatory" taxes, film rental price controls, remittance restrictions, and screen quotas. In 1954, for example, the MPEA exercised this option with Chile to force a reversal of that government's decision to lower the exhange rate on the U.S. dollar from 110 to 220 pesos. But, as suggested by Eric Johnston, the then president of the MPEA, the threat of boycott was as powerful a weapon as the boycott itself:

> Our pictures fill about 60% of the screen time in foreign countries. When any one of them wants to impose restrictions I can go to the Finance Minister, not threatingly, but to simply state that our films keep more than half of the theaters open. This means employment and a bolstering factor for the economy. And I can tell the Finance Minister of the tax revenue which these theaters bring.[14]

The MPEA extended its dominion over the Latin American market by exploiting Latin America's overall economic dependence on the United States. This was achieved through the MPEA's solicitation of U.S. government cooperation in "encouraging" favorable treatment of U.S. films in Latin American countries.[15] In 1953, for example, the import-export control board of the Bank of Brazil announced the reinstatement of U.S. films in the category of "essential imports" and agreed to unfreeze remittances that had been held for nearly a year. One week later the U.S. Export-Import Bank granted a $250,000,000 loan to the Brazilian government. The relationship between these two decisions was intimated in several Hollywood publications.[16]

Statistically, these practices led to the continued predominance of U.S. films in Latin American markets. Therefore, in spite of the tremendous growth experienced in cinema attendance and motion picture facilities during the rapid growth period, the percentage of Latin American screen time assumed by U.S. films dropped only 6 percent from 73 percent in 1938 to 67 percent in 1955. Further, in the major Latin American film markets — those of Mexico, Brazil, and Argentina — the percentage of screen time filled by U.S. films actually increased between 1938 and 1955 (see tables 3603 and 3604). Indeed, we might speculate that the MPEA encouraged and facilitated the expansion in Latin American cinema facilities in order to accommodate the growth of the MPEA distribution network.

If the rapid growth period best characterized the methods employed in the promotion of dependency, the period of stagnation exemplified the developmental consequences of that dependency. These manifestations could be seen in Latin America's continued cultural dependence and the parallel growth between the U.S. metropolis and dependent Latin American film industries.

Cultural dependency in the context of Latin American cinema was expressed principally in audience preference for

Table 3603

U.S. PERCENTAGE OF LATIN AMERICAN SCREEN TIME, 20 L, 1930-70

	Host Country	1930	1938	1955	1970
A.	ARGENTINA	90	66	70	60
B.	BOLIVIA	~	85	80	~
C.	BRAZIL	95	78	80	~
D.	CHILE	92	74	70	~
E.	COLOMBIA	90	75	70	~
F.	COSTA RICA	~	78	70	75
G.	CUBA	80	75	70	9
H.	DOMINICAN REP.	92	85	85	~
I.	ECUADOR	~	83	70	~
J.	EL SALVADOR	~	90	70	~
K.	GUATEMALA	~	70	55	~
L.	HAITI	~	25	50	~
M.	HONDURAS	~	90	55	~
N.	MEXICO	98	~	60	34
O.	NICARAGUA	~	85	60	75
P.	PANAMA	~	80	75	~
Q.	PARAGUAY	~	90	80	~
R.	PERU	91	49	50	~
S.	URUGUAY	~	75	65	~
T.	VENEZUELA	~	45	65	~
ARITHMETIC AVERAGE FOR LATIN AMERICA		91	73	67	51

SOURCE: Botting, "Motion Picture in Latin America," tables 7, 18, 19, 26, 28, and 34: Nathan D. Golden, *Review of Foreign Film Markets, 1938* (Washington: G.P.O., 1939), pp. 165-248: Nathan D. Golden and Earl H. Young, "World Survey Shows Record Foreign Business for U.S. Films," *Foreign Commerce Weekly* 53:9 (1955), table 3; Mexico, DGE, AE, 1970-1971, p. 305; and Richard Gertner, ed., *1972 International Motion Picture Almanac* (New York: Quigley Publications, 1971), *passim*.

[13] The Webb-Pomerene Export Trade Act of 1918 exempted certain American businesses from antimonopoly provisions in the Sherman Anti-Trust Act of 1890 and the Clayton Act of 1914, but only insofar as foreign trade was concerned. The MPEA, established in 1946 under this congressional statute, represents all major U.S. film production and distribution companies conducting business in Latin America and Europe. See Thomas H. Guback, *The International Film Industry: Western Europe and America since 1945* (Bloomington: Indiana University Press, 1969), p. 91.

[14] Cited in Guback, *International Film Industry*, p. 93.

[15] In 1946 Eric A. Johnston, president of the MPEA, submitted a report to the State Department in which he outlined a program for cooperation between the government and the film industry: "Our Government's policy of free exchange of media of expression is therefore a powerful asset in the highly competitive situation which confronts the American industry. We expect this policy to be vigorously prosecuted and also implemented in numerous treaties and trade agreements to be negotiated with foreign countries." Cited in Terry Ramsaye, ed., *1946-1947 International Motion Picture Almanac* (New York: Quigley Publications, 1946), p. 748.

[16] See "Big Loan to Brazil Will Unfreeze All U.S. Coin," *Hollywood Citizen News*, January 13, 1953; and "American Pictures are Reinstated in Category of 'Essential' Imports," *Hollywood Reporter*, January 7, 1953.

Table 3604

NATIONAL ORIGIN OF FEATURE FILMS EXHIBITED IN MAJOR LATIN AMERICAN MARKETS, 3 L, 1930-47

(%)

	Country	United States	National	Mexico/ Argentina[1]	France	Germany	Other
A.	ARGENTINA						
	1930	90.0	--	--	4.0	3.0	3.0
	1934	88.0	.2	--	4.0	6.0	.8
	1936	71.0	3.1	1.0	3.5	8.0	13.4
	1937	72.0	5.7	1.1	4.7	5.7	10.8
	1938	67.0	6.4	1.5	10.8	4.7	9.6
	1939	67.9	11.2	.9	10.3	1.2	8.5
	1940	72.3	10.9	2.0	7.9	2.0	4.9
	1941	71.9	8.4	3.0	3.6	2.9	10.2
	1942	72.9	11.2	2.2	3.9	2.2	7.6
	1943	74.9	9.4	4.4	1.9	1.9	7.5
	1944	71.4	6.0	11.1	2.2	2.0	7.3
	1945	74.8	5.6	10.2	1.3	--	8.1
	1946	64.7	6.6	10.6	4.4	--	13.7
	1947	67.3	8.8	6.9	6.6	--	10.4
B.	BRAZIL						
	1930	95.0	--	--	1.0	1.0	3.0
	1934	90.0	--	--	--	7.0	3.0
	1936	86.0	--	--	--	10.0	4.0
	1937	85.0	--	--	--	8.0	7.0
	1938	78.0	--	--	5.0	5.0	12.0
	1941	92.0	1.0	1.0	1.2	2.2	2.6
	1943	98.0	1.0	1.0	--	--	--
	1945	91.0	1.0	2.5	--	--	5.5
	1946	85.0	1.0	2.5	2.0	--	9.5
	1947	76.0	1.5	3.0	7.9	.9	10.7
C.	MEXICO						
	1930	98.0	--	--	–	–	2.0
	1934	90.0	7.0	--	–	–	3.0
	1936	79.0	5.0	--	–	–	16.0
	1937	80.0	6.0	1.0	–	–	13.0
	1939	63.0	6.6	1.0	–	–	29.4
	1942	67.0	15.0	.5	–	–	17.5
	1943	73.0	22.5	1.0	–	–	3.5
	1944	67.5	28.0	2.5	–	–	2.0
	1945	56.6	26.3	12.0	–	–	5.1
	1946	56.0	27.0	10.0	–	–	7.0
	1947	59.0	29.0	16.0	–	–	.5

1. Mexico refers to section A; Argentina refers to sections B and C.

SOURCE: Botting, "Motion Picture in Latin America," tables 7, 34, and 37.

the stars, themes, and film genre which characterized U.S. films. As a result, Latin American film industries found it exceedingly difficult to establish a demand for the exhibition of Latin American films. Glauber Rocha, a contemporary leftist Brazilian filmmaker, referred to this cultural dependency in the following terms: "The penetration of Hollywood in Latin America is significant because it is a psychological conditioning, a colonial education. It dominates our markets and has colonized our intellectual sensibilities. That's why we have to wage a very determined battle against the Hollywood influence."[17] This dependency was much in evidence in Chile during the Allende administration, when Chile Films, the state-owned distributor/exhibitor, encountered numerous difficulties finding films that appealed to Chilean audiences. According to Hans Ehrmann, reporter for *Variety Daily*, the official organ of the U.S. film industry, "socialist" pictures were not well received by the Chilean audience because they generally catered to entertainment values different to those Chilean audiences had grown into through the years of exposure to Hollywood films.

This conditioning is an invisible power U.S. films have abroad and, at times of stress, is a particularly useful ally as audiences do not take easily to substitutes.

In this manner, besides the difficulty of finding alternate film fare, it is also difficult to get spectators to accept it. Such conditions, undoubtedly convenient for U.S. companies, have been carefully developed over the years by their business practices and control of exhibition.[18]

Another characteristic of dependency manifested in the period of stagnation was parallel growth between the U.S. and Latin American film industries. One of the tenets of dependency theory states that the economy of the dependent country "is conditioned by the development and expansion of another."[19] Thus, while the U.S. film industry was expanding in the earlier periods of film industry development, so too were those of Latin America. And when the U.S. film industry began to contract in the 1960s, Latin America's film industry suffered the same fate. These declines in cinema attendance and theater houses are displayed in tables 3600 through 3602.

In assessing the changing trends in film industry growth since 1926, two patterns emerge: First, while Latin America alleviated partly its dependence on U.S. films, table 3603 indicates that most of the Latin American countries still devote more that half of their screen time to the exhibition of U.S. films. The only exceptions are Mexico and Cuba, which now maintain nationalized film industries. And second, Latin America's film industry growth has paralleled that of the United States. In the latest film period, this led to substantive reductions in cinema attendance and cinema facilities. In sum, dependency characterized the growth of Latin America's film industry almost as well in 1970 as it did in 1930.

Film Industry Periodization According to the Free Trade Model of Explanation

The free-trade model of analysis can be abstracted to explain the time-series data and the periodization of Latin America's film industry growth as follows: As with most industries. Latin American cinema underwent a lengthy period of underdevelopment (1926-1940) before it emerged into a longer period of rapid growth (1940-1960). This developmental process continued relatively free of government interference until 1950, at which point Latin American

[17] Glauber Rocha, "Cinema Novo *vs.* Cultural Colonialism: An Interview with Glauber Rocha," *Cineaste* 4:1 (1970), p. 4.

[18] Hans Ehrmann, "Chile: We Want Good, Healthy Films Like *The Godfather*," *Variety Weekly*, May 8, 1974.

[19] Bath and James, "Dependency Analysis," p. 5.

127

governments began to promulgate with greater frequency import and screen time quotas, remittance restrictions, and film rental price controls. While intended to conserve foreign exchange and promote national culture, these measures retarded domestic film industry growth. The stagnation that plagued Latin America's film industry between 1960 and 1970 should be ascribed largely to this government interference.

Contrary to the analysis posited by the dependency theorists, free trade and direct competition with the United States facilitated Latin America's rapid film industry growth. The benefit derived from this competition was threefold: First, through their contact with the U.S. industry, Latin American film companies began to assimilate advanced production techniques and master the most modern film equipment. Second, the popularity of American film themes directed Latin America's major film producers to create similar film themes and style that were particular to the national culture. In this manner free and direct competition encouraged both domestic film industry growth and the promotion of national culture.

By 1950, however, many Latin American nations which had witnessed overall industrial development during the war sought to increase the pace of domestic film industry growth by imposing restrictions on foreign competitors. Governments, frequently egged on by local trade groups, placed limits on the importation of films and the remittances of earnings. These measures, of course, proved counterproductive. The frequent withdrawl of U.S. films which resulted from this government interference reduced the demand level in most Latin American countries. Table 3601 shows that per capita attendance dropped in Mexico and Brazil between 1955 and 1960, and in all but one country between 1960 and 1965. This led to subsequent declines in motion picutre facilities, as seen in table 3600. Indeed, between 1955 and 1965, the three largest film-producing and film-exhibiting countries all experienced reductions in the number of motion picture theaters. Further, Latin American film production suffered from the lack of direct competition. The Mexican film industry, for example, experienced financial disaster and nearly collapsed in its effort to fill the void left by the reduction in U.S. films. The government bailed out its national film industry by pumping in government funds to enable Mexico's film industry to compete freely with that of the United States. But most revealing is the fact that these protectionist programs did not lessen Latin America's dependence on U.S. films. In fact, if we compare the data on Argentina, Brazil, and Mexico in 1947 (table 3604) with the data for 1955 (table 3603), we find that in each case the percentage of screen time filled by U.S. films had increased.

This pattern of decline which began around 1955 took root during the period of stagnation. It was a decline precipitated by increasing government interference and decreasing free competition. In this vein it is interesting to note that the only country to experience an increase in per capita attendance between 1965 and 1970 was Ecuador, a country that has managed to avoid the pitfall of government interference. While it cannot be determined for how long the rest of Latin America's film industry will remain in a depressed state, one fact is certain: it will not emerge easily from this period of stagnation as long as it continues to rely on government regulation. Free trade and direct competition stimulated Latin America's film industry growth in the past; there is reason to suspect that the same formula will work in the future.

Comparison of Approaches in Relation to Reliability of Data

In developing alternative views on film industry growth in Latin America, I have attempted to demonstrate that it is possible to convincingly interpret time-series data from counterposed theoretical positions. Both interpretations are similar in that they adhere to the periodization scheme posed at the outset; they are dissimilar in that they emphasize different aspects of the data. The dependency model, for example, focuses on the screen time data in tables 3603 and 3604. And, while underlining the decline in cinema attendance and cinema facilities during the stagnation period, the dependency model fails to acknowledge the dramatic growth experienced between 1926 and 1960. Conversely, the free trade model of analysis stresses the rise in film exhibition demand between 1926 and 1950. And while it seeks to strengthen its position by referring to the decline in the U.S. percentage of Latin American screen time between 1930 and 1955, the free trade model neglects to explain why Mexico and Cuba, whose film industries have been exposed to the most extreme form of government regulation, have been most successful in alleviating their dependence on U.S. films. Each of the models focuses on particular trends in selected data to posit apparently sound cliometric analysis. But had either been forced to deal with all the available data, its applied analysis would have been substantively weakened, as evidenced by the examples posed above.

The greatest discrepancies in the two analyses, however, appeared to come not from the models' emphasis on different aspects of the data, but rather from the causative analysis that each posited to explain changing trends in the same data. Both interpretive models, for example, allude frequently to the percentage of Latin American screen time assumed by U.S. films. Their antithetical interpretations of the changes in this data between 1930 and 1970 stem from the preconceived suppositions that each imposed on the data. Thus, while the dependency model condemns the 91 percent of screen time filled by U.S. films in 1930, the free trade model assesses that high figure as a natural and necessary stage of film industry underdevelopment. Each model then moves from its initial interpretation to posit counterposed evaluative explanations on the decline in U.S. percentage of screen time to 73 percent in 1938. The free trade model refers to the 73 percent figure as an indication of the emergence of Latin America's film industry from its underdevelopment stage. In contrast, the dependency model critically evaluates the 73 percent figure, suggesting that the continued U.S. dominance of Latin American screen time should be ascribed to Hollywood's monopolistic distribution practices.

Another example of conflicting causative analysis as the basis for counterposed interpretations is seen in the explanations for the sudden drop in cinema attendance experienced by Latin America between 1960 and 1970. The dependency model ties this drop to the decline in U.S. film industry growth, referring to the parallel growth as a condition that exemplifies the persistent underdeveloped state of Latin America's film industry and the continued dependence on U.S. film fare. The free trade model also evaluates critically this sudden cessation in Latin America's film industry growth. This decline, however, is attributed not to the competition between the U.S. and Latin American film industries, but rather to the growing inclination of Latin American governments to interfere with that direct competition.

In spite of the interpretive discrepancies between the free trade and dependency models of analysis, the trends and periodization discussed in each hold. The ability of the two models to convincingly interpret the data does not preclude the reliability of the time-series data. Rather it speaks to the complexity of historical problems and our inability to resolve those problems with simplistic theoretical frameworks.

Conclusion

Because no scholarly analysis can claim to provide all of the answers, the development of multiple interpretations provides us with a larger range of insight into complex historical situations. As we begin to understand how dual realities interact to influence a particular event or period, I contend that we gain greater insight not only into its history, but also into the data that accompany that history.

In this study I have presented alternative interpretations of film industry growth in Latin America, both being limited by the data and both being unable to wholly explain the complex historical forces that determined that growth. Still, each interpretive model contributed to our understanding of film industry development. In the Hegelian sense, the synthesis of these counterposed hypotheses helped us to make sense out of complex time-series data.