Support for writers' strike outrages Hollywood elite

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It's likely that the support so far received by the 12,000 striking film and television writers within and without the entertainment industry has surprised studio executives; it has certainly outraged them. They have already begun taking steps aimed at demonstrating their power over the livelihoods and careers of those directly or indirectly at their economic mercy.

Wednesday the *Los Angeles Times* reported that major studios, including Fox, CBS, Paramount, Disney, Warner Bros. and NBC Universal, had begun sending out letters to television production companies, which they largely finance, suspending "scores of long-term deals." The studios rely on these companies, which vary widely in size, to come up with new ideas for television shows. "Under multi-year deals," according to the *Times*, "studios such as Warner Bros., Walt Disney Co., and 20th Century Fox pay for the salaries, the office space, the project development costs, even the utilities whether these entities generate hits or not."

Under a *force majeure* provision in the contracts, the studios are allowed to suspend a deal for four to eight weeks before canceling it.

As a result of the big studios' action, assistants, development executives and others will be laid off. The move is intended both to save the studios money as well as to send a message to the Hollywood workforce that the companies will pursue their interests with ruthlessness.

The *LA Times* notes, "That the studios are unleashing these rapid suspension notices so early into the strike underscores just how hostile their relationship has become with the writers who supply them with a steady stream of TV programs."

The Writers Guild responded tepidly to this provocation, a spokesman commenting, "This is an industry based on talent, and to break relations with the most talented people in town is not a very good business plan." In fact, the film and television studios are prepared to sacrifice their short-term interests in hope of setting an example with the writers. Their "business plan," in fact, is to create a workforce in the entertainment industry that is subservient and fully under their thumb.

In another sign of the studios' determination to impose their will, CBS became the first company to send letters to its striking showrunners (creators or executive producers of television programs) threatening them with legal action. A day after some 100 or more showrunners expressed their solidarity with the writers outside Disney Studios in Burbank and made clear their intention to remain off the job, according to Deadlinehollywooddaily.com, "showrunners participating in the writers' strike say they've been sent 'breach of contract' letters from CBS yesterday telling them that if they don't report back to work then they'll be sued. The news was announced at a closed door, extremely secret meeting of 115 showrunners who gathered at the Writers Guild of America to discuss strike-related issues amongst themselves."

According to the same source, "Since CBS is first, it became clear that [CBS chief executive] Les [Moonves] is the most pissed.... All the other showrunners now expect to get similar letters." Those assembled resolved to resist the threats, agreeing that they would stand together. "If anybody gets sued, the showrunners will all stand together. Those who are still working will go out and join us on the picket lines, and, if we're all back at work, then we'll all go out ... That's *if* we come back."

What infuriates Moonves and the other Hollywood moguls is the audacity of writers and their supporters among actors, directors and producers to resist the conglomerates' vision of the future of the entertainment industry. Having apportioned for themselves the vast majority of the income from sales of DVDs over the past two decades, the studios have every intention of claiming an even bigger proportion of the present and future wealth generated by the Internet and other new media. In this they are responding to pressure from shareholders and the "market"; they are also driven by a determination to add to their vast personal wealth.

In Moonves's case, driving down the living standards of his employees, increasing profits and thus improving the picture for CBS on Wall Street is directly bound up with his own enrichment. He signed a new contract in October 2007, according to the *New York Times*, which "bases his compensation heavily on the performance of CBS's stock. The new contract, which extends Mr. Moonves's employment by two years to 2011, lowers his base salary to $3.5 million from $5.9 million, but stipulates that he will also receive a large one-time stock option grant to purchase five million shares, as well as a large grant over four years of restricted shares worth $7.6 million a year. Mr. Moonves is also eligible for a performance-based bonus."

An independent compensation expert told the *Times* that "the stock option grant itself 'was enough to feed an army' and that it vested quickly. 'If the option is priced at current market prices, then every time the stock goes up by a dollar, the value of his grant goes up $5 million.'"

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The *Times* blandly notes that Moonves's compensation attracted some attention" in recent years. Incredibly, in 2004, "he and his [then] co-chief executive [at Viacom, before CBS was split off], Tom Freston, were compensated by the company for the nights they stayed in their own homes. For example, Mr. Moonves charged Viacom for the nights he stayed in his home in New York, rather than staying in a hotel (he was then based in Los Angeles)."

Another fabulously paid nonentity, Michael Eisner, Disney CEO from 1984 to 2005, weighed in Wednesday on the writers' strike at a "Media and Money" conference sponsored by Dow Jones & Co Inc. and Nielsen. Eisner, who took home $575.6 million in salary, bonuses and stock options in 1998 alone, told his audience, "I've seen stupid strikes, I've seen less stupid strikes ... This is a stupid strike."

He continued, "They're giving up money today for a piece of a nonexistent flow [from the Internet and other new media] which won't [always] be nonexistent, but it will be nonexistent for the next three years.... They could [strike] in three years. They shouldn't be doing it now." Eisner claimed that "It's a waste of their time." He was asked, if digital revenues are nonexistent, then why are the studios so reluctant to cut the writers in? "They don't know what to give. There's nothing to give." The self-serving and absurd character of these comments hardly deserves pointing out.

Threats and warnings aimed at the writers from studio executives and their mouthpieces in the media are not in short supply.

A common theme of executives and entertainment columnists, clearly intended to demoralize the writers and anyone tempted to support them, is that the television networks actually welcome a strike because they are having a poor season and a walkout benefits them. Deadlinehollywooddaily.com cited the comment of one executive: "We can get rid of the overhead and regroup and rethink everything. If we were having a great year, it might be different. But we're not, and this is like an automatic do-over."

Along the same lines, the Associated Press cited the comments of News Corp. president Peter Chernin Wednesday during an earnings call: "As for how it will impact us, my guess is that during fiscal 2008, a strike is probably a positive for the company. We save more money in term deals and, you know, story costs and probably the lack of making pilots than we lose in potential advertising."

If this irresponsible and reckless "scorched earth" mentality accurately reflects the thinking of television executives, apparently quite prepared to sacrifice new shows and broadcasting this fall in general in the interests of the bottom line, it's another argument for the transformation of these mega-corporations into public services operated by those who actually make the programs. Chernin is suggesting, by implication, that if the conglomerates discovered it was more profitable to shut down production altogether and sell off their resources for scrap, they would do so. Why should the entertainment and information needs of the population be vulnerable to such narrow and selfish interests?

Unsurprisingly, the entertainment press and Los Angeles media are doing their bit to undermine the strikers and strengthen the studios. *Variety*, described by one blogger as "nothing more now than the producers' daily newsletter," has earned the well-deserved scorn of the writers. A typical article in the days leading up to the strike was headlined, "Studios well stocked for strike—It would take months for majors to feel impact," and began, "Hollywood's film studios won't be hitting the panic button anytime soon."

In an article published on the eve of the strike, "WGA may delay strike—Guild leaders could hold off until next week," reporter Dave McNary could hardly conceal his contempt for the writers. He began by calling into question their commitment to their cause, "As might be expected from showbiz writers, the WGA is probably going to push back its deadline." The article proceeded to suggest that the union had issued lies about the companies' contract proposals and that "the WGA's rhetoric has aroused animosity from other guilds, who point out the WGA has negotiated in an atmosphere of isolation," and then cited the comment of a veteran show business attorney to the effect that the union was "just going through the motions" and essentially refusing to bargain.

An *LA Times* article Wednesday, about the suspension of the production deals by the studios, carried the headline "Strike about to cost jobs," and the underline, "Studios move to halt production deals, which would hit rank and file." The media, who ignore the existence of lower-paid workers at every other time, inevitably discover that someone is suffering when a struggle erupts. The article notes the categories of employees who face possible layoff and adds that they will be "joining their better-paid bosses who opted to sacrifice paychecks as members of the Writers Guild of America." The *Times* goes on, "Now, in addition to having writers going without pay, many other entertainment industry employees will have to worry about their car payments and rent."

An Associated Press piece, "Writers Strike Hits Hollywood Workers," takes the same approach, citing the example of Jean Hodges, "a food stylist who cooks burgers, turkey dinners and other prop food for use on sets of such TV shows as NBC's 'Chuck' and ABC's 'Brothers & Sisters.'" Hodges told the AP, "If there is a trickle-down, I am at the absolute bottom of the list." However, the piece goes on to acknowledge, "Like many 'below the line' workers who make far less than writers, actors and directors, Hodges sympathizes with the push by writers for a bigger cut of money from DVD sales and shows offered on the Internet."

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