Inside Hollywood's bad movie machine

ALLEY OF THE DUDS

by Timothy Noah

Feeling blue about widening trade deficits? One way to cheer up is to consider the beating the Japanese are taking these days from the American movie industry. A recent edition of the *Japanese Economic Journal* carried movie listings for 50 theaters in Tokyo; 23 of the 50 were showing American films, compared to 20 showing Japanese films. MITI doesn't win every time.

Things look bright for Hollywood on the domestic front, too. Thanks mostly to the development of "multiplex" cinemas sprouting up in shopping malls across the country, the number of movie screens in America has increased in recent years. During the last five years, so has attendance. In 1984, nearly 1.2 billion tickets were sold in the U.S.—more than in any year since 1961. At the same time, there's a growing ancillary market for movies in the form of cable and other TV outlets, including the video cassette boutiques that have become a new fixture on Main Street.

So why, when everybody's hungry for success stories about American business (and when America is being led by a former movie star), do economists and newspaper columnists fail to celebrate Hollywood? One explanation is that, as major American industries go, the movie industry has little effect on the overall economy. It employs only about 200,000 people, from Sylvester Stallone to the high school student who tears your ticket at the door. By comparison, the automobile industry employs nearly three million.

But I suspect another reason: those economists and newspaper columnists have been to the movies lately. Movies these days really aren't very good. Most seem aimed cynically at a "target market" of adolescents whose tastes couldn't possibly be as predictable as the movie titles suggest. As I write, the local theaters are playing *The Return of the Living Dead, Teen Wolf, Pee-Wee's Big Adventure, Summer Rental, The Bride* (of Frankenstein), *Fright Night, National Lampoon's European Vacation,* and, of course, *Rambo.* Not having seen all these, I have to concede that some may be surprises. But even when movies like these are entertaining, they are basically more of the same. Moviemaking has gotten so formulaic that it is possible for there to be three comedies about teenage science nerds playing at the same time—*Weird Science, Real Genius,* and *My Science Project.* The predominance of movie sequels (*Rocky IV* is due out soon) bears further testament to Hollywood's failure of imagination.

This past summer, however, audiences took some revenge on Hollywood's low estimation of public tastes: ticket sales dipped to $1.42 billion, compared to $1.58 billion in the summer of 1984. (The science project movies all bombed, suggesting that the *Andy Hardy Gets Laid* genre mercifully may have run out of steam.) Summer box office receipts are so important that it's possible that this year's total attendance will drop for the first time in five years. But even when attendance figures have climbed, that hasn't necessarily been a vote of confidence; audiences may just be showing what they'll put up with.

Why aren't movies better? Part of the reason is that the movie business is plagued by some of the same problems that plague other American industries. As in many aging industries, Hollywood's unions have driven wage rates up and insisted on a maze of work rules that undercut productivity. At the same time, Hollywood's managers have, like their counterparts elsewhere, fallen prey to "market-driven" strategies that undermine quality. They also put the unions to shame in their pursuit of cash and studio perks.

Ordinarily, it would seem that the proper solution would be to make the movie business more

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The proliferation of Hollywood unions complicates movie making because each local sets minimum staffing requirements and then all of the unnecessary employees have to be kept busy. For example, a production assistant may not move a stool three feet; he must ask a 'grip' to move it for him.

entrepreneurial. Just as America's mini-mills have proven more nimble than lumbering, oligopolistic companies like U.S. Steel, we'd expect a Hollywood dominated by small production companies to be less wasteful and more concerned about quality than a Hollywood dominated by a few big movie studios. Surprisingly, however, Hollywood is already very entrepreneurial. During the last 40 years, the oligopolistic old "studio system" has given way to the more frenzied and competitive world of independent producers. (Studios today are less manufacturers than service organizations that provide money to make films and operate the distribution networks that get them into theaters.) The actors, directors, and writers who work for these independent producers generally are no longer studio employees but free agents, who may sell their labor whenever or wherever they choose. It's useful to look at it this way: Hollywood is full of consultants and independent contractors.

The lesson Hollywood offers is actually the precise opposite of U.S. Steel's: even entrepreneurship has its excesses. And no place knows excess like Hollywood.

Col. Mustard has a grievance

What is most distinctive about Hollywood's unions is the sheer number of locals and, consequently, work rules. A visit to the set of *Clue*, a new movie being filmed on the Paramount lot, provided me with a useful lesson in taxonomy. Debra Hill, the film's producer, showed me around. The film, she explained, is based on the Parker Brothers game of the same name; the set was a three-dimensional version of the familiar board. In the lounge, a publicist (Local 818 of IATSE, the International Alliance of Theatrical Stage Employees) and a production designer (Local 847) chatted with a reporter from the New York *Daily News*. In the study, two stagehands, or "grips" (Local 80), sat in overstuffed armchairs, engaged in conversation. The director (Directors' Guild) sat at a table in the dining room peering into a looseleaf book; meanwhile, a real fire roared in the make-believe fireplace. The fire was tended by one of two firemen assigned to the picture (American Federation of Guards, Local Number 1): one lit the fires, the other stood by in case any of a less benign variety needed putting out. In the billiard room, two drivers (Local 399, Teamsters) shot pool.

By the time we entered the library to watch the cameraman (IATSE Local 659), sound man (695), script supervisor (871), prop man (44) and actors (Screen Actors' Guild) shoot a scene, the jurisdictions seemed as tangled as the cables that lay at my feet like spaghetti. Observing my confusion, Hill helpfully provided me with a call sheet listing all the personnel that had been required on the set one day several weeks earlier in the shooting schedule. I counted 22 unions.

The proliferation of unions complicates work arrangements in two ways. The first is that each local demands minimum staffing levels. For example, Local 659, the cameramen's union, tells producers that they must hire for each film a director of photography, a camera operator, a first assistant photographer and a still photographer. (The presence of the latter is required for taking publicity shots, even though the studios use much fewer of these than they used to.) In a pinch, all of these functions can be performed by one person. In non-union features, they often are. But if a producer is to honor the IATSE agreement—and he must if he shoots at a major studio—then he must hire all four.

The second problem is that once all these people are present on the set, they must not be permitted to seem superfluous. Thus it is a violation of the IATSE agreement to allow, say, a production assistant to move a stool three feet; he instead must ask a grip to move it for him. The IATSE agreement also defends turf lines among various locals. A grip, for example, may not move a lamp used to light the set; that job is performed by the "gaffer," the stagehand responsible for lighting. This past summer the producers negotiated an agreement to make these jurisdictional lines more flexible. As I write, the agreement has yet to be ratified by the locals, but it looks as though any easing of turf rules will be accompanied by stiffer minimum staffing requirements. In other words, the solution will likely be more people and less work for them to do.

Needless to say, this thick web of work rules drives up costs. So do various work rules that apply to all IATSE locals—for example, a provision that says all overseas air travel must be first class. Finally, there are the wage rates. These can be hard to estimate, owing to elaborate provisions for "overtime," "night premiums," and "golden time" (a special overtime rate for long workdays that can be up to five times the normal rate), but the average basic rate for blue-collar workers—without any extras—is $16 an hour. An assistant property master hired on a weekly basis starts out with a guarantee of $1,050. In other words, the *minimum* wage rate, even before you figure in bonuses, comes out to the yearly equivalent of more than $54,000.

If the unions seem greedy, the executives are much worse. According to *U.S. News and World Report*, Barry Diller, chief of Paramount Pictures, received $3.4 million last year in salary and bonuses, making him the highest-paid executive in America. David McClintick's *Indecent Exposure* drew much deserved praise for its vivid account of the corporate power struggle that resulted from the discovery that studio chief David Begelman embezzled from Columbia Pictures. But the more revealing story was not that Begelman broke the law but that he didn't have to. According to McClintick, during one board meeting, it came up that Begelman had stolen $35,000 to supplement the $22,000 Columbia had already given him to build a screening room in his home. One of the company's directors answered, "That's not very important. If he'd asked, we'd have allowed him the extra money."

Steven Bach, former senior vice president of United Artists, shows in his new book, *Final Cut*, that those on the creative side can be just as guilty of reaching into the till. The book is an account of the making of *Heaven's Gate*. Bach writes that Michael Cimino, the film's director, planned a battle scene to be shot in Montana. To prepare for the scene, he ordered the installation of an irrigation system so that he could grow grass on the field. Who, Bach wondered, would see grass in the midst of horses and wagons and smoke? This led Bach to wonder who owned the land. Sure enough, UA's lawyers found out that the owner was Cimino. Another site was quietly chosen. Sometime later Bach discovered that *Heaven's Gate*'s producer, Joann Carelli, had billed the film for "exactly ten times what the documents showed she had paid" for the rights to the film's musical score.

Recently, Universal Studios built a Disneylandish adobe headquarters for the phenomenally successful director and producer, Steven Spielberg, right on the lot. Inside, Spielberg works happily away on a variety of projects, many of them for competing studios. I couldn't get through to anybody who was willing to tell me what the building cost (though I was delighted to note that the phones played a Brandenburg Concerto when I was put on hold), but *Time* estimated it to be at least $4 million. According to *Time*, "Spielberg says he doesn't know, and will never ask, the price tag, and [Sid] Sheinberg [president of Universals's parent company, MCA] won't snitch. 'It would be like telling how much the birthday present cost,' he says."

Featherbedding exists within management ranks just as it does within labor. An example is what has happened to the title "producer." Primarily, it still means what it has always meant: the person who supervises production of the film. But in the age of the independent producer, that title often is also bestowed upon certain parties who need to be bought off before the cameras can roll. Frequently, for example, a key agent will receive the title "executive producer." In their book, *The Movie Business*, David Lees and Stan Berkowitz quote Jay Bernstein, the executive producer of *Sunburn*, on the responsibilities that earned him $50,000: "I didn't really have anything to do." He just happened to be Farrah Fawcett's manager.

The monopolist of Menlo Park

To understand how Hollywood came to this point, it is useful to review a little history. Our story begins with an inversion of what we all learned in school: Thomas Edison, heroic inventor of the light bulb, phonograph, and motion picture, was, in the development of the film industry, a villain. There is even a substantial body of scholarship that argues that Edison didn't invent the motion picture camera. By the time he turned his attention to moving pictures in the 1890s, the electric light and the phonograph were behind him, and the Wizard of Menlo Park had become an international celebrity. Inventors around the world sent him their ideas in hope of recognition. Among these was the hapless British inventor, William Friese-Greene. Hoping to get a job working in Edison's lab, Friese-Greene sent Edison news of his invention, which film historian Kevin Brownlow and others now contend was the first motion picture camera. Apparently Friese-Greene was under the impression he was protected by a forthcoming patent. He wasn't. Edison helped himself to Friese-Greene's ideas, and Friese-Greene died in obscurity.

Once it became clear that a new industry had been invented, Edison directed his efforts toward securing monopoly rights to all motion picture equipment. Edison's genius for asserting legal rights easily matched his genius for practical invention. When he was unable to claim a patent for motion picture film, he did the next best thing and claimed a patent for the sprocket holes. When that gambit failed, he put in a claim for the loop that turned the film in the camera. In 1908, Edison joined forces with his biggest rival, the Biograph Company, to found the Motion Picture Patents Company, or, as it came to be known, the Trust.

The Trust's failure to control the growth of the motion picture industry is one of American capitalism's most inspiring stories. "You know what I call a good invention?" Edison once boasted. "Something so practical even a little Polish Jew would buy it." But immigrant entrepreneurs, many of them, in fact, Jewish, were soon beating the Wizard at his own game. Motion picture companies fanned out across the United States to get away from thugs hired by the Trust; some even traveled as far as Cuba. The industry finally settled in Southern California, which had the dual advantages of sunshine and being as far from Edison as possible, to say nothing of its proximity to the Mexican border. By 1915, when the Supreme Court invoked the new Clayton Antitrust Act to dismantle the Trust, competition from these outlaw companies had already rendered it a dead letter, and the motion picture industry had been permanently chased out of New Jersey.

With the demise of the Trust, monopoly gave way to the oligopoly that came to be known as the studio system. A handful of movie studios were built in and around Hollywood. They were, in effect, factories, employing all the actors, directors, writers, and assorted blue-collar workers needed to make movies. To ensure that there would be a retail outlet for their product, the studios combined with many of the theater chains that were evolving in the teens and twenties. Sometimes a studio would buy the theaters: Famous Players-Lasky, for example, acquired the Publix theater chain and became Paramount. Or the theaters might set up a studio: the Loew's theater chain bought three small movie companies and merged them into Metro-Goldwyn-Mayer. "Vertical integration" proceeded to the point that by 1945 the studios controlled 70 percent of the first-run theaters in the major cities—those cavernous downtown movie palaces that today have been converted into multiplexes or concert halls or even, in the case of one mosque-like structure in downtown Beverly Hills, an Israeli bank.

Under the studio system, everything was geared toward producing films at high volume. Since most movies were profitable, more of them meant greater profits. Furthermore, since the ingredients for making a major hit were (and remain) mysterious, there was a strong incentive to roll the dice as often as possible. In 1935, for example, Hollywood released 662 features, compared to 323 in 1984.

Ownership of theater chains meant that studios could turn out twice as many movies and be assured that the theaters would show them as double features, pairing "quality" pictures with cheaper, bottom-of-the-bill "B" movies. The B movies became the training ground for contract performers, directors, and writers; for example, *The Maltese Falcon*, the first film directed by John Huston, was a B picture. The B pictures were not under much pressure to provide an immediate payoff, since it was the A pictures that drew audiences in. But if you succeeded with a B picture, you graduated to the major leagues. It was an effective system for nurturing talent. After *The Maltese Falcon*, for example, Huston moved up to making A pictures.

Like any large organization, studios, of course, could be somewhat stifling. Compare novels of the 1930s to films of the same period, and it quickly becomes apparent how the movies fell short of depicting the richness of real life. The studio heads who made these movies were mostly unschooled immigrants—Louis B. Mayer, a scrap metal dealer-turned-theater owner; Adolph Zukor of Paramount, a former janitor; Samuel Goldwyn, a former glove salesman, and so on. They did not have finely developed tastes, and in some ways the movies suffered because of that. Still, they had a certain zest. Lillian Ross captured that odd mix of vulgarity and inspiration in a portrait of Mayer in her famous Hollywood book, *Picture*:

> "They make an Andy Hardy picture." He turned his powerful shoulders toward me. "Andy's mother is dying, and they make the picture showing Andy standing in the door. *Standing*. I told them, 'Don't you know that an American boy like that will get down on his hands and knees and *pray*?' They listened. They brought Mickey Rooney down on his hands and knees." Mayer leaped from his chair and crouched on the peach-colored carpet and showed how Andy Hardy had prayed. "The biggest thing in the picture!"

Into the service sector

Paradoxically, the studio system began breaking up at the height of its own good fortune. Owing to World War II, production had fallen off at the major studios. At the same time, attendance rose to its highest levels in history; as film historian Tino Balio has pointed out, dollars were more plentiful than things to buy, and movies were the most readily available entertainment. The gap between supply and demand sent profits soaring; Paramount's earnings, for example, rose from $10 million to $44 million between 1941 and 1946. Meanwhile, a wartime hike in the personal income tax—the top bracket became 90 percent—left high-paid studio executives looking for ways to shelter their income. One of the best ways was to have your own business. The roaring demand for movies, combined with the opportunity to reduce the tax bite, led to unprecedented numbers of studio executives leaving to start independent production companies. Most of the famous producers of the previous era had been salaried studio employees: Warner Brothers' Hal Wallis, Twentieth Century Fox's Darryl F. Zanuck, and, most famous of all, MGM's Irving Thalberg (prototype for Monroe Stahr, the hero of F. Scott Fitzgerald's *Last Tycoon*). The model for the new era was David O Selznick, who left MGM to become an independent producer.

The rise in independent production might have been just a passing fad if two much more powerful blows to the studio system hadn't followed soon after: the rise of television and several Supreme Court antitrust decisions that culminated in "the Paramount decrees," a series of consent decrees from Paramount and other studios that basically put the studios out of the exhibition business. Meanwhile, with the loss of the theater chains, the old double-feature arrangement could not continue. Now that theater owners were free to do as they liked they weren't about to rent B movies that couldn't compete with *Gunsmoke*.

With the drop in demand and the elimination of a guaranteed market, the studios' old factory arrangement came to an end. When contracts came up for renewal, they were allowed to expire. Actors, directors, producers, and even most of the blue-collar workers became freelancers, working not for studios but for individual films. The studios took on the aura of ghost towns; many sold off much of their land. Twentieth Century Fox's backlot, for example, became Century City, a large office and shopping complex. After a few turbulent years, the studios settled into a new role, that of banker to, and distributor for, movies that were largely the creation of outsiders, the in-

Explaining why he would not have made *Places in the Heart*, which turned a modest profit, one studio executive said, 'You're not going to get teeny boppers in the Valley going to *Places in the Heart*.'

> Henry Jaglom, an independent producer who makes high-quality, low-budget films, works with a 12-man non-union crew. 'If you're not greedy about the money,' he says, 'you can do it.'

dependent producers. Studio sound stages still bustled (though now more often to film TV shows than movies), but for all practical purposes the studios had departed the manufacturing sector and entered the service sector.

For the past 30 years or so, Hollywood has been dominated less by "companies" of any sort than by powerful entrepreneurs. (Universal's solicitude for Steven Spielberg illustrates this.) The result should have been a golden age of moviemaking—more movies, better movies, movies that succeeded (or failed) by taking bigger risks. Instead, there have been fewer movies, fewer good movies, and, particularly in the last few years, fewer movies that take chances.

Hi, concept

One movie that did take chances was *Heaven's Gate*, and perhaps its failure is part of the reason so few imaginative films have appeared lately. When it came out in 1980, *Heaven's Gate* quickly became a $44-million symbol of what was wrong with Hollywood. But instead of frightening Hollywood away from huge budgets, as it should have done, *Heaven's Gate* seems mostly to have frightened it away from artistically ambitious movies.

During my trip to Hollywood, I was particularly struck by the currency of the new catchphrase, "high concept." "High concept" movies are movies with simple, gimmicky stories that can be easily summarized in one sentence. Detroit cop goes to Beverly Hills and wrangles with whitebread police force (*Beverly Hills Cop*). Teenager travels back in time and gets to see what his parents were like when they were teens in the 1950s (*Back to the Future*). The "high concept" approach is favored by the seller—say, a producer trying to convince a studio to put up money for his movie—because it renders a proposal misunderstanding-proof. High concept proposals are by definition easily grasped by the studio executive on the run and, further down the road, by the movie audiences, who are often given only a week or two from a film's opening to determine whether it will stay in the theaters. The appeal of "high concept" to the buyer—the studio—is that it makes a project more execution-proof than, say, a hard to summarize but excellent movie like *Places in the Heart*, which is about small-town life in Texas, and about the Depression, and about race, and about farming...you see what I mean. "If you've got a great idea and mediocre execution," one studio executive explained to me, "you can still have a hit movie." When I asked him whether he would have wanted to make *Places in the Heart*, which turned a modest profit, he said he doubted it. "You're not going to get teeny boppers in the Valley going to *Places in the Heart*.

I thought I'd found a rebel against this mind-set in Craig Zadan, a former writer for *New York* magazine who produced *Footloose*. I met with Zadan in his office at Tri-Star Pictures, where he has a deal, and listened to him go through a list of derivative movies released in the last few years that, he argued, showed that cynicism doesn't always pay off in the movie business. He'd known that these movies would fail, and they had. Zadan has a reputation for being a hot young producer, and as I listened to him I began to think perhaps it had something to do with the idealism he was showing. But then a thought occurred to me, which I uttered out loud: with 20/20 hindsight, wouldn't he have predicted that *Rambo*, sequel to *First Blood* and obviously derivative of the Chuck Norris Vietnam-vet-as-lonesome-warrior pictures, also would have failed? Instead, *Rambo* is an enormous hit (and, more to the point, was released by Tri-Star, though Zadan had nothing to do with it). Since Zadan had agreed to be critical if he was off the record, I expected him to offer at least a slight roll-of-the-eyes in acknowledgement that, yes, sometimes exploitation will pay off in a big way. Instead, in all apparent sincerity, Zadan said, "Oh, no. *Rambo* is a quality picture."

Even those on the creative side—actors, writers, directors—can succumb to a cynicism that chills the heart. A journalist friend who's dabbled in screenwriting told me that the process of selling out with a safe project before you can hope to make a film you care about has its own ritual phrase: "buying the pool." And once you've bought the pool, of course, you have to keep it filled.

Too much entrepreneurship

Clearly, entrepreneurship thrives in Hollywood. Yet Hollywood makes fewer movies than it used to, and fewer good ones. This becomes less puzzling when one considers that Hollywood might be that rare industry that suffers from an *overdose* of entrepreneurship. This creates a variety of problems. Above all is a culture of insecurity. Security, we all know, tends to breed laziness; when America's steel industry led the world, management ignored many crucial innovations, labor jacked up demands, and resourceful (and hungry) foreign competitors moved in for the kill. Security is still probably the chief disease of American industry and entrepreneurship the best cure. But in Hollywood, entrepreneurship has brought too much insecurity.

Why is Hollywood so insecure? The most important reason is that people do not work for companies. Even a very entrepreneurial industry like the computer business usually breaks down into identifiable organizations rather than individuals. Hollywood, however, is a place where nearly everybody works for himself or for a production company that is the invention of the moment. Instead of a job, one has a "deal" to work on a particular film.

This wouldn't be such a problem if most films turned a profit, as they did under the studio system. Unfortunately, now most do not. *Studios* make profits, and people receive more than adequate compensation in Hollywood. But individual films usually do not earn much back on the investment. Producers must wait their turn until both the exhibitors and the studio have taken their share. Theater owners keep about half what they take in. Next comes the studio's turn. That's only fair, of course, since the studio usually puts up the money and maintains the international network of distributors that gets films into the theaters. (In addition, studios must be reimbursed for the cost of making prints and all TV and print advertising—another hefty chunk.) After the studio gets its share, the producer must pay off investors, actors (who may have guarantees for a piece of the profits, or even the overall take), and everybody else involved in making a film.

This cumbersome process makes the movie business very much like oil wildcatting. The norm is the dry hole, but there are enough gushers to encourage people to keep trying. As in wildcatting, there's little comfortable middle ground between enormous financial success and dismal financial failure, and this breeds a certain desperation, reflected in the preponderance of derivative movies (many of the teen movies are knock-offs of the hugely successful *Porky's*), sequels, and "high concept" movies.

The lack of profit in moviemaking leads to a second reason for Hollywood's insecurity: a short-term orientation. While it's true that large corporations are too often obsessed with their quarterly profits, it's useful to remember that most small companies worry about the present state of the books far more. Hollywood is as short-term as you can get: once a film is done, everyone goes off to strike the next deal.

This focus on where the next deal is coming from not only reduces the inclination for taking an artistic risk—one flop and your phone may suddenly stop ringing—but also helps drive up costs. Everyone, from the star down to the grips, is inclined to take as much as he or she can get in any given deal. Sylvester Stallone asks for, and gets, $12 million for his next picture because *Rambo* has made him a valuable commodity these days. (That's $12 million *regardless* of the film's success, which makes the studio even more inclined to stick to a tried-and-true formula.) At the other end, the assistant property manager, who may suffer three months of unemployment after the picture is completed, has a strong interest in not only protecting his guaranteed weekly minimum but in hoping there's as much "golden time" on the project as possible.

With so much pressure to make a killing on any given movie, it's no wonder that long-term thinking is the rare exception. Producers who are inclined to nurture talent over a period of years, with little or no hope of an immediate pay-off, aren't common. A few highly successful filmmakers like Francis Ford Coppola and Spielberg have tried, but they can do only so much. One or two big flops can gobble up all the profits from a string of hits.

Another problem with Hollywood's dealmaking culture is that it's terribly inefficient. When an industry is overrun with many small companies, the advantage of keeping competitors on their toes can be outweighed by too much unproductive duplication of effort. In Hollywood, the dealmakers—primarily lawyers and agents—

get an enormous share of the cut, and these "transaction costs" mean less money to put into making good movies. Another large share of money gets siphoned off for the accoutrements that Hollywood is so well known for—the $200 restaurant tabs, the Rolls Royces cruising down Rodeo Drive, the yachts that huddle port to starboard at Marina Del Rey (the largest marina in the world). Granted, such excess has always been a fact of life in Hollywood. But as deal-making becomes more important, so does making the "right impression."

A final problem created by Hollywood's heavy dose of entrepreneurship is the noticeable absence of loyalty to institutions. Big organizations tend to encourage traditions of loyalty and the long-term commitments that go with them. These can be stifling (and certainly the studios were), but they also can breed values that extend beyond the bottom line. In their own (albeit sometimes stodgy) way, the old studios showed some concern with quality in their willingness to film literary classics—movies like *David Copperfield* and *Pride and Prejudice*. Hollywood almost never makes movies like these today.

More broadly, the studio system bred some pride in excelling at certain kinds of films: Warner Brothers was the place that made film biographies and "social comment" films, MGM specialized in musicals, RKO-Radio made the elegant Astaire-Rogers dance pictures. Now that studios are no longer manufacturers, they no longer bother to cultivate a corporate image. In *Final Cut,* Steven Bach cites a survey that shows that in 1980 more than half the people in America had never heard of United Artists or, if they had, did not know that it made movies. Quick: Who made *Star Wars*? *Jaws*? *Beverly Hills Cop*? These were all hugely successful movies, but unless you're in the movie business you almost certainly don't know.

If you are in the movie business, you do know this: your competitor today may be your meal ticket tomorrow. Hollywood executives show a distinct proclivity for hopping from one corporate boardroom to the other. *Indecent Exposure* gives some flavor of this. After leaving Columbia in disgrace, David Begelman became head of MGM. After that studio financed several flops, he was fired. He then started earning more money as an independent producer. Alan Hirschfield, Columbia's chief executive officer and Begelman's main antagonist, left for Warner and then landed at Twentieth Century Fox. At least half a dozen Columbia personnel followed him there. (He's since left.) Meanwhile, Frank Price, an executive from Universal Studios, moved over to head Columbia's studio. Later he went back to run Universal. Aljean Harmetz recently observed in *California* magazine that in the past two years the chief executive officer of every major studio in Hollywood had resigned or been fired, save one. This helps explain a somewhat mystifying phenomenon that I experienced when I was in Hollywood—one that I don't think would have occurred if I'd gone, say, to Detroit to interview executives from the three major automakers. On the record or even off, it was maddeningly difficult to get a studio executive to utter even a mild criticism of the competition.

A piece of the action

How can Hollywood start to overcome the insecurity bred by its excessively entrepreneurial culture? The most fundamental change that's needed involves *why* people make movies in the first place. Are they motivated primarily by their desire to produce a work of art or by a compelling urge to keep the pool filled? Hollywood certainly has both types, but judging from the final product, it's clear that it's the pool-fillers who now most often get to make movies.

Short of this fundamental change in values, there are some practical steps that can be taken to help encourage a different kind of entrepreneurship in Hollywood, one that might coincide with idealism a bit more often. One model for this kind of entrepreneurship can be found in a rather surprising place.

"Russ is a living rebuke to every $22 million movie in history," says Roger Ebert, film critic for the *Chicago Sun-Times* and co-host of the television show, *Sneak Previews*. "Russ" is Russ Meyer, the soft-porn king who almost single-handedly created such films as *Beyond the Valley of the Dolls, Vixen, Supervixen*, and *Beneath the Valley of the Ultravixens.* He is also an entrepreneur in the timeworn tradition of the basement tinkerer.

If serious filmmakers made movies the way Meyer makes his smut, they could buy themselves considerable artistic independence. Meyer's secret is that he is obsessed with keeping costs down. Ebert, who has written the scripts for several Meyer films, is not the only one to have taken note of Meyer's efficient operation; *Forbes* has also written admiringly of him, and an entire chapter in Lees and Berkowitz's *Movie Business* is devoted to Meyer. With eight-man crews, remarkably low budgets (*Supervixens* cost

$213,000 to make and brought him a personal profit of $4 million), and, perhaps most important of all, his own distribution network, Meyer is living proof that moviemaking can be reduced to something close to a one-man operation.

During my stay in California, Meyer was off in Europe scouting locations for his next film, *The Breast of Russ Meyer*. (Large-breasted women are sort of a Meyer trademark.) Instead, I spoke to Jim Ryan, an old Army buddy of Meyer's who looks after Meyer's business while he's gone. Ryan, a friendly, self-effacing sort who's served as executive producer and even an actor in some of Meyer's movies, explained the modus operandi. To begin with, Meyer does not hire union crews. This in itself is not extraordinary; neither do many other independent producers. But Meyer also routinely gives away a piece of the profits ("percentage points") to key crew members. On *Vixen*, for example, the sound man deferred about $5,000 in wages, taking only about $200 a week in "walking around money." In return, he got his $5,000 back within a little more than a year and eventually realized a $25,000 profit. Ryan, who has also worked as associate producer, assistant cameraman, and utility infielder, had a similar deal.

Meyer avoids the studio overhead problem by renting or owning his own equipment. On the distribution side, he continues to bypass the major studios and works through about ten long-time business cronies spread across the country who get his films into the theaters for him. Now and then he'll go fishing with one.

All but one of Meyer's films have made profits. You might argue that his good fortune has more to do with the nature of his films, which will always have a crude appeal in the marketplace, than with his belief in profit-sharing. But Meyer's stock in trade is arguably as much a hindrance as a help; many theaters refuse to show X-rated films, and those that do often tack on a charge for protection money for the local sheriff—according to Ryan, about $200 a week.

In my travels through Hollywood, I didn't find anybody else who ran as tight a ship as Meyer, but a few notches up the respectability scale I did find Henry Jaglom. Along with a number of other independent filmmakers (John Sayles is probably the most famous), Jaglom has attracted attention by bypassing major producers and studios and distributing films through small distribution companies. (Among the companies offering a small-scale alternative to the big studios are Cinecom, Island Alive, and Circle Films, a subsidiary of a local theater chain here in Washington, D.C.) After blundering into an assignment editing *Easy Rider*, Jaglom managed to swing a deal for his first feature, *A Safe Place*, which starred Orson Welles. It cost about $1 million and lost all of it. Jaglom then raised money from European distributors who had been enthusiastic about *A Safe Place* and made his second movie, *Tracks*. That cost $800,000 and eventually broke even. Each of Jaglom's movies after that successively cost less money and earned back more; his most recent movie, *Always*, was made for just under half a million. When I visited Jaglom's dilapidated office in Hollywood, he was exultant because he'd just sold the film for a million dollars.

Jaglom is on fire with enthusiasm for the movies. "If you're not greedy about the money but about the quality of the work, you can do it," he says. Jaglom worked with a 12-man non-union crew on *Always*, four of whom received a share of the profits; the people who appear in his movies (and have gotten fined by the Screen Actors' Guild for doing so) are often friends and relatives. After we spoke, I had a look at one of his more recent films, *Can She Bake A Cherry Pie?* There are moments when the sound is difficult to hear, or an improvised scene doesn't quite come off, but it has a nice, offbeat charm.

Bring back the studios

Jaglom's route allows him to make the movies he wants to make; he has far more freedom than his contemporaries outside the independent film movement, and more than his forebears in the studio system. But how many people have the kind of stamina it takes to remain creatively independent in Hollywood today? No doubt Jaglom wastes a great deal of time and energy hustling financial backers, time that he can't spend on making movies. To Jaglom, the independence is worth it. Sidney Lumet, the director, recently arrived at a different solution. Lumet signed a relatively uncommon exclusive, three-picture contract with a single production company, Lorimar. The reason? As Lumet explained to *The New York Times*, it came out of frustration with "deals where you work for months and months but no picture gets made."

Lumet's arrangement suggests another option for creative and talented people: why not revive the studio system? Obviously, such studios would have to operate on a smaller scale than in Louis B. Mayer's day. But they would fill a void that

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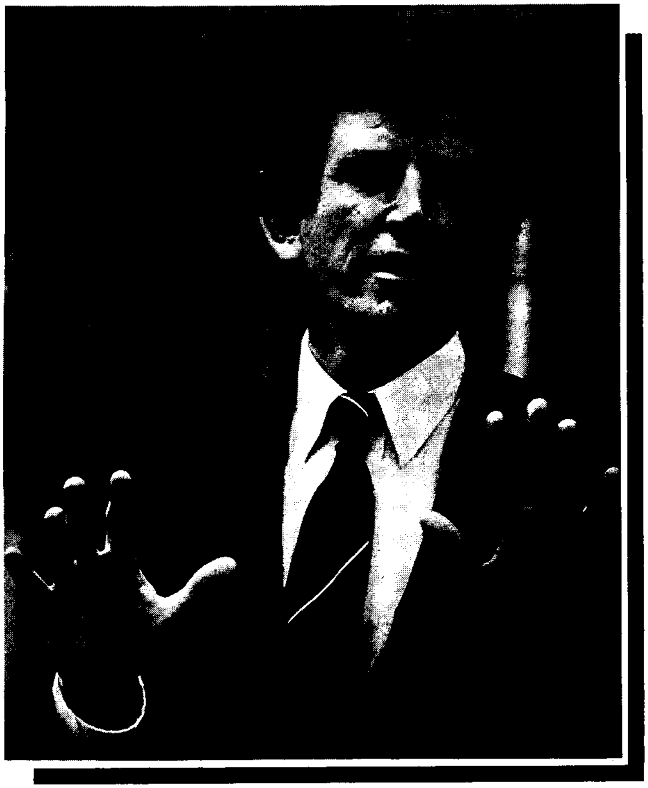

WHY

by Jack Germond, Jules Witcover,

The 1984 presidential campaign may not have been the most memorable one of recent years. It was remarkable, however, for the unexpected surge of support that almost gave Senator Gary Hart the Democratic nomination over Walter Mondale. Almost, but not quite; within the stretch of a few weeks, Hart went from being on the verge of sweeping the nomination to being hopelessly in second place.

How Gary Hart lost the Democratic nomination is not just an interesting story, but an instructive one for those who saw in his candidacy a glimmer of how Democrats might be able to recapture the White House. The following excerpts, which pick up the campaign days before the March 13 "Super Tuesday" primaries in Florida, Georgia, and Alabama, are taken from three of the recent books on the 1984 campaign. They are: Wake Me When It's Over *by Jack Germond and Jules Witcover (© 1985 By Jack Germond and Jules Witcover. Reprinted with permission from Macmillian Publishing Company);* The Quest for the Presidency *by Peter Goldman and Tony Fuller (© 1985 by Newsweek, Inc. Reprinted with permission from Bantam Books); and* Visions of America: How We Saw the 1984 Election *by William A. Henry III (© 1985. Reprinted with permission of The Atlantic Monthly Press).*

Missing beef...

[The Mondale camp determined that the best way to block Hart's surging campaign] was to deflate the whole idea of new ideas—and [campaign manager Bob] Beckel had some thoughts about that. He and his girlfriend, Mary Goehring, had been watching TV at his place and had caught a Wendy's commercial, a catchy spot with three elderly women inspecting a bready burger at a rival fast-food chain and demanding, "Where's the beef?" Ms. Goehring thought it would be great if the old ladies were yelling that at Gary Hart. A light bulb flashed over Beckel's head, and when he flew South to Georgia the next day to help prepare Mondale for yet another debate, he was feeling more bullish than ever.

The senior Mondale team was not. The [consensus] when Beckel found them gathered at the Hilton in Columbus, was that they might well be holding their last serious strategy meeting of the campaign. Mike Berman [another top Mondale aide] had brought along his memo on the logistics of Mondale's withdrawal from the race; it reposed in a briefcase at his feet, and Berman had steeled himself to show it to Mondale if [chief Mondale strategist Jim] Johnson said the word. It didn't look as if there would be many dissenters; Beckel thought he had never seen so much depression in a single room.