Introduction

> Man keeps on calling new things by old names—the work of the machine is manufacture; the contract of employment concerns masters and servants; the corporation, a device by which a group gets things done, is still a person.
>
> Walton H. Hamilton, "Our Social Responsibilities"

i. Corporate Art, Studio Allegory, Corporate Identity

Midway through *Fortune*'s profile of Metro-Goldwyn-Mayer in 1932—the first in the career of that primer on making and spending to be devoted to a Hollywood motion picture studio—the half-flattering, half-mocking tone of its analysis of the studio's history, structure, and personality shifts to a different key, as the article boldly heralds the advent of a new art form:

> MGM is neither one man nor a collection of men. It is a corporation. Whenever a motion picture becomes a work of art it is unquestionably due to men. But the moving pictures have been born and bred not of men but of corporations. Corporations have set up the easels, bought the pigments, arranged the views, and hired the potential artists. Until the artists emerge, at least, the corporation is bigger than the sum of its parts. Somehow, although our poets have not yet defined it for us, a corporation lives a life and finds a fate outside the lives and fates of its human constituents.[1]

Poets had not yet defined the fateful life of the corporation, but, as the writers of *Fortune* well knew, the Supreme Court had done its best. Since the landmark Santa Clara case of 1886, which nonchalantly declared the corporation to be a person, a series of judicial decisions had generously invoked the due process clause of the Fourteenth Amendment to expand the life of the corporation outside the lives and fates of its human constituents and to ensure the right of this prodigy of industrial capitalism to pursue profit undistracted by the threat of government intervention.[2] In the trough of the Great Depression, *Fortune* decided to promote the potential of the Hollywood motion picture studio to exercise cultural leadership at a time when such leadership seemed crucial to the future of capitalism. For *Fortune*, the condition for the emergence of cinematic works of art, and therefore for faith in the future of a capitalist system capable of transcending merely commercial concerns, was not money or technology or even individual genius, but the corporate organization of the

studio. It may or may not be that, according to the criteria of the academy, Hollywood motion pictures qualify as art. No matter. *Fortune* does not promise that Hollywood motion pictures will be admired as art or that they will be preserved as art; it simply affirms that if any do, they will count as instances of corporate art. The conviction that the corporate organization provides the social condition for art is more important than evidence of any motion picture's fulfillment of the traditional aesthetic criteria by which paintings or poetry or concertos are evaluated.

Corporate art should not be confused with a house style, as important as the latter is for the establishment of a brand identity in the eyes of the audience. As *Fortune*'s profile of MGM argues, the look and feel of MGM motion pictures was largely the concoction of Irving Thalberg, vice-president in charge of production, but Thalberg's efforts to implement a consistent house style served a house strategy, which MGM's motion pictures both represented and, with tactical adjustments to contingent circumstances, performed. Whether corporate art is represented by General Motors' commissioning of massive murals painted by Diego Rivera in the courtyard of the Detroit Institute of Arts in 1932 or Warners' hiring of Howard Hawks to direct *Scarface* the same year, the key to understanding that art is to plumb the strategic intention of General Motors and Warners, not Rivera or Hawks. Corporate art always counts as a tool of corporate strategy—that is, as one of a set of actions taken to attain competitive advantage which are coordinated and implemented by executives, who can successfully claim the authority to interpret the intent of the corporation and project a policy that will advance its particular interests, whether financial, social, cultural, or political. Those interests are invariably diverse and necessarily specific to the individual corporation insofar as they are framed within a highly competitive environment. No doubt a major interest is making a profit, for without profit a corporation cannot survive. Yet to state that a motion picture studio pursues profit, even that its dominant goal is the maximization of profit, tells us nothing about what kind of business it is and what its objectives are. Only individual movies understood as corporate performances and restored to the social, economic, and political environment in which they competed and which they endeavored to mold, simultaneously identify the studio's business as they attempt to accomplish its objectives.

Strategy should not be confused with ideology, although each addresses ways in which economic interests condition or inform the cultural productions of corporations in a capitalist system. Ideology, however, operates at a higher level of abstraction; its operation is subject to no person's intention or control. Corporate strategy is intended by the artificial person who the corpora-

tion is. For strategy to develop and be implemented there must be agents who can consciously interpret corporate objectives and devise the specific means to accomplish them. Ideology does its work well on constructions that function at the same level of generality, such as "the corporation," or "corporate capitalism" or "the motion picture industry," but does not explain, let alone command, particulars such as the individual movies of MGM or Paramount or Warners. When it comes to film theory the concept of ideology has often been employed as a fail-safe device for the selection of movies as apt examples or symptoms or vehicles. As a consequence of its abstraction, most ideological critique discovers the belief system it already knows must be there. Fulfillment of its tasks does not require the interpretation of texts as instances of a deliberate, variable, and focused strategy that aims to define, explain, consider, or advance the particular interests of a specific corporation—in this case a studio. One Hollywood studio may resemble other studios in its use of technology, the terms of its contracts, and the size of its reels, but each makes movies that mean different things and advance different objectives. Those meanings and those objectives are only made intelligible by alert, informed interpretation of the circumstantially grounded, strategically oriented, and tactically effective individual motion pictures that MGM, Warners, Paramount, Universal, Disney, and Columbia have produced from the classical era to the present day.

As *Fortune* suggests and this study hopes to demonstrate, the motion picture studio is the exemplary modern corporation. Each studio motion picture has the capacity to represent the general conditions of corporate personhood and expression even as it allegorically represents and pragmatically advances the particular interests of the specific studio. The Hollywood studio is a business that does its business right there on the screen as the projector rolls.

During the so-called classical era of Hollywood (roughly from the incorporation of Metro-Goldwyn-Mayer as a fully owned subsidiary of Loew's Inc. in 1924, to 1967, when Jack Warner completed the sale of Warner Bros. to Seven-Arts Productions), the five integrated major motion picture companies—Paramount, Loew's, Warner Bros., Twentieth-Century Fox, and RKO—each an owner of a studio, a distribution agency, and a number of first-run theaters, colluded to exercise oligopolistic control of the film industry and to restrain competition by restricting producers' access to resources and markets and exhibitors' choices among products. Despite "gentlemen's agreements" among the majors, which were designed by Will Hays, head of the Motion Picture Producers and Distributors of America, to ensure cooperation among the principals, the studios did compete aggressively over market shares, especially after the crash in 1929, which imposed a new economics of scarcity on American busi-

nesses large and small. Each member of the oligopoly strenuously sought to differentiate itself from the others by acquiring what John Sedgewick and Michael Pokorny call "a monopoly on uniqueness." The burden of that differentiation fell, of course, on the studios, which made the products that engaged consumer interest and solicited their loyalty. In order to "attenuate the risks associated with film consumption," each studio incorporated "a bundle of design features which aroused and satisfied a set of expectations among filmgoers," such as "stars, genre, director, sequels, and production company."[3] The differentiation among the studios was not merely a matter of electing a certain style. MGM was the studio of stars, as part of a strategy conducted by a management that had more autonomy, more longevity, and more prestige than any other group. It was the preeminent producers' studio, and despite its status as a subsidiary of Loew's, which controlled the purse strings and administered both distribution and exhibition, MGM made movies that constructed a corporate whole of which it was the predominant part. Its capital was management capital: a reliable profitability based on managerial capacity to make stars on the screen before our eyes and to feature them in narratives in which the role of the individual star and the social, political, and economic value of the entertainment he or she provided were consistently confirmed.

The long-standing opposition between MGM, the studio of stars, and Warner Bros., the studio of genres, structures the narrative and organization of this book. MGM not only never made a gangster movie that could compete with *Little Caesar* (1931) or *The Public Enemy* (1931), it never even tried. Even when MGM did directly mimic Warners, as in its musical *Dancing Lady* (1933), the differences between the studios' take on economic need, individual desire, group opportunity, and company success were unmistakable—differences that expressed MGM's irrepressible commitment to use every motion picture it produced as an occasion to elaborate a studio identity which its customers would recognize, approve, and internalize. The careful control of the process of individuating each picture in conformity with what *Fortune* would call a "common denominator of goodness" (*AFI*, p. 325), within a large population of motion pictures, each of them individuals, some of them stars, is part of the production and marketing model that made MGM strong and enabled it to succeed Paramount as the leading studio in Hollywood—the production company most responsible for establishing and maintaining the oligopolistic equilibrium that was classical Hollywood.

The success of Irving Thalberg's and Louis B. Mayer's strategy for consolidating a studio monopoly on uniqueness depended on a massive investment in the cultivation of "outstanding personalities" into what Leo Rosten called

"monopolies on themselves."[4] MGM became the studio of stars so that it might establish itself as the star studio—an intangible value that may not have shown up in the box office receipts for every MGM product but which accrued to the company's earning power and long-term profitability. The executives at MGM did not imagine that the studio's pictures were uniformly important—their budgets established their place in the hierarchy with ruthless precision—but it was central to the house ideology that pictures authored and owned by MGM and that appeared under the MGM trademark were more important, *better*, than Warner Bros. or Paramount or Fox films, regardless of the budget. That conviction fueled studio ambitions to establish an MGM taste among moviegoers and an MGM community among both its customers and employees. MGM motion pictures were characteristically and deliberately allegorical. They provided the immediate pleasures of watching charismatic stars performing in skillfully constructed narratives, even as they invited viewers to understand the arrangement of pleasures as the expression of a studio strategy that alert viewers could appreciate, of a studio ethos of quality entertainment in which, as faithful customers, they could participate, and, finally, of a corporate politics, to which they, as well-meaning citizens, could subscribe. *Dancing Lady* is a movie that imitates Warners, but it is also a movie about why, even in imitating Warners, MGM remains itself, innately superior to its competitor. *Boys Town* (1938) tells the story of the struggle undergone by Father Flanagan to establish a town for parentless boys outside Omaha, Nebraska, but it also represents Boys Town as a commonwealth of young performers under the benign leadership of a man who, despite the collar, resembles the paternalistic L. B. Mayer, who is a master of public relations and whose dream of an entertainment community free of the trammels of the state (and the church), dependent only on the goodwill of the public, the movie symbolically fulfills. *The Wizard of Oz*, a hotbed of allegorical meanings, paints a picture of the paternalistic leader as a former peddler who rules by bluster and deceit. Eventually, he is rescued from his impotent seclusion by the combined forces of three eccentric talents, who in support of a youthful star, form a successful unit that proves its merit to succeed the superannuated "Wizard," just as the Freed unit would eventually succeed Mayer as custodian of MGM's signature genre, the musical comedy.

Warners was the studio of genres. As we shall see in Chapter 1, the predominance of the gangster picture in the early 1930s was not incidental. Among all the studios, Warners had the least separation between ownership and management. The gangster movies worked out the strengths and weaknesses of that organizational compression through the model of the gang and the figures of Scarface and Rico. Thalberg and Mayer could adhere to the productionist model

as the basis for their relative autonomy within Loew's. But the Warner brothers had more on their minds, and we can understand what that was only by careful study of the individual pictures that Warners used to conduct its business. Gangster movies are allegories of organizational imperatives and, even more distinctively, of distribution: how to get your product into speakeasies and nightclubs and how to keep your competitors out—problems that were of little immediate concern to MGM. One way that gangsters achieved their ends was through intimidation, a strategy adopted by Warners when it launched its controversial gangster cycle in 1931, which both allegorized the company as a gang and attempted to intimidate the other members of the Motion Pictures Producers and Distributors Association, just as Rico intimidates Little Arnie Lorch, the owner of the Golden Palm. Warner Bros., the only studio besides MGM not to go into receivership during the Great Depression, is the ideal complement to Metro as a subject for this allegorical history because Warners was antithetical to Metro in its management structure, its unapologetic assembly-line attitude toward production, its fervent commitment to story before stars, its general disdain for an ideal of quality derived from literature or the legitimate stage, its urban feel, its utilitarian look, its journalistic urgency, and its New Deal politics. As I have already stated, the Warners of the 1930s is characterized by its mastery of genres—an association so strong that, as we shall see, Jack Warner waxed wrathful over the persistence of Hollywood cycles, not because there were too many newspaper pictures or gangster pictures or musicals but because the cycles were sustained by studios like RKO and producers like David O. Selznick, who copied the Warner Bros. original genre pictures. An "original genre picture" sounds like a contradiction in terms, but even if the origination of a genre was not the self-conscious objective of the studio when it went ahead with *Little Caesar* or *42nd Street*, in retrospect the emergence of such Warner Bros. films involved less an individualized offering among the studio's roster than an act of speciation, a creation of a new kind of movie that punctuated the equilibrium of the industry as effectively as Warners' introduction of sound technology, its predatory raids on stars under contract to Paramount, or the studio's break with the Motion Picture Association of America's silent tolerance of anti-Semitic business practices in Nazi Germany. The credit for recognizing the impact of generic invention as a kind of speciation goes not to Warners, however, but to Universal's *Frankenstein* (1931): its self-consciousness about producing the first entry in a new "horror" genre (forgetting, of course, a precedent or two) is evident in the staged prologue to the narrative but also in the deliberate allegorization of the studio's ambitions to create a new species of entertainment in the narrative itself.

Studio allegories often address multiple audiences—an overdetermination of meaning that, for *Fortune* at least, was most compelling in *Grand Hotel* (1932), the preeminent symbol of MGM's symbolizing genius. A studio like MGM or Paramount that thinks in pictures may find certain dramatic situations, such as Lady Belden's flower show in *Mrs. Miniver* (MGM, 1942), convenient vehicles for allegorizing its corporate strategy. A studio may use allegory to admonish its employees and punish its stars; it may exhort the president of the United States to alter policy; it may allegorize its formidable institutional power to appease its creditors and dismay its competitors. During the classical era the appearance on the screen of the studio logo—MGM's lion, Paramount's mountain, Warners' shield, RKO's radio tower, Fox's searchlights, Disney's fairy castle—fused the statement of studio ownership with a claim of studio authorship. When the lion roars MGM speaks. If the lion fiercely announced a proprietary inclusivity, it also jealously guarded a carefully defined exclusivity. No studio but MGM could have made *Grand Hotel* or *Captains Courageous* (1937). MGM could never have produced *Little Caesar* even if L. B. Mayer had both Edward G. Robinson and Mervyn LeRoy under contract. *Too Hot to Handle* (Warners, 1933) and *Batman* (Warners, 1989) are definitive Warner Bros. pictures—although definitive of a studio which, under the pressure of fundamental changes in technology, in personnel, in the demographics of moviegoers, in the economics of filmmaking, and, most of all, in the corporate form, has been altered past recognition by its founders. Nonetheless, it is as important for a student of Hollywood to know that *The Big Sleep* (1946) was a Warner Bros. feature as it is to know that Howard Hawks directed the picture. It is vastly more significant that *Marie Antoinette* (1938) is an MGM feature and part of the legacy of Irving Thalberg than that the film was directed by W. S. Van Dyke: if not for the posthumous influence of Thalberg the film would not have been made; if Thalberg had lived Van Dyke would never have directed it.

That *Morocco* (1930) was made by Paramount may appear to be a fact of less significance than that Josef Von Sternberg directed and that Marlene Dietrich and Gary Cooper starred in the film—but it seems that way only because *Morocco was* made by Paramount. As a later Paramount motion picture, *Sunset Boulevard* (1950), would argue, in Hollywood only at Paramount were the directors and their stars more important than the studio (not to mention the screenwriters)—a hierarchy that was integral to Paramount's identity. Cecil B. de Mille's *Ten Commandments* (Paramount, 1956), a Cold War updating of his 1923 silent epic, is about a sacred text in the Judeo-Christian tradition; in addition, it is itself a sacred text in the Paramount canon of brand-lore, the set of films that ponder the conception, founding, consolidation, and transforma-

tion of the Paramount brand, including *The Cheat* (1916), *The Covered Wagon* (1925), *The Virginian* (1929), *Love Me Tonight* (1932), *Christmas in July* (1940), *Road to Utopia* (1946), and *Sunset Boulevard* (1950).[5]

If, to entertain an impossibility, *The Philadelphia Story* (MGM, 1940) had been made, scene by scene, shot by shot, star by star, by Warners rather than MGM—introduced by Warner Bros.' crest rather than by the rubric of MGM's roaring lion—the film would mean something entirely different. *The Philadelphia Story* as we have it is saturated with Metro's corporate intention to justify the ways of Louis B. Mayer, studio head, to Nick Schenck, the boss of Loew's Inc. Like *The Jazz Singer* (Warners, 1927), *Gabriel over the White House* (Cosmopolitan/MGM, 1933), *Bullets or Ballots* (Warners 1934), *Boys Town* (MGM, 1938), *The Grapes of Wrath* (Twentieth-Century Fox, 1940), *Pinocchio* (Disney, 1940), *Twelve O'Clock High* (Fox, 1949), *The Fountainhead* (Warners, 1949), *Singin' in the Rain* (MGM, 1952), *Psycho* (Shamley, 1960), *Jaws* (Universal, 1975), *Invasion of the Body Snatchers* (United Artists, 1978), *Toy Story* (Pixar, 1995), *Toy Story 2* (Pixar, 1999), *Shrek* (Dreamworks, 2001), and *Minority Report* (Dreamworks, 2002), *The Philadelphia Story* is a significant instance of studio authorship because it, like they, is a motion picture deeply involved in analyzing the concept of the corporation and in marketing that concept to an audience that the studio aspires to incorporate in order that it may achieve its social, economic, and political objectives. *The Philadelphia Story* is not, however, a motion picture that had long-term consequences for the strategic position or financial health of the studio as did *Grand Hotel*, *Mrs. Miniver*, or *Singin' in the Rain*, or as *The Jazz Singer*, *Little Caesar*, *Bonnie and Clyde*, *Batman*, or *You've Got Mail* did at Warners, where each of those motion pictures punctured an equilibrium established among the studios and became an instrument of what we can loosely call the evolution of the industry from classical Hollywood to New Hollywood and beyond.

The Concept of the Corporation is the title of Peter F. Drucker's landmark 1946 study, which endeavored to unhitch the corporation from its moorings in state charters, Supreme Court decisions, and abstract theories of corporate personality. No need to look back, Drucker claimed, since World War II had established "beyond any doubt" the "large corporation as the representative institution of America today." No empirical corporation matters as much as the concept of the corporation "organized in such a way as to be able itself to function and to survive as an *institution*, so as to enable society to realize its *basic promises and beliefs*, and to enable *society* to function and to survive." As the single most "dynamic element" of American society, the concept of the corporation has become the preeminent "symbol through which the facts are organized in a social pattern."[6]

Fourteen years before Drucker proclaimed the corporation's chief social importance as a symbol, *Fortune* had discovered that symbolizing power exercised at MGM by the executive vice-president in charge of production, Irving Thalberg. As we shall see in Chapter 1, the magazine figures Thalberg, star executive, as both camera and projector, producer and spectator—a division of functions that he mobilized to refine MGM's "common denominator of goodness," and thereby create his brand loyal customers. Thalberg does not claim to be the studio author; he famously takes no screen credit at all. Thalberg, in *Fortune*'s canonical interpretation, is the agent of the studio who best impersonates its purposes and practices, and who enables the structuring self-reflection that is MGM's singular mode of authorship. Although there was no Thalberg at Warners, an anti-Thalberg appears in the gloaming of Jack Warner's reign: Warren Beatty uses *Bonnie and Clyde* (1967) both to represent and to exploit studio dysfunction in a Hollywood where credit means everything because it is the brand, not the sound stage or the real estate or the superannuated Jack Warner, that remains of Warner Bros. And it is in the brand that moviemakers and movie executives will henceforth live, move, and have their being.

From the perspective of Drucker, corporate theorist, Thalberg developed his executive discipline in order to create customers for MGM motion pictures. From the perspective of Roland Marchand, cultural historian, by distilling a "common denominator of goodness" which deeply resonated with a struggling middle-class audience often forced to align with denominators of the commonest sort, Thalberg was creating MGM's soul. Marchand's important study, *Creating the Corporate Soul*, examines the connection between the professionalization of modern marketing and corporate America's response in the 1920s and 1930s to widespread discontent with a massive increase of corporate size and power unaccompanied by any regard for the public welfare. Progressives charged that if the corporation is, as the courts had ruled, indeed a person, it is a person without a soul.[7] If we have our eyes on the PR men who became expert soul makers for the corporations that hired them, we can read soul making as an allegory of the increasing sophistication and cynicism of modern product managers in exploiting any pretext to invest corporations with pathos. But marketing itself, as distinguished from either advertising or merchandising, may be reasonably read as an allegory of something like soul making, insofar as the project of marketing involves the establishment of the social legitimacy of a company that seeks to make customers for its products rather than simply make products it can somehow sell to a consumer. As making a shareholder into a stakeholder involves the establishment of a connection to the company based on a perception of its value independent of the Friday's closing stock

price, so making a consumer into a customer involves the establishment of a connection to the corporation, which is also dependent on the perception of its value apart from the immediate appeal of the glistening commodity it puts on the shelf.

The common denominator between soul and value is *personality*—a term with innumerable associations that was used by marketers to humanize the spiritual astringency of *soul* and to spiritualize the commercialist connotation of *value*. In the 1920s and 1930s the phenomenon of "personality" became an instrument to synthesize a new kind of corporate capital. In his iconoclastic book *The Folklore of Capitalism* (1937), Thurman Arnold ponders consequences of the irrepressible tendency of the "folk" to personify what we now call the culture of organizations:

> Not only do organizations acquire personalities, they also acquire three-dimensional substance. Thus habits and disciplines and hopes of a great organization are given a money value. Capitalized earning power is called "property" and then is treated as if it could be moved from place to place and sold. Then people dealing with these imaginary personalities deal with them as if they owned this sort of property. Without this alternate reification and personification of the same things a corporate structure could not exist and do business under a money economy.

From one perspective corporations are personified; they become individuals with personalities, who acquire substance by their possession of "goodwill" (the economists' compromise with the term *soul*). From an alternate perspective they "are storehouses of tangible property" that can be sold down to the bare walls before the walls themselves are sold. The reification (or, perhaps, commodification) of goodwill as capitalized earning power enables it to be sold as property by the very personality that is constituted by nothing but the goodwill attributed to it. Nonetheless the seller retains its personality as an "earning capacity" (or brand), which somehow has value above and beyond the market value of its material property. Arnold illustrates the strange logic that follows from this structure with the remark that "to say that the Baltimore and Ohio Railroad Company owns the Baltimore and Ohio Railroad is like saying that the United States Marine Corps owns the United States Marines."[8] It would seem impossible for the Baltimore and Ohio Railroad Company to own the Baltimore and Ohio because the Baltimore and Ohio Railroad Company *is* the Baltimore and Ohio. Ordinarily, it would seem absurd that an organization could at once be itself and yet be a property of itself. But it is not absurd. The corporate person owns itself in a way that no other persons do—except, crucially, movie stars. The corporation, like a star, is, in form if not necessarily in

fact, a monopoly on itself. It can authorize its agents to complete the sale of itself, its rolling stock, its autographed images, its buildings, its recorded performances, while still remaining itself, a singular subject which exists apart from those agents and despite those sales—a subject which has as its representatives those managers who have exercised their dexterity to create intangible value out of numerals in a ledger, or light and shadows on a screen. The goodwill that increased the intangible, material capital of the motion picture studios lay in the studios' capacity to manufacture goodwill for other companies or causes with practiced efficiency.

Goodwill, personality, soul, star—all are human terms for intangible values, for earning power, and for endlessly replenishable managerial capital. Classically, the profit motive drives the entrepreneur as he pursues ever more efficient transactions and, consequently, provides greater returns to the corporate shareholders on their investments. From Drucker's perspective—which we shall alternately call a *strategic*, a *managerial*, or a *marketing* perspective—it is the *institutionalization* of profitability as managerial capital which enables the executive to act effectively as agent of the corporate principal to assure that future revenue will be sufficient for the long-term survival of the firm. To attain profitability is to invest in producing the capital (capitalized earning power, goodwill, brand equity) that will enable the manager to render uncertainty as intangible value, to convert intangibles into wealth, and to exploit that wealth as an opportunity for the corporation to take risks—risks which are vital to an aggressive society for which a stationary economy is a threat to prosperity. A management perspective embraces the view that "management has replaced capital . . . , management reflects ([or] 'determines') societal and economic prerogatives in the broadest sense . . . , and at the centre of all societal and economic prerogatives is . . . the capitalist corporation."[9]

No company in America in the 1930s had a better claim to represent that fundamental shift in the concept of the corporation than MGM, which was formed not by a group of investors but by a management team that had organized the company as the production subsidiary of Loew's Inc. and, critically, renounced shares in the company in order to take percentages of the profit, which would improve, not simply as the annual revenue of the company rose but as profitability—that is, not its annual profit but its long-term capacity to return profit—increased. The MGM executives' primary, self-defined responsibility was not to manage the studio's relations with distributors, its allocation of resources, or the moods of its stars but to strengthen the MGM brand. Their management was so successful that although the MGM studio has, since the deaths of Thalberg and Mayer, been managed and mismanaged, bought and

sold, dissolved and revived, only to be wrecked by debt and recently put on the block again, and although the MGM soul expired long ago, its brand retains its value in a world of mutating profit centers that neither Thalberg nor *Fortune* could have foreseen but for which they had astutely prepared. If it is true that in 1946, after the smoke had cleared from the battlegrounds in Europe and the Pacific and large companies had proved the vital importance of their capacity to organize society in successful defense against the nation's enemies, the corporation could legitimately claim to be the most representative institution in American society, it is equally true that from the beginning of the sound era, until approximately the postwar era, the Hollywood motion picture studio and especially MGM could plausibly represent themselves as what Will Hays called "the epitome of civilization and the quintessence of what we mean by 'America.'"[10] Hays could say such a thing not because it was actually true, however truth is measured when press agentry warbles its fond hyperboles, but because, more than any other major corporation, the Hollywood studio had and has the art of successfully marketing itself as a virtual star.

By 1949, however, the law, the Supreme Court, and the talent agents had intervened in that market, and when MGM under its new vice-president in charge of production, Dore Schary, turned to a new *Battleground* (MGM, 1949), the terrain had altered so dramatically that MGM's strengths proved to be weaknesses. It was one thing to model the concept of the corporate studio on the star, which was merely a form, when stars were safely under seven-year contracts to the studio; it was another when, after the war, the stars incorporated themselves and drastically diminished the capitalized earning power of the studios. By the 1950s MGM was caught in a struggle between two warring camps, the Freed unit and the Schary coalition: the former committed to retooling MGM's signature genre, the musical comedy—especially *Singin' in the Rain* and *The Band Wagon*—in order to stage a resistance to a diminished future by exhausting its imagination in its effort to revive the glory of the studio, the latter using *Executive Suite* as the vehicle to help save the company by prospecting a future of enlightened management and ill-defined innovation.

MGM barely survived, while Warner Bros. thrived. Warners had never tied its fate to the vicissitudes of stardom and the elixir of self-replenishing intangible capital. It preferred to put its faith in technology, in its capacity to be independent of any of its properties, and, under the cunning leadership of the brutally unsympathetic Jack Warner, its willingness to make the deals that would sacrifice ownership for a lingering control. The first half of this book is ruled by MGM, with appearances by Warners as conservative Metro's chief antagonist. The second half belongs largely to Warner Bros., as party to mergers

and acquisitions which left the studio bereft of its connection to the past but healthy in its financials and ripe for rejuvenation: first, by a charismatic producer, Warren Beatty, who could exploit Jack Warner's willful depreciation of the asset in order to commandeer the Warners brand, and later, by a charismatic CEO, Steve Ross, who, as acknowledged master of the art of the deal, could deploy the studio as the marketing arm to use *Batman* to assert the transcendence of the Warners brand and beguile the management of Time Inc., the largest entertainment corporation in America, into outfoxing itself at the negotiating table. Finally, Gerald Levin, Ross's successor, who was infatuated by technology, handicapped by his unreflective faith in his acquisition of Ross's mastery, mistook the effective use of *You've Got Mail* (1998) to manipulate the stock market as the creation of capital, and happily completed the worst merger deal in the history of corporate America.

ii. The Studio Authorship Thesis: Authorship, Strategy, Functionalism

Positions on the authorship of studio films tend to cluster antithetically: at one pole are auteurist, so-called romantic accounts of authorship which stipulate that some actual individual's contribution, whether director, screenwriter, or producer, qualifies her to be credited as author despite her limited participation or control; at the other extreme are materialist and collectivist accounts that render some apparatus or set of industrial conditions or group as the functional equivalent of the individual author.[11] This book identifies a more comprehensive alternative, a person who is not actual but who nonetheless qualifies for the status of the intending author: the corporate studio itself. With the phrase *corporate studio*, I include those Hollywood production companies that were actually incorporated (such as Samuel Goldwyn Inc. and MGM until the end of the 1930s), those that were the production subsidiaries of larger corporations (Twentieth Century-Fox Film Corporation, RKO Radio Pictures Inc., Paramount Pictures Inc.), the one that straddled that distinction (Warner Bros.), and production companies that shared the structure, practices, and objectives of the major studios (Universal Pictures, Selznick International, and United Artists after 1950). Organizational commitment to "the concept of the corporation" as "a social institution organizing human efforts to a common end" is decisive in determining studio authorship, not strict adherence to any particular organizational form (*CC*, p. 12). Different organizations make pictures that have different objectives and meanings, not mere differences in style—a truth that cannot be deduced from a flow chart or a biography of an executive, or a table of revenues, or a theoretical model of the development of finance capitalism,

or a policy statement from Will Hays or Jack Valenti, but must be discovered by close examination of the particular motion pictures that are each corporation's individualized speech. To state the studio authorship thesis in its full extension: no adequate understanding of the artistic achievement, social role, and economic objectives of Hollywood motion pictures can be attained without interpretation of individual movies. There is no interpretation without meaning, no meaning without intention, no intention without an author, no author without a person, no person with greater right to or capacity for authorship than a corporate person, and, finally, no corporate person who can act without an agent.

Although versions of the studio authorship thesis have been developed by filmmakers and studios from the mid-1930s to the present, it has attracted few adherents among those who study Hollywood motion pictures. As Richard Maltby declared in 1998, "there has . . . been a fairly clear division between a practice of textual analysis that has either avoided historical contextualization or engaged in it only minimally, and economic film history that has largely avoided confronting the movies as formal objects."[12] A review of major histories of the industry confirms Maltby's generalization. For example, Howard T. Lewis's *The Motion Picture Industry* affirms that "no attempt to understand the present problems of the American motion picture industry can be even partially successful without some appreciation of the character of the development out of which the present situation evolved."[13] Lewis gives a useful account of the background of the industry and illuminates each sector of its organization: production, distribution, and exhibition. But he rarely names an individual film. Leo Rosten's splendid *Hollywood: The Movie Colony, the Movie Makers* takes as its premise that Hollywood is "an index of our society and culture," and aims to lay bare the social mainsprings and the economic framework of a community that is "significant because of the product it manufactures and the symbolic function it serves to millions of men" (*H*, p. 6). Rosten's results are revelatory, especially regarding the often neglected, somewhat elusive role of producers in the manufacture of motion pictures, but by forsaking any study of the movies that those producers actually made, the social scientist scants the cultural dimension of his subject. In her indispensable 1944 study, *Economic Control of the Motion Picture Industry*, Mae D. Huettig asserts that "the structure of the major companies is important because there is a real and direct connection between the way in which they are set up, the kind of people who run them, and the kind of films produced."[14] Yet Huettig's predominant interest in structure rather than strategy is satisfied by classifying the releases of individual studios; she does not analyze the movies themselves. Maltby's generalization regarding the segregation of film criticism from economic film

history also applies to key works that appeared in the 1980s and 1990s, such as Thomas Schatz's *The Genius of the System*, Maltby's own *Hollywood Cinema: An Introduction* (with Ian Craven), Douglas Gomery's *The Hollywood Studio System*, and the multi-authored *History of the American Cinema*. Of those valuable histories, Schatz's impeccable producer-oriented study, which makes a strong case for studio executives as the "chief architects of a studio's style," has had the most influence on this book. Most recently, in his illuminating study *Production Culture: Industrial Reflexivity and Critical Practice in Film and Television*, John Thornton Caldwell has skillfully employed an ethnographic approach to develop what he calls an "industrial auteur theory," which applies to the above the line/creative personnel (that is, those who contribute to the conception and direction of the picture—as opposed to below-the-line personnel who execute others ideas) and an "industrial identity theory," which applies to the above the line/business personnel for whom "screenplays are also business plans." Because Caldwell's "analytical task . . . is to make sense of film/video workers who function as part of a very different 'post-network' industrial world," he is not concerned to make sense of the movies themselves. Instead he commits himself to "considering cinema within the diverse contexts of electronic media"—an important task, brilliantly handled, but one that sharply diverges from the project undertaken here.[15]

Even though Huettig does not attempt analysis of individual films, she recognizes the importance of the project. "The facts," she writes, "indicate clearly that there is a connection between the form taken by the film and the mechanics of the business, even if the connection is somewhat obscure" (*EC*, p. 55). Four and a half decades after Huettig's book, *The Classical Hollywood Cinema*, by David Bordwell, Janet Staiger, and Kirsten Thompson, attempted to dispel that obscurity regarding the connection by applying a functionalist model of explanation to the industry that has been immensely influential, even hegemonic. This landmark study understands the Hollywood film industry during the classical era as comprising companies that shared a specific mode of production and that manufactured standardized industrial commodities—that is, motion pictures—which conformed to "integral and limited stylistic conventions" that emerged from and fed on Hollywood production practices.[16] According to that study, by the mid-1920s feature filmmaking had evolved from the individualistic enterprise of the early silent era into an industrial system organized on quasi-Fordist principles of mass production. Supervised by an inflexible hierarchy of managers, propelled by a rhythm of technological innovation and standardization, characterized by a coherent, yet variable repertoire of "ideological/signifying practices," and driven to maximize profit, the motion

picture industry produced, distributed, and exhibited marginally differentiated commodities for mass consumption.

Classical Hollywood Cinema combines extraordinary attention to film form with an equally impressive analysis of the industrial system. But because "meaning" is incidental to the mode of production, questions of authorship or what *Fortune* would call "art" are not relevant. As Dirk Eitzen states in an early review of *Classical Hollywood Cinema*, the form of Hollywood motion pictures follows industrial function not individual intention. What an owner, manager, or worker wants to do or thinks he or she is doing has little bearing on what is finally done. In defense of *Classical Hollywood Cinema*'s functionalist premise, Eitzen argues that while the book does show how innovations in lighting and sound technology produced changes in Hollywood film style, it insists on "a clear discrepancy between the motivations for innovation and the actual causes of change. It was the *consequences* of inventions that determined their 'success,' and consequences, though they were deliberately sought, could very rarely be fully anticipated."[17] Among competing innovations by Hollywood practitioners, it was the system, not the individual inventors or even their managers, which determined what eventually succeeded: "The innovations that won out were always those that fit best into the established 'modes' of practice and production" ("E," p. 77). For the functionalist any supposed motive, whether individual or corporate, is a secondary effect of the dynamism of an industrial system that is fundamentally a technology for efficient self-reproduction by means of profit-maximization.

The symmetries of functionalist systems propagate most neatly if individual Hollywood corporations are amalgamated into the general category of the "film industry." The term *industry* conveniently designates "a group of firms producing products that are close substitutes for each other."[18] That an industry exists does not presuppose that it is the consequence of deliberate planning. From the perspective of classical economics, the behavior of a group of firms scales up from the behavior of an individual firm: there is a market demand for a certain kind of product; a firm can fulfill that demand more cheaply than the open market; it therefore makes sense that a group of firms would emerge to make the same product and probably more cheaply than one firm alone, since costs would be saved in terms of proximity to resources and customers. As the story to the Justice Department might go, it should be no surprise that the supply of products among all the firms in the industry would automatically seek and find a level that would dictate a floor on prices throughout the industry. For classical economics, whatever coordination occurs among the firms that constitute an industry is a function of the price mechanism, not the consequence of a plan shared among the producers.