**Casablanca and The Studio System**

Historian Margaret Thorpe estimates that by the late 1930s, American moviegoers were buying up to 85 million tickets a week. [The American](http://www.gradesaver.com/the-american) public was obsessed with the movies, and Hollywood ranked "as the third-largest source of news in the country, surpassed by only Washington and New York" (Balio 2). It was during this time that Hollywood truly became a business, and the power was divided between 8 major movie studios. Billy Wilder called studios "fiefdoms... Little circles of power." (Harmetz, 16). The "Big 5", so called because they were vertically integrated corporations which included production studios, distribution capacity, and their own theater chains, were: Loews/MGM, Paramount, Fox/20th Century Fox, Warner Bros., and RKO. The "Little Three", Universal, Columbia, and United Artists, either had much smaller theater circuits or production facilities. 1939 marked the height of the Golden Age, as these 8 major studios held the major market share of the American Film Business. Casablanca is certainly a product of the studio system, where movie moguls/studio executives held creative power, cycling through contracted actors, writers, and directors as they saw fit. These creative individuals, meanwhile, had no hope of making a living unless they complied with the studios' rules.

In 1948, a landmark Supreme Court case called The United States vs. Paramount Pictures, Inc., changed the landscape of the Hollywood studios. The Supreme Court determined that the vertically integrated business model of the major Hollywood Studios (i.e., keeping production, distribution, and exhibition all under one corporate umbrella), violated United States antitrust laws. Antitrust laws exist to maintain a healthy market environment by regulating the ways companies compete with one another. The Supreme Court felt that the Hollywood Studios had rendered it impossible for any competitors to gain access to American screens, and therefore, audiences. As a result, all of the major studios were required to divest their theater chains. Along with the introduction of television, the end of the studio system signaled a long slump in ticket sales that would not let up until the early 1970s.

Many of the major film studios from the Golden Age still exist today, but the dissolution of vertical integration paved the way for a robust tradition of independent cinema in the United States, which has created many iconic and memorable movie moments

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