

Perils of Todd-AO

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participation certificates plunged along with Magna common.

Todd's former associates shake their heads in puzzled fashion over his precipitate liquidation. They say it was motivated not, as he pretends, by ire over the alleged mishandling of the "Oklahoma!" opening, but by his need for cash. At the time, Todd was in the midst of shooting a Todd-AO version of the Jules Verne classic, "Around the World in 80 Days," which ultimately cost close to \$5 million, and he had to raise funds with which to finish it. But by publicly knocking "Oklahoma!" and then dumping his Magna stock, he tended to defeat his own ends.

Despite all these setbacks, Todd-AO is still very much a going concern. Of late, in fact, there have been signs that it one day may fulfill the expectations of its promoters. On the technical side, American Optical has come up with two new developments which would have been ready in time for the Rivoli opening had the flood not intervened. One is a special screen, which heightens the visual effect of the process considerably (a prototype was installed for the recent opening in Baltimore).

When a film in Todd-AO is projected on a screen of ordinary material, the deep curve causes one side to pick up light reflected from the other. This "re-illumination" makes the image at the two sides appear blurry and also tends to wash out the darker colors. To overcome this difficulty, the technicians designed a plastic screen with tiny ridges or "light dams" embossed on its surface; this results in all light being reflected outward, toward the audience. The screen is not yet in production, since A-O hasn't yet decided whether to make it in one of its own plants or sub-contract it to another manufacturer, but the company says it will be available soon.

The second new development is a method of turning out Todd-AO positive prints from the negative so that they can be projected from a high-level theatre booth. Previous attempts to do this resulted in a serious distortion of the image. Hence theatres which planned to show "Oklahoma!" had to be remodeled to place the projection booth approximately at the same height as the screen, a requirement which added \$5,000 or more to the cost of equipping a theatre for the process.

At the present time, the cost of such equipment runs to nearly \$20,000. To this figure must be added re-wiring costs and labor charges for installation, which vary widely from city to city. Officials of American Optical are keenly aware that if the Todd-AO process is to come into widespread use, the cost will have to be cut.

One possible way is to reduce the number of elements in the projector. The latter ordinarily is designed so that it can be converted, at the flick of a few switches, to handle either CinemaScope or ordinary, narrow-screen films, as well as Todd-AO. This feature runs up the projector's price to about \$5,000, compared to approximately \$2,500 for a CinemaScope unit. A plan is now being considered to sell projectors which, initially, can be used only for Todd-AO, with lenses and attachments for other processes available if desired.

The renewed optimism over "Oklahoma!" and Todd-AO is based on more than technical improvements, however. Results at the box-office have been encouraging. So far, although playing at only eight houses, the movie has taken in about \$1.5 million, after deduction of admission taxes, a figure which George Skouras calls "sensational."

In 21 weeks at the Rivoli, it has grossed about \$750,000, while 16 weeks at the Egyptian and 13 weeks at United Artists, both in Los Angeles, have yielded approximately \$450,000. The McVickers in Chicago, where the film has been playing for 11 weeks, has contributed about \$350,000. Within the past three or four weeks, "Oklahoma!" has opened at the Coronet in San Francisco, the United Artists in Detroit, the Film Center in Baltimore and the Sheridan in Miami Beach. All are drawing near-capacity audiences.

Moreover, executives of Todd-AO Corp. say that negotiations with theatre owners in other areas are going well. By Easter, "Oklahoma!" will be showing in Toronto and Montreal, and talks are in the active stage with exhibitors in a number of other cities, including Boston, Philadelphia, Washington, D. C., Atlanta, Cleveland, Minneapolis, New Orleans, Dallas, Houston, Seattle, Winnipeg and Vancouver.

Eventually, Skouras hopes to have it in 4,000 of the 16,000 movie houses in the U. S. and Canada, but he admits "that will take time." It isn't likely

to be accomplished until several other films have been made in the Todd-AO process, so exhibitors will be certain of having enough of them in prospect to justify their investment.

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On this score a certain amount of progress also has been made. One film, Todd's "Around the World in 80 Days," with a cast which includes some 50 big-name stars, has been completed. It is due to open at the Broadway Theatre in New York about Labor Day. In addition, Magna is reportedly in the discussion stage with Rodgers and Hammerstein on a project to shoot "South Pacific." At least two of the major studios and several independents are nibbling at the idea of making Todd-AO pictures.

In spite of their disagreements with Mike Todd, Magna executives expect his "Around the World in 80 Days" to stimulate greater interest in the Todd-AO process than "Oklahoma!" has done. The latter, they now say, was not the ideal vehicle to launch the process because it fails to give great enough scope to the audience participation aspect of the medium.

Cinerama thrilled audiences when it took them on a roller-coaster ride which was so realistic that women in the audience were apt to scream. The script of "Oklahoma!" however, didn't call for a roller-coaster and, since it has become an American classic, there could be no tampering with it. On the other hand, Todd has thrown every thrill-provoking gimmick known to the trade into his version of the Jules Verne story, from Indian attacks and bull fights to train wrecks and burning ships. "80 Days" may bring some long-range benefits in the form of increased acceptance of Todd-AO by the public and the trade.

But it will not immediately augment Magna's earnings to any great extent. Todd, still hopping mad at Skouras, vows that instead of handing over the distribution of his picture to Magna; he will peddle it to theatre owners himself. This means that the only revenues

accruing to Magna will be through its 67½% share in the license fees collected by Todd-AO Corp. And the latter must amortize the \$3.8 million development costs before distributing any profits.

This raises the question of how the holders of the various securities connected with "Oklahoma!" and Todd-AO are likely to fare. On this score, the prospects vary widely. George Skouras, a showman of the old school and an optimist, professes to believe that "Oklahoma!" in two or three years will break the box-office record of "Gone With The Wind," which grossed about \$40 million on its first round.

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Assuming that the picture does come up to Skouras' fond hopes, and grosses, let us say, \$50 million, the pie will be cut up in a number of slices. About \$12.5 million will go for printing, advertising and distribution costs. The \$8.5 million worth of bonds and loans will have to be paid off. Then Rodgers and Hammerstein, in addition to the \$1,020,000 paid for the screen rights, will get a 40% cut, or \$11.6 million. The holders of the participation certificates are entitled to their 25%, which would amount to \$7.25 million, or better than \$1,200 per certificate. Finally, after Todd-AO Corp. gets \$1.3 million in license fees, what is left, some \$8.85 million, will accrue to Magna investors. This would work out to \$3.81 per share.

Magna's only source of revenue, for the moment, is the box-office receipts from "Oklahoma!" It leases the film to exhibitors for 90% of the net, after payment of admission taxes and theatre expenses. The company has other potential sources of profits, however, if the Todd-AO system is accepted by a broad segment of the motion picture industry. It has a perpetual license (though not an exclusive one) to produce and distribute films in the medium, with first call on all Rodgers and Hammerstein properties except "Carousel" and "The King and I." Moreover, along with American Optical, it ping mad at Skouras, vows that it will share in the profits from any movies in Todd-AO by other producers.

American Optical Co. says it does not expect to receive any substantial returns from the venture until three years have passed. Several successful films must be made in the new medium before Todd-AO Corp. will be able to pay its debts and have anything left for stockholders. Nor will the manufacture of equipment and studio installations be very profitable until