Film Across the Border: The Interaction of the Mexican and American Motion Picture Industries

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The hegemony of the American film industry, with its expansion into and domination of international film markets and industries, has been evident since the beginnings of the cinema. In recent years there has been a growing interest in the linkage of the expansion of the Hollywood film complex with the development of other national film industries, especially as they reflect or are affected by political and economic events. The interaction of Hollywood and the film industries of Latin America, and more specifically that of Mexico, is particularly interesting when analysed in terms of the political and economic relations of these countries. The period surrounding World War II and the post-war era were particularly active times for the development of Latin American markets as they exemplified Roosevelt's "Good Neighbour Policy" and also as they were affected by war-time conditions. The evolution of the relationship of the Mexican and American film industries is especially significant when viewed in this context for although Mexico shared many of the same experiences as other Latin American nations in terms of the domination of American film, there was also a reciprocal element in their involvement. This paper will examine the general trends in the United States' exploitation of the Latin American market as it contrasts with the American film industry's involvement in Mexico and the Mexican industry's (and government's) response to this domination.

THE UNITED STATES AND LATIN AMERICA

It is first necessary to look at the relationship of the American film industry to Latin America as a whole in order to see how the interaction between the U.S. and Mexico followed certain similar tendencies but also differed in the magnitude and quality of the exchanges between the two industries. Although there had always been an outlet for American films in Latin America, interest in this market became more focussed as a result of President Roosevelt's "Good Neighbour Policy" in the late 1930's and became a systematic exploitation as U.S. involvement in the war grew. The promotion of "hemispheric unity" and goodwill through the export of American films to Latin America became extremely important to the U.S. government and governmental

support of the film industry took a variety of forms which American producers were eager to accept.

In 1940 the U.S. started losing European outlets for films when the Nazis placed bans on American films in Germany and the occupied territories. Italy soon pursued the same course of action which cost the American studios an estimated annual return of \$2 500 000 or about 30% of their foreign profits. This provided a strong incentive for the development of Latin American markets as a way of offsetting the restricted markets in other parts of the world. With over 5 000 potential theatre outlets and new theatre construction increasing each year, it was not hard to convince the American companies that Latin America was important to their future growth.

The American government had actively participated in dispensing information about foreign film markets since 1926 when it began publishing Motion Pictures Abroad, a biweekly newsletter which reviewed specific market conditions in other countries and included information on protective legislation (tariffs and quotas), censorship policies and the geographical distribution of theatres as well as other information of use to American film companies. The European markets were their main concern until the beginning of the war when the coverage of Latin America began to receive more comprehensive treatment. The Motion Picture Unit of the Bureau of Foreign and Domestic Commerce provided this information-gathering service which they clearly saw as a necessary support for the expansion of private enterprise into new markets. As Nathan Golden, the former director of the Unit, stated:

Their the motion picture distributors and producers continued success in foreign markets depends upon the functioning of a reliable 'intelligence' service to keep them fully informed on all the foreign facts and figures, the quotas, the limitations, the control boards, the taxes, the fostering of local competition and the many other vital factors that bear upon their business."

This close surveillance of "the fostering of local competition" became increasingly important to the film industry as they sought to maintain and expand their share of the local market. The only times that Americans actually aided the development of a local film industry (as in the Mexican example) were in cases where they actually owned or controlled part of the industry.

After the United States entered the war in 1941 these government publications tended to emphasize the propaganda influence of motion pictures regarding the war as it became politically essential to win the non-committed countries of Latin America over to the Allied side. The ideological campaign waged by the American government to promote the American way of life both politically (in supporting the Allied cause) and economically (by encouraging the consumption of American goods which also required new markets to exploit during the war) was effectively carried out by the American motion picture. The government's recognition of the importance of the film industry provided the basis for a relationship which viewed the systematic exploitation of Latin America as mutually beneficial to both the government and private enterprise. Although the American film industry was already powerful enough to dominate and control

Latin American film markets on its own, in the name of "hemispheric solidarity" this domination was encouraged and supported in a way that fortified an already strong position.

Another important link between the government and Hollywood was the formation of the Office of the Coordinator of Inter-American Affairs (CIAA) in 1940. Although it was established before official U.S. involvement in the war, in the wake of what remained of the good neighbourliness and pan-americanism promoted by Roosevelt the CIAA became an important tool for communicating the feeling of hemispheric unity and defence. The agency was headed by Nelson Rockefeller and had as one of its primary objectives the strengthening of economic and financial ties between Latin America and the United States. 5

The cultural arm of the CIAA took on the important ideological task of combatting any pro-Axis sentiment within the countries of Latin America. The Motion Picture Division, under the leadership of John Hay Whitney (a former Hollywood financier and producer), supervised the production of educational films for distribution in both hemispheres and also maintained a Hollywood office which kept in contact with the industry and advised producers on problems which related to the other American republics. The Motion Picture Division also attempted to serve in an advisory capacity to studios producing films with Latin American themes. Films like Pown Argentine Way (1940), Weekend in Havana (1941) and That Night in Rio(1941) which were expected to have a large audience in Latin America were often perceived as offensive because of their stereo-typical views of Latinos and native customs. The Motion Picture Unit hoped to prevent further misunderstandings and maintain this lucrative market by preventing these gross inaccuracies (i.e. Brazilians speaking Spanish, all women wearing mantillas, Latin men as villains) from reaching the screen. In addition, the CIAA also employed the talents of the Disney Studios to produce films which promoted hemispheric unity. Films like Saludos Amigos [1942] and Los Tree Caballeros (1944) which were animated travelogues describing Latin American countries and customs were widely
distributed in both hemispheres during the war years.

In terms of combatting Axis newsreel propaganda, the Unit began supplying newsreels to theatres throughout Latin America and successfully organized industry boycotts of countries with pro-Axis sympathies. This would later prove to be a decisive factor in the development of the Mexican film industry and also helped to firmly establish the dominance of American films on Latin American screens. By 1944, the percentage of playing time devoted to American films had risen to between 80% and 90% which only exacerbated the difficulties local producers were experiencing in trying to get their own films played. Not only were local exhibitors forced to play numerous American films because of the dumping policies of many Hollywood companies, where the purchase of a box-office success had as its corollary the purchase of many less successful films, but they also grew more and more reluctant to play nationally produced films because of their relative lack of box-office appeal. This combined effort of the American studios and the government to dominate the Latin American market succeeded in stifling the growth of almost all the national film industries. The development of the Mexican film industry when seen in this context is quite unusual in that the number of locally produced films actually increased at this time. This does not mean that

the rest of Latin America passively accepted American domination for there was a strong movement by many countries, like Argentina and Brazil, to legislate restrictions on the number of films imported, to require American companies to make use of local businesses for the manufacture of prints and advertising materials as a way to promote local industries and the establishment of quotas of national films which exhibitors were required to screen. In contrast, the Mexican film industry chose to cooperate and accept American domination and participation in their industry and imposed restrictions on American companies much later than the rest of Latin America. This co-optation, interestingly, led to dramatic growth in the industry and enabled Mexico to become the dominant supplier of Spanish-language films to the rest of Latin America.

THE MEXICAN-AMERICAN CONNECTION

Partially due to Mexico's proximity to the U.S., the longstanding relationship between the two countries had been a friendly one and definitely in the spirit of 'good neighbourliness' that the U.S. sought to promote. Prior to World War II however, relations had been more than strained, due to the expropriation of American oil fields by the Mexican government in 1938. As American involvement in the war grew, the hard-line policy of the American government towards Mexico in terms of economic assistance and loans fell by the wayside because of the increasing need for Mexican oil for the war effort and the anticipated need for Mexican air bases for the defence of the Panama Canal. As a result of these conditions, there was a heightened awareness of the importance of maintaining strong relations between the two countries.

Although not as influential from a national security perspective as the expansion of economic relations, the interaction between the two film industries also grew more important during the early 1940's and was highly publicized in movie magazines and trade journals. There was a frequent shuttling back and forth between Hollywood and Mexico City in which many Mexican stars like Dolores del Rio, Lupe Velez and Ricardo Montabaln made their debuts in American productions at this time. Because the Mexican film industry also had a fairly developed studio system, it fitted the needs of many American companies that were looking for an exotic mise-en-scéne for their war-time entertainment. Studios like RKO, United Artists and Columbia began to use the Mexican studios more and more during this time. A typical example of the kind of American films that were produced in Mexico was RKO's The Lugitive in 1946. Although it was directed by John Ford, the technical crew contained a number of Mexicans, including the popular director Emilio "El Indio" Fernandez as co-director and associate producer and Gabriel Figueroa as director of photography. The cast was also divided between Americans and Mexicans, with Henry Fonda and Ward Bond in the leading male roles and Dolores del Rio and a number of local actors in supporting roles."

Because of Mexico's support of the Allied cause (they officially entered the war in 1942) and their industry's encouragement and fostering of relations with the American film industry, Mexico began to dominate its chief rival in Spanish-language films, Argentina, during this time. The United States was in control of most of the raw stock footage and equipment needed to produce films. As the main supplier to both Argentina and Mexico,

American companies instigated the practice of adequately supplying the needs of Mexican producers while severely rationing producers in Argentina. This, and other economic sanctions, were part of the American government's policy of discouraging Argentina's relationship with the Axis powers (as it was the only country that still allowed German propaganda films to be shown in theatres). This comparative advantage allowed Mexico to take the lead as the main source of Spanish-language films for the rest of Latin America.

The flourishing of production during the forties and early fifties was often referred to as the "Golden Age" of the Mexican film industry. The number of productions grew at a steady rate from 27 films in 1940 and 46 films in 1941 to the dramatically increased 108 productions in 1949, and 124 productions in 1950. The potential for reaching millions of Latin Americans through Mexican films became more and more attractive to both the American government and film companies as the films with war-related themes which Hollywood had been producing were met with resistance in many Latin American countries. If the U.S. were to successfully continue its domination of the other American republics it had to use alternative means of infiltrating the market. Because of Mexico's influential position in the Spanish-language market and the cooperation that already existed between the two countries, the Mexican film industry was a natural choice for penetration by both the American government and film studios in order to increase its controlling interest in the rest of Latin America.

In addition to the CIAA's function of disseminating American values and beliefs to Latin Americans through the production and distribution of educational films and acting as a support to Hollywood, it also began a special relationship with the Mexican film industry at this time. This involvement was the first step in a programme which called for the "cooperative" development of motion picture and radio industries in the other American republics. The motion picture programme involved the supplying of production capital, technical assistance and equipment to selected film industries with the idea of "producing feature films presenting in various ways the cause of hemispheric solidarity in the war against the Axis". By becoming involved in native language productions the CIAA hoped to reach an even wider audience than American films had ever reached before. It seems that they were not met with any resistance by American companies who might feel that they were infringing on their markets because the CIAA justified the programme by saying that "Latin American films reached a different audience than United States films, and that there (sic) would be less subject to suspicion as part of a United States propaganda campaign". In this way, locally produced films could carry the same messages of American values and beliefs without alerting audiences to the influence of the United States.

Although the programme was slated to begin in Mexico and Brazil and extend to other film industries in Latin America, it was fully realized only in Mexico. A corporation, Prescinradio, was set up to work under the auspices of the CIAA through the U.S. embassy in Mexico and dealt directly with members of a committee representing the Mexican film industry. An agreement was signed in 1942 between Prescinradio and this committee which provided for a number of things including the sale of American-made motion picture equipment to two leading studios in Mexico City; technical training for a select number of Mexican technicians; underwriting

the production of a limited number of special productions; and cooperation with the Mexican industry in the distribution of films. Despite proclamations by the CIAA that it was not interested in the "direct control" of the Mexican film industry, it was evident that it sought to strongly influence its development and the type of films it produced. Information about which films Prescinradio financed and just how they functioned is difficult to uncover as the whole operation was cloaked in secrecy. Even when testimony was given before the Congressional Appropriations Committee during the war with regard to their involvement with the Mexican film industry, the name of the Prescinradio corporation was not used. Obviously, the CIAA wanted to keep the knowledge of its more subversive propaganda efforts at a minimum and it is not coincidental that the commercial film industry of Mexico proved to be the most adaptable to its needs.

The privately owned American studios infiltrated the Mexican industry in a number of ways, some of which did not differ very much from Prescinradio's tactics. At first Hollywood had believed that it could capture a larger part of the Spanish-language market that was resistant to dubbed and subtitled films (usually rural audiences) and preferred locally made films by producing Spanish versions of its successful films. These films were duplicates of the original North American successes which utilized actors and actresses like Ramon Novarro, Dolores del Rio and Lupe Velez as well as Mexican directors. These Spanish imitations were not as successful as had been anticipated mainly because Latin American audiences felt that if they were going to see Hollywood styles and themes in films, they did not want substitutes for the great "stars" whose myths Hollywood had universalized. The production of these films stopped in the forties when many American studios found it much more profitable to intervene directly in Mexican production.

One example of the United States and Mexico working 'together' (under American control) to produce and distribute films to the rest of Latin America was the deal made in 1943 between United Artists and Artistas Associados, S.A., a newly formed Mexican production company. A Hollywood director, Dudley Murphy, organized the new company and appointed Jose Calderón its president. Calderón was also a leading producer in Mexico and operated the Azteca studio which was one of the largest in Mexico. The arrangement called for Artistas Associados to produce four films (of which Moore was to direct two) which United Artists would distribute to the rest of Latin America. United Artists saw this as a way to effectively compete with the growing competition from Latin American production companies. In the words of one executive:

We can't put a fence around our business in Mexico or any other foreign country, put up a big 'keep off' sign and expect local producers to give up all ideas developing their native industry, they just won't do it. On the contrary, we have seen how, with the moral and financial support of their Governments, they have gone energetically ahead in Mexico and in other countries, turning out pictures which, in many instances, have outgrossed American films three to one. 19

It seems clear that United Artists, as well as many other American companies, felt that if they couldn't successfully compete with Latin American films (although their idea of successfully com-

peting meant complete control for they already possessed a substantial share of the market) then they would join them in the production and distribution of Spanish-language films.

Another large part of American participation in the Mexican industry was the construction and acquisition of studios. Because of the expanded Mexican production and the American productions filmed in Mexico in the late forties, studio space was at a premium. The three main studios, CLASA, Azteca and Mexico Films were unable to keep up with the demands of producers. Harry Wright, an enterprising American industrialist took advantage of this tremendous and lucrative need and financed the construction of the Churubusco studios which soon became the largest and most modern studios in Mexico. Publicity at the time emphasized the construction of the studios as another extension of the "Good Neighbour Policy" into the film world and indicated that Wright had been given priority with regard to materials and transportation as a result of that policy. With the construction of these studios Americans could profit by the increasing number of Mexican productions even without directly investing in them.

Other American studios, like RKO, that had previously worked in Mexico saw the profitability in these types of investments and actively pursued infiltrating the industry. Executives from RKO made offers to distribute the entire production of CLASA films and Films Mundiales world-wide and attempted to buy 51% of POSA films with the agreement that the popular Mexican comedian Cantinflas would go to Hollywood and work. Although many of these ventures did not come to pass, RKO did eventually buy Churubusco studios and attempted to buy CLASA studios as well.

By the late 1940's, the American participation in all areas of the Mexican film industry, production, distribution and exhibition *had risen to such levels that the Mexican government became actively concerned with what was happening to their industry. Independent producers had experienced the unfair competition which they had been forced into with the better financed American companies for quite some time. The protective legislative measures that many other latin American countries had enacted much earlier as a way of fostering their native industries became a necessity for Mexico as well.

THE MEXICAN RESPONSE

Reacting to increasing pressure from independent producers and (perhaps more importantly) realizing the extent of the profits that could be earned in the commercial film industry, the Mexican government was provided with the incentive to investigate the industry and pass legislation which would protect and promote its growth. The increased government concern for and participation in the film industry can also be seen as part of a general tendency in post-war Mexico to encourage national industries through federal policy measures. ²⁵

As early as 1944 the government began to publicly recognize the importance of the film industry, mainly in terms of its cultural importance to Mexican society. In March 1944 it passed an amendment to the Cinematographic Censorship Law which stated:

That the Federal Government should endeavour to have the quality and level of Mexican films reach a constantly higher level in view of it being one of the principal mediums for disseminating the national culture within the country as well as in foreign countries, it is obliged to assist in the protection and betterment of said culture.

The government's interest in the industry was substantial but in 1944 it still had not taken the decisive action necessary to help local producers and distributors compete with Hollywood.

Production financing was one of the largest problems facing the industry. In order to partially solve this problem the Banco Cinematografico, S.A. was formed in 1942. Originally it was created to operate as a financier and was begun with private capital. It functioned as a private financier for five years. During this time there was considerable discussion within the industry about its inadequacy and utility especially considering the fact that in 1946 it had only financed 22 of the 74 films produced. In 1947 the Bank was reorganized to allow the participation of the government and renamed the Banco Nacional Cinematografico. This reorganization greatly increased the amount of capital available to producers and was a great aid to the development of the industry. It was not without its shortcomings, however, as the selection process for the films financed became much more focussed on the commercial potential of the project. The amount of financing a production could obtain was calculated in direct relation to the commercial exploitability of the film with respect to an estimation of what the net receipts would be. The commercial viability of the project was determined by a number of factors including the quality of the story, the production plan and cast of characters and the past history of similar types of films in the market. Although the Bank maintained that the commercial aspect of a film was not the only criterion that they used and that part of their purpose was to encourage the incorporation of new artistic values to the industry, in fact it tended to finance traditionally popular genres like melodramas, comedias nanchenas (westerns) and cabanatenas (films about prostitutes). Mexican film historian Alberto Ruy Sanchez has written that the government's intervention in the film industry was not made in order to make it more artistic or more "national" as was commonly believed. Rather, its motives were profit-orientated and the development of this industry was a good investment. This notion is supported by the number of conventional films which were financed by the Bank which used popular actors and actresses in traditional formulas. Despite its drawbacks, the Bank's financing did allow more films to be made at a time when producers were struggling to compete with foreign domination.

Production financing was only one area that producers pressured the government about, for even on completion, it was often impossible for the film to be shown in theatres which devoted most of their screening time to foreign films. For example, in 1947, of the 382 features released in Mexico, 239 were from the United States, 62 were Mexican and the rest were from Argentina, England, France, Spain and other countries. Independent producers were extremely vocal in their demand for laws which would limit the number of films imported as well as one which would establish the compensatory playing of Mexican films for a designated time each year.

The production union also organized protests and boycotts of theatres which played only American films in an effort to force them to play national product. **

In 1949, President Miguel Aleman responded to pressure from the industry and issued the "Law of the Motion Picture Industry" which stated the government's commitment to the aid and protection of the film industry in a much more elaborate and concrete way than earlier statements. This law, while restating its affirmation of the importance of film as a cultural commodity, went further and detailed the means by which it would support the industry. Sections of the law mandated that the government would act:

- To foment the production of films of high quality and national interest through contributions and the holding of competitions
- To award cash prizes and certificates for the best films produced each year
- To grant corresponding authorizations for the importation of foreign films and the exportation of national films hearing, if it is necessary, the opinions of the Secretaries of the Economy and Foreign Relations but applying in every case the criteria of reciprocity with the countries that produce films
- To determine the number of days each year that should be dedicated, in established theatres in the country, for the exhibition of Mexican feature films and short films. In no case is the time of exhibition of national films to be less than 50% of screen time in each theatre 39

Not all the provisions of the law were greeted enthusiastically by all sections of the industry. In particular, the exhibitors felt that the compulsory playing of Mexican films for 50% of their screening time was unconstitutional. In 1951, that section of the law was overturned in court on the grounds that it deprived the public of the privilege of seeing foreign films and deprived exhibitors of the right to choose films that they felt could attract a greater audience and thus affected their income. There is no doubt that reaction against the law came not only from internal, but from external sources as well. The American studios undoubtedly exerted pressure through the close ties they had built up over the years to repeal the legislation.

In 1953, the Garduno Plan (written by a former director of the Bank) tried to win the industry's approval in a number of different areas including the establishment of national distribution companies and restrictions on the number of films to be imported (150 each year). Again, the majority of reaction against the Plan came from the exhibitors who were still very much under the control of American ownership. The anticipated usefulness of the Plan was also thwarted by the production union strike which left the industry powerless. While some would contend that these various attempts by the government to intervene in the film industry were motivated by a desire to create a national film monopoly similar to other nationalized industries historically most Third World nations (and European as well) have responded to American domination by enacting legislation of this type. Unfortunately, in Mexico the

infiltration by the North Americans had permeated the various levels of the industry to such an extent during the forties and fifties that merely passing legislation did not always have the desired effect.

CONCLUSION

The relationship between the American and Mexican film industries is particularly interesting to examine during the war and post-war period because it so often reflected the political and economic interactions of their governments and other private enterprises. As a Third World country, Mexico was in a much more vulnerable and dependent position, yet during the war the majority of the film industry welcomed American participation in a much more active way than other Latin American countries. As a result, its commercial studio production system was enhanced for this filled the needs of many Hollywood studios, but as with any large commercial system it supported the production of formulaic, conventional genre films as opposed to more artistic deviations. Seen in the context of the American domination of the rest of Latin America during the war years, the Mexican example shows the important implications that political and economic policies have on the interaction and development of national film industries.

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