The New Hollywood

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Among the more curious and confounding terms in media studies is “the New Hollywood.” In its broadest historical sense the term applies to the American cinema after World War II, when Hollywood’s entrenched “studio system” collapsed and commercial television began to sweep the newly suburbanized national landscape. That marked the end of Hollywood’s “classical” era of the 1920s, 1930s, and early 1940s, when movies were mass produced by a cartel of studios for a virtually guaranteed market. All that changed in the postwar decade, as motion pictures came to be produced and sold on a film-by-film basis and as “watching TV” rapidly replaced “going to the movies” as America’s preferred ritual of habituated, mass-mediated narrative entertainment.

Ensuing pronouncements of the “death of Hollywood” proved to be greatly exaggerated, however; the industry not only survived but flourished in a changing media marketplace. Among the more remarkable developments in recent media history, in fact, is the staying power of the major studios (Paramount, MGM, Warners, et al.) and of the movie itself—that is, the theatrically released feature film—in an increasingly vast and complex “entertainment industry.” This is no small feat, considering the changes Hollywood has faced since the late 1940s. The industry adjusted to those changes, and in the process its ways of doing business and of making movies changed as well—and thus the difficulty in defining the New Hollywood, which has meant something different from one period of adjustment to another.

The key to Hollywood’s survival and the one abiding aspect of its postwar transformation has been the steady rise of the movie blockbuster. In terms of budgets, production values, and market strategy, Hollywood has been increasingly hit-driven since the early 1950s. This marks a significant departure from the classical era, when the studios turned out a few “prestige” pictures each year and relished the occasional runaway box-office hit, but relied primarily on routine A-class features to generate revenues. The exceptional became the rule in postwar Hollywood, as the occasional hit gave way to the calculated blockbuster.

The most obvious measure of this blockbuster syndrome is box-office revenues, which have indeed surged over the past forty years. In 1983, Variety commissioned a study of the industry’s all-time commercial hits in “constant dollars”—that is, in figures adjusted for inflation—which placed only two films made before 1950, Gone With the Wind (1939) and Snow White and the Seven Dwarfs (1937), in the top 75. In other words, of the 7,000 or so Hollywood features released before 1950, only two enjoyed the kind of success that has become routine since then—and particularly in the past two decades. According to Variety’s most recent (January, 1992) update of the all-time “film rental champs,” 90 of the top 100 hits have been produced since 1970, and all of the top 20 since Jaws in 1975.

The blockbuster syndrome went into high gear in the mid-1970s, despite (and in some ways because of) the concurrent emergence of competing media technologies and new delivery systems, notably pay-cable TV and home video (VCRs). This was the first period of sustained economic vitality and industry stability since the classical era. Thus this post-1975 era best warrants the term “the New Hollywood,” and for essentially the same reasons associated the “classical” era. Both terms connote not only specific historical periods, but also characteristic qualities of the movie industry at the time—particularly its economic and institutional structure, its mode of production, and its system of narrative conventions.

This is not to say that the New Hollywood is as stable or well integrated as the classical Hollywood, however. As we will see, the government’s postwar dismantling of the “vertically integrated” studio system ensured a more competitive movie marketplace, and a more fundamentally dis-integrated industry as well. The marketplace became even more fragmented and uncertain with the emergence of TV and other media industries, and with the massive changes in lifestyle accompanying suburban migration and the related family/housing/baby boom. In one sense the mid-1970s ascent of the New Hollywood marks the studios’ eventual coming-to-terms with an increasingly fragmented entertainment industry—with its demographics and target audiences, its diversified “multi-media” conglomerates, its globalized markets and new delivery systems. And equally fragmented, perhaps, are the movies themselves, especially the high-cost, high-tech, high-stakes blockbusters, those multi-purpose
entertainment machines that breed music videos and soundtrack albums, TV series and videocassettes, video games and theme park rides, novelizations and comic books.

Hollywood’s mid-1970s restabilization came after some thirty years of uncertainty and disarray. I would suggest, in fact, that the movie industry underwent three fairly distinct decade-long phases after the War—from 1946 to 1955, from 1956 to 1965, and from 1966 to 1975. These phases were distinguished by various developments both inside and outside the industry, and four in particular: the shift to independent motion picture production, the changing role of the studios, the emergence of commercial TV, and changes in American lifestyle and patterns of media consumption. The key markers in these phases were huge hits like *The Ten Commandments* in 1956, *The Sound of Music* in 1965, and *Jaws* in 1975 which redefined the nature, scope, and profit potential of the blockbuster movie, and which lay the foundation for the films and filmmaking practices of the New Hollywood.

To understand the New Hollywood, we need to chart these postwar phases and the concurrent emergence of the blockbuster syndrome in American filmmaking. Our ultimate focus, though, will be on the post-1975 New Hollywood and its complex interplay of economic, aesthetic, and technological forces. If recent studies of classical Hollywood have taught us anything, it is that we cannot consider either the filmmaking process or films themselves in isolation from their economic, technological, and industrial context. As we will see, this interplay of forces is in many ways even more complex in the New Hollywood, especially when blockbusters are involved. In today’s media marketplace, it has become virtually impossible to identify or isolate the “text” itself, or to distinguish a film’s aesthetic or narrative quality from its commercial imperatives. As Eileen Meehan suggests in a perceptive study of *Batman*, to analyze contemporary movies “we must be able to understand them as always and simultaneously text and commodity, intertext and product line.”

The goal of this essay is to situate that “understanding” historically, tracing the emergence and the complex workings of the New Hollywood. The emphasis throughout will be on the high-cost, high-tech, high-stakes productions that have driven the postwar movie industry—and that now drive the global multimedia marketplace at large. While one crucial dimension of the New Hollywood is the “space” that has been opened for independent and alternative cinema, the fact is that these mainstream hits are where stars, genres, and cinematic innovations invariably are established, where the “grammar” of cinema is most likely to be refined, and where the essential qualities of the medium—its popular and commercial character—are most evident. These blockbuster hits are, for better or worse, what the New Hollywood is about, and thus are the necessary starting point for any analysis of contemporary American cinema.

**Hollywood in Transition**

The year 1946 marked the culmination of a five-year “war boom” for Hollywood, with record revenues of over $1.5 billion and weekly ticket sales of 90 to 100 million. The two biggest hits in 1946 were “major independent” productions: Sam Goldwyn’s *The Best Years of Our Lives* and David O. Selznick’s *Duel in the Sun*. Both returned $11.3 million in rentals, a huge sum at the time, and signaled important changes in the industry—though Selznick’s *Duel* was the more telling of the two. Like his *Gone With the Wind*, it was a prototype New Hollywood blockbuster: a “pre-sold” spectacle (based on a popular historical novel) with top stars, an excessive budget, a sprawling story, and state-of-the-art production values. Selznick himself termed *Duel* “an exercise in making a big-grossing film,” gambling on a nationwide promotion-and-release campaign after weak sneak previews. When the gamble paid off, he proclaimed it a “tremendous milestone in motion picture merchandising and exhibition.”

That proved to be prophetic, given Hollywood’s wholesale postwar transformation, which was actually well under way in 1946. The Justice Department’s pursuit of Hollywood’s major powers for antitrust practices began to show results in the courts that year, and culminated in the Supreme Court’s May 1948 *Paramount* decree, which forced the major studios to divest their theater chains and to cease various tactics which had enabled them to control the market. Without the cash flow from their theaters and a guaranteed outlet for their product, the established studio system was effectively finished. The studios gradually fired their contract personnel and phased out active production, and began leasing their facilities for independent projects, generally providing co-financing and distribution as well. This shift to “one-film deals” also affected the established relations of power, with top talent (and their agents and attorneys) gaining more authority over production.

The studios’ new role as financing-and-distribution entities also jibed with other industry developments. The war boom had ended rather suddenly in 1947 as the economy slumped and, more importantly, as millions of couples married, settled down, and started families—many of them moving to the suburbs and away from urban centers, where movie business thrived. Declining attendance at home was complemented by a decline in international trade in 1947–1948, notably in the newly reopened European markets where “protectionist” policies were initiated to foster domestic
production and to restrict the revenues that could be taken out of the country. This encouraged the studios to enter into co-financing and co-production deals overseas, which complemented the changing strategy at home and fueled the general postwar rise in motion picture imports as well as independent production.

Another crucial factor on the domestic front was, of course, television. Early on, the major studios had met the competition head on with efforts to differentiate movies from TV programs. There was a marked increase in historical spectacles, Westerns, and biblical epics, invariably designed for a global market and shot on location with international casts. These were enhanced by the increased use of Technicolor and by innovations in technology, notably widescreen formats and 3-D. These efforts soon began paying off despite TV’s continued growth, as Fortune’s Freeman Lincoln pointed out in a 1955 piece aptly titled, “The Comeback of the Movies.” Lincoln noted that, traditionally, “any picture that topped $5 million worldwide was a smash hit,” and he estimated that only about 100 Hollywood releases had ever reached that total. “In September, 1953, 20th Century-Fox released The Robe, which has since grossed better than $20 million around the world and is expected to surpass $30 million,” wrote Lincoln, and pointed out that “in the 17 months since The Robe was turned loose nearly 30 pictures have grossed more than the previously magic $5 million.”

As Hollywood’s blockbuster mentality took hold in 1955, the majors finally ventured into television. MGM, Warners, and Fox, taking a cue from Disney and the lesser Hollywood powers already involved in “telefilm” series production, began producing filmed series of their own in the Fall of 1955. And late that year the majors also began to sell or lease their pre-1948 features to TV syndicators. In 1956 alone, some 3,000 feature films went into syndication; by 1958, all of the majors had unloaded hundreds of pre-1948 films. In 1960, the studios and talent guilds agreed on residual payments for post-1948 films, leading to another wave of movie syndication and to Hollywood movies being scheduled in regular prime-time. Telefilm production was also on the rise in the late 1950s, as the studios relied increasingly on TV series to keep their facilities in constant operation, since more and more feature films were shot on location. The studios also had begun realizing sizable profits from the syndication of hit TV series, both as reruns in the U.S. and as first-run series abroad. As the studios upgraded series production and as the preferred programming format shifted from live video to telefilm—despite the introduction of videotape in 1957—the networks steadily shifted their production operations from New York to Los Angeles. By 1960 virtually all prime-time fictional series were produced on film in Hollywood, with the traditional studio powers dominating this trend.

Meanwhile the blockbuster mentality intensified. Lincoln had suggested in his 1955 Fortune piece, “The beauty of the big picture nowadays is, of course, that there seems to be no limit to what the box office return may be.” The ensuing decade bore this out with a vengeance, bracketed by two colossal hits: The Ten Commandments in 1956, with domestic rentals of $43 million (versus The Robe’s $17.5 million), and The Sound of Music in 1965, with rentals of $79.9 million. Other top hits from the decade included similarly “big” all-star projects, most of them shot on location for an international market:

- *Around the World in 80 Days* (1956; $23 million in rentals)
- *The Bridge on the River Kwai* (1957; $17.2 million)
- *South Pacific* (1958; $17.5 million)
- *Ben-Hur* (1959; $36.5 million)
- *Lawrence of Arabia* (1962; $17.7 million)
- *The Longest Day* (1962; $17.6 million)
- *Cleopatra* (1963; $26 million)
- *Goldfinger* (1964; $23 million)
- *Thunderball* (1965; $28.5 million)
- *Dr. Zhivago* (1965; $46.5 million)

While these mega-hits dominated the high end of Hollywood’s output, the studios looked for ways beyond TV series production to diversify their media interests. Besides the need to hedge their bets on high-stakes blockbusters, this impulse to diversify was a response to the postwar boom in entertainment and leisure activities, the increasing segmentation of media audiences in a period of general prosperity and population growth, and the sophisticated new advertising and marketing strategies used to measure and attract those audiences. MCA was the clear industry leader in terms of diversification, having expanded from a music booking and talent agency in the 1930s and 1940s into telefilm production and syndication in the 1950s, eventually buying Decca Records and then Universal Pictures in the early 1960s.

The 1950s and 1960s also saw diversified, segmented moviegoing trends, most of them keyed to the immense, emergent “youth market.” With the baby boom generation reaching active consumer status and developing distinctive interests and tastes, there was a marked surge in drive-in moviegoing, itself a phenomenon directed associated with postwar suburbanization and the family boom. With the emergent youth market, drive-in viewing fare turned increasingly to low-budget "teen-pics" and "exploitation" films. The "art cinema" and foreign film movements also took off in the late 1950s and early 1960s, as neighborhood movie houses and campus film societies screened alternatives to main-
stream Hollywood and as film courses began springing up on college campuses. These indicated a more “cine-literate” generation—with that literacy actually enhanced by TV, which had become a veritable archive of American film history.

While the exploitation and art cinema movements produced a few commercial hits—Hitchcock’s *Psycho* and Fellini’s *La Dolce Vita* in 1960, for instance—the box office was dominated well into the 1960s by much the same blockbuster mentality as in previous decades. Indeed, the biopics, historical and biblical epics, literary adaptations, and transplanted stage musicals of the 1950s and 1960s differed from the prestige pictures of the classical era only in their oversized budgets, casts, running times, and screen width. If the emergent youth culture and increasingly diversified media marketplace were danger signs, they were lost on the studios—particularly after the huge commercial success of two very traditional mainstream films in 1965, *The Sound of Music* and *Dr. Zhivago*.

Actually, Hollywood was on the verge of its worst economic slump since the War—fueled to a degree by those two 1965 hits, because they led to a cycle of expensive, heavily promoted commercial flops. Fox, for instance, went on a blockbuster musical binge in an effort to replicate its success with *The Sound of Music*, and the results were disastrous: losses of $11 million on *Dr. Dolittle* in 1967, $15 million on *Star!* in 1968, and $16 million in 1969 on *Hello, Dolly!* at the time the most expensive film ever made.²¹ Fox then tightened its belt, avoiding bankruptcy thanks to two relatively inexpensive, offbeat films: *Butch Cassidy and the Sundance Kid* (1969; $46 million in rentals), and *MAH!* (1970; $36.7 million).

Those two hits were significant for a number of reasons besides the reversal of Fox’s fortunes, reasons which signaled changes of aesthetic as well as economic direction in late-1960s Hollywood. With the blockbuster strategy stalled, the industry saw a period of widespread and unprecedented innovation, due largely to a new “generation” of Hollywood filmmakers like Robert Altman, Arthur Penn, Mike Nichols, and Bob Rafelson, who were turning out films that had as much in common with the European art cinema as with classical Hollywood. There was also a growing contingent of international auteurs—Bergman, Fellini, Trauffaut, Bertolucci, Polanski, Kubrick—who, in the wake of the 1966 success of Antonioni’s *Blow-Up* and Claude Lelouch’s *A Man and a Woman*, developed a quasi-independent rapport with Hollywood, making films for a Euro-American market and bringing art cinema into the mainstream.

Thus an “American film renaissance” of sorts was induced by a succession of big-budget flops and successful imports. Its key constituency was the American youth, by now the most dependable segment of regular moviegoers as attendance continued to fall despite the overall increase in population. Younger viewers contributed heavily to the success of sizable hits like *Bonnie and Clyde* (1967; rentals of $22.8 million), *2001: A Space Odyssey* (1968; $25.5 million), and *The Graduate* (1968; $43 million), and they were almost solely responsible for modest hits like *Easy Rider* (1969; $19 million) and *Woodstock* (1970; $16.4 million). As these films suggest, the older baby boomers were reaching critical mass as a target market and were something of a countercultural force as well, caught up in the antiwar movement, civil rights, the sexual revolution, and so on. And with the 1966 breakdown of Hollywood’s Production Code and the emergence in 1968 of the new ratings system—itself a further indication of the segmented movie audiences—filmmakers were experimenting with more politically subversive, sexually explicit, and/or graphically violent material.

As one might suspect, Hollywood’s cultivation of the youth market and penchant for innovation in the late 1960s and early 1970s scarcely indicated a favorable market climate. On the contrary, they reflected the studios’ uncertainty and growing desperation. Film historian Tino Balio has written about “the Recession of 1969” and its aftermath, when “Hollywood nearly collapsed.”³² *Variety* at the time pegged combined industry losses for 1969–1971 at $600 million, and according to an economic study by Joseph Dominick, studio profits fell from an average of $64 million in the five-year span from 1964 to 1968, to $13 million from 1969 to 1973.³³ Market conditions rendered the studios ripe for takeover, and in fact a number of the studios were absorbed in post-1965 conglomerate wave. Paramount was taken over by Gulf & Western in 1966, United Artists by Transamerica in 1967, and Warner Bros. by Kinney National Services in 1969, the same year MGM was bought out by real-estate tycoon Kirk Kerkorian. This trend proved to be a mixed blessing for the studios. The cash-rich parent company relieved much of the financial pressures and spurred diversification, but the new owners knew little about the movie business and, as the market worsened, tended to view their Hollywood subsidiaries as troublesome tax write-offs.

One bright spot during this period was the surge in network prices paid for hit movies. Back in 1961, NBC had paid Fox an average of $180,000 for each feature shown on *Saturday Night at the Movies*; that year 45 features were broadcast in prime time. By 1970, the average price tag per feature was up to $800,000, with the networks spending $65 million on a total of 166 feature films. That total jumped to 227 for the 1971–1972 season, when movies comprised over one quarter of all prime-time programming. The average price went up as well, due largely to ABC’s paying $50 million in the Summer of 1971 for a package of blockbusters, including $5 million for *Lawrence of Arabia*, $3 million for the 1970 hit, *Love Story*, and $2.5 million each for seven James Bond films.³⁴ Significantly enough, however, these big payoffs were going only to top
Hollywood hits as all three networks began producing their own TV-movies. Hollywood features comprised only half of the movies shown on network TV in the 1971–1972 season, and that percentage declined further in subsequent years, as made-for-TV movie production increased.

The network payoff for top movie hits scarcely reversed the late-sixties downturn, as The Graduate in 1968 was the only release between 1965 and 1969 to surpass even $30 million in rentals. Butch Cassidy, Airport, and Love Story in 1969–1970 all earned $45 to $50 million, carrying much of the freight in those otherwise bleak economic years. Airport was especially important in that it generated a cycle of successful “disaster pictures” like Poseidon Adventure, The Towering Inferno, and Earthquake, all solid performers in the $40 to $50 million range, though they were fairly expensive to produce and not quite the breakaway hits that the industry so desperately needed.

The first real sign of a reversal of the industry’s sagging fortunes came with The Godfather, a 1972 Paramount release that returned over $86 million. The Godfather was that rarest of movies, a critical and commercial smash with widespread appeal, drawing art cinema connoisseurs and disaffected youth as well as mainstream moviegoers. Adapted from Mario Puzo’s novel while it was still in galleys, the project was scarcely mounted as a surefire hit. Director Francis Ford Coppola was a debt-ridden film school product with far more success as a writer, and star Marlon Brando hadn’t had a hit in over a decade. The huge sales of the novel, published while the film was in production, generated interest, as did well-publicized stories of problems on the set, cost overruns, and protests from Iranian-American groups. By the time of its release, The Godfather had attained “event” status, and audiences responded to Coppola’s stylistic and highly stylized hybrid of the gangster genre and family melodrama. Like so many 1970s films, The Godfather had a strong nostalgic quality, invoking the male ethos and patriarchal order of a bygone era—and putting its three male co-stars, Al Pacino, James Caan, and Robert Duvall, on the industry map.

The Godfather also did well in the international market, thus spurring an upturn in the overseas as well as the domestic market. Domestic theater admissions in 1972 were up roughly 20 percent over 1971, reversing a 7-year slide, and total box-office revenues surged from the $1 billion range, where they had stagnated for several years, to $1.64 billion. While The Godfather alone accounted for nearly 10 percent of those gross proceeds, other films clearly were contributing; revenues for the top ten box-office hits of 1972 were up nearly 70 percent over the previous year. That momentum held through 1973 and then the market surged again in 1974, nearing the $2 billion mark—and thus finally surpassing Hollywood’s postwar box-office peak. Key to the upturn were the now-predictable spate of disaster films, though these were far outdistanced by three hits which, in different ways, were sure signs of a changing industry.

One was American Graffiti, a surprise Summer 1973 hit written and directed by Coppola protégé George Lucas. A coming-of-age film with strong commercial tie-ins to both TV and rock music, the story’s 1962 setting enabled Lucas to circumvent (or rather to predict) the current socio-political climate and broaden its appeal to older viewers. Two even bigger hits were late-1973 releases, The Sting and The Exorcist ($78 million and at $68 million, respectively). The Sting was yet another nostalgia piece, a 1930s-era gangster/buddy/caper hybrid, reprising the Newman-Redford pairing of five years earlier—something like “Butch and Sundance meet the Godfather.” The nostalgia and studied innocence of both The Sting and American Graffiti were hardly evident in The Exorcist, William Friedkin’s kinetic, gut-wrenching, effects-laden exercise in screen violence and horror. While Psycho and Rosemary’s Baby had proved that horror thrillers could attain hit status, The Exorcist pushed the logic and limits of the genre (and the viewer’s capacity for masochistic pleasure) to new extremes, resulting in a truly monstrous hit and perhaps the clearest indication of the emergent New Hollywood.

Jaws and the New Hollywood

If any single film marked the arrival of the New Hollywood, it was Jaws, the Spielberg-directed thriller that recalibrated the profit potential of the Hollywood hit, and redefined its status as a marketable commodity and cultural phenomenon as well. The film brought an emphatic end to Hollywood’s five-year recession, while ushering in an era of high-cost, high-tech, high-speed thrillers. Jaws’ release also happened to coincide with developments both inside and outside the movie industry in the mid-1970s which, while having little or nothing to do with that particular film, were equally important to the emergent New Hollywood.

Jaws, like Love Story, The Godfather, The Exorcist, and several other recent hits, was presold via a current best-selling novel. And like The Godfather, movie rights to the novel were purchased before it was published, and publicity from the deal and from the subsequent production helped spur the initial book sales—of a reported 7.6 million copies before the film’s release in this case—which in turn fueled public interest in the film. The Jaws deal was packaged by International Creative Management (ICM), which represented author Peter Benchley and handled the sale of the movie rights. ICM also represented the producing team of Richard Zanuck and David Brown, whose recent hits included Butch Cassidy and The Sting, and who worked with ICM to put together the movie project with MCA/Universal and wunderkind director Steven Spielberg.
Initially budgeted at $3.5 million, *Jaws* was expensive by contemporary standards (average production costs in 1975 were $2.5 million), but it was scarcely a big-ticket project in that age of $10 million musicals and $20 million disaster epics. The budget did steadily escalate due to logistical problems and Spielberg’s ever-expanding vision and confidence; in fact problems with the mechanical shark pushed the effects budget alone to over $3 million. The producers managed to portray those problems into positive publicity, however, and continued to hype the film during post-production. The movie was planned for a Summer 1975 release due to its subject matter, even though in those years most calculated hits were released during the Christmas holidays. Zanuck and Brown compensated by spending $2.5 million on promotion, much of it invested in a media blitz during the week before the film’s 464-screen opening.

The print campaign featured a poster depicting a huge shark rising through the water toward an unsuspecting swimmer, while the radio and TV ads exploited John Williams’s now-famous “Jaws theme.” The provocative poster art and Williams’s pulsating, foreboding theme conveyed the essence of the film experience and worked their way into the national consciousness, setting new standards for motion picture promotion. With the public’s appetite sufficiently whetted, *Jaws*’ release set off a feeding frenzy as 25 million tickets were sold in the film’s first 38 days of release. After this quick start, the shark proved to have “good legs” at the box office, running strong throughout the summer en route to a record $102.5 million in rentals in 1975. In the process, *Jaws* became a veritable sub-industry unto itself via commercial tie-ins and merchandising ploys. But hype and promotion aside, *Jaws*’ success ultimately centered on the appeal of the film itself; one enduring verity in the movie business is that, whatever the marketing efforts, only positive audience response and favorable word-of-mouth can propel a film to genuine hit status.

*Jaws* was essentially an action film and a thriller, of course, though it effectively melded various genres and story types. It tapped into the monster movie tradition with a revenge-of-nature subtext (like *King Kong, The Birds, etc.*), and in the film’s latter stages the shark begins to take on supernatural, even Satanic, qualities à la *Rosemary’s Baby* and *The Exorcist*. And given the fact that the initial victims are women and children, *Jaws* also had ties to the high-gore “slasher” film, which had been given considerable impetus a year earlier by *The Texas Chainsaw Massacre*. The seagoing chase in the latter half is also a buddy film and a male initiation story, with Brodie the cop, Hooper the scientist, and Quint the sea captain providing different strategies for dealing with the shark and different takes on male heroic behavior.

Technically, *Jaws* is an adept “chase film” that takes the viewer on an emotional roller coaster, first in awaiting the subsequent (and increasingly graphic) shark attacks, then in the actual pursuit of the shark. The narrative is precise and effectively paced, with each stage building to a climactic peak, then dissipating, then building again until the explosive finale. The performances, camera work, and editing are all crucial to this effect, as is John Williams’s score. This was in fact the breakthrough film for Williams, the first in a run of huge hits that he scored (including *Star Wars, Close Encounters of the Third Kind, Raiders of the Lost Ark, and E.T.*’) whose music is absolutely essential to the emotional impact of the film.

Many critics disparaged that impact, dismissing *Jaws* as an utterly mechanical (if technically flawless) exercise in viewer manipulation. James Monaco cites *Jaws* itself as the basis for the “Bruce aesthetic” (named after the film crew’s pet name for the marauding robotic shark), whose ultimate cinematic effect is “visceral—mechanical rather than human.” More exciting than interesting, more style than substance, *Jaws* and its myriad offspring, argues Monaco, are mere “machines of entertainment, precisely calculated to achieve their effect.”22 Others have argued, however, that *Jaws* is redeemed by several factors, notably the political critique in the film’s first half, the essential humanity of Brodie, and the growing camaraderie of the three pursuers.

Critical debate aside, *Jaws* was a social, industrial, and economic phenomenon of the first order, a cinematic idea and cultural commodity whose time had come. In many ways, the film simply confirmed or consolidated various existing industry trends and practices. In terms of marketing, *Jaws*’ nationwide release and concurrent ad campaign underscored the value of saturation booking and advertising, which placed increased importance on a film’s box-office performance in its opening weeks of release. “Front-loading” the audience became a widespread marketing ploy, since it maximized a movie’s event status while diminishing the potential damage done to weak pictures by negative reviews and poor word of mouth. *Jaws* also confirmed the viability of the “summer hit,” indicating an adjustment in seasonal release tactics and a few other new moviegoing trends as well. One involved the composition and industry conceptualization of the youth market, which was shifting from the politically hip, cinephile viewers of a few years earlier to even younger viewers with more conservative tastes and sensibilities. Demographically, this trend reflected the aging of the front-end baby boomers and the ascendance not only of their younger siblings but of their children as well—a new generation with time and spending money and a penchant for wandering suburban shopping malls and for repeated viewings of their favorite films.

This signaled a crucial shift in moviegoing and exhibition that accompanied the rise of the modern “shopping center.” Until the mid-1970s,
despite suburbanization and the rise of the drive-in, movie exhibition still was dominated by a select group of so-called “key run” bookings in major markets. According to Axel Madsen’s 1975 study of the industry, over 60 percent of box-office revenues were generated by 1,000 key-run indoor theaters—out of a total of roughly 11,500 indoor and 3,500 outdoor theaters in the U.S.44 Though Madsen scarcely saw it at the time, this was about to change dramatically. Between 1965 and 1970, the number of shopping malls in the U.S. increased from about 1,500 to 12,500; by 1980 the number would reach 22,500.25 The number of indoor theaters, which had held remarkably steady from 1965 to 1974 at just over 10,000, began to increase sharply in 1975 and reached a total of 22,750 by 1990, due largely to the surge of mall-based “multi-plex” theaters.

With the shifting market patterns and changing conception of youth culture, the mid-1970s also saw the rapid decline of the art cinema movement as a significant industry force. A number of films in 1974–1975 marked both the peak and, as it turned out, the waning of the Hollywood renaissance—Altman’s Nashville, Penn’s Night Moves, Polanski’s Chinatown, and most notably perhaps, Coppola’s The Conversation. The consummate American auteur and “godfather” to a generation of filmmakers, Coppola’s own artistic bent and maverick filmmaking left him oddly out of step with the times. While Coppola was in the Philippines filming Apocalypse Now, a brilliant though self-indulgent, self-destructive venture of Wellesian proportions, his protégés Lucas and Spielberg were busy refining the New Hollywood’s Bruce aesthetic (via Star Wars and Close Encounters), while replacing the director-as-author with a director-as-superstar ethos.

The emergence of star directors like Lucas and Spielberg evinced not only the growing salaries and leverage of top talent, but also the increasing influence of Hollywood’s top agents and talent agencies. The kind of packaging done by ICM on Jaws was fast becoming the rule on high-stakes projects, with ICM and another powerful agency, Creative Artists Associates (CAA), relying on aggressive packaging to compete with the venerable William Morris Agency. Interestingly enough, both ICM and CAA were created in 1974—ICM via merger and CAA by five young agents who bolted William Morris and, led by Michael Ovitz, set out to revamp the industry and upgrade the power and status of the agent-packager. For the most part they succeeded, and consequently top agents, most often from CAA or ICM, became even more important than studio executives in putting together movie projects. And not surprisingly, given this shift in the power structure, an increasing number of top studio executives after the mid-1970s came from the agency ranks.

Yet another significant mid-1970s industry trend was the elimination of tax loopholes and write-offs which had provided incentives for investors, especially those financing independent films. This cut down the number of innovative and offbeat films, although by now the critical mass of cinephiles and art cinema theaters was sufficient to sustain a vigorous alternative cinema. This conservative turn coincided with an upswing in defensive market tactics, notably an increase in sequels, series, reissues, and remakes. From 1964 to 1968, sequels and reissues combined accounted for just under five percent of all Hollywood releases. From 1974 to 1978, they comprised 17.5 percent. Jaws, for instance, was reissued in 1976 (as was The Exorcist), generating another $16 million in rentals, and in 1978 the first of several sequels, Jaws 2, was released, returning $49.3 million in rentals and clearly securing the Jaws “franchise.”

Another crucial dimension of the New Hollywood’s mid-1970s emergence was the relationship between cinema and television, which was redefined altogether by three distinct developments. The first involved TV advertising which, incredibly enough, had not been an important factor in movie marketing up to that time. A breakthrough of sorts occurred in 1974 with the reissue of a low-budget independent 1971 feature, Billy Jack, whose director and star, Tom Laughlin, successfully sued Warner Bros. for not sufficiently promoting the film on its initial release. For the 1974 reissue, according to Variety, “Laughlin compelled Warners to try what was then a revolutionary marketing tactic: ‘Billy Jack’ received massive amounts of TV advertising support, an unheard of practice at the time.”26 The film went on to earn $32.5 million in rentals, after generating only $4 million in its initial release. This tactic gained further credibility with the Jaws campaign and others, soon becoming standard practice and taking motion picture marketing into a new era.

A second crucial development grew out of the FCC’s 1972 Report and Order on Cable Television and the 1975 launch of SATCOM I, which effectively ended the three-network stranglehold over commercial television.27 Pay-cable services started slowly after the 1972 ruling, but the launching of America’s first commercially available geo-stationary orbit satellite—and the August 1975 decision by Home Box Office (HBO) to go onto SATCOM—changed all that. HBO immediately became a truly nationwide “movie channel” and a key player in the ancillary movie market. Cable TV proved to be a boon to Hollywood in another way as well, thanks to the FCC’s “Must Carry” and “Prime Time Access” rules which increased the demand for syndicated series and movies. That in turn sent syndication prices soaring, providing another windfall for those studios producing TV series.

An even more radical change in Hollywood’s relationship with television came with the introduction in 1975 of Sony’s Betamax videotape recorder, thus initiating the “home-video revolution.” In 1977 Matsushita, the Japanese parent company of Pioneer, JVC, and other consumer elec-
tronics companies, introduced its “video home system” (VHS), setting off a battle for the home-video market. Matsushita’s VHS format prevailed for several reasons: VHS was less expensive (though technically inferior), more flexible and efficient in off-the-air recording, and Matsushita was more savvy and aggressive in acquiring “software” (i.e., the rights to movie titles) as a means of pushing its hardware.

While Hollywood’s initial response to the “Japanese threat” was predictably (and characteristically) negative, it became increasingly evident that the key home-video commodity was the Hollywood film—and particularly the blockbuster hit with its vast multi-media potential. And there was plenty to drive these new media industries, as Hollywood’s blockbuster mentality reestablished itself with a vengeance in 1977–1978. Total domestic grosses, which had reached $2 billion for the first time in 1975, surged to $2.65 billion in 1977 and $2.8 billion in 1978, a 40 percent climb in only three years, with hits like Star Wars, Grease, Close Encounters, Superman, and Saturday Night Fever doing record business. From The Sound of Music in 1965 through 1976, only seven pictures (including Jaws) had returned $50 million in rentals; in 1977–1978 nine films surpassed that mark.

While Star Wars was the top hit of the period, doing $127 million in rentals in 1977 and then another $38 million as a reissue in 1978, Saturday Night Fever was, in its own way, an equally significant and symptomatic New Hollywood blockbuster. The film did well at the box office ($74 million in rentals) and signaled both the erosion of various industry barriers and also the multimedia potential of movie hits. The film starred TV sitcom star John Travolta, the first of many “cross-over” stars of the late-seventies and eighties. The Bee Gees soundtrack dominated the pop charts and album sales, and along with the film helped spur the “disco craze” in the club scene and recording industry. Saturday Night Fever also keye the shift from the traditional Hollywood musical to the “music movie,” a dominant eighties form, and was an obvious precursor to MTV.

In terms of story, Saturday Night Fever was yet another male coming-of-age film, centering on the Travolta character’s quest for freedom, self-expression, and the Big Time as a dancer on Broadway. The age-old male initiation rite had found new life in Hollywood with the success of The Graduate and the emerging youth market, and proved exceptionally well suited to changes in the industry and the marketplace during the 1970s. One measure of its adaptability and appeal was Star Wars, which charts Luke Skywalker’s initiation into manhood in altogether different terms—though here too the coming-of-age story, while providing the spine of the film, is developed in remarkably superficial terms. Indeed, Star Wars is so fast-paced (“breathtaking,” in movie ad-speak) and resolutely plot-driven that character depth and development are scarcely on the narrative agenda.

This emphasis on plot over character marks a significant departure from classical Hollywood films, including The Godfather and even Jaws, wherein plot tended to emerge more organically as a function of the drives, desires, motivations, and goals of the central characters. In Star Wars and its myriad successors, however, particularly male action-adventure films, characters (even “the hero”) are essentially plot functions. The Godfather and Star Wars, for example, are in many ways quite similar but ultimately very different kinds of stories. Like Star Wars, The Godfather is itself a male action film, a drama of succession, and a coming-of-age story centering on Michael’s ascension to warrior status by fighting the “gang wars.” Both films have a mythic dimension, and are in fact variations on the Arthurian legend. But where Star Wars is so obviously and inexorably plot-driven, The Godfather develops its story in terms of character—initially Don Corleone, then sons Sonny and Michael, and finally Michael alone—whose decisions and actions define the narrative trajectory of the film.

This is not to say that Star Wars does not “work” as a narrative, but that the way it works may indicate a shift in the nature of film narrative. From The Godfather to Jaws to Star Wars, we see films that are increasingly plot-driven, increasingly visceral, kinetic, and fast-paced, increasingly reliant on special effects, increasingly “fantastic” (and thus apolitical), and increasingly targeted at younger audiences. And significantly enough, the lack of complex characters or plot in Star Wars opens the film to other possibilities, notably its radical amalgamation of genre conventions and its elaborate play of cinematic references. The film, as J. Hoberman has said, “pioneered the genre pastiche—synthesizing a methodology so soulless that its most human characters were a pair of robots.” The hell-bent narrative careens from one genre-coded episode to another—from Western to war film to vine-swinging adventure—and also effectively melds different styles and genres in individual sequences. The bar scene early on which introduces Han Solo’s character, for instance, is an inspired amalgam of Western, film noir, hardboiled detective, and sci-fi. Thus the seemingly one-dimensional characters and ruthlessly linear chase-film plotting are offset by a purposeful incoherence which actually “opens” the film to different readings (and readers), allowing for multiple interpretive strategies and thus broadening the potential audience appeal. This is reinforced by the film’s oddly nostalgic quality, due mainly to its evocations of old movie serials and TV series (Flash Gordon, Captain Video, and so on), references that undoubtedly are lost on younger viewers but relished by their cineliterate parents and senior siblings.
Like *Jaws*, Lucas’s space epic is a masterwork of narrative technique and film technology. It too features an excessive John Williams score and signature musical theme, and Lucas’s general attention to sound and audio effects was as widely praised as the visuals. Indeed, while the film was shut out in its major Oscar nominations (best picture, director, and screenplay), it won Academy Awards for editing, art direction, costume design, visual effects, and musical score, along with a special achievement award for sound effects editing. And although *Star Wars* was the twenty-first feature to be released with a Dolby soundtrack, it was the first to induce theater owners to install Dolby sound systems.22 There were countless commercial tie-ins, as well as a multi-billion dollar licensing and merchandising bonanza. And strictly as a movie franchise it had tremendous legs, as this inventory of its first decade well indicates:

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
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<tr>
<td>May 1977</td>
<td><em>Star Wars</em> released</td>
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<tr>
<td>July 1978</td>
<td><em>Star Wars</em> reissue #1</td>
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<td>May 1979</td>
<td><em>Star Wars</em> reissue #2</td>
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<tr>
<td>May 1980</td>
<td><em>Star Wars</em> sequel #1: <em>The Empire Strikes Back</em></td>
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<td>Apr 1981</td>
<td><em>Star Wars</em> reissue #3</td>
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<td>May 1982</td>
<td><em>Star Wars</em> available on videocassette</td>
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<td>Aug 1982</td>
<td><em>Star Wars</em> reissue #4</td>
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<tr>
<td>Feb 1983</td>
<td><em>Star Wars</em> appears on pay-cable TV</td>
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<tr>
<td>May 1983</td>
<td><em>Star Wars</em> sequel #2: <em>Return of the Jedi</em></td>
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<tr>
<td>Feb 1984</td>
<td><em>Star Wars</em> on network TV</td>
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<tr>
<td>Mar 1985</td>
<td><em>Star Wars</em> trilogy screened in 8 cities</td>
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<tr>
<td>Jan 1987</td>
<td>“Star Tours” opens at Disneyland</td>
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The promise of *Jaws* was confirmed by *Star Wars*, the only other film at the time to surpass $100 million in rentals. *Star Wars* also secured Lucas’s place with Spielberg as charter member of “Hollywood’s delayed New Wave,” as J. Hoberman put it, a group of brash young filmmakers (Brian DePalma, John Landis, Lawrence Kasdan, John Carpenter, et al.) steeped in movie lore whose “cult blockbusters” and genre hybrids elevated “the most vital and disputable genres of their youth . . . to cosmic heights.”23 Perhaps inevitably, Lucas and Spielberg decided to join forces—a decision they made, as legend has it, while vacationing in Hawaii in May 1977, a week before the release of *Star Wars*, and during a break between the shooting and editing of *Close Encounters*. Lucas was mulling over an idea for a movie serial about the exploits of an adventurer-antropologist; Spielberg loved the idea, and he convinced Lucas to write and produce the first installment, and to let him direct.24

The result, of course, was *Raiders of the Lost Ark*, the huge 1981 hit that established the billion-dollar Indiana Jones franchise and further solidified the two filmmakers in the New Hollywood pantheon. Indeed, whether working together or on their own projects—notably Spielberg on *E.T.* and Lucas on the *Star Wars* sequels—the two virtually rewrote the box-office record books in the late 1970s and 1980s. With the release of their third Indiana Jones collaboration in 1989, Lucas and Spielberg could claim eight of the ten biggest hits in movie history, all of them surpassing $100 million in rentals.25 Seven of those hits came out in the decade following the release of *Jaws*, a period that Hoberman has aptly termed “ten years that shook the world” of cinema, and that A.D. Murphy calls “the modern era of super-blockbuster films.”27

**Into the 1980s**

The importance of the Lucas and Spielberg super-blockbusters can hardly be overstated, considering their impact on theatrical and video markets in the U.S., which along with the rapidly expanding global entertainment market went into overdrive in the 1980s. After surpassing $2 billion in 1975, Hollywood’s domestic theatrical revenues climbed steadily from $2.75 billion in 1980 to $5 billion in both 1989 and 1990. And remarkably enough, this steady theatrical growth throughout the 1980s was outpaced rather dramatically by various “secondary markets,” particularly pay-cable and home video. During the 1980s, the number of U.S. households with VCRs climbed from 1.85 million (one home in 40) to 62 million (two-thirds of all homes). Pre-recorded videocassette sales rose from only three million in 1980 to 220 million in 1990—an increase of 6,500 percent—while the number of cable households rose from 19.6 million in 1980 to 55 million in 1990, with pay subscriptions increasing from 9 million to 42 million during the decade.28

This growth has been a tremendous windfall for Hollywood, since both the pay-cable and home-video industries have been driven primarily by feature films, and in fact have been as hit-driven as the theatrical market. Through all the changes during the 1980s, domestic theatrical release remained the launching pad for blockbuster hits, and it established a movie’s value in virtually all other secondary or ancillary markets. Yet even with the record-setting box-office revenues throughout the 1980s, the portion of the Hollywood majors’ income from theater rentals actually declined, while total revenues have soared. According to Robert Levin, president of international motion picture marketing for Disney, the domestic box office in 1978 comprised just over half (54 percent) of the majors’ overall income, with a mere 4 percent coming from pay-cable and home video combined. By 1986, box-office revenues comprised barely one quarter (28 percent) of the majors’ total, with pay-cable and home video combining for over half (12 percent and 40 percent respectively).29
video revenues actually exceeded worldwide theatrical revenues that year, 1986, and by decade’s end cassette revenues alone actually doubled domestic box-office revenues.46

Another crucial secondary market for Hollywood has been the box office overseas, particularly in Europe. While the overseas pay-TV and home-video markets are still taking shape, European theatrical began surging in 1985 and reached record levels in 1990, when a number of top hits—including _Pretty Woman, Total Recall, The Little Mermaid, and Dances With Wolves_—actually did better box office in Europe than in the U.S.47 And _Forbes_ magazine has estimated that the European theatrical market will double by 1995, as multiplexing picks up in Western Europe and as new markets open in Eastern Europe.48

With the astounding growth of both theatrical and video markets and the continued stature of the Hollywood-produced feature, the American movie industry has become increasingly stable in the late 1980s. What’s more, the blockbuster mentality seems to have leveled off somewhat. In the early 1980s, one or two huge hits tended to dominate the marketplace, doing well over $100 million and far outdistancing other top hits. From 1986–1990, however, the number of super-blockbuster hits dropped while the number of mid-range hits earning $10 million or more in rentals increased significantly, as did the number returning $50 million or more—still the measure of blockbuster-hit status. From 1975 to 1985 ten films earned $100 million or more in rentals; there have been only four since. Meanwhile, the number of films earning $50 million or more has climbed considerably. From 1965 to 1975, only six reached this mark; from 1976 to 1980 there were 13; from 1981 to 1985 there were 17. From 1986 to 1990, 30 films surpassed $50 million in rentals.

As the economic stakes have risen so have production and marketing costs. The average “negative cost” (i.e., money spent to complete the actual film) on all major studio releases climbed from $9.4 million in 1980 to $26.8 million in 1990. Over the same period, average costs for prints and advertising rose from $4.3 million per film in 1980 to $11.6 million in 1990.49 The rise in production costs is due largely to two dominant factors: an increased reliance on special effects and the soaring salaries paid to top talent, especially stars. The rise in marketing costs reflects Hollywood’s deepening commitment to saturation booking and advertising, which has grown more expensive with the continued multiplex phenomenon and the increased ad opportunities due to cable and VCRs. The number of indoor theaters in the U.S. increased from about 14,000 in 1980 to over 22,000 in 1990, which meant that widespread nationwide release required anywhere from 1,000 to 2,700 prints, at roughly $2,500 per print. But the primary reason for rising marketing costs is TV advertising, particularly for high-stakes blockbusters. In 1990, for example, well over $20 million was spent on TV ads alone for _Dick Tracy, Total Recall_, and _Die Hard 2_.44

While this may seem like fiscal madness, there is method in it. Consider the performance of the three top hits of the “blockbuster Summer” in 1989, Hollywood’s single biggest season ever. In a four-week span beginning Memorial Day weekend, _Indiana Jones and the Last Crusade, Ghostbusters II, _and_ Batman_ enjoyed successive weekend releases in at least 2,300 theaters in the U.S. and Canada after heavy TV advertising. Each of these pre-sold entertainment machines set a new box-office record for its opening weekend, culminating in _Batman’s_ three-day ticket sales of $40.5 million. In an era when $100 million in gross revenues is one measure of a blockbuster hit, it took _Indiana Jones just 19 days to reach that total; it took _Batman_ 11. And like so many recent hits, all three underwent a “fast burn” at the box office. Compare these week-to-week box-office revenues on Hollywood’s two all-time summer hits, _E.T._ (1982) and _Batman_, which well indicate certain crucial 1980s market trends.45

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<tbody>
<tr>
<td><em>E.T.</em></td>
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<td>23</td>
<td>19</td>
<td>19</td>
<td>16</td>
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<tr>
<td><em>Batman</em></td>
<td>70</td>
<td>52</td>
<td>30</td>
<td>24</td>
<td>18</td>
<td>13</td>
<td>11</td>
<td>8</td>
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_E.T._ earned another $100 million at the box office, which in 1982 was its only serious source of domestic income, while _Batman_ was pulled from domestic theatrical for the home-video market—where it generated another $179 million in revenues.46 Few recent films match _Batman’s_ home-video performance, and for that matter, few match its box-office legs, either. In 1990, no saturation summer releases except _Ghost and Pretty Woman_ had any real pull beyond five weeks, although a number of films (_Total Recall, Die Hard 2, Dick Tracy_) grossed over $100 million at the box office.

The three top hits of 1990, _Home Alone, Ghost, _and_ Pretty Woman_, bucked the calculated blockbuster trend and demonstrated why Hollywood relies on a steady output of “smaller” (i.e., less expensive) films which, mainly via word of mouth rather than massive pre-selling and promotion, might emerge as surprise hits. Such “sleepers” are most welcome, of course, even in this age of high-cost, high-tech, high-volume behemoths, and they invariably are well exploited once they begin to take off—as were those three surprise hits of 1990. And each undoubtedly will spawn a sequel of calculated blockbuster proportions, with the studio hoping not only for a profitable follow-up but for the kind of success that MGM/UA had with _Rocky_, a modest, offbeat sleeper in 1976 that became a billion-dollar entertainment franchise.
Many have touted the three 1990 hits as a return to reason in Hollywood filmmaking, including Disney production chief Jeffrey Katzenberg in a now legendary interoffice memo of January 1991. Katzenberg warned of “the ‘blockbuster mentality’ that has gripped our industry,” and encouraged a return to “the kind of modest, story-driven movie we tended to make in our salad days.” The memo was leaked to the press and caused a stir, but scarcely signaled any real change at Disney or anywhere else. Variety subtly underscored this point by running excerpts from the memo directly below an even more prominent story with the banner headline, “Mebudgets Boom Despite Talk of Doom.” That story inventoried the numerous high-cost Hollywood films “still being greenlighted,” including several at Disney.

In one sense, Katzenberg’s memo was a rationale for Dick Tracy, the 1990 Disney blockbuster that cost $46 million to produce and another $55 million to market and release, with $44 million spent on advertising and promotion alone. Those figures were disclosed some two months before Katzenberg’s memo and startled many industry observers, since by then the film had run its theatrical course and returned only about $60 million to Disney in rentals. But Hollywood insiders (including Katzenberg, no doubt) well understood the logic, given today’s entertainment marketplace. As one competing executive told the New York Times, Disney had to “build awareness” of the Tracy story and character not simply to sell the film, but to establish “the value of a new character in the Disney family . . . so that it could be brought back in a sequel and used in Disney’s theme parks.”

The future of the Tracy franchise remains to be seen, but one can hardly fault Disney for making the investment. Lip service to scaled-down moviemaking aside, Hollywood’s blockbuster mentality is more entrenched now than ever, the industry is more secure, and certain rules of the movie marketplace are virtually set in stone. The first is William Goldman’s 1983 axiom, “nobody knows anything,” which is quoted with increasing frequency these years as it grows ever more evident that, despite all the market studies and promotional strategies, the kind of public response that generates a bona fide hit simply cannot be manufactured, calculated, or predicted. The studios have learned to hedge their bets and increase the odds, however, and thus these other rules—all designed not only to complement but to counter the Goldman Rule.

The most basic of these rules is that only star vehicles with solid production values have any real chance at the box office (and thus in secondary markets as well). Such films nowadays cost $20 to $50 million, and will push $50 million if top stars, special effects, and/or logistical difficulties are involved. The next rule concerns what is termed the “reward risk” factor, and holds that reaping the potential benefits of a hit requires heavy up-front spending on marketing as well as production. A corollary to this is that risk can be minimized via pre-sold pictures, and today the most effective pre-selling involves previous movie hits or other familiar media products (TV series, pop songs, comic books). An aesthetic corollary holds that films with minimal character complexity or development and by-the-numbers plotting (especially male action pictures) are the most readily reformulated and thus the most likely to be parlayed into a full-blown franchise.

Another cardinal rule is that a film’s theatrical release, with its attendant media exposure, creates a cultural commodity that might be regenerated in any number of media forms: Perhaps in pop music, and not only as a hit single or musical score; note that Batman had two soundtrack albums and Dick Tracy had three. Perhaps as an arcade game, a $7 billion industry in 1990; note that Hook and Terminator 2 both were released simultaneously as movies and video games. Perhaps as a theme park ride; note that Disney earns far more on its theme parks than on motion pictures and television, and that the hottest new Disney World attraction is “Toon Town,” adapted from Who Framed Roger Rabbit? Perhaps as a comic book or related item; note that the Advance Comics Special Batlist offered 214 separate pieces of Batman-related paraphernalia. Perhaps in “novelized” form, with print (and audiocassette) versions of movie hits regularly becoming worldwide best-sellers; note that Simon and Schuster, a Paramount subdivision and the nation’s largest bookseller, has devoted an entire division to its Star Trek publications.

These rules are evident not only in today’s multimedia worldwide blockbusters, but also in the structure and operations of international corporate giants that produce and market them. Competing successfully in today’s high-stakes entertainment marketplace requires an operation that is not only well financed and productive, but also diversified and well coordinated. John Mickelthwait of the Economist has written that an entertainment company “needs financial muscle to produce enough software to give itself a decent chance for bringing in a hit, and marketing muscle to make the most of that hit when it happens.” Thus there has been a trend toward “tight diversification” and “synergy” in the recent merger-and-acquisitions wave, bringing movie studios into direct play with television production companies, network and cable TV, music and recording companies, and book, magazine, and newspaper publishers, and possibly even with games, toys, theme parks, and electronics hardware manufacturers as well.

So obviously enough, diversification and conglomerate remain key factors in the entertainment industry, though today’s media empires are much different than those of the 1960s and 1970s like Gulf & Western, Kinney, and Transamerica. Those top-heavy, widely diversified conglo-
erates sold out, “downsized,” or otherwise regrouped to achieve tighter diversification. Gulf & Western, for instance, sold all but its media holdings by the late 1980s and changed its corporate name to Paramount Communications. Kinney created a media subsidiary in Warner Communications, which also downsized in the early 1980s—only to expand via a $13 billion marriage with Time in 1989 (to avoid a hostile $12 billion takeover by Paramount), thereby creating Time Warner, the world’s largest multimedia company and a model of synergy, with holdings in movies, TV production, cable, records, and book and magazine publishing. Because movies drive the global multimedia marketplace, a key holding for any media conglomerate is a motion picture studio; but there is no typical media conglomerate these days due to the widening range of entertainment markets and rapid changes in media technology.

Conglomerations have taken on another new dimension in that several studios have been purchased by foreign media companies: Fox by Rupert Murdoch’s News Corporation in 1985, Columbia by Sony in 1989, and MCA/Universal by Matsushita in 1990. The Fox purchase may have greater implications for TV than cinema, given the creation of a “fourth network” in American and its expansion into Europe. The Sony and Matsushita buyouts take the cinema-television synergy in yet another direction, since this time the two consumer electronics giants are battling over domination of the multi-billion-dollar high definition television (HDTV) market. Columbia and MCA gave the two firms sizable media libraries and active production companies, which may well give them an edge in the race not only to develop but to sell HDTV.

The Sony-Columbia and Matsushita-MCA deals are significant in terms of “talent” as well. Beyond the $3.5 billion Sony paid for Columbia, the company also spent roughly $750 million for the services of Peter Guber and Jon Peters, two successful producers (Batman, Rain Man, et al.) then under contract to Warners. This underscored the importance of corporate and studio management in the diversified, globalized, synergized marketplace. Indeed, the most successful companies in the mid-to-late 1980s—Paramount, Disney, Warners, and Universal—all enjoyed consistent, capable executive leadership. Successful studio management involves not only positioning movies in a global multimedia market, but also dealing effectively with top talent and their agents, which introduces other human factors into the New Hollywood equation. These factors were best indicated by the role of Michael Ovitz in both the Sony and Matsushita deals. Co-founder and chief executive of CAA, Ovitz is the most powerful agent in Hollywood’s premiere agency. He was a key advisor in the Sony-Columbia deal, and in fact he packaged Rain Man during the negotiations and later helped arrange the Guber-Peters transaction. And Ovitz quite literally brokered the Matsushita-MCA deal, acting as the sole go-between during the year-long negotiations.

Ovitz’s rise to power in the New Hollywood has been due to various factors: CAA’s steadily expanding client list, its packaging of top talent in highly desirable movie packages, and its capacity to secure favorable terms for its clients when cutting movie deals. In perhaps no other industry is the “art of the deal” so important, and in that regard Ovitz is Hollywood’s consummate artist. He also is a master at managing relationships—whether interpersonal, institutional, or corporate, as the Columbia and MCA deals both demonstrate. And more than any other single factor, Ovitz’s and CAA’s success has hinged on the increasingly hit-driven nature of the entertainment industry, and in turn on the star-driven nature of top industry products.

The “star system” is as old as the movie industry itself, of course. “Marquee value,” “bankable” talent, and “star vehicles” have always been vital to Hollywood’s market strategy, just as the “star persona” has keyed both the narrative and production economies of moviemaking. In the classical era, in fact, studios built their entire production and marketing operations around a few prime star-genre formulas. In the New Hollywood, however, where fewer films carry much wider commercial and cultural impact, and where personas are prone to multimedia reincarnation, the star’s commercial value, cultural cache, and creative clout have increased enormously. The most obvious indication of this is the rampant escalation of star salaries during the 1980s—a phenomenon often traced to Sylvester Stallone’s $15 million paycheck in 1983 for Rocky IV. Interestingly enough, many (if not most) of the seminal New Hollywood blockbusters were not star-driven; in fact many secured stardom for their lead actors. But as the blockbuster sequels and multimedia markets coalesced in the early 1980s, both the salary scale and narrative agency of top stars rose dramatically—to a point where Stallone, Arnold Schwarzenegger, Bruce Willis, Michael Douglas, Eddie Murphy, Sean Connery, and Kevin Costner earn seven or even eight figures per film, having become not only genres but franchises unto themselves, and where “star vehicles” are often simply that: stylish, careening machines designed for their star-drivers which, in terms of plot and character development, tend to go nowhere fast.

Not surprisingly, the studios bemoan their dwindling profit margins due to increased talent costs while top talent demand—and often get—“participation” deals on potential blockbusters. CAA’s package for Hook gave Dustin Hoffman, Robin Williams, and Steven Spielberg a reported 40 percent of the box-office take, and Jack Nicholson’s escalating 15 to 20 percent of the gross on Batman paid him upwards of $50 million.
While studio laments about narrowing margins are understandable, so too are agency efforts to secure a piece of the box-office take for their clients, particularly in light of the limited payoff for stars and other talent in ancillary markets and in licensing and merchandising deals. And given the potential long-term payoff of a franchise-scale blockbuster, the stars’ demands are as inevitable as the studios’ grudging willingness to accommodate them. As Geraldine Fabrikant suggests in a *New York Times* piece on soaring production costs: “Some studios can more easily justify paying higher prices for talent these days because, with the consolidation of the media industry and the rise of integrated entertainment conglomerates that distribute movies, books, recordings, television programming and magazines, they have more outlets through which to recoup their investments.”

**The Economics and Aesthetics of the New Hollywood**

This brings us back, yet again, to the New Hollywood blockbuster’s peculiar status as what Eileen Meehan has aptly termed a “commercial intertext.” As Meehan suggests, today’s conglomerates “view every project as a multimedia production line,” and thus *Batman* “is best understood as a multimedia, multimarket sales campaign.” Others have noted the increased interplay of moviemaking and advertising, notably Mark Crispin Miller in a cover story for the *Atlantic*, “Hollywood: The Ad.” Miller opens with an indictment of the “product placement” trend in movies (a means of offsetting production costs which, as he suggests, often brings the narrative to a dead halt), and he goes on to discuss other areas where movies and advertising—especially TV advertising—have begun to merge. Like TV ads, says Miller, movies today aspire to a total “look” and seem more designed than directed, often by filmmakers segueing from studio to ad agency. And now that movies are more likely to be seen on a VCR than a theater screen, cinematic technique is adjusted accordingly, conforming with the small screen’s “most hypnotic images,” its ads. Visual and spatial scale are downsized, action is repetitiously foregrounded and centered, pace and transitions are quicker, music and montage are more prevalent, and slick production values and special effects abound.

While Miller’s view of the cinema as the last bastion of high culture under siege by the twin evils of TV and advertising displays a rather limited understanding of the contemporary culture industries, there is no question but that movie and ad techniques are intermingling. In fact, one might argue that the New Hollywood’s calculated blockbusters are themselves massive advertisements for their product lines—a notion that places a very different value on their one-dimensional characters, mechan-
that may well be lost on middle-aged movie critics. In fact, given the penchant these years to pre-sell movies via other popular culture products (rock songs, comic books, TV series, etc.), chances are that younger, media-literate viewers encounter a movie in an already-activated narrative process. The size, scope, and emotional charge of the movie and its concurrent ad campaign certainly privilege the big screen “version” of the story, but the movie itself scarcely begins or ends the textual cycle.

This in turn raises the issue of narrative “integrity,” which in classical Hollywood was a textual feature directly related to the integrity of both the “art form” and the system of production. While movies during the studio era certainly had their intertextual qualities, these were incidental and rarely undermined the internal coherence of the narrative itself. While many (perhaps most) New Hollywood films still aspire to this kind of narrative integrity, the blockbuster tends to be intertextual and purposefully incoherent—virtually of necessity, given the current conditions of cultural production and consumption. Put another way, the vertical integration of classical Hollywood, which ensured a closed industrial system and coherent narrative, has given way to “horizontal integration” of the New Hollywood’s tightly diversified media conglomerates, which favors texts strategically “open” to multiple readings and multimedia reiteration.

These calculated blockbusters utterly dominate the movie industry, but they also promote alternative films and filmmaking practices in a number of ways. Because the majors’ high-cost, high-stakes projects require a concentration of resources and limit overall output, they tend to foster product demand. This demand is satisfied, for the most part, by moderately priced star vehicles financed and distributed by the majors, which may emerge as surprise hits but essentially serve to keep the industry machinery running, to develop new talent, and to maintain a steady supply of dependable mainstream product. Complementing these routine features, and far more interesting from a critical and cultural perspective, are the low-cost films from independent outfits like Miramax and New Line Cinema. In fact, the very market fragmentation which the studios’ franchise projects are designed to exploit and overcome, these independents are exploiting in a very different way via their small-is-beautiful, market-niche approach.

Miramax, for instance, has carved out a niche by financing or buying and then distributing low-budget art films and imports like *sex, lies and videotape, My Left Foot, Cinema Paradiso,* and *Tie Me Up, Tie Me Down* to a fairly consistent art film crowd. New Line’s strategy is more wide-ranging, targeting an array of demographic groups and taste cultures from art film aficionados and environmentalists to born-again Christians and wrestling fans. If any one of New Line’s products takes off at the box office, it’s liable to be a teen pic like *Teenage Mutant Ninja Turtles,* which returned $67 million in rentals in 1990. While fully exploiting that hit was a real challenge for a company like New Line, an even bigger challenge, no doubt, was resisting the urge to expand their operations, upgrade their product, and compete with the majors—an impulse that proved disastrous for many independent companies during the 1980s.  

Thus we might see the New Hollywood as producing three different classes of movie: the calculated blockbuster designed with the multimedia marketplace and franchise status in mind, the mainstream A-class star vehicle with sleeper-hit potential, and the low-cost independent feature targeted for a specific market and with little chance of anything more than “cult film” status. These three classes of movie have corresponding ranks of auteurs, from the superstar directors at the “high end” like Spielberg and Lucas, whose knack for engineering hits has transformed their names into virtual trademarks, to those filmmakers on the margins like Gus Van Sant, John Sayles, and the Coen brothers, whose creative control and personal style are considerably less constrained by commercial imperatives. And then there are the established genre auteurs like Jonathan Demme, Martin Scorsese, David Lynch, and Woody Allen who, like Ford and Hitchcock and the other top studio directors of old, are the most perplexing and intriguing cases—each of them part visionary cineaste and part commercial hack, whose best films flirt with hit status and critique the very genres (and audiences) they exploit.

Despite its stratification, the New Hollywood is scarcely a balkanized or rigidly class-bound system. On the contrary, these classes of films and filmmakers are in a state of dynamic tension with one another and continually intermingle. Consider, for instance, the two recent forays into that most contemptible of genres, the psycho-killer/stalk-and-slash film, by Jonathan Demme in *The Silence of the Lambs* and Martin Scorsese in *Cape Fear.* Each film took the genre into uncharted narrative and thematic territory; each was a cinematic tour-de-force, enhancing both the aesthetic and commercial value of the form; and each thoroughly terrified audiences, thereby reinforcing the genre’s capacity to explore the dark recesses of the collective American psyche and underscoring the cinema’s vital contact with its public.

Besides winning the Oscar for “Best Picture of 1991,” *Silence of the Lambs* emerged as a solid international hit, indicating the potential global currency of the genre while raising some interesting questions about the New Hollywood’s high-end products vis-à-vis the American cultural experience. With the rapid development of multiplex theaters and home video in Europe and the Far East, and the concurrent advances in advertising and marketing, one can readily foresee the “global release” of calculated blockbusters far beyond the scale of a *Batman* or *Terminator 2,* let alone a surprise hit like *The Silence of the Lambs.* This may require a very different kind of product, effectively segregating the calculated block-
buster from the studios’ other feature output and redefining the Hollywood cinema as an American culture industry. But it’s much more likely that the New Hollywood and its characteristic blockbuster product will endure, given the social and economic development in the major overseas markets, the survival instincts and overall economic stability of the Hollywood studios, and the established global appeal of its products.

2

Reclaiming the Social: Pedagogy, Resistance, and Politics in Celluloid Culture

*Henry A. Giroux*

We live in an age in which the new conservatism that has reigned in the United States for the last decade has consistently struggled to depoliticize politics while simultaneously attempting to politicize popular culture and the institutions that make up daily life. The depoliticizing of politics is evident, in part, in the ways in which the new conservative formations use the electronic technologies of image, sound, and text not only to alter traditional systems of time, space, and history, but also to displace serious political issues to the realm of the aesthetic and the personal. In this context, discourses of style, form, and authenticity are employed to replace questions concerning how power is mobilized by diverse dominant groups to oppress, marginalize, and exploit large portions of the American population. Understood in ideological terms, the depoliticizing of politics is about the attempt to construct citizens who believe that they have little or no control over their lives: that issues of identity, culture, and agency bear no relationship to or “acknowledgment of mediations: material, historical, social, psychological, and ideological” (Solomon-Godeau, xxviii). Hence, the depoliticizing of the political represents a complex, though incomplete, effort by the new conservatism to secure a politics of representation that attempts to render the workings of its own ideology indiscernible. That is, dominant groups seize upon the dynamics of cultural power to secure their own interests while simultaneously attempting to make the political context and ideological sources of such power invisible.

In the current historical conjuncture there is an ongoing attempt by the forces of the new right to replace the practice of substantive democracy with a democracy of images. At the same time, the discourse of responsible citizenship is subordinated to the marketplace imperatives of choice, consumption, and standardization. This is particularly true with respect
1. The New Hollywood


2. Here and throughout this essay, I will be referring to “rentals” (or “rental receipts”) and also to “gross revenues” (or “box-office revenues”). This is a crucial distinction, since the gross revenues indicate the amount of money actually spent at the box office, whereas rental receipts refer, as Variety puts it, to “actual amounts received by the distributor”—i.e., to the moneys returned by theaters to the company (usually a “studio”) that released the movie. Unless otherwise indicated, both the rentals and gross revenues involve only the “domestic box office”—i.e., theatrical release in the U.S. and Canada.

All of the references to box-office performance and rental receipts in this article are taken from Variety, most of them from its most recent (January 11–17, 1989; pp. 28–74) survey of “All-Time Film Rental Champs,” which includes all motion pictures returning at least $4 million in rentals. Because this survey is continually updated, the totals include reissues and thus may be considerably higher than the rentals from initial release. In these cases I try to use figures from earlier Variety surveys for purposes of accuracy.

3. “‘Gone With the Wind’ Again Tops All-Time List,” Variety (May 4, 1983), p. 15.


Refer to the extracted text and the page images provided for the document content.
construction of moral power and political/cultural domination, see Dyer, West, "The New Cultural Politics," p. 105; Ferguson, Gever, Minha, and West, eds.

11. For another analysis of the relationship between critical pedagogy and the issue of resistance in Dead Poets Society, see Peter McLaren.

12. There is a curious "structuring silence" in Keating's refusal to engage or indicate any evidence of the "beat" literature of the 1950s, which appropriated "carpe diem" as a counter-cultural text. Given Keating's hip, iconoclastic pedagogy, it seems inconceivable that a "free-thinking" English teacher would not be aware of the works of "beat" poets and novelists such as Jack Kerouac, William Burroughs, Gregory Corso, Allen Ginsberg, and others.

13. I would like to thank Hilary Radner for her helpful comments about gender relations in this film.

14. I have taken up this issue particularly with respect to the appropriation of Paulo Freire's work and the pedagogy of the popular; see Giroux, "Paulo Freire and the Politics of Post-Colonialism"; see also the various articles in Giroux and Simon eds.

15. For an excellent analysis of the politics of reading formations, see Bennett, Outside Literature.

3. Pretty Is as Pretty Does

I would like to thank my colleagues in Communication and Gender Studies at the University of Notre Dame for their patience, support, and suggestions; Tom Schatz, Kathleen Pyne, and Susan White who discussed my ideas with me; my students Megan Wade, Lisa Dolen, and Kelly Streit, whose papers on Pretty Woman helped me realize the significance of this film; the Feminist Forum of the University of Notre Dame who asked me to lecture on the film; my research assistant Ron Hogan; my co-editors Ava and Jim; and finally Diane Gibson for her careful reading, comments, and much more than is implied in the term copy-editing.


2. See the work of Claude Lévi-Strauss for an explanation of this concept and the work of Edmund Leach for a discussion of the limits of the validity of this concept.

3. The ideal of the companionate marriage in which men and women are united by the bonds of conjugal love, in which woman theoretically had some role in the choice of her husband, was in part supported by the 18th-century novel; however, in fact, women were legally and materially constrained by their position within the family. See Nancy Armstrong for a discussion of the complexity of these issues.

4. Miriam Hansen explains: "Throughout most of the nineteenth century, public life was a predominantly masculine arena to which women had access only in a highly controlled and dependent form; conversely, the private realm of the family was identified as the domain of an idealized femininity, defined by the cult of domesticity, sexual purity, and moral guardianship" (52). For a discussion of the relationship between the doctrine of separate spheres and the representation of feminine sexuality see the work of Thomas Laqueur.

5. This genre evolves out of the conduct books of the 18th and 19th Centuries, when book publishers began addressing the new middle-class woman rather than the