

Kodak.... a eulogy for a dead company?

.....Not quite yet!

The reports of Kodak's demise are a little premature, yet the future does not necessarily look bright for a company that employed over 145,000 people worldwide in 1986; that had 90% of the US domestic film sales and 85% of the US domestic camera sales in 1976, yet now boasts 18,000 employees globally and is over \$billion in debt.

So, what has happened to this once-venerated company whose yellow boxed rolls of film were available in just about every nook and cranny throughout the world?

George Eastman (1854 to 1932) had a bright idea and made it work for him. He started taking wet-plate photographs in 1877 but he was on holiday and forced to carry vast amounts of gear. Not for him the boxes of plates and portable darkroom. His vision was to free the photographer from these encumbrances and open up photography for the masses. His experimentations with gelatin emulsions led him to start the Eastman Dry Plate and Film Company in 1880. Next came the Eastman-Walker roll holder for standard view cameras. By 1884 his company marketed a roll of paper film coated with gelatin emulsion which, after processing, was oiled to make it virtually transparent and ready for printing. 1885 saw the company offering the Eastman American Film and by 1888 the Kodak Camera was launched using the American film but made for Eastman by Frank Bownell. It had a 57mm lens and a fixed aperture of f9. Subsequent models used Eastman celluloid film. The Number 1 Camera was launched in 1889 with 100 exposures loaded. The Number 2 was launched in the same year with a roll of 60 3½" diameter exposure film loaded instead of the 100 x 2½" diameter film as in the Number 1.

However, Eastman was not the first with this form of film and a court judgement in 1914 decided that the Reverend Hannibal Goodwin had beaten Eastman to the patent by a year, in 1887. This cost Eastman \$5 million.

Film became the life's blood of the Eastman-Kodak company. Advertised with a nearly-nude cherub offering a camera with the slogan "You press the button; we do the rest" and a strap-line of "An appropriate wedding present", the 100-picture box camera sold for \$25. It needed only four steps to make the picture: 1) Point the camera (which was fine just as long as the subject was six-feet or

more away from the fixed-focus lens). 2) Pull the string (to cock the spring-driven shutter). 3) Press the button (the exposure was at a fixed 1/25th of a second) and 4) turn the key (to advance the film). THEN, post the film to the Eastman factory in Rochester (New York State) where it would be processed for a further \$10. The customer received a new camera fully loaded with fresh film and the prints mounted on card.

Eastman was, despite the copyright infringement, a canny businessman. The name Kodak was chosen because it was easy to say in any language; it was short and unique. His relationship with his employees was based upon old-fashioned paternal practices and he instituted a range of welfare measures for the Kodak workers. Eastman is reputed to have given over \$100 million in his lifetime to support health clinics, colleges for African Americans, symphony orchestras and a number of scientific and social organizations.

George Eastman took his own life in 1932 at the age of 78 leaving a note: “My work is done; why wait?”

The company’s dependence upon its most lucrative product ultimately turned sour. Film, the generator of so much of the company’s wealth, would be its undoing. Under Eastman’s guidance the company had continually sought to develop new products: The Edison Kinetoscope (1899) used the first of Kodak’s celluloid motion-picture film; 16mm reversal film with daylight-loading spools was introduced in 1923; early experiments with colour film resulted in the Kodachrome film of 1935.

The great irony in this catalogue of innovation is that, by the 1970s, the company was investing money in research into digital photography. It was this lead in the new format that brought the company to its knees: presented to the Board the elders of the company saw their profits evaporate if digital should be introduced and decided to sit on the future hoping it would go away! Japanese companies like Canon had no such qualms. The US Air Force opted for high-definition digital for its photo reconnaissance and by the time they were overflying the former Yugoslavia the quality was such that film would no longer be used for any aerial photography.

Inert after seeing its lead evaporate, the Kodak board was faced with assets of \$5.1 billion but debts of \$6.8 billion. The prospect of meeting its future pension bill saw a gaping black hole of a further \$800 million! So, in January 2012 the company filed for Chapter 11 bankruptcy protection.

The word “Bankruptcy” does conjure up thoughts of the death-throws for a company. But this is where the confusion lies. In the US to file for Chapter 11 merely gives a company a chance to sort its business out. It can still trade but tailor its pension responsibilities and demands from creditors. The concern of Kodak UK, which is excluded from this Chapter 11 Bankruptcy Protection, is that the UK pension scheme is likely to have a general unsecured claim in the Manhattan court.

Philip Cullimore (Kodak’s Managing Director in Europe) is reported as saying there is nothing to worry about in terms of Kodak Europe’s trading: There has been a”Significant shift towards business-to-business imaging application, and we are weighted towards printing.” So, Kodak UK’s future looks as healthy any company’s can be in the current climate. Whilst hospitals use the latest in photo imaging instead of the old X-Ray plates and companies communicate via some invisible thread it’s left to the fresh-from the University tyro and traditional film-users to bemoan the loss of the Kodachrome and turn to the back of Amateur Photographer for alternative sources of film. But even this longing for a simpler age can be satisfied with a plug-in; especially when the likes of Sebastião Salgado extol the virtues of DxO Film Packs and NIK software offer Tri-X 400 digitally! Granted, we can buy wonderfully inexpensive medium format cameras hoping the sources of 120 roll film don’t dry up and that the few remaining processing companies keep going. For some of us they could be the last resort as our wives have gleefully thrown out all our darkroom equipment glad to reclaim the utility room.

While the wise and wealthy of Kodak make their decisions and play with the balance sheets, we will wait. One thing that we can be sure of is that Kodak will not be the company envisaged by George Eastman, nor will it be the force it was. Oh, it has a future but just what form that takes is beyond my crystal ball’s capacities. Whatever happens it will probably follow the footsteps already made by Kodak Europe with more commercial products than the domestic comfort provided by those iconic yellow boxes of 35 mm. We shall just have to see.

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April 2012