The “Golden Age of Hollywood,” roughly the period that spanned the 1930s and 40s, is so named because it was the era in which Hollywood was at the height of its power and glory. One of the main reasons that Hollywood enjoyed such success and popularity was because of what we now call “vertical integration.”

Vertical integration basically means that the Hollywood films studios owned a monopoly on the three areas of the film business: production, distribution, and exhibition. Production refers to the actual process of making the movies (this is the part where the actors, directors, editors, screenwriters, etc. are involved). Distribution refers to the process of transporting the films from the film studios and out to the movie theatres throughout the world. Exhibition refers to the actual theatres themselves where the movies are shown to the audiences.

Until 1946, the Hollywood studios controlled all three of these areas of film. At this time, theatres were mostly owned or controlled in some way by each of the studios. For example, when you went to a movie theatre back in the thirties and forties, that theatre would only show films from one studio. So, you would go to the MGM theatre to see the latest MGM musical or you’d go to the Warner Bros. studio to see the latest Warner gangster movie. Essentially what that meant is that the film studios were making films to fill their own theatre seats.

Independently owned theatres didn’t have a chance at cracking this monopoly. If they wanted to show a particular film from a particular studio, they would be forced to sign an agreement where they had to show all of the films, good and bad, that the studio gave them to show along with the film that they were originally interested in. Theatre owners had no choice but to comply or they would not be guaranteed any business in the future.

**Movie Palaces**

A few notes should be made here about what the movie theatres—or, as they are more appropriately called, the “movie palaces”—during the thirties and forties were like. It was these movie palaces which actually contributed largely to the film medium’s rise in popularity. These movie palaces were aimed at attracting the middle classes through a five-part strategy: location, architecture, service, pre-shows, and air-conditioning. Theatre owners placed their palaces at transportation crossroads, selecting points at which the middle class could be expected to congregate.

The architecture of these theatres incorporated rich and luxurious designs from nearly all the past eras, among them classic French, Spanish, and baroque designs. Film-goers soon came to expect triumphal arches, monumental staircases, and grand, column-lined lobbies (inspired by the Hall of Mirrors in Versailles). The outside of these buildings had impressive, dramatic facades adorned with colossal electric signs that could be seen for miles. If you’ve ever been to the Capitol Theatre in Salt Lake City you could see an example of what the old movie palaces used to be like since the Capitol Theatre was once a movie palace that has now been converted for ballet, opera, and stage performances.

These theatres even offered child care, rooms for smoking, and picture galleries in the foyers and lobbies. In the basement of each movie palace was a complete playground which included slides, sand-pits, and other objects of fun for younger children left in the care of nurses while their parents upstairs enjoyed the show.

Ushers, recruited from the ranks of male college students, were dressed in red uniforms with white gloves and yellow epaulettes. They guided patrons through the maze of halls and foyers, assisted the elderly and small children, and handled any emergencies. They were trained to be obediently polite to even the rudest of patrons. All requests had to end with a ‘thank you’ and under no circumstances could tips be accepted.
Many theatres also offered elaborate pre-show stage performances featuring local actors or musicians. These shows had spectacular settings and intricate lighting effects which celebrated holidays, heroic effects, vaudeville performances, etc. Eventually these pre-shows gave way to filmic pre-shows. Back in those days, the main feature was often precluded by a cartoon, a newsreel, and sometimes a less-expensive, relatively short feature-length film before the main film finally appeared.

But one of the biggest draws of all was that these theatres had air-conditioning, which was quite a novelty at the time. As such, Americans flocked to the theatres in droves to escape the oppressive summer heat at the time. Very few other establishments could offer the luxury of air-conditioning.

**The Decline of an Empire**

With all of these conditions in place, movie-going was the number-one entertainment attraction during the 1930s and 40s. In 1946, when movie attendance had reached its all-time peak, 90 million Americans attended the movies on a weekly basis (consider also that the American population was not as large as it is now). Nearly every American went to the theatre on a weekly basis.

But Hollywood’s good luck soon began to run out. Previously under Frankling Delano Roosevelt’s New Deal program in the thirties, vertical integration monopolies had actually been encouraged in order to stimulate more jobs during the Depression. Later, vertical integration was declared unconstitutional under the Anti-Trust Act. Fortunately for Hollywood, the government graciously “overlooked” vertical integration during World War II, and in exchange Hollywood helped the war effort by providing army training films, entertainment for troops overseas, and propaganda films. However, after the end of World War II in 1945, the government began to crack down against the Hollywood monopolies.

In the Supreme Court case *Paramount vs. the United States*, it was decided that all major studios should divest themselves of at least one of the three branches of film-making. Hollywood decided that of the three it would be best to let go of their exhibition arm and gradually the studios sold all their vast theatre real estate holdings. No longer being able to control movie theatres had disastrous effects upon the Hollywood industry. Paramount’s revenues, for example, had been $20 million in 1946 and fell to $6 million by the following year.

To make matters worse, television was introduced shortly afterwards and theatre attendance began to fall rapidly. Loss of revenues forced many studios to cut expenses of production costs, leading to the end of the studio system of film-making. Several film studios didn’t survive this era and went bankrupt. Many film studios desperately tried to lure Americans back into the theatre by introducing new film gimmicks such as the 3-D movie, Smell-o-vision, Cinerama, and Cinemascope. (Only Cinemascope proved to be lastingly successful; it is still in use today.)