The Hollywood Antitrust Case:
aka The *Paramount* Antitrust Case

The famous entrance to the Paramount studio, the largest of the major film companies of the classic Hollywood era.

The 1948 Supreme Court decision in *U.S. v. Paramount Pictures, et al*, dealt a crushing blow to the Hollywood studios, and effectively brought an end to the studio system of classic cinema. This Great Hollywood Antitrust Case was actually two major suits (and numerous minor ones). In effect there were two "Paramount cases."

The Hollywood studios' antitrust problems began with a Federal Trade Commission investigation in 1921. The FTC declared block booking anticompetitive, and brought into question other studio practices related to their theater monopolies. In 1928, the FTC took Famous Players-Lasky (the forerunner to Paramount Pictures) to court, along with nine other major Hollywood studios. In 1930 the major studios were declared guilty of monopolization. However, the effects of the decision were nullified by a controversial deal arranged with the Roosevelt administration during the depths of the Great Depression.

After having weathered the worst of the Depression, the major studios emerged more powerful than ever. In 1938, the Roosevelt administration turned the tables on the studios, ordering the Department of Justice to file suit against Hollywood's Big Eight. The case *U.S. v. Paramount* was delayed several times by consent decrees and World War II. However, largely due to the influence of the independent producers and the rise of the SIMPP, the case made its way to the Supreme Court where the famous 1948 decision lead to the abolition of block booking, and the forced divestiture of the studios to sell off their theater chains.

This case was in integral part of SIMPP's mission, and had a profound effect on Hollywood history.

http://www.cobbles.com/simpp_archive/1film_antitrust.htm