Understanding Disney
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On writing a preface while 36,000 feet in the air between Singapore and Tokyo

It seems difficult, if not impossible, to escape Disney’s “magic.” Even here, 36,000 feet above the South China Sea, I am inundated by Disney products. The featured film is *Mission to Mars* (a Touchstone/Disney production), followed by several classic Mickey and Pluto cartoons and *Goof Troop* episodes. The audio program includes one entire channel featuring Disney’s Hollywood Records’ recording artists (Duran, Duran, BBMak, and Jessica Riddle), while the inflight magazine displays a prominent advertisement for Walt Disney World’s 2000 celebration. The Sky Mall catalogue (shop while you fly) offers classic animation art pieces featuring Mickey, Pluto, Winnie the Pooh and gang, priced from $99 to $325, as well as a board game for *Who Wants to be a Millionaire*, an ABC/Disney television program.

Meanwhile, the screaming child in the seat in front of me is sporting Pooh pajamas and clutching a Mickey Mouse plush toy. Well, at least the airline is not owned by The Mouse House. Not yet, anyway.

Disney and me: the requisite ritual of placing one’s self in one’s research

Growing up in southern California in the 1950s and 1960s meant a good deal of exposure to Disney’s world. Disneyland was just up the freeway from where I lived in San Diego, and *The Wonderful World of Disney* and *The Mickey Mouse Club* were essential television viewing. For me, as for most American children, more than a few family memories involved Disney, in one way or another.

For this reason, I dedicate this book to my family, especially to my
brother, Jack, whose first girlfriend moved from San Diego to Los Angeles to become one of the minor Mousketeers, with whom I shared many of these childhood memories, and who still finds pleasure and delight in trips to Disney’s “magical worlds.”

I also must admit that, once upon a time, I found myself working “down on Uncle Walt’s farm” (AKA Disney’s studio) in Burbank, California. It was the final in a series of film/television industry jobs that propelled me back to academe to try to understand why the entertainment industry behaved the way it does, and to question its role in society.

And, finally, I now find myself at a university that has a Disney character as a mascot. But more on that later . . .

3 Whither cometh this book? A few years ago, it thus seemed like a good idea to offer a course on Disney at the University of Oregon. The course became known by the same title as this book, and has covered some of the same territory. Initially, it was an attempt to expand upon a political economic approach to the media, as well as to respond to all those critics who say that political economists are uninterested in texts, audiences, or culture. But it also seemed like it would be a potentially popular course on media — and it has been. Over the years, literally hundreds of students have helped to sort through many of the questions posed in the book, offered their thoughts about the Disney phenomenon, as well as sharing their own Disney memories (some of which are included in chapter 7). My thanks to all of them — whether they liked the course or not.

4 More thanks (and no thanks) Many other acknowledgements are due — and some are not. I made few attempts to illicit support from the Walt Disney Company, being familiar with the many rebuffs experienced by researchers doing critical work on Disney. However, a plethora of people offered valuable insights during this project, for there seems to be an abundance of interest in Disney these days. Early on, colleagues in the University of Oregon’s Telecommunication and Film Department provided ideas and encouragement, especially Carl Bybee (for the title), Ellen Seiter, Ron Sherriff, Chris Purdie, and Ron Gregg. During a Fulbright appointment at the University of Copenhagen, I also received useful comments from faculty and students who enrolled in the Danish version of the Disney course. Later on in the process, I received invaluable feedback on specific issues and rough drafts from Susan Davis, Mark Phillips, Bill Kunz, Eileen Meehan, Kim Sheehan, Francis Coogan, Jeremy Alden, Liz James, and Randy Nichols. Research assistance was provided by Ellen
Riordan, John Groves, and Mark Phillips; while a small grant from the University of Oregon’s School of Journalism and Communication supported a visit to Disneyland Paris. Thanks also to Matt Dyste, head of Licensing and Merchandising at Oregon, for talking with me about the university’s mascot. My appreciation also goes to Tom Guback for handing over his invaluable Disney files, including 30 years of annual reports. Over the last few years, many, many thoughtful individuals (too many to be named here) have forwarded articles, clippings, and email stories, and others have passed along a wide range of Disney paraphernalia (especially Bill Kunz, Jörg Becker, Deb Merskin, and Andrew Jakubowicz).

Photographs were provided by Carlos Calderon, Jeremy Alden, and Andrew Jakubowicz, although many other colleagues also snapped interesting shots in various places around the world, which we were unable to use in the book. My special thanks to Martina Russial, for the use of her Lion King drawing; Peter White, for his special Hidden Mickeys illustration; George “The Tattoo Man” Reiger, for the use of his photo; and, James Victore, for sharing his poster, Disney Go Home.

Again, the people at Polity Press and Blackwell have been patient, professional, and efficient. Special thanks to Jean van Altena, Pam Thomas, Sandra Byatt, and Gill Motley.
Introducing the Disney Universe

Special wish: choosing, chasing his final dream.
Thanksgiving: James Simpson just wants to take his family to Disney World before he dies, which could be within a year.

Register Guard

It was a touching story on the front page of a local newspaper on Thanksgiving Day, 1997. A man dying of cancer wanted to take his family to Disney World. His "final dream" could have been almost anything, but he chose something that has come to represent the ultimate family event.

Apparently, hundreds of local readers recognized his dream and contributed to making it come true. A little over a month after the original story appeared, the newspaper announced in another headline: "Wish comes true for dying man, family: Vacation: Donations from hundreds of people give the Simpsons a trip to Disney World."

How is it possible to understand the significance and meaning of this phenomenon? What is it about the Disney theme parks in particular, but Disney in general, that attracts so many children as well as adults? How can we come to understand the appeal of Disney products?

It cannot simply be magic, as portrayed in Disney stories, or as the company would like us to believe. For even though Disney provides an important source of pleasure and entertainment for children and adults, it is also necessary to understand the process by which Disney’s magic and fantasy are deliberately manufactured – they are produced by one of the largest media and entertainment corporations in the world.
Since the early 1930s, the Disney company has manufactured stories, characters, and experiences that reinforce the key elements in mainstream US culture. Over the years, Disney stories and images have represented the USA in other countries around the world. Today, Disney films, comics, books, toys, theme parks, and other products are sources of pleasure for many – if not most – young American children, who learn and have reinforced ideas and values that may last a lifetime. Many adults join their children in these forms of leisure, dutifully introducing them to the same stories, characters, values, and ideals, or revisiting these sites on their own, renewing the pleasure and satisfaction experienced as children. Indeed, Disney holds an almost sacred place in the lives of many Americans.

The Disney company started in the late 1920s, as a small entrepreneurial enterprise when Walt Disney and his brother Roy Disney began producing Mickey Mouse cartoons. The company grew gradually, sometimes experiencing financial difficulties, but eventually establishing itself as an independent production company in Hollywood. Never one of the major studios (in fact, the company relied on other companies to distribute its film products), the Disney brothers built a reputation for quality animation, utilizing cutting-edge technological developments such as sound and color.

Despite the independent status of the Disney company in Hollywood, the popularity of Disney’s products and characters was instantaneous and unmistakable. Indeed, the image of Mickey Mouse was a global phenomenon by the mid-1930s. Thanks to the international distribution of Disney films and the merchandising efforts that accompanied them, the Disney company developed a reputation that was magnified far beyond the relatively small company’s resources.

And that reputation has continued. The aggressive marketing of a multitude of Disney products through a wide range of distribution channels all over the world has contributed to a proliferation of Disney images and characters that could hardly have been imagined in the 1930s. Disney products are almost everywhere.

Disney now represents a far more dominant player in the entertainment business, as the company has successfully diversified far beyond the arena of children’s programming. Yet it still maintains its reputation for producing family entertainment that is safe, wholesome, and entertaining. This reputation is even further enhanced by increasingly more vivid and overt portrayals of violence and sexual content in other media fare, some even produced by Disney under other labels. Thus, Disney is able to remain extremely influential, if not dominant, in the marketing of children’s and family entertainment, even as it expands into other lines of business.
In 1973, in his book *Mass-Mediated Culture*, Michael Real discussed what had by then become known as the “Disney universe.” He argued that the term was appropriate because (1) the Disney organization used it, (2) it signified the “universality” of Disney’s products, and (3) the Disney message created “an identifiable universe of semantic meaning.”

Despite claims that it merely produces entertainment, the Disney company has created a self-contained universe which presents consistently recognizable values through recurring characters and familiar, repetitive themes. The Disney brand is represented by its products – everything from films and television programs to theme parks and resorts – as well as by the philosophy of the company.

It is possible, then, to identify a “Disney universe” and to study something called “Disney” – the company, its parks, products, and policies, the individuals who manage and work for the company, as well as Disney characters and images, and the meanings they have for audiences.

However, studying Disney can be a challenge. When it is introduced as a topic for discussion, Disney is most often accepted with unqualified approval, and even reverence, by the American public. Many feel that the Disney company is somehow unique and different from other corporations, and its products are seen as innocent and pleasurable. There is a general sense that its product is *only* entertainment, as Walt Disney constantly reminded everyone. It is as though the company and its leaders can do no wrong – after all, they’re making so many people so happy. And they do it so well – how can one not be awed by their success?

There is also some hesitancy to discuss Disney as a business, despite the overwhelming emphasis on stockholder value and corporate goals by the company itself. In some settings, calling Walt Disney a “capitalist” would be considered risky, despite his role as head of a profit-motivated company. Furthermore, taking a critical stance towards the company that has created the happiest places on earth may be considered overly pessimistic, not to say downright un-American. After all, why should it be taken so seriously? As we’re told continuously, it’s *just* entertainment.

Nevertheless, it is important to consider the Disney phenomenon seriously and to insist that it is a legitimate focal point for cultural and social analysis. It is appropriate not only to look more closely at the Disney company and its products, but also to critique their role in our culture. Indeed, with the proliferation of Disney products and the diversification of corporate activities, one must insist that Disney is fair game for serious critical review.
Why another book on Disney?

This is not to say that the Disney phenomenon has gone unnoticed. Indeed, the attention that Walt Disney, the Disney company, and Disney products have received in print is staggering. Several books consist mainly of references to Disney material,\(^4\) while a recent search on the amazon.com website identified 2,922 books with “Disney” in the title. (Of course, many of these are Disney products.) To this list must be added the constant attention that the company and its products receive in the popular press, which has contributed to the Disney phenomenon.

In some academic circles, the study of Disney in particular, and popular culture in general, has been perceived as an irrelevant, frivolous, “Mickey Mouse” occupation. Nevertheless, Disney has been the focus of study in a wide variety of disciplines, with countless books, essays, and articles on Walt Disney, his contribution to animation, the history of the Disney company, and the analysis of its products and their creators.

In the 1930s, cultural pundits and film critics celebrated Disney as art, while members of the Frankfurt School often used Disney characters such as Mickey Mouse and Donald Duck as examples in their discussions of the culture industry. In addition to Michael Real’s study, the Disney empire attracted the attention of communications scholars in several classic studies in the 1970s, specifically Ariel Dorfman and Armand Mattelart’s *How to Read Donald Duck* and Herbert Schiller’s *The Mind Managers*.\(^5\)

More recently, there has been a boom in “Disney studies,” as numerous scholars have directed attention to the phenomenon and joined in “the fashionable sport of Disney bashing.” Analysis has featured rhetorical, literary, feminist, and psychoanalytic critiques, stressing social issues, such as race and gender representation. Anthropologists, architects, historians, and geographers are also seriously discussing the impact of Disney’s worlds (especially the theme parks), considering their aesthetic, cultural, and social implications.

But despite all of this attention and analysis, there is still a need to look at the *entire* Disney phenomenon from a critical perspective.\(^6\) This book will look at the wide range of perspectives that have been used – and must be used – to understand the Disney universe. The overall objective is to encourage analysis of popular culture and its role in society by exploring a specific popular culture phenomenon through various approaches and methodologies.

The continued expansion and popularity of the Disney empire calls for
the deliberate integration of political economic analysis with insights drawn from cultural analysis and audience studies or reception analysis, or, in other words, analysis emphasizing the economic as well as the ideological, or production as well as consumption. In the case of Disney, this approach is expressed in the notion of manufacturing fantasy.

In chapter 2, different versions of Disney’s history will be discussed, as well as the issue of Walt Disney’s contribution to the company’s development. A political economic analysis of the different sectors of the current Disney empire will be presented in chapter 3, followed by a discussion of the way the company works in chapter 4. Chapter 5 will review the wide range of analysis that has focused on the content of what we will call Classic Disney products, and chapter 6 will consider how some of the same techniques have been applied to the Disney theme parks. Chapter 7 will discuss the reception of Disney by different types of audiences or Disney fans, as well as presenting some examples of how individuals respond to Disney.

Although every detail of the Disney universe cannot be discussed thoroughly, we can still come closer to understanding its significance by looking at the whole phenomenon and utilizing interdisciplinary analytic tools. An integrated, interdisciplinary approach can help us to further understand the popularity of Disney over the years, as well as the significance of Disney as a major contributor to consumer culture in the USA and internationally.
In the truest American Tradition, Walt Disney rose from virtual obscurity to become, through his beloved character creations, filmmaking’s greatest success. . . . by virtue of his unsurpassed imagination, native genius, determination, and resourcefulness, he has utilized all so effectively as to become a world renowned, self-made pioneer in creating highly entertaining, thoroughly delightful, colorful, and educative motion picture spectacles.

Wisdom, 1959

As indicated in the epigraph above, the history of the Disney company has almost always been the story of Walt Disney. From the early 1930s until his death in 1966, Disney received an enormous amount of public attention—probably more than the movie moguls who distributed his cartoons. But the fascination has continued, with numerous biographies appearing since his death, as well as the more expected glorification by the Disney corporation itself. As William McReynolds has observed, there is a “pseudo-religious aura which has come to surround his name before and since his death.”

Much of the story was deliberately constructed by Walt Disney himself and was carefully repeated over the years by Disney, his family, and the Disney company. In 1968, Richard Schickel concluded that “Walt Disney’s greatest creation was Walt Disney.” Joel Taxel echoed these sentiments: “His success in building an empire based on the animated film and in making his name one of the best known in the world was, to most, far more intriguing than any of the products he created.”
It may not be surprising that the story of Walt Disney seems to have special, almost sacred, meaning for Americans. Not only does the Disney company actively present him in this special, sacred way, but the legends of Walt and Mickey Mouse have been picked up and repeated endlessly by journalists, historians, and biographers. Even the more critically oriented biographies often attempt to psychoanalyze the man through the products, inevitably concluding with consummate praise for Disney’s genius.

Not only does this perpetuate the “great man” version of history, but this ongoing fascination with Disney and his accomplishments tends to deflect attention away from the corporate nature of his enterprise. For example, Leonard Maltin, one of Disney’s well-known chroniclers, asks: “why and how did Walt Disney get to the top of the heap and stay there? Most of the answers are to be found in the man himself.”

To establish a foundation for understanding the Disney phenomenon, it is necessary to sort through the hagiographies of Walt Disney that rely heavily on this great man approach and attempt to discover his actual impact on the company and its products. Disney obviously owned and clearly controlled the company during his life, as well as playing a very strong leadership role in the company’s management for most of that time. Thus, it is sometimes difficult to separate the history of Disney the man from that of Disney the company. Nevertheless, understanding both these Disney histories is essential.

It is also necessary to establish the social context in which Disney and his company developed. It is thus crucial to study the history of the Disney company through the interweaving of instrumental and structural analysis. In brief, instrumental approaches have been used to understand corporations by focusing on individual capitalists, while structural analysis considers corporate activities within the context of more general economic and political contexts. As Graham Murdock has argued, to understand the full dynamics of media corporations, it is essential to use both approaches, examining “the complex interplay between intentional action and structural constraint at every level of the production process.”

Drawing on the many biographies and the few corporate histories, this chapter will present an overview of the Disney company during Walt Disney’s life, thus establishing a foundation for understanding the Disney universe at the beginning of the twenty-first century.
Walt Disney, the man

Once upon a time . . .

Walter Elias Disney was born in Chicago in 1901, the fourth son in a family of five children. Struggling to gain financial security, his father moved the family from Chicago to a farm in Missouri (1906), to Kansas City (1910), and then back to Chicago (1917). Later in his life, Disney often referred to his memories of the farm and rural life in Marceline, Missouri. But the irony, pointed out by some biographers, is that the family lived in Marceline only a few years; thus Disney’s rural roots were relatively shallow. Nevertheless, Disney “idealized and romanticized” these memories, which provided the basis for his attachment to small-town America and its values.

When the family moved to Kansas City, Walt and his older brother, Roy, apparently suffered from long hours of hard work delivering newspapers for their father’s new business, and were also reportedly subjected to some physical abuse from their straitlaced father. Roy served as an ally and protector of the younger Walt but, upon reaching maturity, left the family as two other older brothers had done previously. Thus, despite his fondness for warm, happy families, Walt Disney’s own family life lacked these qualities. His biographers note that he developed a “creative and light-hearted personality,” an inclination towards commercial activities, an intense desire to succeed, a strong rejection of organized religion, and a loathing of poverty, as well as faith in practical education and experience.

Disney left home when he was 16 years old, falsifying his age so that he could join the Red Cross Ambulance Corps. Even though World War I had virtually ended, he served as a driver and performed other duties in various locations in France. When he returned to the USA in 1919, he pursued his interest in drawing at a commercial art firm in Kansas City, rather than finishing high school. After dabbling with animation for a few years, he formed his own company, Laugh-O-Gram Films, in 1922, and started producing the Alice’s Wonderland series, which combined animation with live action. It was also the beginning of his collaboration with the talented artist Ub Iwerks, who joined the Disney enterprise and became an important part of Disney’s future success.

Walt joined his brother Roy in Los Angeles in 1923, as an official history distributed by the Disney company explains, “with a lot of hopes but little else.” After failing to gain employment with one of the film
studios, Disney started where he had left off in Kansas City by reviving the Alice series. After a New York company agreed to distribute the cartoons, Walt convinced Roy to become his business manager, and the Disney company was officially formed on 16 October 1923. Although at first the company was called The Disney Brothers Cartoon Studio, it soon became the Walt Disney Studio, reflecting the roles that the two brothers would play throughout the history of the company – Walt as the primary, “creative” force, who received the public attention and acclaim, and Roy, who worked behind the scenes, handling finances and tending to the organization.12

While the studio produced 56 Alice shorts, another animated series based on a character called Oswald, the Lucky Rabbit, was created in 1927 for Universal Pictures. However, after brief success with ten Oswald shorts in 1927 and 16 in 1928, the Disney brothers discovered that the rights to the character were actually owned by Universal. In addition, the majority of his animators had been lured away from the Disney company to work for the New York distributor. This story is an oft-repeated one in the Disney legend, as it was said to have taught Walt an important lesson: never lose control of your creations. Any number of events in Walt’s life and in the Disney histories are explained by this one story.

“It all started with a mouse”

What followed the loss of Oswald also became part of the Disney legend: the birth of Mickey Mouse. The most famous version of the story features Disney and his wife (whom he had first employed at his studio and then married in 1925) traveling by train from New York after learning that Oswald had been lost. Disney created Mickey, at first called Mortimer, and returned to Hollywood with the first cartoon in mind. It is amazing how often this story is repeated.

Another version is presented by one of the official histories distributed by the company: “It was at the Hyperion Studio, after the loss of Oswald, that Walt had to come up with a new character, and that character was Mickey Mouse. With his chief animator, Ub Iwerks; Walt designed the famous mouse.”13 The more careful biographies agree that the creation of The Mouse was a collaboration between Disney and Iwerks; however, Disney took the credit in public. Iwerks animated two cartoons featuring the new character, Plane Crazy and Gallopin’ Gaucho. Yet, the first Mickey Mouse cartoon released was actually the third film produced. Steamboat Willie appeared in November 1928 after synchronized sound had been
added. Many of the Disney histories credit the addition of sound to Walt, after he viewed the first feature film with sound, The Jazz Singer, in 1927. However, another version of the story is that he was “unable to sell (the cartoons) because they were silent films, and sound was revolutionizing the movie industry.”

What is indisputable is that Mickey Mouse was an instant success, not only with distributors and theater owners, but also with the public. In his controversial biography of Disney, Marc Eliot notes that there were more sophisticated animated shorts being made at the time. “However, what set Disney’s films apart was his ability to produce cartoons that not only talked but made lots of money, and that combination made them highly desirable to the industry leading distributors.” The Disney company was able to secure a distribution contract with Columbia Pictures to produce additional Mickey Mouse cartoons, even though the amount received often did not cover the costs, which had increased from around $5,400 to $13,500 for each cartoon by late 1931.

Thus, the Disney brothers found that they needed additional revenue to survive and turned to other sources, especially merchandising. The first arrangement to produce a Mickey Mouse product was a $300 offer to feature The Mouse on writing tablets in 1929, but it was quickly followed by many more. The first formal merchandising contract was with the George Borgfeldt Company in 1930, although apparently there was also a good deal of unlicensed merchandise, especially in Germany, France, England, Italy, Czechoslovakia, and Spain. In 1932, the company hired a dynamic salesman and innovator, Herman “Kay” Kamen, to head the merchandising division, leading to a proliferation of Disney products. An indication of the growing importance of merchandising for the company was the reorganization in late 1929 into four divisions: production, film recording, real estate, and licensing and merchandising (later called Walt Disney Enterprises).

Early Mickey Mouse products were mostly toys and dolls but subsequently expanded to every imaginable kind of product. Especially popular were watches and clocks produced by the Ingersoll–Waterbury Company. By January 1930, Mickey appeared in a comic strip distributed by King Features. Mickey and his friends were also featured in Mickey Mouse Magazine (from 1933 to 1940) and numerous books, as well as in a newspaper comic strip. Similar publications appeared in other countries, as Mickey was featured as Topolino in Italy and in Le Journal de Mickey in France.

Even before the merchandising efforts, Mickey Mouse Clubs had
appeared around the country and the world, organized around Saturday movie matinees for children. The company distributed bulletins to theaters explaining how to start clubs in their towns. By 1932, there were one million members worldwide of the Mickey Mouse Clubs, which also served to promote the Disney cartoons and merchandise.19

With the success of Mickey Mouse, the studio began production of the Silly Symphonies, a series of short films that experimented with sound, music, and images to create moods and emotions, rather than humor as in other Disney productions. The first of the Silly Symphonies was *The Skeleton Dance* in 1929, followed by *Frolicking Fish, Monkey Melodies,* and *Arctic Antics.* Disney was one of the first companies to use Technicolor’s color process, producing the first full-color cartoon, *Flowers and Trees,* a Silly Symphony that won the Academy Award for the Best Cartoon for 1932.20 Another of the Silly Symphonies that attracted special attention was the Disney version of *The Three Little Pigs,* released in 1933. The film not only grossed $125,000 during its first year of release but also became a national sensation. (More discussion of this film is included in chapter 5.)

Other characters emerged from the company’s films to become part of the Classic Disney stable, including Minnie Mouse, Mickey’s dog Pluto, Goofy, and, to a lesser extent, Clarabelle Cow, Horace Horsecollar, and the villain Pegleg Pete. Donald Duck appeared in one of the Silly Symphonies in 1934 and became one of the company’s most popular characters, with his own line of merchandise, including Donald Duck bread, Donald Duck peanut butter, and Donald Duck orange juice.

By 1934, the company employed around 200 people at its Hyperion Avenue location, which was continuously expanding with the addition of offices, stages, and labs. By all accounts, the company had become successful.

**Hooray for Hollywood**

Only a few of Walt Disney’s biographers attempt to establish any context for the company’s achievements. Indeed, many profiles give him so much credit for animation innovations that one would think that animation originated with Walt Disney.21 But, as Watts suggests:

Diseny’s success cannot be understood as an isolated event. It unfolded as part and parcel of much larger cultural changes in the early twentieth century. Shaped by the rise of consumerism in the economic realm,
bureaucracy in the social structure, and corporate liberalism in politics, an enormous historical transformation had reworked the meaning of entertainment and the definition of success.\textsuperscript{22}

Indeed, motion pictures in general and Disney in particular represented examples of these changes. The Disney company was part of the growing motion picture business that had emerged in the Los Angeles area from around 1910. What is also overlooked in many of the Disney histories is how small the Disney company actually was by comparison with the corporate giants that controlled the film industry at the time. In the early 1930s, the industry was dominated by five fully integrated corporations – Fox, Paramount, Loew’s, RKO, and Warner Brothers – that produced and distributed motion pictures to their theater chains around the country. Meanwhile, three smaller companies – United Artists, Columbia, and Universal – produced and distributed films in cooperation with the Big Five.\textsuperscript{23}

Although the Disney studio received an enormous amount of public attention and was proclaimed to be an amazing success, it was only a pint-sized midget compared to these other incorporated giants that produced hundreds of films each year and amassed sizable revenues and profits. Under its distribution agreement with United Artists, the Disney company produced between 20 and 25 short films annually, for about $50,000 each, with expected revenues of around $120,000 each. However, distribution costs reduced the ultimate profits for the Disney firm. During the 1930s, the Disneys rarely made a profit of more than $500,000 per year, and this was poured back into production.

Gomery reminds us that the Disney brothers were able to survive for three reasons: (1) distribution deals with some of the major film companies (Columbia, 1929–31, United Artists, 1931–36, and RKO, 1936–54); (2) product differentiation, including short subjects which took advantage of technological innovations such as sound and color; and (3) revenues from merchandising contracts (the company received 2.5 percent royalties on inexpensive products, 5 percent on expensive items).\textsuperscript{24} For these reasons, the Disneys were able to hang on as a small Hollywood independent in an industry controlled by much larger, integrated corporations.

\textit{Hollywood’s Horatio Alger}

In spite of the company’s small size, the Disney legend grew to become larger than life. The company’s success was magnified because of the
widespread popularity of its products, as well as the abundant praise heaped upon its leader.

Bryman describes Walt Disney as one of those rare charismatic leaders “who dream up a vision about the need for a product, attract others to that vision and build the organization into an enthusiastic group of adherents.” Bryman characterizes him as extremely ambitious, with a perpetually positive attitude and a strong belief in hard work and high-quality products.

But even the most laudatory biographies point out that Disney was also authoritative, moody, and demanding. Some of his employees called him a benevolent dictator and reported various scare tactics that he used to get his way. The more critical histories reveal that “Uncle Walt” (as he became known in later years) was extremely controlling and obsessive in various ways.

There is no doubt, however, that Disney’s attributes included a “remarkable capacity to sell his product and himself.” He was especially adept at projecting his own image as someone who had become successful through hard work and perseverance. The press picked up his story and ran with it, repeating endlessly the saga of “the Horatio Alger of the cinema” and the self-made man image that Disney cultivated. In 1934, Fortune observed that “Enough has been written about Disney’s life and hard times already to stamp the bald, Algeresque outlines of his career as familiarly on the minds of many Americans as the career of Henry Ford or Abraham Lincoln.”

In spite of his image as a talented artist, Disney actually did little drawing after 1924, when he started working with Ub Iwerks. Disney is reported to have been more than a bit frustrated when asked to sign autographs, as he struggled to duplicate the famous Disney signature that the public came to recognize and expect. However, most accounts agree that Disney’s talent was in story editing and development; he seemed to have an innate sense of what would entertain the public and an ability to communicate his ideas to his staff.

Above all, Disney was committed to mass culture. He explained, “I am interested in entertaining people, in bringing pleasure, particularly laughter, to others, rather than being concerned with ‘expressing’ myself or obscure creative impressions.” His attitude, as well as his products, were well-suited to the era described above. For Disney’s products incorporated elements of other commercialized forms of entertainment and mass culture: “music, mischief, dance, comedy and heroic melodrama” drawn from popular music, vaudeville comedy, and dance.
Disney’s driving passions have been summarized especially well by Watts:

The imperatives of success and mass culture always directed Disney’s path. From the earliest days of his career, he repeatedly confessed the great passions of his life: he was in love with his work and in love with the idea of entertaining a mass audience. His meteoric rise in the 1920s and early 1930s had made him a dynamic success story and a wildly popular entertainer for millions of American consumers.31

Disney’s Folly

The Silly Symphonies set the stage for animated feature films, an innovation that was accompanied with the usual fanfare and praise for Walt’s foresight and ingenuity. As the official history tells us, “Walt Disney was never satisfied with what he had already accomplished.”32

Actual work on Snow White and the Seven Dwarfs, the company’s first animated feature, began in 1936, with an estimated budget of $150,000. By the time it was completed in 1937, the cost was $1.5 million, and the film was known as “Disney’s Folly.” Though many doubted the wisdom of producing an animated feature, Snow White was an immediate hit, setting attendance records around the USA, with box office grosses of $8.5 million within its first three months of release. The film industry was pleased as well, awarding Disney a special Academy Award in 1939.

The merchandising and tie-in campaigns that accompanied the film may surprise those who think of such activities as a more recent Hollywood phenomenon. As early as 1936, the company granted over 70 licenses to various companies to produce a wide range of items, including clothing, food, toys, books, phonograph records, and sheet music.33 Comic books, painting and coloring books, and picture books were sold before the film was released. Also featured were Snow White radios produced by Emerson, Snow White-print corsets, Snow White sliced bread, and Snow White treasure chests for all the Snow White toys. In fact, the merchandising campaign was noted as a “dramatic example of a new force in merchandising.”34 The multitude of products not only brought in revenues but importantly helped to publicize the film and build the Disney reputation.

While continuing to produce several cartoon series based on Mickey Mouse, Donald Duck, Pluto, and Goofy, the studio also worked on new animated features. Pinocchio and Fantasia were both released in 1940, followed by Dumbo (1941), The Reluctant Dragon (1941), and Bambi (1942).
The animation factory

With the success of *Snow White*, the company grew dramatically. By May 1940, the company’s 1,100 employees had moved into a new $3 million studio in Burbank, with 20 separate buildings for the different stages of the animation process. For instance, the Animation and Story departments were separated from the Camera and Inking and Painting buildings, although all were connected via underground tunnels. The new studio represented not only the success of the company, but also the growing rationalization of the animation process. While this specialization was intended to make the operation more efficient, it also increased the bureaucracy at the studio.

Other innovations were incorporated into the animation process, including the pencil test (a method of projecting pencil drawings) and the Leica reel (a method of projecting both completed and uncompleted parts of a project). The studio also adapted the story board, a series of drawings used to depict an entire film, rather than just segments. Other technological developments included the multi-plane camera, a device that incorporated multiple layers of animation, thus providing increased depth and contributing to Disney’s constant quest for more realism. The famous artists’ school set up at the studio was another innovative feature that helped to eliminate waste, though it also enforced a kind of “uniform technical mastery” among the animators.

Many of these innovations were attributed to Disney, but it is arguable that others at the studio were more responsible for their development. McReynolds noted that Disney had an “unerring appreciation of technical developments and how to use them for profit.” As Schickel pointed out, “Disney’s gift, from the beginning, was not as is commonly supposed a ‘genius’ for artistic expression; if he had any genius at all it was for the exploitation of technological innovation.”

The company received a good deal of publicity for its new studio, which became known as the “fun factory.” People seemed fascinated with the industrial process that created Disney’s films, apparently finding it hard to believe that fantasy could be manufactured. Much less attention, however, was focused on the commercial orientation of Disney’s fantasy production.

Along with the company’s success, its debts had grown as well. So before completing the move to the new Burbank headquarters, the company issued 155,000 shares of preferred stock and 600,000 shares of
common stock. Though the company had incorporated in 1929, until now, all its stock remained privately held. In 1938, 45,000 shares were owned by Walt and Lillian Disney, and 30,000 shares by Roy and Edna Disney. While the stock sold quickly and provided needed capital for the company, it diluted the Disneys’ ownership control of the company.37 Yet, by all accounts, Walt was still very much in control of the company’s operations, at least until the dramatic events that started unfolding in the early 1940s.

Conflict in Wonderland

By most accounts, the growth of the studio and the move to the new Burbank facilities led to changes in the working conditions at the company. The Disney studios had previously been depicted as a “democratic, collective, creative paradise.”38 Many of the employees agreed that the Disney plant was unique during the 1930s, with a family atmosphere that inspired creativity.

However, by the early 1940s, the studio had lost its charm for at least some of its workers. Salaries were often out of balance, with new animators hired at higher salaries than seasoned veterans. And although the studio was known for its creativity, it was always Walt’s personal visions that prevailed. Furthermore, screen credits were provided only for the company’s feature films, with “Walt Disney” as the only name attached to the cartoons.

By the end of the 1930s, there was increasing dissatisfaction at the studio, especially due to the inconsistent wage scales, the erratic distribution of bonuses and other forms of compensation, and well as the lack of professional screen credits. The dissatisfaction finally erupted in 1941.

Hollywood had experienced a wave of unionization during the 1930s, with most of the industry’s workers being represented by the end of the decade by labor organizations both from within and outside the film industry.39 The Screen Cartoonists Guild (SCG) had been founded in 1936 to organize the growing number of animators in the industry and, by the early 1940s, had gained contracts at MGM and Schlesinger’s animation unit at Warner Brothers. Meanwhile, at the Disney studio, the Federation of Screen Cartoonists was formed as a company union in 1937.

The SCG started organizing at Disney in late 1940 and, by January 1941, was recognized by the National Labor Relations Board (NLRB) as the bargaining unit for animators, story men, directors, and production workers at the studio. The SCG filed formal charges with the NLRB,