Popular Novelists and the British Film Industry, 1927-32

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This article examines the potential prospects of the British film industry within an international context in the period following the 1927 Cinematograph Act. It does so by presenting case-studies of the attempts of two popular novelists (Elinor Glyn and Edgar Wallace) to re-invigorate film-making in the UK at the end of the 1920s, through the creation of production companies focused specifically on adapting their stories to the screen. Various structural and contextual problems with these efforts are highlighted as partial explanations for the failure of European films to challenge Hollywood dominance after WW2.

1. Introduction

The comparatively weak position of the contemporary British film industry in relation to the Hollywood studios has been an accepted (and apparently unchangeable) reality for most of the twentieth century.[1] The idea that the British film industry could challenge Hollywood in the production of mainstream popular movie entertainment for international release in today's market seems as far-fetched an idea as that of time travel. It might first be thought that the question was simply one of scale. The American market was significantly larger than that of the UK, and when this fact was allied to the massive cost of production of feature films and the huge overheads associated with studio management, it made producing commercially successful mainstream movies within a UK-financed and produced environment a near-impossible task.

However, in opposition to this analysis, some recent scholarship has

[1] This article is part of a larger project investigating 'Cross-media Cooperation between Novelists and Film-Makers in the 1920s and 1930s' (AR112216) funded by the AHRB.

suggested that various specific contextual factors were at work in the 1910s and the 1920s that led to the international dominance of the Hollywood studios from this period onwards, and hence that it was not inevitable that British (and indeed European) film production would take second-place internationally compared to that located in California after WW2. Of all the European countries that might have been successful in exporting its films to America on the scale of a genuine equal to Hollywood, it was the UK that had a key advantage – the absence of a language barrier. This factor was admittedly much more relevant after the introduction of sound at the beginning of the 1930s, but even silent films in the 1920s had some title and many written dialogue captions contained within them. In addition, the long-standing cultural and historical links between the UK and the USA might also be thought to assist the success of British films in America, at least on some level of operation.

This article attempts to fill out the narrative in relation to the establishment of US dominance in the film industry after WW1 by documenting how two popular novelists contributed to attempts to get the British film industry back up to its pre-WW1 status. This was attempted through participation in corresponding production company-creation schemes at the end of the 1920s and through the early 1930s, a period encompassing what one source described as 'the most momentous in the history of the British film industry'.[2] In the end these schemes turned out not to be fully successful in their underlying aim, but the process by which the creators of the schemes went about the task is revealing from the point of view of the economic history of the British film industry, and also to understanding the legacy of European-wide production today.

The first section of the article provides a theoretical and contextual overview of the development of the UK film industry in the period under review, with special emphasis on the question of the measures taken to support British production. The second section presents two detailed case-studies of the activities of particular novelists who were engaged in various attempts to resuscitate the UK film industry, namely Elinor Glyn

[2] Political and Economic Planning, *The British Film Industry*, (London PEP, 1952), p.45.

and Edgar Wallace. These novelists were creative pioneers not only of attempts to assist the UK film industry, but also in developing cross-media cooperation between novelists and filmmakers in the UK and the USA in the period under review.[3] Although they are not regarded as being in any way 'classic' writers today, they were certainly very popular in their day, and had long and successful writing careers in specific genres – Glyn in romance fiction and Wallace in thrillers. They were thus both well placed to take advantage of their fame as writers to bridge the cross-media divide within the burgeoning UK film industry, both as a means to assist in developing British production, and also to promote their own works of fiction as movie adaptations.

2. Encouraging the UK film industry in the 1920s

In the second half of the 1920s the film industry in the UK was attempting to fight back against the domination of the international movie market by Hollywood-financed releases. This domination had in part been the result of the economic consequences of WW1, with many European countries being affected far more by the war than the USA. Allied to this was a very significant increase in the level of sunk costs that were required to build-up a studio-based system of production that had occurred after the war was over.[4] The vulnerability of European productions to American competition has previously been noted, which, in association with the speculative nature of investment in films that were dependent on the vagaries of public taste for success, placed growing pressure on governments to increase the level of state support.[5] In this sense many of the problems faced by the UK film industry at this time were common across Europe.

In numerical terms, the portion of British films that were exhibited in Great Britain after the war declined from 25% of the total in 1914 to

[3] For Glyn's experiences in Hollywood see Vincent L. Barnett, 'Picturization Partners: Elinor Glyn and the Thalberg Contract Affair, *Film History*, vol.19 2007, pp.319-29.
[4] Gerben Bakker, 'The Decline and Fall of the European Film Industry: Sunk Costs, Market Size and Market Structure, 1890-1927', *Economic History Review*, May 2005, pp.322-28.
[5] PEP, The British Film Industry, p.177.

5% in 1926.[6] In consequence of this dramatic fall, one of the main policies designed to protect the British film industry was the Cinematograph Films Act of 1927, which was an Act designed to restrict blind and advance booking of films and to secure the renting and exhibition of a certain proportion of British films. This Act declared that all films shown in the UK were required by law to be registered with the Board of Trade, and that a percentage quota of British films was to be shown in all cinemas in the UK.[7] The specific level of the quota as it was legislated to increase year by year from 1928 to 1936 is shown in *Table 1*.

TABLE 1. 1927 Cinematograph act quota levels

Date (year ending)	Renters' quota (%)	Exhibitors' quota (%)
31 December 1928	7.5	
31 December 1929	10	7.5
31 December 1930	12.5	10
31 December 1931	15	12.5
31 December 1932	17.5	15
31 December 1933	20	17.5
31 December 1934	22.5	20
31 December 1935	25	22.5
31 December 1936		25

Source: National Archive, CO 323/974/1, p.18.

The renters' quota applied to any person renting registered films to exhibitors for public show in Great Britain, while the exhibitors' quota applied to exhibitors of registered films at theatres owned or leased by them. Quota calculation was based on the proportion of screen time occupied in cinemas during the period in question. A 'British' film was defined as one in which at least 75% of the salaries paid out to those working on the film went to British subjects, including those within the British Empire.[8] By this protective method it was hoped that some significant degree of British-based film production would be encouraged. It should be noted that the UK-based productions of US companies could

[6] http://www.bopcris.ac.uk/bopall/ref8001.html.
[7] Ian Jarvie, *Hollywood's Overseas Campaign*, (Cambridge CUP, 1992), p.105.
[8] http://www.britishpictures.com/articles/quota.htm.

count as quota films, if the 75% figure for British salaries applied to the specific films in question. One study concluded in 1936 that the Act had achieved its purpose of establishing a British film industry that might never have come into existence without protective aid.[9] This does not necessarily mean, of course, that this newly established industry was in any position to challenge Hollywood on an international scale.

One of the basic structural problems encountered in the UK film industry was the sheer size of companies required to be successful in the international movie-making business. Various industrial consolidations occurred in the USA in the 1920s, such as the vertical integration of production and distribution, which enabled the Hollywood studios to tighten their grip on the international movie-viewing market. Partly as a consequence of the 1927 Cinematograph Act, one commentator outlined that in the UK:

> The immediate response to the Act was a major restructuring of the industry along Hollywood lines with the development of large vertically integrated companies embracing interests in production, distribution and exhibition. Two such companies emerged to dominate the British film industry for the next ten years or so – British International Pictures...and the Gaumont British Picture Corporation. There were many smaller companies as well and some of these such as Associated Talking Pictures, London Films and the British and Dominions Film Corporation made significant contributions to the development of popular cinema in Britain.[10]

However it has been suggested that many more new companies were floated as a consequence of the Act, than could possibly have survived in the market of the period.[11] One complicating factor was that this measure of government protection occurred alongside the invention of two new

[9] S. Rowson, 'A Statistical Survey of the Cinema Industry in Great Britain in 1934', *Journal of the Royal Statistical Society*, no.1 1936, p.108.
[10] Tom Ryall, 'Popular British Cinema', Close Up, p.3, at www.shu.ac.uk/services/lc/closeup/ryall.htm.
[11] Jarvie, *Hollywood's Overseas Campaign*, p.143.

media technologies - the possibility of releasing sound and also colour films at the very end of the 1920s. Theoretical work on this topic has suggested that, as new technology becomes available in a given industry, a sequence of firms may enter the market in order to attempt to take advantage of the new opportunities. These firms only learn about their comparative efficiency as they actually operate, and hence company shakeouts are a common phenomenon following the rush to harness the new techniques.[12]

The introduction of sound into commercial filmmaking at the end of the 1920s was a classic example of numerous competing technological systems being near-simultaneously invented and applied, before one successful system ultimately became dominant. The technologies that were initially invented in the second half of the 1920s included three basic variants. A disc system that recorded and played the sound separate from the film, a sound-on-film system that held the sound on a separate filmstrip from the image-holding film, and a sound-on-film system with image and sound combined on the same piece of film. For example, the Vitaphone Corporation of America invented a disc system, British Acoustic (allied with Gaumont) invented a separate sound-on-film system, and Phonofilm produced a combined sound-on-film system.[13] Both American and British companies were involved in creating the various competing film sound systems. The combined sound-on-film system eventually won out due to advantages in editing, synchronization and distribution, even though the sound-on-disc system initially had some cost and quality advantages.

In the rush to jump on the talkie bandwagon, it has been suggested that many British companies were tempted to extend themselves beyond their financial means.[14] The two film production schemes examined in detail in what follows were thus part of a 'bubble' of fast growth and decline associated with the new technological possibilities of the period. It has been estimated that between 1925 and 1936, 640 British production companies were newly registered, but by 1937 only 20 were still in

[12] Hans Kranenburg and Annelies Hogenbirk, 'Issues in Market Structure', in *Handbook of Media Management and Economics*, (New Jersey Erlbaum, 2006), p.336.
[13] Rachael Low, *The History of the British Film*, 1918-29, (London Allen and Unwin, 1971), pp.202-06.
[14] *Ibid*, p.19.

operation.[15] The costs associated with film production escalated because of the new technologies, for example sound equipment was expensive, although the possibility of finding increased audiences went alongside this increase in outlays. In the environment of the UK at the end of the 1920s, this technological factor was combined with policy factors (the 1927 Act), questions of market structure (access to US markets), and also circumstantial factors (the onset of the Great Depression), to determine the outcome for many British firms. It is thus necessary to distinguish, at least in theory, between the post-quota boom and bust (after 1927), and the new technologies boom and bust (mostly 1929 and after), although in practice the two were sometimes linked.

One of the key issues for the financial success or otherwise of UK-produced films was the ability of producers to obtain an American release for British products, alongside a release in various European and other international markets. One source outlined in 1927 that:

> The dominance of the United States film industry was due to its vast local market, from which it could recover the whole or a high proportion of its costs. The United States had twice as many cinemas and seats than the [British] Empire, while its net box office receipts were £140 million per year as compared with £35 million in Great Britain.[16]

Gaining access to the US market was thus crucial, and a number of factors might have been at work in blocking this necessary American access throughout the 1930s. Some have suggested that the relative lack of success of British films in the USA can be explained at least in part by the existence of cultural barriers. The apparent lack of a deep understanding of American audiences by British producers was one aspect of this.[17] One of the case-studies presented below will suggest that

[15] Sarah Street, 'British Film and the National Interest, 1927-39', in Robert Murphy (ed), *The British Cinema Book*, (London BFI, 1997), p.22.

[16] Cinematograph Films Act 1927, Board of Trade Committee, at www.bopcris.ac.uk/bopall/ref8001.html, p.1.

[17] John Sedgwick and Michael Pokorny, 'The Film Business in the United States and Britain during the 1930s', *Economic History Review*, February 2005, p.109.

this might have been a factor in only some instances of failure, and hence it was impossible to generalize about the causes of company collapses. Another factor that has been suggested is that European financial markets were less willing to supply their own film companies with backing, as opposed to the attitude of their American counterparts to US companies.[18] Again the case-studies will suggest that the actual situation was more complicated than this. Finally there is the possibility that American distributors deliberately prevented UK films from gaining access to US markets, either for anti-competitive or even ideological reasons, and some discussion of this is provided. These various reasons for failure will be re-assessed at the end of this article in the light of the case-studies that are now presented, in order to increase the level of understanding of the many complicated factors at work in this crucial period of development of the British film industry.

3. Elinor Glyn

Elinor Glyn (1864-1943), the literary impetus behind the very first *It* girl (Clara Bow) and the internationally renowned author of scandalous romance novels such as *Three Weeks* (1907), was also a pioneer in cross-media and cross-national cooperation between novelists and film-makers in the burgeoning Hollywood studio system of the 1920s. Although largely forgotten today, she was one of the most successful and famous authors-turned-screenwriters of the period, and probably even counts as one of the most successful of all time. In total 27 films were produced from her stories, novels and screenplays, many of them achieving significant financial, artistic and popular success.

At the specific request of studio management in Hollywood, Glyn had spent most of the 1920s in the USA personally adapting her novels into a large number of film scenarios, having signed multi-film contracts first with MGM and then with Paramount.[19] Her two most successful films were *Three Weeks* (1924) and *It* (1927), both of which made large profits

[18] Bakker, 'The Decline and Fall of the European Film Industry', p.340.
[19] See Anne Morey, 'Elinor Glyn as Hollywood Labourer', *Film History*, vol.18, 2006, pp.110-18.

for the studios involved. In turn Glyn had received very significant amounts (tens of thousands of dollars for each film) as royalties in return for her efforts, and had become a famous celebrity within the Hollywood arena. Glyn later declared in her autobiography that:

> After the Paramount contract ended in 1927, I decided to make no more films, and I left Hollywood and lived in New York, writing daily articles and occasional magazine stories...[20]

The precise reasons for this apparently abrupt change of direction were not clearly articulated. One reason could have been that Glyn's Hollywood films were not always profitable. Another reason may have been that Glyn was a member of a particular fashionable 'set' of people (such as Clara Bow and Marion Davies), whose star status was waning somewhat at the end of the 1920s. A third factor was that the Internal Revenue Service might have been interested in Glyn's outstanding tax liabilities had she returned to the USA after leaving the country in 1929.[21] Fourthly Glyn's fictive cocktail of upper crust romance had lost something of its attractive gloss as the decade progressed. And finally, on returning to the UK in early 1929 initially for a holiday, Glyn found her mother in a poor state of health and felt unwilling to return to the USA.[22]

All these various factors came to together to determine the outcome that Glyn would remain in the UK for the rest of her life and attempt to re-ignite her movie-making career back home. She wrote in 1930 that:

> I sold everything I had in America, and, because I thought I could perhaps help the British industry and because I like making pictures, I decided to make a film over here. I have learnt all I can of the technical side of film making during my long stay in Hollywood, and I thought I might be of service over here. I did not want to compete with anyone

[20] Elinor Glyn, *Romantic Adventure*, (London Nicholson, 1936), p.325.
[21] Joan Hardwick, *Addicted to Romance*, (London Deutsch, 1994), p.269.
[22] Reading University Archive (RUA), MS 4059, Box 33, Folder 'Miscellaneous Filing'.

– I wanted to help British films. That is why I produced *Knowing Men*, which I backed entirely myself.[23]

There was certainly a genuine desire to re-invigorate the British film industry, but this sat alongside more narrowly personal reasons such as a hankering for the lost fame that she had enjoyed in Hollywood.[24] An indication of Glyn's thinking in relation to her decision to produce films in the UK can be found in a document dated 6 March 1930, which stated:

> We assume then, for the sake of argument, that Mrs Glyn who has not only a deep knowledge and wide experience of the American film industry but has also some very remarkable successes in the way of production of films in that country, including several of the most prominent stars of the American film world who owe their position to her inspiration, has come to the conclusion that the talking picture has not yet reached full maturity as an art, and that in England rather than in America is there to be found the material and the opportunity on which an advance can be based.[25]

The result of Glyn's enthusiasm for assisting the development of the British film industry was the creation of Elinor Glyn Productions Ltd.

4. Elinor Glyn Productions Ltd

Glyn wrote of the prospect of working on her own films in the UK on 2 September 1929 that she had been able to get all the money that she wanted to make films just as she desired, without any outside obligations, which was her ultimate dream.[26] A reference to her 'life's dream' being a film rather than a literary output might be a little surprising, but Glyn had relished her role in Hollywood as a power behind the director's chair. She commented in this regard that 'I would rather do it

[23] Elinor Glyn, 'Men Have "It" Too', *The Picturegoer*, April 1930, p.15.
[24] Anthony Glyn, *Elinor Glyn*, (London Hutchinson, 1955), p.317.
[25] RUA, MS 4059, Box 5, Folder 'Publicity'.
[26] MS 4059, Box 33, Folder 'Elinor Glyn Films Ltd'.

than anything else - it is like living thrilling love stories instead of writing them'.[27] Becoming the director of a film was one step better than only advising the director, which she had often undertaken in Hollywood, and was the culmination of all her artistic and literary ambitions combined.

Elinor Glyn Productions Ltd was officially incorporated as a British company on 5 February 1930. The objects for which it was established (according to its memorandum of association) were declared to be as follows:

1) to carry on business as film producers, proprietors of film, record and theatre producers, concert, music hall and picture palace proprietors, and every type of entertainment managers;

2) to acquire copyrights, rights of representation and licenses likely to be conducive to the objects of the company;

3) to establish in the United Kingdom and any other parts of the world all of the indicated businesses, and to act as manufacturers, dealers, distributors, renters and licensees of films;

4) to carry on business as electrical and mechanical engineers;

5) to carry on business as theatrical and entertainment agents and to act as owners and managers of restaurants, cafes and tea rooms;

6) to form libraries for the supply, distribution, hiring and purchase of film, gramophones and phonograph records.

The share capital of the company was £100 divided into 100 shares of £1 each.[28] The very large range of proposed business activities given in the memorandum was highly optimistic, given that Elinor Glyn Productions Ltd was a small family-based firm with some experience in only a few of the outlined areas of operation.

The key personnel associated with this company were Sir Rhys Rhys Williams, Juliet Glyn (Lady Rhys Williams), Sir Edward Davson and Margot Glyn (Lady Davson). Hence it was constituted from Elinor Glyn's two daughters and their (much older) respective husbands, all of who had assisted Glyn either artistically or with financial advice in her Hollywood dealings throughout the 1920s. Rhys Rhys Williams had previous business

[27] M. Etherington-Smith and J. Pilcher, *The It Girls*, (London Hamilton, 1986), p.236.
[28] RUA, MS 4059, Box 3, Folder 'Elinor Glyn Productions Ltd'. The objects of the company have been summarised and shortened for clarity.

experience outside of the film industry, and Edward Davson was the director of the Dominion, Colonies and Overseas Branch of Barclays Bank Ltd.[29] Juliet Rhys Williams became a noted economist later in her life. In 1943 she developed an alternative scheme for funding the British social security system, and she was one of the earliest proponents of a negative income tax.

In January 1925 Juliet Rhys Williams had written a report entitled 'The Present Position of the British Film Industry' in which she explained that the reasons usually offered for the failure of British films to achieve any success were inadequate funding and bad weather in winter. She argued that financial support had indeed been lacking during the last three years, partly owing to general economic difficulties, but that there had also been poor management of what money was available. In some cases the capital was wasted in studio construction and equipment before any productions could be made. In other cases the films made by inexperienced producers were of such poor construction that they failed to obtain US and overseas releases, and when they were shown in the UK, they gave British films a negative reputation.[30] Rhys Williams believed that it was untrue that there was any conscious boycott of British films by American distribution companies, rather they were refusing to take British films because they were technically inferior, although a typically British story (about remote village life for instance) might not appeal to an American audience. This analysis suggests that it was uneven quality rather than national protection that hindered British access.

With Juliet Rhys Williams' active participation, the two films that Elinor Glyn Productions Ltd went on to make in the UK were *Knowing Men* (1930) and *The Price of Things* (1930). Both were adaptations of Glyn's stories, both were made as sound productions and both were financial and critical disasters. One of the factors in this failure was that the subject matter of *Knowing Men* was seen as controversial. For example the *Evening Standard* reported on 30 May 1930 that the Australian Film Censors had banned the film.[31] However, Glyn's outspoken views on

[29] National Archive (NA, London), BT 31/33154/245536.
[30] RUA, MS 4059, Box 18, Folder 'Miscellaneous Film Correspondence'.
[31] RUA, MS 4059, Box 5, Folder 'Publicity'.

marriage and gender relations were (by 1930) very well known, and this sort of controversy had (in the past at least) proved to be good publicity for her in the USA. There was no reasonable way of knowing beforehand that this sort of publicity could turn sour in the UK.

In organizational terms the production of *Knowing Men* was fixed to begin on 1 October 1929. The sound-recording process employed was by R.C.A. and the studio used was British International at Elstree. A guaranteed release by Paramount (Glyn's final multi-contract studio in Hollywood) had apparently been arranged, and a cameraman from Famous Players Lasky was traveling from America to photograph the picture. One source explained:

> Mrs Glyn is considering the advisability of making a colour version of the film in addition to the black and white. The Raycol Company have offered her the use of their process without charge, on account of the advertisement which it would give them. The established cost of production, exclusive to any payment to Mrs Glyn (other than her salary of £100 a week as director), is £23,000.[32]

The Raycol process was a two-colour additive system of cinematography in which two image pairs of the same frame were exposed with two different single colour hues, which were later superposed to form a colour image by means of a special optical system. The Raycol system was only one among a number of competing systems for producing colour images developed in this period, such as the Busch system, Colcim colour and Cosmocolour. However the possibility of making a colour film was quickly thrown into doubt through unexpected technical complications. A letter from Rhys Williams to Maurice Elvey (a noted director) dated 2 September 1929 outlined that:

> I am glad you told us in time that the Racol (sic) process could not be used unless you were in charge of the production and that a b&w film could not be made at the same time as a coloured one

[32] RUA, MS 4059, Box 33, Folder 'Elinor Glyn Films Ltd'.

> owing to the different lighting required...it is impossible to have two persons producing the same film, and it is too great a risk for us to make the picture in a new process only without a b&w duplicate, so we have now definitely arranged not to use Racol.[33]

The uncertainties associated with an attempt to use untested new technology were here clearly expressed.

Given that Glyn's attempt to resuscitate the British film industry was eventually a failure it is worth examining the financing of her film ventures in some detail, in order to gauge whether this aspect of the production process contained any obvious flaws. An estimate of production costs for *Knowing Men* was presented on 11 September 1929 as shown in *Table 2*.

TABLE 2. Estimated production costs of *Knowing Men*

Item of production expenditure	Amount (in pounds sterling)
Story, scenario and continuity	6,000
Director and camera operators	1,700
Actors, actresses and extras	4,615
Production manager, cutter and script girl	1,065
13 sets	3,000
Studio for 5 weeks	5,000
R.C.A. royalties	1,500
Props, wardrobe and location expenses	905
Film stock and developing	2,500
Electricity, studio staff, stills and insurance	1,395
Miscellaneous	1,000
Total	**28,680**

Source: Reading University Archive, MS 4059, Box 3, Folder 'Elinor Glyn Ltd Report and Accounts'. Some of the items in Table 2 have been added together for ease of presentation.

Compared to the average cost of production of a film in Hollywood at this time, the estimated budget shown in *Table 2* was quite small. This was partly because there were no studio and management overheads to be included, but also because the payment to the director was rather low. In turn, this was because for *Knowing Men* Glyn herself served as

[33] RUA, MS 4059, Box 33, Folder 'Elinor Glyn Films Ltd'.

director, screenplay writer and co-adaptor (with Edward Knoblock, a well-known co-writer of adaptations who had worked with a number of famous authors such as Arnold Bennett). Juliet Rhys Williams provided the continuity writing. The running time of the film reached 88 minutes, and it contained a prologue in which Glyn herself provided an illustrated analysis of her attitude to gender relations.

The estimated production cost given in *Table 2* (£28,680) was in the event exceeded by around 25%, with the actual production cost being reported as £35,679. According to accounts for the period up to 31 March 1931, the proceeds received from the release of *Knowing Men* amounted to £15,046, a figure substantially below the amount that had been expended on production.[34] Although the cost of production of Glyn's first UK film was small compared to Hollywood budgets, it was significantly more than the average cost of UK productions at this time. This had risen from £5,374 in 1928 to £9,250 in 1932, before reaching £18,000 in 1936.[35] The budget for *Knowing Men* was thus nearly four times the average cost of a film made in the UK in 1932. An even more disastrous financial performance was to follow from Glyn's second and final UK film *The Price of Things*. With a total cost of production of £28,797, the proceeds (as reported in accounts up to 31 March 1931) were a meager £3,265. This film had admittedly (at the time of the quoted accounts) been out on release for less time than *Knowing Men*, but (on the other hand) box office income tends to be greatest in a film's opening period.[36] After such a poor financial return on her two British productions, Glyn decided to quit the UK film business for good.

5. The failure of Glyn's British film venture

What were some of the most identifiable difficulties encountered by Elinor Glyn Productions Ltd with UK film production? One of the pre-production problems that had been encountered in the making of *The*

[34] London School of Economics (LSE), Juliet Rhys Williams, 16/4/1, appendix II.
[35] Linda Wood, 'Low-Budget British Films in the 1930s', in Robert Murphy (ed), *The British Cinema Book*, (London BFI, 2001), p.59.
[36] LSE, Juliet Rhys Williams, 16/4/1, appendix I.

Price of Things was that parts of the camera used in the colour process had been stolen prior to filming, in a probable case of industrial espionage. One of the post-production difficulties that had been encountered was that the test results of using the colour system had been disappointing, and it was recognized in August 1930 that it was unlikely that a colour version could be exhibited publicly.[37] Thus both time and money had been wasted on attempting to employ new technology that had not yet been perfected. Elinor Glyn Productions had evidently jumped the gun with respect to the colour film process, although not with regards to the use of sound.

Glyn's associates had attempted to ride the new technology wave through the creation of an organisation called Talkicolor Company Ltd, the clue to its aims being expressed in the company name combination. 15,000 £1 shares in Talkicolor were created on 19 September 1929 in an initial allotment to a few select purchasers. The articles of association of Talkicolor were set out on its incorporation on 18 September 1929, with the primary object for which the company was established being given as: to acquire and develop a process for talking films in natural colours, and for that purpose to enter into an agreement with Percey James Pierce and Maurice Walter Pierce, two inventors of relevant technology. Many of the other objectives of the company were similar to those of Elinor Glyn Productions Ltd.[38] Between June 1930 and February 1931 the shares of Talkicolor were distributed as shown in *Table 3*.

By an agreement between Elinor Glyn and Talkicolor Company Ltd, Talkicolor had arranged to produce *Knowing Men* as a film.[39] However the names presented in *Table 3* as shareholders in Talkicolour were the usual suspects from Glyn's other UK film ventures, they were not people who possessed any special technical or business knowledge relevant to the proposed new venture. A charge of being too inward looking could thus be leveled at the personnel selected to participate in Talkicolor.

According to Glyn's autobiography, the 'foolish temerity' of the two

[37] LSE, Juliet Rhys Williams, 16/2/1.
[38] RUA, MS 4059, Box 10, Folder 'Talkicolor Accounts'.
[39] RUA, MS 4059, Box 3, Folder 'Talkicolor Co Ltd'.

TABLE 3. Allocation of Talkicolor shares *(June 1930-February 1931)*

Name	Number of shares
Edith Rudland	1
James Bennett	1
Sir Rhys Rhys Williams	1448 + 3176
Lady Williams (Juliet Glyn)	1000
Lady Davson (Margot Glyn)	500
Elinor Glyn Ltd	2300
Elinor Glyn	324
Major Greaves	250
Total	**9000**

Source: London School of Economics, Juliet Rhys Williams, 16/5/1.

films that she made in the UK eventually cost her £40,000 in personal losses.[40] She protested ignorance as to why the first of the two films (*Knowing Men*) had fared so disastrously:

> ...the storm of criticism ran to centre-page headlines, and the most extraordinary allegations or immorality were made against the poor little comedy. I have never understood why...[41]

Part of the problem was receiving a flood of bad reviews from the critics, who set upon what they saw as the amateur production techniques of the film, and also its apparently anti-male content. This led, in turn, to the co-author of the scenario (Edward Knoblock) attempting to take out a court injunction preventing the distribution of the film to cinemas. Knoblock's legal argument was that Glyn had no right to dispose of the copyright without his consent, but the case was quickly decided in Glyn's favour.[42] Even so, this type of negative publicity did the film no good at all in the minds of the public. Another factor in the financial failure was the lack of an American release, despite Glyn obtaining a promise of one from Paramount, which would have guaranteed the film a much wider audience than it actually found. The film was due to receive an Australian

[40] Glyn, *Romantic Adventure*, p.332.
[41] *Ibid*, p.333.
[42] *The Times*, 16 July 1930, p.5.

release, but the Australian Film Censors had banned the film with no explanation being given.[43]

One of the most significant circumstantial factors that militated against the success of this venture was the onset of the Great Depression following the Wall Street Crash of 1929. This affected both the UK and the American market, although certainly in the USA the effect of the depression on audiences was mitigated by the advent of sound and a heightened need for escapist entertainment. A few British films of the early 1930s, such as *The Private Life of Henry VIII* (1933), obtained the necessary successful release in the USA, but this was the exception rather than the rule. The activities of Elinor Glyn Productions Ltd has to be seen as part of this wider context of a potentially favourable improvement in support for British film companies that was (in part) mitigated by a radically changing context, compounded by structural factors and the difficulties of successfully employing new technology. Given the critical reception of her British films, it was ironic that Glyn herself had written a letter to *The Times* in November 1924 in which she declared:

> The [American] producers realized about ten years ago that if it was necessary to spend a million dollars to obtain a certain result, the million must be risked. High salaries must be paid to the best brains in the country in every department of the business, the psychology of the public taste must be studied, and the mathematical proof of the box-office returns would confirm deductions. The result is that American picture methods improve year by year...English films have not been able to teach them anything yet, because, although the stories in written form are excellent, the whole British manner of presentation is amateurish.[44]

Elinor Glyn Productions Ltd could never have spent a million dollars on making an entire film, let alone 'to obtain a certain result'. The significant rise in the sunk costs of movie production that occurred after WW1 had proved an insurmountable barrier in this regard.

[43] RUA, MS 4059, Box 5, Folder 'Publicity'.
[44] RUA, MS 4059, Box 13, Folder 'English Relations with America'.

6. Edgar Wallace

As noted previously, Elinor Glyn Productions Ltd was certainly not the only new UK film production company to be formed in this period. Nor was Glyn the only famous author to participate directly in such enterprises. The British Lion Film Corporation was founded in 1927 solely to make films from the novels and stories of Edgar Wallace (1875-1932). Wallace was a well-known writer of crime thrillers and he was also responsible for a series of stories set at the height of the British Empire. The managing director of British Lion was Samuel W. Smith.

Wallace had initially cooperated with the film industry in 1915, when he wrote his first script for a film entitled *Nurse and Martyr*, and he continued to provide stories for film adaptations throughout the late 1910s and the early 1920s. British Lion Films Ltd had been in existence since December 1918 and had made a number of films at the very end of the 1910s. Its original memorandum of association declared that its first objects were: to establish, purchase or acquire any of the businesses of photographers, moving or animated picture designers, producers and agents in the moving picture business, and generally to carry on the business of photographers, colour printers, film makers, producers, merchants and purchasers and dealers in copyright, dramatic rights and authors' rights.[45] There was no mention of specializing in adaptations of the works of Edgar Wallace in this memorandum, despite the mention of acquiring authors' rights in general.

The British Lion Film Corporation, a later and more focused creation, was formed at the end of 1927 with authorized capital of £210,000, divided into 160,000 £1 Preferred Ordinary shares and one million one-shilling Deferred shares. Subscriptions were invited in November 1927 for the 160,000 Preferred Ordinary shares and also for Deferred shares. Preferred Ordinary shares were to receive 20% of the surplus profits after a 10% dividend had been paid on the Deferred shares.[46] However, the initial capital offering was not fully subscribed, and hence the company's issued

[45] NA, BT 31/24289/152227.
[46] *The Times*, 29 November 1927, p.24.

capital was less than the authorized figure.[47] British Lion acquired the existing but run-down Beaconsfield Studios in Hertfordshire in the same year of its creation, in order to facilitate its own production of features. Wallace himself was made a figurehead chairman after the success he had achieved in adapting his crime stories to the stage, and he gave the British Lion Corporation the sole film rights to his numerous stories. In remuneration:

> ...he received a down payment of £10,000 in the form of shares, which he immediately sold before they had had time to appreciate. Besides this, he was to receive £1,000 for every picture made, 10 per cent of the gross receipts, and a nominal director's fee of £500 a year. Edgar was well satisfied with this arrangement, though it cannot be said to have shown great financial foresight on his part. By disposing permanently of all his film rights at one blow he deprived himself of many thousands of pounds, since the individual sale of his novels to competing film companies would eventually have netted him far more than the approximate £26,000 which he made out of his five years' association with British Lion.[48]

The accuracy of the statement that Wallace exhibited a lack of financial foresight, at least in part, depended on the box office receipts from his films, as he was due to receive 10% of gross receipts on all films made from his works.

Wallace (like Glyn) was very committed to assisting in the making of his film adaptations, and he even directed one of the best-known British Lion film productions himself – *Red Aces* of 1929, a detective thriller.[49] He also directed *The Squeaker* of 1930, which was an early sound production. Wallace's daughter wrote that:

> Edgar is, or course, very interested in this new business of talkie films. He says that, as far as the production side goes, the great difference

[47] Low, *The History of the British Film, 1918-29*, p.194.
[48] Margaret Lane, *Edgar Wallace*, (London Windmill, 1939), pp.358-59.
[49] Rachael Low, *The History of the British Film, 1929-39*, (London Allen and Unwin, 1985), p.177.

> is going to be in the actual rehearsal of scenes...from the director's or producer's point of view making a talkie film will be much more like producing a stage play...he thinks that there is one great illusion current at the moment with regard to England and the talkies. That is that we hold the future of talkies in our hands because they must feature "nice English voices"...[50]

The arrival of sound had meant that in 1929, only two years after the creation of the Wallace-focused British Lion, the company was faced with the expensive problem of major technical reconstruction. The subsequent refitting of the film studios at Beaconsfield to accommodate sound filming took nine months, and the company accounts for the period in question showed a corresponding loss of £49,428.[51] Despite this partial setback, Wallace involved himself to a significant degree in the first series of sound films at British Lion, believing that filmed plays were closer to his own professional experiences than silent films had been.

British Lion made a total of sixteen films from Wallace's works between 1928 and 1932, but following his death they decided to branch out into making other film outputs in addition to Wallace adaptations. According to one source, up until November 1931 British Lion had lost £95,000, but this figure referred to a period that included the transition to sound technology.[52] Also in 1931, British Lion participated in three joint productions with Gainsborough Pictures Ltd. *Table 4* lists the Wallace adaptations made by British Lion at the end of the 1920s and the beginning of the 1930s.

Making this significant number of films (sixteen) in such a relatively short period of time (five years) was an indication of both the popularity of Wallace's stories, and also of the relative success of British Lion as a production company. The quality of the films themselves is impossible to accurately measure, as none of these British Lion productions have survived in any form to view today.

One of the entrenched organizational difficulties associated with the

[50] Pat Wallace, 'Edgar Wallace Directs', *The Picturegoer*, (August 1929), p.18.
[51] Lane, *Edgar Wallace*, p.359.
[52] Low, *The History of the British Film, 1929-39*, p.178.

TABLE 4. British Lion Edgar Wallace adaptations

Film title	Year
The Valley of Ghosts	1928
The Ringer	1928
The Man Who Changed his Name	1928
Chick	1928
Red Aces	1929
The Clue of the New Pin	1929
The Flying Squad	1929
The Squeaker	1930
Should a Doctor Tell?	1930
To Oblige a Lady	1931
The Old Man	1931
The Calendar	1931
The Beggar Student	1931
The Ringer	1931
The Frightened Lady	1932
White Face	1932

Source: http://imdb.com/company/co0103038.

British film industry in the early 1930s was evident from correspondence between Michael Balcon (of Gainsborough Pictures) and Wallace at the end of 1931. Wallace had written to Balcon on 6 November asking if any of the money that he was due for working on two particular films could be procured from Gainsborough in the immediate future. Wallace explained that British Lion was not over-capitalized and was consequently using its revenue stream to finance new productions. Balcon responded to Wallace in a letter dated 16 November 1931:

> As you know, "The Calendar" was a rather more expensive production than we anticipated, nevertheless the Gaumont-British Picture Corporation paid two-thirds of the negative cost on delivery date. As the delivery date is at least six months in advance of the general release date, at which time the film becomes revenue earning, it is most difficult for me to ask them to assess the film's possible revenue...[53]

[53] British Film Institute, Michael Balcon, A/55, p.1.

In Hollywood the release date of a film was often much closer to the date of final delivery, allowing for a quicker recouping of production costs and a more immediate judgment as to a film's artistic merits through audience attendance. Given the more drawn-out UK system, Wallace was complaining that all of his ready cash was locked up in various activities, and this was an added difficultly for a company such as British Lion compared to many of its American counterparts.

Undoubtedly the most famous film that Wallace worked on was *King Kong* (1933), which was released only after his death. Wallace had travelled to Hollywood in the early 1930s to work on film scripts for various studios, and he reported in his diary that:

> Naturally, my first impression of Hollywood is a little bit confused...The impression I have is that they will go a long way out of their way to make things easy for me, and that they are very pleased I am here...if you make good, as I believe I shall, you can write your own ticket...Selznik was telling me to-day that they had to stop work on a film because it took seventeen days to rewrite a portion of the story, and every day it cost the studio $3,000...I repeat that Hollywood isn't a bit like anything you imagine.[54]

This suggested that the call for established writers in Hollywood was, in part at least, financially motivated, as poor scripts could disrupt production schedules and cause budgets to spiral upwards. The idea of using famous authors as scriptwriters (as employed by both Elinor Glyn Productions and British Lion in the UK) was thus transplanted back to the USA.

The British Lion Film Corporation continued active operation throughout the 1930s and the first half of the 1940s, being purchased by Alexander Korda's London Films in 1946. But it was the many adaptations of the works of Edgar Wallace that had given it an initial springboard from which to expand, and had provided a unique selling point to its early productions. In 1934 British Lion marketed 15 films in Great Britain,

[54] Edgar Wallace, *My Hollywood Story*, (London Hutchinson, 1932), pp.65-66.

which was approximately half of the number (29) marketed by British International Pictures, who were the most productive British film company in this particular year. However, this compared to the 88 films marketed in Britain by Paramount and 63 marketed by MGM.[55]

Financially, the fortunes of British Lion continued to be mixed as the 1930s progressed. For example, a net profit of £15,498 was reported in company accounts for the year ending 31 March 1938, as against a loss of £14,016 that was suffered in the previous financial year. Total company assets were declared as being £361,430, but this included various loans, studio equipment, film stock and other fixed assets. The amount of cash in hand was given as £30,974, less than 10% of total assets.[56] No dividend was being issued to shareholders for 1938, suggesting that investing in UK film production companies was still a very risky venture at this time.

7. Conclusions

Although Elinor Glyn had been very successful in Hollywood in the 1920s, in the UK her two films from 1930 and her UK-focused companies were very unsuccessful. The reasons for the failure of the Glyn UK venture are reasonably clear. Bad publicity around at least one of the films, in association with a lack of access to the US market and only partial success in employing new technologies (sound but not colour), meant that big losses were sustained on both productions. Given that Glyn's company was so small, this was enough to force it out of business very quickly. Certain reasons previously hypothesized in the literature for British failures in this field – cultural barriers and a lack of understanding of US audiences – did not apply in this case. Since Glyn had spent nearly a decade in Hollywood successfully adapting her stories for the screen, it was unlikely that she fell foul of cultural barriers and/or did not understand US audiences. In fact, it might be suggested that, if her two UK films had managed to obtain US releases, then American audiences might have received them better than British ones, with financial success being the

[55] John Sedgwick, 'The Market for Feature Films in Britain, 1934', *Historical Journal of Film, Radio and Television*, no.1 1994, p.22.
[56] *The Daily Film Renter*, 14 September 1938, p.1.

counterfactual result. Hence structural factors more than cultural barriers were to blame in this case.

In contrast to Glyn, the company created to film the works of Edgar Wallace was much more successful, at least in terms of the number of Wallace-based films that were made. The British Lion Film Corporation was created in 1927 to take advantage of the Cinematograph Act, but it was then required quickly to adapt to the new technology of sound. It did this reasonably well and managed to survive any transitional difficulties that were encountered, and went on to make an impressive series of sound films, first from Wallace stories, and then from other sources. Hence it is clear that some UK production companies successfully negotiated the introduction of new technologies at the end of the 1920s, at least within the context of the British market.

Another factor that has been suggested in the literature to explain aspects of the failure of the British film industry in the 1930s was an apparent shortage of entrepreneurial and creative skills.[57] In Glyn's case she possessed a proven track record of successfully employing creative skills in adaptation, and hence this cannot really be seen to apply in her case. Wallace was also a very experienced writer who was involved in a number of film adaptations, including the very successful *King Kong*. The business skills of Elinor Glyn Productions Ltd were much more untested, and some indication that the company failed to successfully employ the new technology of the period in an economically wise manner has been detected. However, the fact that British Lion as a production company lasted for a very considerable period of time suggested that, in the UK context at least, some reasonable level of business acumen could be found among at least some of its leading personnel. Hence a lack of business acumen was certainly not the sole or even the main reason for many British failures at this time.

The question finally arises of the capacity of British production companies to challenge within the American market. It is probably the

[57] Tom Ryall, 'A British Studio System', in Robert Murphy (ed), *The British Cinema Book*, (London BFI, 1997), p.27.

case that the English novelist who was in the best position to even think about attempting this from an artistic perspective was Elinor Glyn. Glyn's extensive experiences in Hollywood throughout the 1920s gave her the detailed knowledge and experience of US audiences that most British producers lacked. Moreover Glyn's daughter had provided an analysis in 1925 that suggested that it was the poor quality of British films that was preventing them from obtaining an American release, not any form of boycott by US distributors. It was, then, ironic that Glyn's UK-based company failed so spectacularly to cash in on her knowledge of (and fame within) the American film world, as Glyn herself was more famous than most Hollywood studio personnel at this time.

One of the problems was the sheer number of relatively small-scale UK production schemes that were created in the post-Act and post-sound booms. This phenomenon of mushroom growth can be conceived as an attempted UK equivalent of the escalation phase in American film production that had occurred after WW1, which had given the US a first-mover advantage.[58] However, in the much smaller British market this proliferation of companies served to spread UK financial and organizational capacity beyond any sensible expanse of application, thus compounding the already existing problems of scale and of structure. The difficultly was thus not the lack of available finance in absolute terms, but how this finance was focused in an appropriate way. It was the classic problem of picking winners at a company level, or of providing a mechanism by which the creative and business talent most likely to succeed was fostered through financial support.

Elinor Glyn Productions Ltd was a rather old-fashioned upper-class family-run unit, with most of its finance being found internally. The idea that a small company organized in such a manner could challenge MGM or Paramount might seem absurd, but there was no doubt about Glyn's proven record of successful movie adaptations. If Glyn had received much more significant financial backing for her UK venture, in order to have the capacity to override the two initial failures, then it is possible (although by no means certain) that her run of films could have extended

[58] Bakker, 'The Decline and Fall of the European Film Industry', p.311 and p.344.

much longer into the 1930s, especially if some US access could eventually have been obtained. The global dominance of Hollywood after WW2 was thus an extremely likely outcome given the realities of the British film industry in the 1930s as documented in this article, but it was not an absolutely inevitable one in all areas of application.

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