

# The Film Industry in Brazil

Culture and the State



Randal Johnson



*Pitt Latin American Series*



## THE FILM INDUSTRY IN BRAZIL



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*Culture and the State*

RANDAL JOHNSON

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*To my parents*



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Note: English translations of film titles are given the first time they appear in the text, but not in tables nor appendixes.

## THE FILM INDUSTRY IN BRAZIL



# INTRODUCTION

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MUCH HAS BEEN written in recent years about the relationship between the state and the economy in Brazil, and much has been said about the important social function of the state.<sup>1</sup> Yet relatively little has been written on the relationship between the state and cultural production. The Brazilian state has historically served as a patron, guarantor, regulator, repressor, and, at times, producer of culture. Writers, for example, have long depended on the state not only for prestige and patronage, but also, and more immediately, as an employer.<sup>2</sup> The Brazilian publishing industry, furthermore, is frequently subsidized by such state organizations as the Instituto Nacional do Livro (National Book Institute), set up in 1937 by Getúlio Vargas as a means of incorporating intellectuals into state policy. Although the state's intervention in the cultural arena can be traced back to the colonial period, with the establishment of libraries, educational institutions, and more or less direct patronage of the arts, such intervention—along with similar state intervention in the economy—increased rapidly in the twentieth century, especially under the governments of Getúlio Vargas (1930–1945, 1951–1954) and since the military coup d'état of 1964.

State activity in the cultural sector is not limited to erudite culture. The characteristics of Rio de Janeiro's famed samba schools (*escolas de samba*) and their colorful carnival parades (*desfiles*) have to a large extent been shaped by government policy. In the 1930's the city of Rio de Janeiro created a Department of Tourism (RIOTUR) "to promulgate the cariocan carnival and organize the performances and contests of the samba clubs in particular. RIOTUR took official charge of the clubs' contests which had been

patronized by cariocan newspapers. Certain rules and requirements were set . . . Themes of the parades might deal only with historical or patriotic Brazilian motifs. An official list contained the criteria in terms of which experts appointed by RIOTUR would judge each parade."<sup>3</sup> Soccer networks are linked to the federal government through the Vargas-created National Sports Council, and even *umbanda* groups, once outlawed, at times receive state support.<sup>4</sup> If we define "state" as including a variety of public authorities at the federal, state, and local levels, then state intervention in culture is indeed pervasive.

Over the last fifty years, the Brazilian state has gradually developed a policy of protection and support of the national film industry. The policy has not grown out of a carefully planned, well-conceived design, but rather has evolved according to pressures derived from successive crises in the industry. During the last decade, Brazilian cinema, partially because of state support, has attained unprecedented levels of technical quality and has achieved fairly broad international acclaim with such films as *Dona Flor and Her Two Husbands*, *Bye Bye Brasil*, *Gaijin*, *Xica*, *Pixote*, and *They Don't Wear Black-Tie*, among others, all of which were at least partially financed by Embrafilme (Empresa Brasileira de Filmes), the government film agency. Under Embrafilme's aegis, Brazilian cinema has maintained a multiplicity of themes and styles and has captured an ever-increasing share of its own market as well as limited foreign markets.

Despite Brazilian cinema's undeniable critical and cultural success, state policy toward the industry has in some areas been so short-sighted that it has led, in the late 1970s and early 1980s, to the most severe economic crisis of the industry's recent history. The exhibition sector has been particularly hard hit, witnessing a net decrease of over 48 percent in the number of 35mm theaters in operation between 1975 to 1984. Brazil has become one of the countries with the fewest number of theaters, in relation to the country's population, in the world.

Although most of the crises Brazilian cinema has undergone over the last two decades have been economic, there have also been political crises, as filmmakers have run afoul of the authoritarian military regime. In March 1982, for example, Roberto

Farias's *Pra Frente Brasil* (*Onward Brazil*) was chosen best film at the Gramado Film Festival in the southernmost Brazilian state of Rio Grande do Sul. Although it had not yet been released for commercial distribution, *Pra Frente Brasil* had already received extensive attention in the country's newspapers and had been the subject of lengthy discussions and debates by filmmakers and critics as one of the first national films to speak directly of the violence, repression, fear, and torture of the early 1970s under military rule.<sup>5</sup>

The film deals with the arrest, torture, and murder of an innocent man by the repressive apparatus as the country's attention is turned toward Brazil's successful participation in the 1970 World Cup tournament in Mexico. *Pra Frente Brasil*, whose title evokes the propaganda slogans of the Médicti regime (1969–1974), evidently touched a raw nerve, for within a week of its exhibition at Gramado it was banned and the director of Embrafilme, which had co-produced the film, was forced to resign. The film dealt with a subject the military regime apparently did not want projected on theater screens across the country, especially in the period before the 1982 elections. The film was released with no cuts later that same year, *after* the elections.

This study will trace the development of the film industry in Brazil, focusing specifically on the evolution and nature of its relationship to the state over the last fifty years. State intervention in the industry has been shaped by a number of factors, each of which will be examined in the course of a historical discussion of the growth of the industry. The most important factor in state support has been the dominant presence in the domestic market of foreign films, which contributed to the industry's chronic undercapitalization and underdevelopment. A number of internal factors are also crucial. State policy, especially as it evolved in the late 1960s and 1970s, was shaped by a dual struggle for hegemony. While different groups within the industry fought for leadership in order to determine the direction of state support, the state itself attempted, through an increasingly aggressive cultural policy, to achieve its own hegemony over the film industry and other cultural sectors in order to create a consensus as to the goals and nature of national culture.

In his seminal *The International Film Industry*, Thomas Guback traces the development of state financial assistance to Western European film industries. He argues that without such assistance, most such industries would exist only under the most precarious and insolvent conditions. By its very nature, the film industry combines both economic and artistic production. A film's viability as a form of artistic expression depends, at least in capitalist contexts, on the availability of production financing, which in turn depends on the film's potential to attract a fairly wide audience and attain success in the marketplace. The artistic aspects of film production in such a context frequently take a back seat to economic imperatives.<sup>6</sup>

While demonstrating throughout his study that state support of film industries in Europe derives primarily from U.S. domination of local markets and the resulting loss of foreign exchange, Guback correctly suggests that the extent and nature of state assistance reflect basic and differing assumptions about the role of the state. In many countries, "there has been the belief which holds the state responsible for the maintenance and perpetuation of national heritage and culture. The authority of the state gives it the mission to preserve and encourage art and culture, for it is the only institution representative of its people and their traditions."<sup>7</sup> According to this view, the state has an obligation to defend the national cultural patrimony through state support of artistic production. On the other hand, this century has seen increased state planning in order to coordinate economic investment and growth in accordance with state-defined national priorities. As Guback observes, "the obligation of the state to preserve and encourage art, and the growth of public control over economic matters, have provided the rationale enabling European governments to become involved in their domestic film industries."<sup>8</sup>

If film industries in Western Europe have been unable to withstand the onslaught of American films without state assistance, the industries of economically weaker, dependent countries have been even less able to do so. In Latin America, only Mexico, Argentina, and Brazil have strong cinematic traditions, and their periods of success, however relative, have by and large been accompanied by considerable state support. When such support has

waned, as in Argentina after the overthrow of Juan Domingo Perón in 1955, the strength of the industry has also decreased.<sup>9</sup>

As in Western Europe, state protection and assistance has been necessary in Latin America primarily because of the United States' film industry's domination of local markets. In 1960, the American industry controlled at least 50 percent of all screen time in every Latin American country except Mexico, where the state owned major studios and exhibition circuits.<sup>10</sup> There U.S. films controlled 40 percent. American films occupied 70 percent of screen time in Brazil and 50 percent in Argentina.<sup>11</sup> Unable to depend even on home markets for a return on investments, unprotected Latin American film industries have lacked the capital necessary to sustain continuous production on a large scale. Inevitably, the result has been the underdevelopment of most national film industries.

To fully understand cinema-state relations in such a context, however, one must look beyond the relationship of center to periphery, and the U.S. domination of local markets. Of course one cannot deny or understate that presence, nor can one fail to recognize that the question of the "occupied market" has been central to the development of governmental protectionist policies. But Brazil's relationship of dependence is more complex than that. The foreign control of the Brazilian market is not simply a question of forced imposition. Such control has proved to be in the interest of certain national groups (namely, large exhibition circuits) who benefit financially from cooperation with foreign producers and distributors. These groups are supported by large numbers of Brazilian viewers who have been weaned on foreign films, and oppose any measures that would limit the access of such films to local markets. The question, then, is not simply one of an unequal relationship with the dominant power, but rather is a complex play of external and internal interests.<sup>12</sup>

To look only at the dichotomy between foreign and domestic influence, furthermore, is to oversimplify relations between the cinema and the state and to focus primarily on a quantitative analysis of the industry's development. In his well-researched study of Latin American film industries, for example, Jorge Schnitman argues that the protectionist policies of the Mexican

government have helped create a strong film industry in that country, especially when compared to that of Argentina. That may be true, but what he does not deal with is the quality of Mexican cinema.<sup>13</sup> Mexican critic Alberto Ruy Sánchez, writing on the "ideology of crisis" in the national industry, convincingly reveals state support to be essentially pernicious, creating a situation in which the film itself is the least important aspect of the industry.<sup>14</sup>

Qualitative aspects of film production must also be taken into consideration, and that leads to numerous questions concerning the relationship of cultural production and the state, a can of worms even by conservative estimation. The Brazilian state, especially in its more authoritarian incarnations, is not exactly a benevolent Lone Ranger riding to the defense of helpless filmmaker-settlers. The state has its own interests and its own reasons for intervening, or not intervening, in support of the national film industry, and those interests may not always coincide with those of the industry itself. Cinema-state relations are a two-way street. Since the late 1920s industrial groups or professionals have requested different forms of state protection and aid, and the state has responded in accordance with its own priorities and designs. One must thus also analyze the internal tensions of Brazilian cinema and the diverse articulations between that cinema and the state. Such an analysis clearly transcends the purely economic and the impact of foreign cinemas on the national film industry.

Before discussing these relationships in more detail, we must first digress momentarily to examine the nature of the product we are dealing with. A film is of course a commodity, but not a commodity in the traditional sense of the word. Within the current structure of the film industry (and here I am speaking of all Western, capitalist film industries prior to the video revolution, which is just beginning in Brazil), a film is an abstract commodity in that it is not purchased or sold *per se*. It does not change hands. The producer makes the film and then entrusts it to a distributor (often part of the same production company, in the case of the U.S. industry), who circulates it to exhibitors. Exhibitors, under normal circumstances, do not own the film, nor, obviously, do

they “sell” it to spectators. Exchange value is realized through box-office receipts.<sup>15</sup>

The exhibitor sells the right to admission to his theater, not the film-object itself, which is infinitely reproducible and can be shown in many different places at the same time. The original copy is, in real terms, worth little more than the celluloid it is printed on. The spectator pays for a promise of sensorial gratification or aesthetic pleasure. If seats are not filled for any given showing, then the value of those seats is lost forever. The film is not consumed and removed from the market because of any single showing. It is in the interest of producers and distributors to have the film shown simultaneously in as many different theaters and markets as possible, thus helping to assure an adequate and rapid return on sometimes considerable investments. The cost of film production in the United States has made foreign markets essential to the American industry (although ancillary markets in the U.S.—video, cable television, and the like—have diminished their importance in recent years), and the reproducibility of the film-object has facilitated international distribution.

Along the same lines, a film differs from more traditional commodities in that its production process is difficult to regulate and quantify. Michael Chanan uses the concept of “aesthetic labor” to describe this difference:

In all forms of cultural production, including the new technological media, aesthetic workers retain at least some degree of autonomy—if only that of individual style—of a kind which can be progressively denied to the factory worker as the capitalist reconstructs the labour process by introducing new technology, new means of production and new techniques of management (“scientific management”). This process, by which capital required real control over labour, depends on being able to quantify the labour process, establish fixed times which each part of the job is supposed to take, which the worker must keep up with. But there is no form of aesthetic production where, try so ever hard, this kind of “time economy” can be properly imposed. You cannot predetermine how long a composer should take to write a piece, or a painter to paint a picture. Nor exactly how long it should take to make a film. At the very least, this introduces a degree of uncertainty into the business which increases the risk of the undertaking.<sup>16</sup>

The modes of production, distribution, and exhibition of a film, furthermore, are shaped by a variety of industrial, economic, cultural, aesthetic, and ideological factors.<sup>17</sup> As an industry, the cinema in Brazil is affected by state measures in ways not affecting other art forms. Since it depends largely on imports for virtually all production equipment, as well as raw film stock, it is sometimes dramatically affected by changes in import or exchange policies. Ticket prices are set by government agencies, so the industry has virtually no say in determining the market value of its product. Its development has been hindered by foreign trade accords in which the Brazilian government has agreed to the principle of free flow of motion pictures across international boundaries (GATT, for example). In short, Brazilian cinema, even without direct government protection or intervention, is in many ways dependent on or shaped by the state and its policies.

The cinema is an industry that manufactures a cultural product. Like many other cultural products in Brazil, a film is subject to laws of censorship. Although such laws have changed over the years and have been exercised with more or less flexibility, depending on the political conjuncture, censorship represents an area in which the state, through its coercive apparatus, has ultimate control over what the public sees or does not see. Since there has never been censorship prior to the making of a film in Brazil, as has been the case with the press, it has not directly prevented filmmakers from producing the film they choose. Rather, it exercises control at the level of consumption. The very existence of censorship, especially when imposed in an arbitrary manner, may shape the nature of the subjects dealt with, because banned films cannot offer the producer a return on investments. The result is often a form of self-censorship.

In a capitalist context, most feature-length films are also subject to the whims of the marketplace. In Brazil, the filmgoing public historically has been conditioned by the standards of European and American cinema, which dominated the local market as early as the first decade of the century. These films displayed levels of technical perfection impossible for the incipient Brazilian industry, and with that perfection they imposed certain cultural models of the "proper" or preferred form of cinematic

discourse. Audiences became accustomed to that form, and have been reluctant to accept alternative forms, even if produced locally. So Brazilian cinema found itself in a double bind. On the one hand, it has not had the economic wherewithall to equal the technical achievements of advanced industrial countries, and on the other, it has often lacked audience support for introducing different modes of filmmaking.

In his study of Latin American film industries, Jorge Schnitman distinguishes between restrictive, supportive, and comprehensive protectionist policies. A restrictive policy, which includes measures such as screen and import quotas, high import tariffs and customs duties, is designed to give the local industry some breathing room by impeding a complete takeover of the local market by foreign concerns. A supportive policy includes direct state support of the industry in the form of bank loans and credit, prizes, production subsidies and other forms of film financing, assistance in reaching foreign markets, and training of film industry technicians. Restrictive policies provide indirect support of the industry while supportive policies lend direct financial support. A comprehensive state policy includes both restrictive and supportive measures.<sup>18</sup>

State intervention in the film industry in Brazil can be traced back to the early 1930s, when Getúlio Vargas implemented the first of what would turn out to be a long series of restrictive protectionist measures designed to give the industry a modicum of stability for future development. Since that time, and especially in the last twenty years, the state has added supportive measures to its policy, and the state role has evolved from that of regulator of market forces to active agent and productive force in the industry, characterized by what Schnitman would call a comprehensive state protectionist policy. The state began granting production subsidies in the mid-1960s and has, since 1973, invested in the production of commercial films by private production companies.<sup>19</sup>

Multiple factors have shaped the approximation between the state and the film industry in Brazil. First, due to the industry's historical underdevelopment, caused largely by the domination of the domestic market by foreign film distributors, the industry itself has since the early 1930s called on the state for protectionist

measures. In this sense, the situation of the film industry is not significantly different from industries in other economic sectors, which have needed state support to guarantee development. In accordance with what is known as the "infant industry argument," the state attempts to stimulate an adequate level of sustained growth in the national industry to enable it to attain satisfactory economies of scale to operate at its optimum and most cost-efficient level, and to compete effectively against established industries from advanced countries.<sup>20</sup> This is one of the economic justifications for state intervention in the Brazilian film industry, although there is some doubt that the policy has been or can be truly successful.

Second, state intervention in the film industry is a continuation and an extension of the historical relationship between artists and the state in Brazil: the Brazilian state has historically acted as a sort of philanthropic agent and patron of the arts. Because of the small market for elite cultural products in Brazil, the state has frequently supported artists and intellectuals through bureaucratic positions, donations, awards, and sinecures. The poet Carlos Drummond de Andrade, in fact, has described Brazilian literature as a literature of "public employees."<sup>21</sup> The state has become, and continues to be, a *locus* around which artists and intellectuals gather for support, recognition, and, ultimately, legitimation.

This brings us to a third determining factor in the relationship between cinema and state in Brazil. The state is not entirely disinterested in its support of intellectuals and artists, and they often become incorporated as part of the state apparatus, living in what Carlos Nelson Coutinho, borrowing from Thomas Mann and Georg Lukács, calls "intimacy in the shadow of power."<sup>22</sup> Brazilian film critic Jean-Claude Bernardet describes this same phenomenon as a "legal space."<sup>23</sup>

In *El ogro filantrópico* (*The Philanthropic Ogre*), a book whose title goes a long way toward describing the state's role in relation to cultural production, Octavio Paz discusses the role of artists and intellectuals in Mexican society. He says that as a writer, his duty is to maintain a marginal position in relation to the state, to political parties, to ideologies, and to society itself.<sup>24</sup> To be mar-

ginal does not of course imply neutrality, but rather a critical attitude toward society and its institutions. Paz affirms that the state itself should be neutral with regard to questions of art, citing the example of Mexican muralist art, which lost energy following state intervention. And yet at the same time, he calls on the state to increase its “no-strings-attached” financial support of young artists and writers.<sup>25</sup>

The state, by its very nature, determines the parameters within which artists may act; in the case of the cinema these are delimited not only by state mechanisms such as production financing and censorship, but also by the dictates of the marketplace, and the filmmaker has relative freedom as long as he or she stays within these parameters. The state has a monopoly on the use of coercion. It obviously can control what the public sees through the exercise of censorship; however, it would prefer to control cultural production through consensus or hegemony rather than coercion.

The increased state intervention in the film industry which occurred in the mid-1960s and intensified in the early 1970s can be seen as part of a broader state policy designed to attain hegemony and indirect, if not direct, control over many areas of cultural production. It was during this period that the state created the Conselho Federal de Cultura (Federal Council of Culture, 1966), the Instituto Nacional do Cinema (National Film Institute, 1966), Embrafilme (1969), Fundação Nacional das Artes or FUNARTE (National Foundation for the Arts, 1975), and the Conselho Nacional de Cinema or CONCINE (National Film Council, 1976). The state institutionalized cultural production, or “incorporated” it into state policy during this period.

The Brazilian film industry is not monolithic, nor is it particularly united on any given issue other than its own survival. “Brazilian cinema” exists only in the abstract. In concrete terms, there is no single Brazilian cinema that can be analyzed as a unit; rather, there are many cinemas, each of which claims to be the only valid one. Critic Jean-Claude Bernardet gives a perfect example of this divisiveness when he quotes Cinema Novo veteran Paulo César Saraceni and *pornochanchada* (erotic comedy) director Pedro Rovai. Saraceni calls on the state, through Embrafilme,

to support what he calls the culturally serious films made by himself and the remnants of the Cinema Novo group and their followers. He refers constantly to "our films" as being synonymous with "Brazilian cinema." Rovai, on the other hand, wants Embrafilme to stop producing individual films and to finance production companies, much as the state does in other economic areas. When he acerbically refers to films that no one wants to see, that make no money at the box office, and that transmit an "elite, bourgeois" conception of Brazilian culture, he is talking about precisely the same films that Saraceni supports.<sup>26</sup>

It should be added at this point that there have been and continue to be significant sectors of the industry that exist independently of, and frequently in opposition to, state support. Film-making in Brazilian cinema's Golden Age (1908–1911) obviously had no state support, nor did the *chanchada* (light musical comedy) during its heyday between 1940 and 1960. More recently, exhibitors, whose interests traditionally have been linked to foreign distributors, have tended to see the screen quota for national films as an unfair burden and an unwanted intrusion in the free enterprise system. Consequently, some of them joined together and have begun producing their own films—largely *pornochanchadas*—to satisfy the legal requirements of the quota. These "quota quickies," as they have been called, are generally made on extremely low budgets, are of poor technical quality, and yet are highly successful in that they are aimed at a very specific, urban, male audience. Since these films occupy much of the reserve market for national films, they have become, together with foreign films, one of the major targets of Embrafilme and its supporters.

This study focuses primarily on economic aspects of the development of the Brazilian film industry while at the same time recognizing that the cinema is always seen as having an importance that transcends economics. With the exception of television, cinema is perhaps the most "public" of art forms in Brazil. Discussions of its films frequently occupy entire pages of major newspapers, and changes in state policy toward the industry are debated widely in the press, as well as in the industry. Some of these debates will be outlined throughout this study, since they