

Talks break down in Hollywood writers' strike

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The negotiations between the Alliance of Motion Picture and Television Producers (AMPTP), which represents over 350 film production companies and studios, and the 12,000-strong Writers Guild of America (WGA), on strike for five weeks, came to an abrupt halt Friday evening.

The end of the talks, which had been going on for seven days, came when AMPTP chief negotiator Nick Counter entered the room at the hotel where the union was discussing its own counterproposal to the latest offer from the studios and told the WGA that they had to immediately accede to the AMPTP's demand to take several key proposals off the table. According to the WGA's account, the union replied that it was still drafting its counterproposal and that it would not accept ultimatums. At this point, Counter informed WGA representative David Young, "In that case, we are leaving and breaking off negotiations. When you send us a letter confirming you will take all these items off the table, we will make an appointment to resume negotiations with you."

In a matter of minutes, the AMPTP had posted on the Internet a statement announcing the breakdown in talks and denouncing the guild for its unreasonableness and intransigence. In derisive language, the AMPTP statement read: "While the WGA's organizers can clearly stage rallies, concerts and mock exorcisms, we have serious concerns about whether they're capable of reaching reasonable compromises that are in the best interests of our entire industry."

However, the reality is that AMPTP intentionally torpedoed the negotiations. They insisted that the WGA remove its demand to represent writers working in reality television and animation (who are currently non-unionized), get rid of a contract clause allowing the WGA to go on strike in the event that other Hollywood unions walk off the job (contract negotiations with the Screen Actors' Guild and the Directors Guild will begin within the next few months), eliminate a "fair market value test" that is designed to prevent the entertainment companies from selling products back to themselves at a lower price, drop the demand for a cut of advertising revenue, and give up on key aspects of their position in the dispute over compensation in the realm of "new media."

The studios knew that at this stage the WGA could not agree to such demands. Their actions, little more than a provocation, are entirely in keeping with the tactics they have employed since the onset of the strike.

For weeks the studios have been playing a game of "cat and mouse" with the WGA. At first, the AMPTP used back channels to indicate to the union that if they pulled their demand for a hike in DVD residuals, the studios would come to the bargaining table. The WGA did this only to be rebuffed by its negotiating partners. Last week, the AMPTP

made a hard-line contract proposal, the so-called "New Economic Partnership" (NEP), which would have constituted a multimillion-dollar rollback for the writers. The AMPTP knew that the WGA could not sign on to such an agreement without provoking a revolt in its ranks.

Various news reports over the past week have indicated that the studios have been dragging their feet in the talks. Despite claims that they would be announcing the second installment of their "New Economic Partnership" this past week, the AMPTP failed to elaborate on this portion of the contract. The studios also never issued a formal response to the WGA's counteroffer with regards to the first part of the NEP. Despite proclaiming their willingness to return to the bargaining table after Thursday's session, it is clear that when Friday's talks began the AMPTP had already decided to end negotiations.

Much of the media agrees that the producers' walkout was entirely their doing, leading even the pro-AMPTP *Los Angeles Times* to declare this labor dispute as "one of the nastiest ... in recent Hollywood history."

The movie studios are unwilling to give an inch in their struggle against the Hollywood writers. Despite the overwhelming support for the WGA membership within the entertainment industry and among the public at large, the AMPTP is intransigent.

For many writers, this position seems irrational. Notwithstanding the movie studio's public claims to the contrary, the WGA's demands would amount to a pittance compared to the billions of dollars that these giant corporations rake in every year. This logic explains some of the sentiment that the WWSWS has encountered on the picket lines over the course of the last month in which many strikers have indicated their desire to make "reasonable" demands and come to a "fair" agreement.

Furthermore, the strike is having a significant financial impact on the companies, which will intensify as times passes.

According to the latest figures released by the *Los Angeles Times*, the writers' work stoppage has disrupted the production of more than fifty television shows

The *New York Times* reported in an article entitled "In Hollywood, the fade to black begins" on December 9 that "a prolonged strike could cost the television networks tens - if not hundreds - of millions of dollars in lost advertising revenue."

This fallout will extend throughout the entire economy, particularly in Southern California, where the studios are headquartered, the *Los Angeles Times* noted.

"Although the studios are banking that they can hold out for at least six months, the long-term effect could be enormous not only for the

entertainment industry but also for the region. Hollywood's stream of products contributes nearly 7 percent — an estimated \$30 billion annually — to L.A. County's \$442-billion economy, according to the Los Angeles County Economic Development Corp. If the strike continues into next year, which seems possible now, it will result in the loss of \$1 billion to the local economy."

But even in the face of this, as well as the growing economic crisis in the US, the big studios and networks will not give an inch.

The movie studios are prepared to let the striking writers rot on the picket line, even at significant immediate cost to them, in order to put into place a contract that will fundamentally restructure labor relations in Hollywood as a whole. The AMPTP is fighting to set into motion a process that has already unfolded in many other key industries throughout the United States and internationally - the elimination of decent paying jobs that afford those who have them something of a decent lifestyle. The effort to rollback the position of the writers is only the beginning of this larger struggle.

These multibillion-dollar conglomerates are not driven by a desire to build and develop the entertainment industry and expand and deepen the artistic and cultural output available to ever wider layers of people through television and above all, the internet. They are driven by a desire to make profit. The AMPTP sees plenty of ways to do this even without the writers, as well as professional actors for that matter.

On December 9, the *New York Times* ran an article about the intention of the studios to use the strike to develop reality television. According to the piece, the networks are planning to broadcast up to 27 hours of reality television a week in the first quarter of 2008. This would constitute about a 50% increase from the levels of the past few years.

While studios have seen their ratings decline sharply over the past month as programs, in particular late-night talk shows, have been forced off the air due to the strike, these lost revenues can be compensated for by reality television which costs a fraction of the amount it takes to produce a prime-time drama.

With the cost of a one-hour reality show coming in at \$1million, compared to \$2 -3 million for a prime-time drama, it is no wonder that CBS chief executive Leslie Moonves commented last week, "We have a lot of terrific plans, and ratings will probably not be as high without the influx of all our great original programming. But by the same token, cost will be down considerably."

What is Moonves saying? He is saying that so long as the studios can make money — even if they are absent the creative talent of Hollywood's writers and losing audiences — everything will be just fine from the perspective of the "entertainment industry".

Furthermore, it is not simply that reality shows are less expensive to produce, they are also nonunionized and therefore the AMPTP members would like to expand those areas of production whereby the WGA, the Screen Actor's Guild, the Director's Guild and other Hollywood unions can be sidestepped.

And thus, television viewers will be treated with a barrage of shows like that described in one *New York Times* article—"shows like 'The Moment of Truth,' a Fox offering in which contestants are strapped to a lie detector and asked about their most intimate secrets on a national stage."

The position taken by the movie studios, the subordination of the entire entertainment industry to the profit motive, poses dangers not only for immediate living standards of Hollywood's artists but for the state of culture in the country as a whole.

The conglomerates are ready to sacrifice much of what remains of

the talent and skill built up over decades to make money. If they can figure out a way to pump out programming on the cheap, no matter how deadening and tawdry, they will do it. If whatever is left of real comedy and genuine drama on television suffers as the result of the fact that writers cannot work, so be it.

The studios are indifferent to and contemptuous of the aesthetic and cultural sensibilities, much less needs, of the population at large, because Wall Street is their major concern, not the population's desire for interesting, compelling, and truly entertaining film and television.

Hollywood's writers are at the forefront of a struggle with much broader implications. The issues go far beyond the question of compensation for this or that section of workers on the studio lots, but to the question of who is going to defend and advance the vast resources, human and technological that provide mass entertainment for the world's population.

The WGA membership must shed its illusions that some sort of amicable deal can be worked out with the AMPTP.

The union negotiating team continually appears to be taken by surprise by the ruthlessness of their partners across the bargaining table. Naiveté and inexperience combine here with a real lack of an understanding of what it is that they are up against.

In response to the walkout by the AMPTP at Friday's talks, the WGA's negotiating team chairman, John Bowman, issued a statement.

"We remain ready and willing to negotiate, no matter how intransigent our bargaining partners are, because the stakes are simply too high. We were prepared to counter their proposal tonight, and when any of them are ready to return to the table, we're here, ready to make a fair deal," said Bowman.

Thus, in the face of a series of gross provocations by the studios, the WGA leadership continues to attempt to extend itself to the AMPTP.

Regardless of their intentions, the WGA leadership is incapable of leading a struggle in defense of the writers because a real fight with the studios would put them on a collision course with the political establishment, including the Democratic Party, the leadership of which is perfectly happy to make appearances at picket lines but would greet any real sharpening of the struggle going on in Hollywood—in particular, a mobilization of wide sections of workers involved in the industry in defense of jobs, living standards and real entertainment—with immense and open hostility.

However, it is precisely such actions—a mobilization of actors, directors, show runners, stagehands, set designers, service workers, and all the others that keep Hollywood going—that are needed in order to fundamentally oppose the rapacious and destructive actions of the studios. At the same time, and most importantly, widespread militancy and the effective shutting down of Hollywood is not enough. Such measures would have to be linked to the socialist demand to transform the entertainment industry into a publicly owned entity, in which all those involved in the production of art and culture participate in different aspects of this process.



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