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# The Standard Exhibition Contracts in Italian Film Industry: A Neo-corporatist History

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# The Standard Exhibition Contracts in the Italian Film Industry

A Neo-corporatist History

Paolo Noto

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The distribution of films, in the Italian industry, was regulated from the 1930s by a *contratto-tipo di noleggio*, a standard exhibition contract that was stipulated by the trade associations and supervised, in different ways, by the state. Based on primary sources, this article reconstructs the evolution of the exhibition contracts signed in a particularly heated period that was the years 1946-1953. Further, it uses the discussions of the contracts published in trade magazines to conceptualize, through the political and economic category of neo-corporatism, the interaction between public and private actors, as well as the co-optation of business interests within the policy-making process, that characterizes Italian film industry.

**Keywords:** Italian Film Industry, Standard Exhibition Contract, Film Distribution, Trade Magazines, Neo-corporatism

According to Richard Maltby the Standard Exhibition Contract, applied by the MPPDA from 1922 to 1935, was one of the most relevant industrial devices of classical Hollywood, insofar as it provided the financial and regulatory conditions under which films could circulate in thousands of cinemas (Maltby 2013). The Contract standardized business practices, gave the film the status of an unalterable commodity, helped to prevent litigation between exhibitors and distributors and, as a consequence, limited the regulatory intervention of the federal institutions in the film industry. The crisis of the standard exhibition contract, as Maltby argues in another article, goes hand in hand with the weakening of the cultural and political links between Hollywood majors and white protestant elites in the late 1920s, which would lead to a tactical alliance with Catholic organizations, allegedly in order to preserve the morality of the movies and eventually to the establishment of the Production Code (Maltby 2003).

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There is no need to specify that it is hard to compare classical Hollywood to a relatively marginal context such as Italian cinema. They are very different organizational systems, as Italian cinema – like other European film industries traditionally depending on their domestic markets and unable to keep up with the concentration model developed by Hollywood majors (Bakker 2009, 269-271) – is characterized by the lack of a vertical integration where production is the strongest link (Nicoli 2017, 11). Nevertheless, several recent studies have drawn attention to areas beyond production, identifying, in the functioning of trade organization (Comand and Venturini 2021), distribution practices (Di Chiara and Noto 2020), and financing by American capital (di Chio 2021), some of the long-lasting processes of the Italian film industry that provided continuity to the system.

Following in Maltby's footsteps, and by analysing the standard exhibition contracts enforced in the post-war years (1946-1953), as well as the debates about their elaboration published in trade magazines, I intend to shed light on this normative device and its changes over time. The article has two interrelated aims: one historical and the other methodological. On the historical level, I believe it is useful to reconstruct the content and application of a little-known document that standardized industrial practices at a time of great expansion in both production and the market. As for the methodology, the example of the exhibition contract may be used to test a neo-corporatist approach to the industrial history of Italian cinema, as it allows us to detect the tight interplay between private and public actors in the formulation of a key instrument for the management of industrial and organizational relationships. In short, what model of relations between private stakeholders acting in the post-war Italian film industry (and between them and the state) can be inferred from the debate on the development and application of the standard exhibition contract? To what extent is this model related to pre-war practices inspired by corporatist principles?

Discussions around the contract were left implicit within the rules and agreements, but they were laid out more explicitly in trade magazines recently made available thanks to the research project «Modes, Memories, and Cultures of Film Production in Italy (1949-1976)», that will be among the primary sources of this article.

## **Corporatism, Neo-corporatism and Sources**

In economics and political science, the word «corporatism» (without the prefix) defines a doctrine developed in continental Europe in the years following the First World War as a reaction to – and an attempt to overcome – both capitalism and socialism, through a state-led conciliation between organizations of workers and owners of the means of production. According to Charles S. Maier, it refers to the establishment of different corporatist praxes, thus implying an organic public

intervention in the market and a powerful role of the industry in the formulation of national policy, that allowed European elites to keep the economic and political environment of those years stable (Maier 1975). The corporatist ideology was particularly dominant in fascist Italy, which, according to Maier, was the primary case of the straightforward formation of a corporatist state, although it also impacted quite profoundly several European countries (Costa Pinto 2017). At the theoretical level, there were very different interpretations of this key word: from those which promised a social control over the means of production, to those which saw corporatism as a way of reconciling individual economic initiative with the overriding interest represented by the state. At the practical level the corporatist programme in Italy was mainly reduced to the creation of a bureaucratic apparatus for the compulsory reconciliation of the productive forces, organized precisely in «corporations», that is, joint bodies of workers and employers. This was done through a ministry (the Ministry for Corporations) and a constitutional body (the National Council of Corporations), both created in 1926, although the practical functioning of the latter did not begin until 1930. Corporatism was a mantra of Fascist propaganda, a term often used mystifyingly to cover up the real oppressive nature of the regime and its adherence to the interests of big business (Bini 2021), albeit not without practical effects, insofar as it stimulated speculation about the coexistence and harmonization of conflicting interests within the political framework of an authoritarian state (Gagliardi 2010, VIII-IX).

As can be seen from this cursory outline, the definition of corporatism is complex and often contradictory (Pasetti 2016, 11-18), since the term denotes both a political and economic doctrine and a model for analysing social phenomena. It becomes increasingly complex as one tries to think about the possible survivals of the fascist corporate structure in the post-war period, a period that, according to historians (Gagliardi 2010, 150-159; Pasetti 2016, 269-277), is marked by other different forms of integration of private interests in the formulation of public policy and, therefore, of public intervention in the economy.

In more recent years, to further complicate definitions, *neo*-corporatism has become a category used to describe economic and political systems characterized by common traits such as the cooptation of interest groups within the policy cycle by the state, the structural link between these groups, political parties and other intermediate bodies, and the partnership of labour and capital aimed at regulating social conflicts (Lehmbruch 1982; Wiarda 1997; Lehmbruch 2003).

Here, I would like to start from the broad definition given by Philippe C. Schmitter, according to which «the most productive confusion in the dialogue on neo-corporatism has been that which has “opposed” those who define it is a distinctive mode for organizing the conflicting functional interests – whether these are based in social class, economic sector or professional status – and those who identify it as a distinctive mode for making and implementing public policy – whether in the field of incomes policy (acknowledged to be its contemporary “heartland”) or in agriculture, health, welfare, etc.» (Schmitter 1982, 262).

From this point of view, neo-corporatism can be used in a purely descriptive way to interpret conflict situations that may involve organizations belonging to the same class or to the same productive and social sphere, but in which the mediation of interests is not “free”, as it takes place within the framework of state-defined norms and procedures. Similar approaches have been employed in the study of cultural diplomacy in Catalonia (Zamorano 2016) and the regulation of multiplexes in France (Hayes 2005). And this, it seems to me, is also the backdrop to how the dispute over the formulation and adoption of a standard exhibition contracts in the post-war years takes place.

The use of the (neo)corporatist framework is legitimized in historical terms by the fact that the industrial and institutional system of Italian cinema was moulded during Fascism as a system where, following the ideas of the Director General for Cinematography, Luigi Freddi, the state intervened at the level of both financial and censorial control (Gili 1981, 92-93). This was often in the inconsistent manner typical of the fascist regime’s film policy, influenced by different and often irreconcilable strategies and visions (Venturini 2015). Public and parastatal bodies supervised the film industry, as in the cases of the distribution and exhibition company Ente Nazionale Industrie Cinematografiche (ENIC) and the *Sezione autonoma per il credito cinematografico* of the state-controlled Banca Nazionale del Lavoro, where representatives of the state and those of the private sector – like in other productive areas – sat side by side, with the latter encouraged to organize themselves into powerful pressure groups (Gili 1981, 164).

The functioning of the system, and its continuity over time, was guaranteed by functionaries, which often belonged to circles close to the former Minister of Corporations and National Education, Giuseppe Bottai, and were capable of directing public structures in a modern managerial manner (Zagarrio 2007, 53-57). This technocratic elite – and in particular the one responsible for film policy, which includes figures such as Nicola De Pirro, Annibale Scicluna Sorge, Benito Orta, Gianni De Tomasi – survived the collapse of Fascism and came to form the backbone of post-war ministerial bureaucracy (Lichtner 2013, 67-68). It thus continued to apply a strong sense of the state as a centre of direction for private initiative, according to a planning principle aimed at adapting the capitalist mode of production to the specific Italian case. A high-level executive of the Federazione nazionale fascista degli industriali dello spettacolo (FNFIS), Eitel Monaco, led the Italian film industry in the aftermath of the Second World War, serving for a long time as secretary-general and president of Associazione nazionale industrie cinematografiche e affini (ANICA).

The exhibition contract is then a test to assess the functioning of the system, as it is a regulatory industrial device whose formulation occurs, in the period of interest here, in a mixed mode. This means that it involves private stakeholders whose interests were in conflict (Italian distributors and exhibitors, represented by their respective trade associations, but also foreign and namely American distributors, represented in post-war years by the Motion Picture Export Association,

MPEA) and within a regulatory framework defined by state entities that had to balance different needs (such as promoting domestic film production; ensuring tax revenue generated by the exhibition sector, primarily from foreign films in Italy; applying policies to protect the domestic industry without discouraging foreign players).

The reconstruction of the process of formulation of the contracts, therefore, must begin with a survey of the agreements in order to define their timeline and assess their mutual differences, as well as the changes that regard some key issues in the relationship between exhibitors and distributors. This helps us to understand the intentions and interests of the involved players, beyond the literal terms of the agreements. To do this, it is necessary to draw from a diverse set of sources. The texts of agreements, available in trade publications, can therefore be complemented by the texts of regulations published in the *Gazzetta Ufficiale*, the journal of records of the Italian state, but above all by the debates and positions expressed by stakeholders in trade magazines associated with distributor and exhibitor associations, the Associazione nazionale industrie cinematografiche e affini (ANICA) and the Associazione generale italiana dello spettacolo (AGIS). These journals took opposing positions, as the *Bollettino d'informazioni AGIS* (and subsequently *Bollettino dello spettacolo*) was obviously the house organ of AGIS, while the *Araldo dello spettacolo* and *Cinemundus* were closer to the interests of producers and distributors. From these publications it is possible to glean information about the representation of interests at stake, but also to understand how conflicts between players (and within each trade category) were managed, as well as to get an idea of the normative proposals developed and put forward by private stakeholders. In essence, the pages of the trade magazines are of particular interest as a relational space where rhetorical strategies, expressive registers, and systems of value used among industry professionals were expressed and negotiated (Dotto 2021).

## An Overview of the Agreements

The period taken into consideration (1946-1953) is limited but representative and, above all, can be adequately researched within the scope of this article and with the materials made available in the «Modes, Memories, and Cultures of Film Production in Italy (1949-1976)» catalogue.

The reason behind this periodization is therefore the easier availability of material from trade magazines, but also the extraordinary variability of the film system. In the years spanning from 1945 to 1953 four laws concerning cinema were enforced, and the relationship between distribution and exhibition was regulated by three very different contracts (in 1946, 1947, and 1953), as well as one ministerial decree promulgated in 1950 and extended twice (in 1951 and 1952). In 1946, the first post-war standard contract was signed, which almost literally reproduces

a pre-war corporatist agreement, signed in 1936 with binding legal force (*Gazzetta Ufficiale del Regno d'Italia* 1936, 369-372). The latter remained valid due to the decree 369 of the 23 November 1944 (ANICA/AGIS [1947], 3). 1953 was the year when a long-awaited agreement was signed, marking the end of a long period of tumultuous relations between trade associations. During this time, the state was compelled to intervene with a specific legislative decree to regulate the matter in the absence of accord between the parties. The 1953 standard contract then remained in effect with unsubstantial changes throughout the 1960s, that is, throughout years of national and international expansion for Italian cinema.

As far as historical conditions are concerned, some factors seem to have impacted more profoundly than others. For example, the laws of 1947 and 1949, which introduced and reinforced the compulsory exhibition of national films (and the associated benefits for exhibitors), gave Italian producers and distributors a competitive advantage, due to the relatively increased profitability of national films (this argument was used quite frequently by exhibitors in the bargaining). The same laws moreover established and regulated the functioning of the *commissione consultiva*, an advisory committee composed of members of the governments, functionaries of the ministries interested in film production and distribution, representatives of the film trade associations and of the trade unions. The committee worked as a corporatist body, insofar as it allowed the official and integral representation of the industrial stakeholders' interests in the legislative process (although formally with a advisory role) and was actually involved in the resolution of the contrasts between distributors and exhibitors. The tension between the Italian producers and distributors, associated with ANICA, and the representatives of the American industry, united in the MPEA – which was mainly concerned with the system of use and release of frozen funds from the proceeds of the exploitation of American films – led the Italian government to issue a decree in 1950 with the aim of preventing the large number of Hollywood products from being exploited under conditions that jeopardize the domestic market (di Chio 2022a). The open conflict over rental conditions between Italian exhibitors and distributors also contributed to this situation. Finally, the 1953 agreement came at the end of a long dispute and was largely contemporaneous with an agreement between Italian producers/distributors and exhibitors (for a time jointly) and the newly formed Italian public broadcaster, RAI, for the television distribution of films.

### **The Pre-war Precedents**

From 1930, and throughout the pre-war period, various contracts and several agreements between distributors and exhibitors were settled that involved corporatist bodies (Quaglietti 1980; Venturini 2014; di Chio 2021; the most comprehensive and accessible collection of these documents is in *Almanacco del cinema italiano 1943-XXI*, 275-285). The pre-war accords provide a framework of issues and measures which are not very different from those of the post-war

period. It is difficult to delve into the detailed content of these regulations. I will focus on key points of the agreements that empirically seem to be repeatedly at stake: the applicable financial conditions, the participation of exhibitors in sharing the financial risk associated with film production, the types of programming, the permitted rental strategies, and the provision of arbitration committees. A close look at one of these agreements can be useful to get an idea of the most important and recurring underlying issues.

For example, the aforementioned «Regolamento collettivo dei rapporti economici tra noleggiatori di pellicole cinematografiche ed esercenti di cinematografi» of 1936 incorporates measures that were already in force in earlier agreements. From the first article, it authorizes the application of three types of rental fees: fixed price (i.e., based on a predetermined flat rate), fixed percentage (based on fixed rates that do not vary with changes in receipts), and gradual ascending or descending percentage (which instead vary with changes in receipts, usually according to pre-defined brackets). Mixed forms of fixed price and percentage are prohibited, as is the minimum guarantee rental, a form of contract in which the exhibitor accepts to pay the distributor an agreed-upon sum as the minimum amount due, received in the exploitation of the film, and after which the exhibitor pays the distributor the agreed-upon percentage. The minimum guarantee was considered by distributors as a measure of self-protection against embezzlement by exhibitors, or against the objective difficulty of controlling revenues in certain theaters. No limit is explicitly set in on the maximum rates applicable in percentage contracts, although one can presume, from the statements given by theater owners in post-war years, that a 40% maximum rate was commonly applied (Villa 1951, 1). Blind bidding, that is, the rental of unseen films by distributors to exhibitors, is prohibited by Article 3 according to an elaborated series of particular cases (prohibited for first and second screenings in major cities, as well as for the first screenings in cities with over a hundred thousand inhabitants; permitted in other cases, but only if the exhibitor does not explicitly require an advance viewing, in other cases). There is no mention of block booking, which is the rental of several films as an indivisible group, and a practice often associated to blind bidding. Article 12 accounts for a series of practices that are difficult to trace unless referring to professional testimonials and rare documentary evidence. The article's wording indeed excludes any form of contribution by individual exhibitors to the «so-called national launching of films», but delegates the approval of special agreements, that is exceptions, to the FNFIS. This practice must have been widespread if the article bans it while acknowledging its existence (using the terminology «so-called»), but also since a previous version of the agreement, signed in 1934, had explicitly abolished it (*Almanacco del cinema italiano 1943-XXI*, 276). The contribution to national launching was an amount that exhibitors paid through an additional deduction on revenue as a recognition of the commitment undertaken by distributors for the national promotion of films. The inclusion of



the national launching in the article that regulates the mandatory ways in which exhibitors participate in advertising expenses for «higher quality» and first-run films helps to understand the rationale behind this practice. It allowed the sharing of the economic risk associated with producing certain films between producers/distributors and exhibitors, effectively involving the latter in the film's financing chain. The same provisional formulation (prohibition, but with possibilities for exceptions granted by the corporate body) pertains to double features in Article 20. National and regional arbitration committees tasked with resolving disputes between parties were established as early as 1931 (*Almanacco del cinema italiano 1943-XXI*, 280-282) and their functioning was revised, with reference to disagreements on fixed-price contracts, up to August 1941 (AGIS [1954], 13-14), a few months after the publication of the ministerial circular that banned the import of American films (di Chio 2021).

### **A Chronology of Post-war Agreements. 1946-1947: The Years of the «Free Market»**

In the post-war period, two agreements followed closely, indicating the sector's variability in the wake of political, historical and legislative uncertainty, which was to have its most evident effects in the subsequent years. The agreement was to signed on January 10, 1946, between representatives of ANICA and AGIS (the president Alfredo Proia for the former, Cesare Navone and Mario Villa as presidency delegates for the latter), which had meanwhile formed from the ashes of the existing corporate committees within the FNFIS. In the first article the spirit and letter of the Lieutenantcy Decree 678 of October 5, 1945, the agreement cites the first legislative provision on cinema in the post-war period and reaffirms «the principle of absolute bargaining freedom between individual exhibitors and individual distribution companies regarding the forms of rental commissions». Nevertheless, it is in fact an almost literal reiteration of the 1936 norm. Article 3 governs the obligation of advance viewing of films, taking word-for-word the pre-war norm and adding a postscript («The exhibitor can request the inclusion of the “subject to viewing” clause when stipulating the commission»). Article 12 reiterates the exclusion of contributions to the national launch by exhibitors, but continues to provide for «special agreements, contributions, and clearances» without specifying the way of controlling these exceptions, and without, of course, mentioning the FNFIS. Similarly, Article 20 echoes the pre-war agreement and confirms the prohibition of double features, with possible agreed-upon derogation. Article 23 states that disputes about the interpretation of contracts will be referred to arbitration commissions, composed of members of the associations and chaired by magistrates.

The text of the agreement signed on October 15, 1947, between the presidents of ANICA, Alfredo Proia (assisted by the secretary and former director of the

FNFIS Eitel Monaco), and AGIS, Italo Gemini, was more intricate. The norm explicitly cites and updates the 1936 agreement. Article 1 confirms the freedom to bargain, but adds the possibility for associations to define new conditions annually. The subsequent articles list and also more generically mention the *capozona*, that is, the cities that function as financial and organization hubs for the distribution of films in different areas of the national territory. Article 3 reaffirms the prohibition of blind bidding, in accordance with the cases established in the previous year, and adds the possibility for exhibitors to waive the right to preview films. However, the more important changes concern the method of controlling rental fees, the amounts due from the exhibitor to the distributor. Article 9 modifies the provisions for the previous contract and establishes the obligation of exhibitors to provide distributors with copies of the box office receipts [*borderò*]. All cinemas are obliged to adopt an official template of *borderò* agreed upon by ANICA, AGIS and SIAE, the Italian Society of Authors and Publishers. The contribution to the national launch is no longer mentioned, but it can be assumed that the matter is encompassed within Article 14, which regulates advertising expenses: «extraordinary» advertising expenses can be agreed upon between the parties and «included in the *borderò*», that is, deducted from the exhibitor's share, while for the first screenings in major cities, exhibitors are obliged to carry out local promotion. The article defers the determination of the maximum percentages of advertising expenditure and the related distribution between the parties to an additional agreement. Double features are prohibited, although Law 379, May 16, 1947, known as “legge Cappa”, implicitly allows this practice. As many as five articles are dedicated to the functions of arbitration committees. The agreement establishes two levels of arbitration: a regional one, based in *capozona* cities, and a national one, serving as an appellate board for decisions made by regional committees, tasked with resolving all financial and organizational disputes between distributors and exhibitors. Concurrently with the agreement, a series of supplementary conventions were also signed, which entailed the elimination of minimum guarantee contracts (immediately for cinemas in *capozona* cities and gradually, contingent on the adoption of official *borderò*, for other cinemas), as well as a comprehensive set of regulations governing the establishment and operation of regional and national arbitration committees.

## 1950-1952: The State Takes Control

The 1947 agreement, despite its detailed form, triggered numerous disputes, particularly from exhibitors, and it became a subject of heated discussions within trade magazines. The challenges in its implementation, coupled with the fact that branches of American distribution companies were not associated with ANICA and therefore not obligated to adhere to the agreement, prompted the Italian government to utilize a provision dictated by Law 448 of July 29, 1949. This

law, one of two enacted that year and named after Undersecretary Andreotti, responsible for entertainment policies, led to the issuance of a decree for rental regulations. Published on August 26, 1950, this decree envisioned three contract forms: fixed price, fixed price plus the potential difference between the price and a share of 25% or 30% of net receipts (depending on whether the cinema was located in a municipality with more or fewer than 10,000 inhabitants), and a fixed percentage with a maximum rate of 42%. However, distributors were allowed to indicate a certain number of films per season (maximum one quarter of the annual catalogue) for which the fixed percentage may be increased to 50%, subject to the notification of the lists to the DG Spettacolo (the film policy control body attached to the Undersecretariat of the Presidency of the Council), and exceptions were allowed for films of «exceptional artistic and commercial value». The minimum guarantee was prohibited as long as the exhibitors authorized the SIAE to collect and control the *borderò*, and were applicable only in special cases, after appropriate communication to the trade associations. The compilation of *borderò* was meanwhile made compulsory by article 26 of the second Andreotti law, 958 of December 29, 1949, which hence incorporated a provision of the ANICA/AGIS agreement of 1947. The decree also stated that advertising expenses could be charged to the exhibitor of up to 3% of net receipts for major cities (reduced to 2% for others). There is no mention of the contribution to national launch, nor is there any indication that, as in previous agreements, the issue is encompassed within the norms regulating exhibitors' participation in advertising costs. Blind bidding was also not mentioned, although the wording of the first article, which refers to rental agreements for groups of films, suggests that block booking was permitted. The decree was reissued in 1951 and 1952 with minor changes. In all three versions, the decree is promulgated after obtaining the positive (yet not binding) opinion of the *commissione consultiva*.

## 1953: Renewed Stability

In 1953, bargaining practices regained stability with the agreement between ANICA/*Unione nazionale distributori film* and AGIS/*Associazione nazionale esercenti cinema*, which was the result of years of discussion and misunderstanding between and among the trade categories. The agreement was signed by Eitel Monaco and Franco Penotti for the ANICA/UNDF side, and by Italo Gemini and Edmondo Incisa di Camerana for the AGIS/ANEC side, and it was in fact an ameliorative summary of the measures tested in the previous years. The obligatory preview of the film was reinstated, with the option, for exhibitors, to waive the right when clearly specified in the contract. It provided very detailed regulation of the conditions for the provision of promotional material by the distributor and payment by the exhibitors. Furthermore, the agreement outlined a complex arbitration procedure organized into three levels: a national first instance committee (with

exclusive jurisdiction over disputes concerning first screenings in the *capozona* cities), regional committees (with jurisdiction over all other screenings) and national second instance committee (with appeal function for the other two levels). It gave the arbitration committees broad powers to resolve disputes, in line with post-war agreements, including the power to impose temporary or permanent sanctions on distributors and exhibitors. With regard to economic conditions, which were the subject of a supplementary agreement with annual validity, the types of contracts established in governmental decrees were essentially adopted also here. Minimum guarantee contracts were prohibited, provided that the exhibitors compiled and made available the *borderò*. There were no maximum percentages for the exhibitor's contribution to advertising expenses, which also had to be counted in the *borderò*. There was no mention of double features or national launch contributions.

## Neo-corporatism in Motion: Standard Contracts in the Trade Magazines

The simple account of the actions that unfolded during these years, especially in the postwar period, helps to clarify how the standard exhibition contract took shape and came to accommodate a complicated set of conflicting interests, each represented differently at any given time. In the post-war years, the impossibility of regulating a complex subject in a stable way led to a constant overlapping between legal provisions and agreements between trade categories, that were further complicated by exogenous disturbances, mainly due to the role of American distribution, which held significant market shares in those years.

Trade agreements cite previous norms, even if relatively distant in time, and rely on these norms to regularize evasive practices. In turn, the legislation formalizes measures that had already been provided for in contracts between distributors and exhibitors. The most obvious case is the system of verifying income through mandatory *borderò*, provided for in the 1947 contract and made mandatory by law two years later. The difficulty of regulating an ever-changing number of grey areas made it imperative to create arbitration committees and delegate to them a wide range of exceptions and interpretations of the rules, as well as actual malpractices. Essentially, the system was stabilized by a complex interplay of public and private initiatives. Even the 1950 decree, which was apparently the most centralized and state-led measure of the entire period, was a symptom of the combined action of the Italian government and the trade associations, united by the common goal of containing the excessive power of the American studios (di Chio 2022a, 208). The most significant traces of this interplay are to be found in the interventions in the trade magazines, which the database «Modes, Memories, and Cultures of Film Production in Italy (1949-1976)» allows us to reconstruct in detail, especially for the five-year period 1948-1953. As early as January 1948,

as reported by the *Araldo dello spettacolo*, exhibitors were demanding the intervention of the state. Although they were satisfied with the terms of the 1947 standard contract, in particular the abolition of the minimum guarantee, they complained that the American companies were not complying with the terms of the contract (Anonimo 1948, 1). The following year, the same journal recalled that the exhibitors had long been calling for government regulation of film rental conditions, a demand that was renewed after the passage of Law 448, which established a mandatory deposit of 2,500,000 lire for each imported foreign film. This measure had the potential to further increase the cost of films for exhibitors (Anonimo 1949, 8). Italian and foreign distributors, on the other hand, sought the freedom to negotiate.

The government's action, with the Andreotti laws and the possibility of legislatively regulating the practice of film rental, seems to primarily appease exhibitors over distributors. It is significant that some observers close to the distributors recognized and blamed – even before the promulgation of the August 1950 decree that established the methods and economic conditions for film distribution – an echo of the «corporate economic system» in governmental initiatives (Ardia 1950, 14; similar complaints can be found in Anonimo 1951a).

The government decree was renewed in August 1951, in the same weeks as the first ANICA-MPEA agreement was ratified. Among other things, this agreement between the Italian association of film industrialists and their American counterpart sets a limit on the import of American films in Italy and favors the entry of almost all the distribution branches of the Hollywood studios into ANICA, effectively removing some of the obstacles to the implementation of contracts between trade associations (di Chio 2022b, 98-104). Actually, 1951 was a year of intense exchanges among representatives of the categories, as well as within the fragmented exhibition sector, where, unlike in other European countries, the presence of cinema chains was marginal.

In May 1951, the *Bollettino d'informazioni AGIS*, the house organ of the exhibitors, reports that distributors and theater owners had urged the government not to renew the film rental decree and advocated for a return to the conditions of the 1936 standard contract: this was the official position of the trade category throughout this period (Anonimo 1951c, 1). A working group was tasked with finalizing negotiations before the government intervened with its full authority. Small exhibitors contested the maximum rental percentages provided by the decree, which, they argued were customized for first runs and large cities and were too burdensome for smaller cinemas (Grandi 1951, 3). In July, the disagreement between the parties erupted. ANICA presented conditions that AGIS deemed unacceptable: a maximum rental percentage of 45%, with exceptions to be agreed upon but not quantified, abolition of the minimum guarantee in exchange for the exhibitors compiling *borderò*, first-run advertising fully covered by the exhibitor up to 5% of the net box office revenue for each program, and

the possibility of an agreement for «further other launches» (Villa 1951, 1). The counterproposal called for a return to pre-war percentage rates (40%), a 3% contribution for advertising expenses (a higher percentage is seen as a *de facto* contribution to launches beyond the first run), and the abolition of minimum guaranteed rental without any other conditions (Villa 1951, 1). The *Bollettino d'informazioni AGIS* also published a confidential memo, agreed upon between ANICA's producers and distributors, which strongly urged members to apply strict rental conditions, and particularly not to sign contracts with percentages below 40% for first runs, under the risk of not gaining approval from the trade association (Bru 1951, 1). Exhibitors denounced the memo as an attempt to create an illegal cartel. In a report on the presidency's activities, AGIS also claimed credit for the idea that government decrees should regulate rental practices and cited an agreement reached with ANICA on August 11, 1950, reportedly never implemented and outdated a few days after the aforementioned decree came into effect (Anonimo 1951d, 3).

From their perspective, the distributors, through the authoritative voice of the President of UNDF, Franco Penotti, recall the fruitless attempts to reach an agreement following the *de facto* suspension of the standard contract in 1949, and in particular, the failed agreement regarding the validation and delivery of the *borderò* in February 1951. According to Penotti, legislative and administrative interventions were not effective for the regulation of import and distribution activities. Instead, appropriate action from the trade parties was needed, as it was deemed unacceptable to transfer the majority of the financial risk on the distributors' side through very high guaranteed minimums on distribution (Penotti 1951, 3-4). Less diplomatic commentary comes from an anonymous contributor who, a few weeks later, denounced the rigid attitude and implicit coercion held by the exhibitors of AGIS during the attempts to come to an agreement in order to avoid the last-minute renewal of the film rental decree. The author notes that not even during the autarky and corporatist years – that is Fascism – had the rental conditions been legislatively imposed (Anonimo 1951a, 1-2). The press release of the Presidency of the Council, which warned the commercial categories of the possible renewal of the decree in August 1951, was perceived by the distributors as a thinly veiled threat, while the decree was considered inadequate to resolve the impasse that had arisen between the parties. This is because coercive regulation had proven ineffective for practical reasons and its very rationale would cease to exist with the achievement of the ANICA-MPEA agreement (Anonimo 1951b, 1). The accusations of cartel formation leveled by AGIS are overturned and contested. According to the distributors, agreements between exhibitors often created «closed markets», whereas distributors could not find a cinema for their films in certain cities without settling for rental percentages that were much lower than those established by regulations, sometimes not even reaching 10% (Anonimo 1951e, 1-2). Additionally, the exhibitors' association was criti-

cized for not advocating the adoption of *borderò*, which could drastically reduce irregularities, with sufficient determination (Anonimo 1951f, 1-2). The renewal of the government decree was perceived as a defeat by both sides. ANICA reiterated that it would prefer to return to a period of free negotiation, followed by a spontaneous adjustment of the supply and demand dynamics (Anonimo 1951g, 1), while AGIS, through its president, promised to make all the necessary effort to moralize its associates, still requesting the reinstatement of arbitration committees and the adoption of severe sanctions against non-compliant exhibitors and distributors (Gemini 1951, 1).

The controversy resumed the following year with arguments that were not very different: the exhibitors believed that the excessively high rental commissions were, among other factors, the cause of the crisis of the cinemas, especially in southern Italy, while the distributors replied that the real average rate was around 35 per cent, well below the established limits (Anonimo 1952a, 1-2). On the eve of the meeting of the *commissione consultiva*, which could reopen the dialogue between the parties, the distributors complained that the agreement has so far been abandoned due to minor misunderstandings on economic issues, while on the regulatory part there would be no substantial differences (Anonimo 1952b, 1-2). The decree was eventually renewed with a text containing minor changes that, according to ANICA, only accommodated the demands of the exhibitors (Anonimo 1952c, 1). This second extension, however, had the effect the distributors had feared: the dialogue was quickly reopened, and the meetings between distributors and exhibitors at the Venice Film Festival in 1952 already saw the resumption of negotiations for a new contract (Anonimo 1952d, 1). Undersecretary Andreotti was also quick to take note of the new climate, clarifying with his usual conciseness the limits and objectives of the state initiative:

The regulatory intervention by the State was demanded at the time by all the national categories, but the government has always declared that the regulations will cease to be in force when an agreement is reached between the parties, and that, only if necessary, a new decree could be made binding also for non-members of the contracting associations. I have firm hopes that distributors and exhibitors will come to an agreement. And it will be a good thing, in order to continue to discuss the problems of the cinema with internal compactness outside the film industry. (Anonimo 1952e, 4)

In the months that followed, letters and articles appeared mostly in the *Bollettino dello spettacolo*, the journal of exhibitors, thus accounting for a fragmented sector where different needs could not always be reconciled. Between the lines of these articles, one can find requests and proposals which were actually signed by the trade associations and which were later incorporated into the text. Doubts about the system provided for by the decrees on film distribution were motivated, on the exhibitors' side, by the complicated mechanism of adjustments

necessitated by the fact that distributors were not always able to communicate in advance the lists of films they would rent at the maximum percentages (Bruno 1953, 1). The exhibitors' membership base demonstrated confidence in the value of the arbitration committees as instruments that could unblock negotiations on industry agreements (Anonimo 1953a, 1). Exhibitors were involved in discussing the content of draft agreements, which were then amended at the local level (Anonimo 1953b, 1), although according to some this step was not carried out with due care (Trotta 1953a, 3). The objections of some exhibitors related to very precise technical aspects, such as the prohibition of double features (which in fact does not appear in the final version of the contract) and the criteria for the functioning of arbitration commissions (Trotta 1953b, 1), but also the prohibition of the transfer of advertising material to third parties (Anonimo 1953d, 1). The distributors, on the other hand, requested that the economic part of the contract be separated from the normative part (Anonimo 1953e, 1), and this demand would also be met in the final version of the standard contract. Meanwhile, in April 1953, almost a year before the start of regular broadcasts, the AGIS-ANICA-Rai agreement on cinema-television relations was signed, dictating, among other things, a five-year window from the obtainment of censorship visa for the exclusive cinematic distribution of films, the possibility to conduct direct agreements with rights holders for the purchase of films for television, as well as the establishment of a joint commission of 12 members (3 AGIS, 3 ANICA, 3 Rai, 3 elected by the three bodies) to evaluate exceptions (Anonimo 1953c). Then, at the end of July, just in time to avoid a third extension of the government decrees, the agreement was finally reached, and this time it was a stable one (Anonimo 1953f, 1).

## Conclusions

The history of the Italian standard contract suggests a shift in power dynamics, not only between the state and private industry but also among different segments of the private sector. During the early 1950s, distributors bolstered their position due to the availability of American films and favorable legal concessions for Italian films, such as compulsory screenings and tax rebates. They advocated for maintaining post-war conditions: a free market and the flexibility to negotiate with individual exhibitors case by case. On the other hand, exhibitors sought state intervention to protect them from arbitrary terms imposed by film rights holders. Amongst exhibitors, distinctions emerged between larger and smaller operators.

It becomes evident, nevertheless, that under these circumstances, the system gradually shifted towards favoring exhibitors over distributors. Practices such as the minimum guarantee, designed to counter reported ticket sale fraud, and blind bidding were prohibited. In exchange, distributors achieved the increasing imposition of *borderò* and indirectly compelled exhibitors to share in the financial risk of films. Overall, the exhibition sector, in the post-war years, acted as the



driving force for the film system: it generated huge tax revenues, which amounted to nearly 12 billion Italian lire in 1949/50 (Camera dei Deputati 1955, 28, while by way of comparison, the revenues from the sale of tobacco and cigarettes in the same year amounted to 63 billion lire), and supported a substantial share of the national production through the mechanism of the minimum guarantee, which was funneled through distribution into film production (Di Chiara and Noto, 2020). Consequently, it is arguable that state interest leaned towards this sector, as lamented by distributors (Anonimo 1952c) and to some extent asserted by exhibitors, who claimed to have inspired the design of the government regulations (Anonimo 1951d). The sheer fact that the 1950 distribution regulation decree was extended twice, despite the alleged reasons for its enactment being surpassed by the ANICA/MPEA agreements, indicates a responsiveness to exhibitors' demands. This predictably generated complaints in the distributor-affiliated press.

The changes and debates over the years when the contract was most contested reflect a dynamic system, whose strength was not solely anchored in the financial prowess of individual entrepreneurs, and namely producers, but also in the resilience of intermediaries acting in bureaucracy, trade associations, and private enterprise. Names like Nicola De Pirro, Eitel Monaco, and Franco Penotti feature in these events and ensure system continuity.

It is apparent that the Italian film industry embodies a mixed model where public and private interventions are intertwined. On one hand, a strong but not overpowering state established regulatory conditions for private industry sustenance, nevertheless allowing for a form of conditional self-regulation. On the other hand, the private industry lacked autonomous financial strength, relying on indirect state support. Yet, it was not so weak as to abstain from participating in the policy cycle when conditions permitted, and it certainly did not shy away from demanding and largely obtaining almost equal treatment from the American industry.

Thus, similar to classical Hollywood, the Italian system incorporates self-regulation through arbitration committees, tasked with resolving disputes between exhibitors and distributors. This system necessitated intermediary bodies that created the conditions and tools for industry self-discipline. Consultative, parity, and arbitration committees abound, and the fact that the 1953 standard contract delegated a significant portion of economic regulation to arbitration committees underscores the system's ability to find equilibrium under specific circumstances.

In summary, in terms of distribution regulation, the state – which is conventionally seen as an interfering actor in the national film industry – in fact intervened only when strictly necessary. The Italian Republic at this time seemed to adhere, in this sense, to corporatism principles enunciated during the previous regime, engaging private parties directly in the policy process. In distribution regulation, as in other instances, the state is consistently present, yet often reluctant.

The neo-corporatist framework has thus proved to be a valid tool for identifying the general coordinates of the relationship between the state and private industry, and has made it possible to examine the evidence of this relationship where it is traceable, that is, in the norms and trade discourses. At the same time, the methodological caution recommended by historians of Italian corporatism requires that these observations, linked to the analysis of a very specific aspect of the film industry, should not be over-generalized. In order to obtain more solid answers to the implicit question “was it a neo-corporatist system?”, it would be necessary to multiply the points of observation, including different industrial and bureaucratic processes, and to have access to the relevant official documentation on the activity of those intermediate bodies that in many cases can only be reconstructed ex-post (the minutes of the *commissione consultiva*, for example). From the implementation of international co-production agreements to the control of the employment of foreign personnel on sets, from the authorization of filming abroad to film censorship, there is no shortage of promising signs for this research, but that would be an all-encompassing work that goes beyond the limits of this contribution.

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