

New J. D. Williams Organization

World-Wide Pictures Will Distribute Best of Foreign Product Throughout U. S. and Canada

J. D. WILLIAMS, managing director of United Motion Picture Distributors, Ltd., of London, England, arrived in New York late last week on the Berengaria, to perfect an organization in this country for the distribution of foreign made product.

The new concern will be known as World-Wide Pictures, for which a \$2,500,000 company is now said to be in process of formation under the laws of Delaware. At present Mr. Williams has eighteen productions ready for distribution, but the first of them will not be released until September. Within the year it is planned to have about fifty foreign pictures for distribution in the United States and Canada. World-Wide Pictures will not handle distribution anywhere but in the United States and Canada. It will not handle American product in Europe, but will confine itself entirely to European product.

Mr. Williams has stated that there will be no buying restrictions on this product, the exhibitor will be able to buy one or all of the pictures as he pleases. The total line-up of the first fifty pictures that will be available this year will be divided into ten groups of five pictures each. The first year's product includes 35 pictures from England and 15 from Continental studios.

It is Mr. Williams' plan to organize at least 35 branches in the United States and Canada, but the physical handling of the



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distribution has not yet been decided upon. Mr. Williams will maintain his own selling force.

Included in the program of pictures to be released by the new organization are twelve pictures comprising the entire 1927-28 program of British International Pictures, Ltd. These are:

"The White Sheik," directed by Harley

Knobs; "The Silver Linnet," made by Thomas Bentley; "Poppies of Flanders," Arthur Mande production; "The Rug," directed by Alfred Hitchcock; "The Farmer's Wife," made by Hitchcock; "Moulin Rouge," E. A. Dupont picture; "Tommy Atkins," directed by Norman Walker; "Teshu," Victor Saville film; "Champagne," Alfred Hitchcock picture; "Adam's Apple," directed by Tim Whelan; "Not Quite a Lady," made by Thomas Bentley, and "Toni," Arthur Mande production.

Mr. Williams declares that the thing most needed for the world benefit of motion pictures is competition for Hollywood. There is a certain resentment abroad that the opinion prevails that good pictures can come only from Hollywood. "This is by no means true," he said. "Good pictures can and are being made abroad and they are going to make better ones. There is no reason why this cannot be. Foreign stars come over here and are just as big drawing cards as they are in their own country. They need only the same conditions under which to work over there as they have here, and we are going to see that they get them.

"There is no reason why some of the leading American players and directors cannot be induced to work in Europe. I think it would benefit and broaden them all. Climatic conditions are splendid over there, and once the fact becomes known

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Arbitration Success, Says Hays

Tells Detroit Commerce Board Exhibitors Won 52 Per Cent of Their Cases Against Distributors Last Year

A PPEARING before the Detroit Board of Commerce, Detroit, Mich., June 5, Will H. Hays, president of Motion Picture Producers and Distributors of America, Inc., delivered an address, the subject of which was "Arbitration in Industry." Beginning his speech Mr. Hays traced the course of arbitrary ruling through the centuries, called the Chamber's attention to the enormous investment the motion picture industry represents today, and to the many trade problems it has been striving to overcome, the ease of their solution today as compared to conditions in 1922, and wound up his address by outlining the vast indirect sales medium afforded manufacturers by the motion picture.

14,346 Cases Adjusted

A salient fact cited by Mr. Hays was that in 1927 alone, 14,346 arbitration cases, involving \$3,825,636.76 were amicably adjusted. Of the total number of claims filed by theatre owners against distributors, the theatre owners were upheld in fifty-two per cent. Of the total number of claims filed by distributors, forty-one per cent

were upheld. Only thirty-six cases required the seventh arbitrator.

Commenting upon the latest uniform contract, agreed upon May 1, 1928, and the present system of arbitration in this industry, Mr. Hays said:

"The motion picture industry today represents an investment of two billion dollars, an annual expenditure in production of pictures alone of \$125,000,000. The industry directly employs more men and women than Ford and General Motors combined. One hundred million paid admissions in the United States alone each week testify to its touch with the public. Twenty-five thousand miles of film are handled each day in the exchanges of this country alone.

Must Contract in Advance

"In the many thousands of small cities and towns, men with small capital must contract in advance for each year's showing of feature pictures. The general nature of the product is told them by the salesmen of the competing companies. Prices and dates of exhibition, with many other technical but vital details, are agreed on.

Out of the 600 to 800 pictures offered him by twenty or thirty companies, the small theatre owner, like the large, selects the companies which best meet his needs as to price, variety of product and advertising co-operation. He agrees to buy certain groups of their productions and exhibit them at stated times for stated prices.

"The whole machinery of the manufacture of this product, which reaches nearly a quarter of a billion ultimate consumers each week, depends on the good faith and stability of individual contracts with theatre owners.

"There are many legitimate reasons why a theatre owner may find his contract difficult of fulfillment or may honestly believe the distributor is not giving him 100 per cent service under its terms. With no way to winnow the just claims from the unjust, temptation on both sides to call the contract broken long constituted a major source of instability.

Dubious Until 1922

"Until 1922 the producer with ten million dollars' worth of orders on his books

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Theatre Building Active

Many Important Operations Are Reported Under Way in Provinces of Ontario, Quebec

MUCH activity is being seen in theatre building operations in the Provinces of Ontario and Quebec, a number of important projects having been reported, four being in Montreal alone. They include:

Montreal—Electric Theatre, being erected by Electric Theatre, Limited, 570 St. Catherine Street; cost \$500,000; architect, E. A. Doucet, 195 St. Catherine Street East.

Montreal—Theatre being started on Notre Dame Street West, by United Amusements, Limited, 12 Mayor Street, Montreal; cost \$150,000; architect, R. Garipey, 15 St. James Street West. This company already operates 12 theatres in Montreal.

Montreal—Benjamin Isaacs, 52 Arlington Avenue, Westmount, has purchased a large site at St. Catherine Street West and Chemydy Street, and plans are being prepared for a theatre.

Windsor, Ontario—The Paramount-Windsor Company, Limited, a subsidiary of

the Famous Players Canadian Corp., Royal Bank Bldg., Toronto, has purchased the site at Ottawa Street and Moy Avenue, Windsor, for a theatre seating 1,500. Paramount-Windsor Company already has the Capitol, Palace and Walkerville Theatres. N. L. Nathanson, of Toronto, is president, while Wallace R. Campbell, Col. Walter McGregor and Simon Meretsky are associates.

Ottawa, Ontario—Famous Players Canadian Corp. has started construction of the Capitol Theatre, Ottawa; cost \$1,250,000; architect, Thomas Lamb Company, of New York; this theatre is scheduled to open January 1.

Ottawa, Ontario—P. J. Nolan is building the Avalon Theatre, Bank Street and Second Avenue; cost \$60,000; this theatre is being constructed according to the plans and specifications of Mr. Nolan, who already operates the Rex and Columbia Theatres in Ottawa. It will seat 1,000, and is scheduled to open September 1.

cases only found their way into court before, arbitration.

"Here is another pertinent fact: Out of the 14,356 claims in 1927 disposed of 4,671 were settled before the date of hearing and 2,368 were withdrawn. When two parties to a dispute know that men of their own acquaintance and profession, having a full background of existing conditions, will be their judge and jury, they examine their own presentations with a careful eye.

"We have had some difficulties, of course. We will continue to have some. Every now and then some man, who wanted an advantage and got a judgment instead, becomes vocal in the press. These cases make headlines, but they are hardly chips in the steadily flowing stream of success."

J. D. Williams Forming New Organization

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that we can make as good pictures on the other side as are made over here it is going to have a tremendous effect on motion pictures. It is going to bring about a more friendly spirit in the picture industry of the world, and as a consequence it is going to cut down many of the restrictive measures in the different countries as well as negative costs of pictures. Principally, it will create international competition, and there is nothing better for any industry than competition.

"By giving the exhibitors a free selection of pictures it will have a decided tendency to eliminate poor pictures and thus put a curb on over-production. This will mean more money for the better pictures and stars. The selection of pictures from all parts of the world will stimulate public interest and increase attendance in America.

"We are going to attempt to release none but the best of foreign-made pictures in America. In many cases they will be made-to-order pictures. We will advance to the producers the idea for a story, and suggest to them how it should be handled, and we think this will bring about good results. We will bring over good directors and good actors.

"I figure that with proper competition for Hollywood, and with a reduction of the number of features now produced to only worth-while pictures, foreign business for American producers will develop from 25 per cent to 50 per cent in every country in the world.

"Producing units releasing through World-Wide Pictures will form associations in their respective countries similar to the Hays organization in America. These associations will serve to combat adverse legislation and will want American productions admitted free in their respective countries in return for the revenue they will receive from the American market.

"The activities of World-Wide Pictures abroad will develop the motion picture business in many foreign countries, and the increased revenue to the big American companies in those countries will more than offset any loss of revenue in the American market.

"In order for the motion picture business to make the same rapid progress it has made in the past a great many of the foregoing plans must be brought into effect before the industry can rightfully claim to be a world-wide institution."

Hays Reviews Arbitration

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did not know whether they might result in five million or six million dollars' worth of completed transactions. With rare good luck, he might hope for seven million out of his promised ten.

"Because of this uncertainty, two mutually destructive hardships grew in burden each year. The theatre owner had to post an advance, usually of twenty-five per cent, when he ordered his films. This hurt the small exhibitor, and hurt him badly. The producer, on his end, had to start manufacture of the year's product on this advance, and then had to borrow the rest of his needed capital from sources which charged him from twelve to fifteen per cent. Responsible banking sources hesitated to take risks which threatened to make the production and sale of motion pictures permanently a wildcat operation.

10,500,000 Showings Per Year

"When it is realized that the average motion picture theatre annually rents from distributors approximately 175 feature pictures and about 350 short subjects (news-reels, comedies and novelties), it will be seen that the approximately twenty thousand theatres enter into contracts with distributors calling for 10,500,000 separate

exhibitions of pictures every year. This enormous number of transactions is under written contract and the opportunities for disputes arising therefrom can be readily visualized. Every delivery of every picture in every theatre was a potential lawsuit. In 1922, distributors and exhibitors alike were staggering under an actuality of 4,000 suits, with the indicator rising.

Lawsuits Disastrous

"These lawsuits were disastrous to the winner and loser.

"No matter who won or lost the suit, the value of the picture in question would have faded out long before the award. Bad feelings, bad collections, drags of every kind on the progress of the industry made our situation intolerable.

"We then worked out a system which we have since steadily tried to improve. Our latest form of uniform contract, agreed upon May 1, 1928, is better than the first, instituted in 1923.

"In 1922, the year before arbitration began in virtually its present form, the industry had approximately 4,000 lawsuits over contracts.

"In the four years of arbitration, the boards have disposed of 50,006 contractual disputes, involving \$11,200,298.94.

Exhibitors Upheld 52 Per Cent

"In 1927 alone, 14,346 cases, involving \$3,825,636.76, were amicably adjusted. Of the total number of claims filed by theatre owners against distributors, the theatre owners were upheld in fifty-two per cent. Of the total number of claims filed by distributors, only forty-one per cent were upheld. Only thirty-six cases required the seventh arbitrator. Nine court entries were made to enforce compliance with awards, and there were fifty-three court entries of judgments under awards. Five

Alan Crosland Signed by Columbia

ONE of Columbia's ten specials for the 1928-29 season will be directed by Alan Crosland, just signed by Columbia. The director has, in the past two years, worked on special productions for Warner Bros. The name of the Columbia production he will direct and its starring player will be announced shortly.