



## The Battle for Middle Earth

October 31, 2010 by Ken Dhaliwal

While Tolkien fans may be excused for thinking that the battle for Middle Earth was fought and won in the *Lord of the Rings* (LOTR) trilogy, they would have missed the most recent drama that unfolded around the prequel to LOTR which could have had impacted the real-world location of the Shire.

*The Hobbit* is the long delayed (cursed?) 2 part production which finally has a green light and a director. The film is being co-produced by MGM and Warner Brothers' New Line. To the relief of many an Orc, Dwarf, Elf, Wizard and Hobbit aficionado, the director is none other than Sir Peter Jackson the New Zealander who brought us the LOTR.

This new drama began with a shot heard round the (union) world when the Media, Entertainment, Arts Alliance (MEAA) (of which the New Zealand Actors Equity is a part) issued a global blacklist of *The Hobbit*. While there has not been much explanation on the reasoning behind the blacklist, later events would seem to indicate it was a misstep by an overly eager guild leadership. Others with a more cynical disposition could view it as a magnificent miscalculation - akin to bringing a (pen) knife to a (machine) gunfight.

Act 2 saw the tension mount with the guilds drawing the ire of (Saint - as he is viewed by some Kiwis) Jackson, and press releases from the studios stating the location for filming of *The Hobbit* had not been officially settled. There were also rumors that Warner Bros. was considering moving the shooting to the newly vacant *Harry Potter* stages in the UK. In a nation which has benefited tremendously from the LOTR, in employment and the ongoing tourism and filming booms), and is tied to the Tolkien kingdom of Middle Earth through LOTR, the possibility of the Shire moving to Hogwarts-land was the cause of much consternation - or as was noted in DHD- "Ire in the Shire". The results were marches in the streets and a really nifty Youtube video.

Act 3 concluded dramatically with in-person meetings between studio executives and the New Zealand government which resulted in the surprisingly quick the passage last week of emergency legislation that amended New Zealand's employment laws and gave the studios behind *The Hobbit* a few extra million in tax breaks. Some observers declared the results just good business, while others viewed it as caving in to corporate bullying.

Regardless of where you end up on the outcome here, the numbers at stake are worth considering:

-US\$225M: suggested investment by New Zealand in LOTR;

-US\$57M: estimated amount of New Zealand incentives and tax breaks for *The Hobbit*;

-US\$1.5B: estimated *benefit* to New Zealand from *The Hobbit* (presumably from employment and tourism);



However, perhaps the most telling numbers are the following -and specifically, the small difference between them:

-US\$36B: market capitalization of Time Warner Inc. (the parent of Warner Bros.)

-US\$129B: GDP of New Zealand.

In the end, these last numbers may provide an insight into why events unfolded the way they did. After all, you don't become a multinational, multi-billion dollar entity without knowing a thing or two about negotiation.

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