

## Discussion Paper

# Hollywood Studios, Independent Producers and International Markets: Globalisation and the US Film Industry c.1950–1965

December 2014

**Peter Miskell**

Henley Business School, University of Reading

**Yunge Li**

Henley Business School, University of Reading

The aim of this discussion paper series is to disseminate new research of academic distinction. Papers are preliminary drafts, circulated to stimulate discussion and critical comment. Henley Business School is triple accredited and home to over 100 academic faculty who undertake research in a wide range of fields from ethics and finance to international business and marketing.

[www.henley.ac.uk/research/research-centres/the-centre-for-international-business-history](http://www.henley.ac.uk/research/research-centres/the-centre-for-international-business-history)

© Miskell and Li, December 2014

# Hollywood Studios, Independent Producers and International Markets: Globalisation and the US Film industry c.1950–1965

## **Abstract**

This paper examines the internationalisation of Hollywood entertainment in the period c.1949-1965. Two observations are commonly made about the US motion picture industry in this period. The first is that the era witnessed the ‘disintegration’ of the studio system, with the major vertically integrated ‘studios’ forced to sell off their cinema chains and also becoming increasingly reliant on ‘independent’ producers to supply their product. The second is that the period saw US producers and distributors become increasingly reliant on foreign markets as a source of revenue. This paper analyses the 665 films released internationally in this period by Warner Bros. and MGM, for which reliable financial data is available from surviving studio ledgers. It examines the foreign revenues earned by these films, and compares this with the ‘international orientation’ of the pictures themselves (an international orientation index is constructed on the basis of each film’s setting, characters, stars and other creative inputs). The paper finds that the growing importance of foreign markets for US distributors was reflected in the balance of their film portfolios, with an increasing proportion of films with a strong international orientation as the period progressed. The evidence also indicates that independent producers, rather than major studios themselves, were increasingly responsible for the production of this internationally oriented product. Finally, the paper examines the geographical locations where these internationally oriented films were set, and compares this with the international distribution of film revenues for the major studios. Certain national locations were clearly more commonly used as film settings than others, and such differences cannot be simply be explained by their relative value as film markets.

## **Keywords**

Hollywood, international markets, Americanisation, globalisation, motion picture industry

## **JEL Classifications**

N80

## **Contacts**

Peter Miskell: [p.m.miskell@henley.ac.uk](mailto:p.m.miskell@henley.ac.uk)

## Introduction

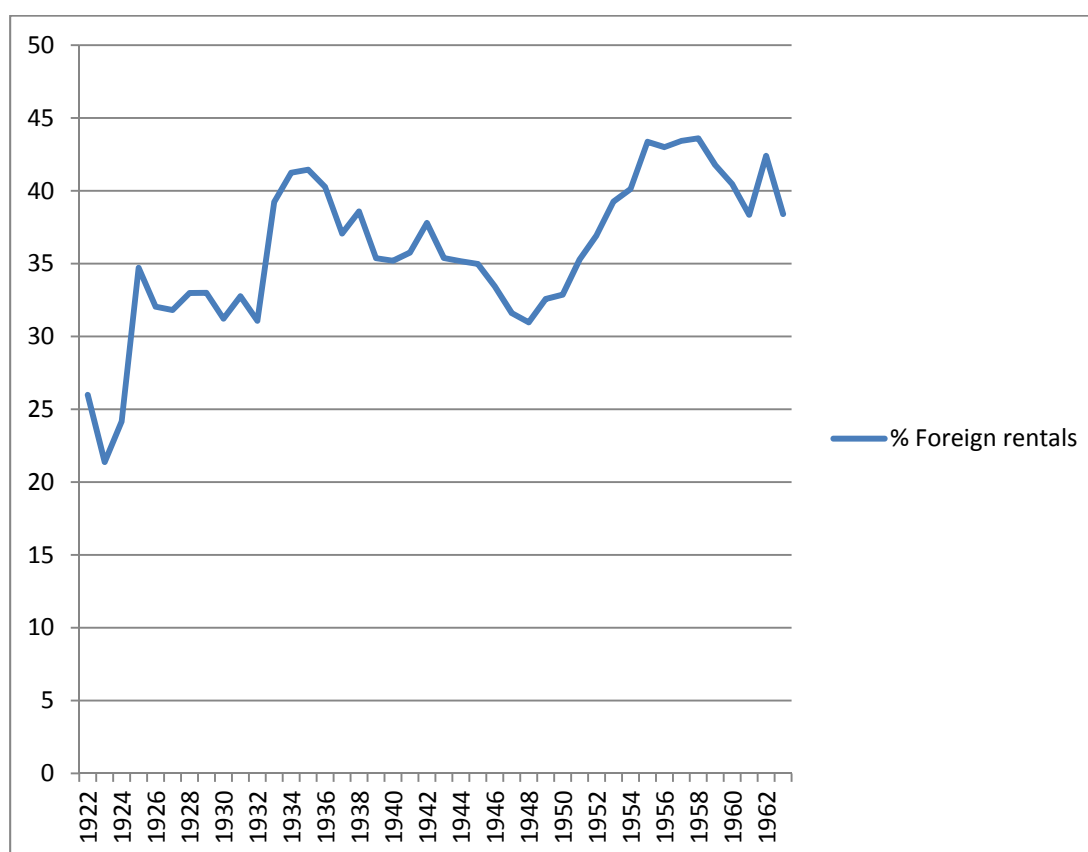
The challenge facing multinational firms as they sought to develop global product lines that appealed to consumers from diverse social and cultural backgrounds is an important issue for scholars of international business history (Jones, 2005a, 2005b, 2010; Lopes, 2007; Dyer *et al*, 2004; Cox, 2000). The problem is particularly acute in creative industries such as film, based as they are around the production, distribution and consumption of cultural products, which are likely to be interpreted in very different ways by audiences in different parts of the world (Maltby, 2004). Indeed, cultural economists have identified (and quantified) a 'cultural discount' by which products such as films and television programmes diminish in value the further they travel from their home market (Hoskins *et al*, 1997). It is rare that a French, Brazilian or Japanese film is able to achieve mass distribution in mainstream cinemas around the world, and even international co-productions are typically made with just two or three national markets in mind (Jackel, 2003). To a large extent, film production and distribution remains tied to national (or regional) markets, and it remains customary to speak of national cinemas. The major exception to this, of course, is the global prominence of US-based film producers and distributors. The US film industry, commonly referred to simply as 'Hollywood', has since at least the 1920s operated on a global scale, with its films competing for audience attention in major cinema chains throughout the world (Bakker, 2008; Sedgwick and Pokorny, 2010). How have US firms managed to do this? Was it the case that US film producers and distributors possessed inherent advantages that enabled them to outcompete rivals in other countries and thereby establish a quintessentially American form of entertainment as the global standard? Or did US firms seek to adapt their products and distribution systems to global markets, playing down their 'Americanness' and promoting instead the international nature of the entertainment they offered? To put it another way, did Hollywood's success in appealing to international audiences signal the 'Americanization' of those audiences, or the 'internationalization' of the firms which served them?

This paper examines the internationalisation of Hollywood entertainment in the period c.1949-1965. Two observations are commonly made about the US motion picture industry in this period. The first is that the era witnessed the 'disintegration' of the studio system, with the major vertically integrated 'studios' forced to sell off their cinema chains and also becoming increasingly reliant on 'independent' producers to supply their product (Storper and Christopherson, 1987; Storper, 1989; Scott, 2002). The second is that the period saw US producers and distributors become increasingly reliant on foreign markets as a source of revenue (Guback, 1969; Scott, 2004; Waterman, 2005). This paper analyses the 665 films

released internationally in this period by Warner Bros. and MGM, for which reliable financial data is available from surviving studio ledgers. It examines the foreign revenues earned by these films, and compares this with the 'international orientation' of the pictures themselves (an international orientation index is constructed on the basis of each film's setting, characters, stars and other creative inputs). The paper finds that the growing importance of foreign markets for US distributors was reflected in the balance of their film portfolios, with an increasing proportion of releases having a strong international orientation as the period progressed. The evidence also indicates that independent producers, rather than major studios themselves, were increasingly responsible for the production of this internationally oriented product. Finally, the paper examines the geographical locations where these internationally oriented films were set, and compares this with the international distribution of film revenues for the major studios. Certain national locations were clearly more commonly used as film settings than others, and such differences cannot be simply explained by their relative value as film markets.

## The growing importance of international markets

The importance of international markets for the US film industry did not, as some commentators have claimed, escalate dramatically after 1945 (eg. Guback, 1969; Scott, 2004). US film distributors had begun investing in overseas distribution as early as the 1910s, with leading firms (such as Paramount, Fox and Universal) operating extensive international networks of distribution offices by the early 1920s (Thompson, 1985). These networks provided US firms with crucial access to international cinema screens, but also meant that the industry was dependent, to some extent, on foreign revenues. As Will Hays, President of the Motion Picture Producers and Distributors of America put it in his memoirs: 'while this comfortingly proved the popularity of American films, it made it absolutely necessary to hold our foreign markets, in order to maintain both quantity and quality in production. This was the sword of Damocles always hanging over our heads.' (quoted in Vasey, 1997: p. 16).

**Chart 1: % Foreign rentals for all US companies for which data is available**

Sources: Company Annual Reports; Studio Ledgers; Company Archives.

As chart 1 illustrates, the importance of international markets to US firms may not have been new to the post-1945 period, but the extent of this importance was unprecedented. Foreign markets typically accounted for somewhere close to 35% of total revenues in the 1930s (though this peaked at just over 40% in the early 1930s, reflecting the slump in domestic cinema attendance during the Depression). Following a decline during the Second World War, foreign revenues responded strongly in the late 1940s and 1950s. This partly reflected the growth of film markets in Europe, Japan and elsewhere (and their receptivity to American entertainment), but also the steady decline in cinema admissions in the US from 1946 onwards, as cinema found itself in competition with television and other forms of popular entertainment (Casper, 2007; Waterman, 2005). By the late 1950s foreign markets accounted for close to 45% of total revenues for the major US distributors. By this time surely no major film project could have been contemplated without serious consideration being given to its likely appeal among international audiences.

## Appealing to international audiences

Various arguments have been advanced to explain why US films, unlike those produced by other national industries, have consistently been able to achieve success in foreign markets. One way to summarise such arguments would be to divide them into two categories: first are those based around the idea that US film producers were better able than those in other countries to make pictures that audiences around the world had a genuine interest in seeing; the second set of arguments are those that emphasise the ability of the US industry to aggressively promote its products and use its economic and political influence to secure access to foreign markets. The first set of arguments, which we might label as ‘persuasion’ include the simple observation that US film producers had (and continue to have) privileged access to the world’s largest domestic market. As such they were (and are) able to work with much larger production budgets, and to instil higher production values, than other national producers (Bakker, 2008). Greater financial resources also enabled US studios to attract leading talent from around the world, meaning that Hollywood films could draw on the skills of actors, directors, writers and composers from many different national backgrounds (Petrie, 2002; Morley, 1983). The characters and storylines of US films also drew on international themes and locations, which further added to their international appeal (eg. Glancy, 1999). According to this line of argument, it was Hollywood’s cosmopolitan makeup, its function as a crucible for the forging of a global popular entertainment, that lay at the heart of its international appeal. Here was how Eric Johnson, President of the MPEA, put the case in a 1954 speech:

There are a number of reasons why American films enjoy such great popularity abroad. For one thing Hollywood is the Mecca of Moviedom... Great actors and actresses, outstanding directors, technicians and writers, have flocked to our shores from distant lands, drawn to the world’s film center by their ambition and aspirations... This cosmopolitan attitude of Hollywood has reinforced the universal appeal of its production. No other picture making country has ranged so far geographically for scene and theme... Our films are designed for consumption everywhere, and for that reason are appreciated everywhere, except, of course, behind the Iron and Bamboo curtains.<sup>1</sup>

The second set of arguments, which for want of a better term we label here as ‘coercion’, refer to the way in which US firms utilised their economic and political influence to ensure that their

---

<sup>1</sup> Eric Johnson speech to Omaha Chamber of Commerce, 24 May 1954. Academy of Motion Picture Arts and Sciences, Margaret Herrick Library, Dept of Special Collections (MHL, Special Collections hereafter). Association of Motion Picture and TV Producers Records, File 262 ‘Eric Johnson Speeches, 1946-1959’.

pictures were as widely distributed as possible. Two broad issues tend to be raised in this regard. The first relates to the investment by US companies in international networks of distribution offices, which were able to directly market American films to local exhibition chains in most national markets around the world (Thompson, 1985). At times these distributors were accused of aggressive or underhand sales practices such as block or blind booking, whereby exhibitors could only secure access to the most high profile films if they also agreed to screen a large 'block' of other films of lesser or unknown quality (Ulf-Moller, 1998, 1999). No film companies outside the US were able to build and maintain comparable global distribution networks over a sustained period of time. The second issue, emphasised by a number of scholars, was the importance of US government support in assisting the international strategies and ambitions of American film companies (Swann, 1994; Trumpbour, 2002; Jarvie, 1992). At the most basic level, this involved the passing of legislation which allowed competitive firms to collaborate (and essentially to form cartels) when operating in international markets. The film industry was one of the few industries to take advantage of this legislation, and the MPPDA (later to become the Motion Picture Export Association) was able to draw on extensive advice and support from the US State Department in its dealings with foreign governments (Trumpbour, 2002). While the MPEA was not able to prevent the passing of protective legislation in many countries relating to the film industry, it was certainly true that it was regularly able to draw on high level political support in its negotiations with foreign governments (Dickinson and Street, 1985; Gennari, 2009; Ulf-Moller, 1999).

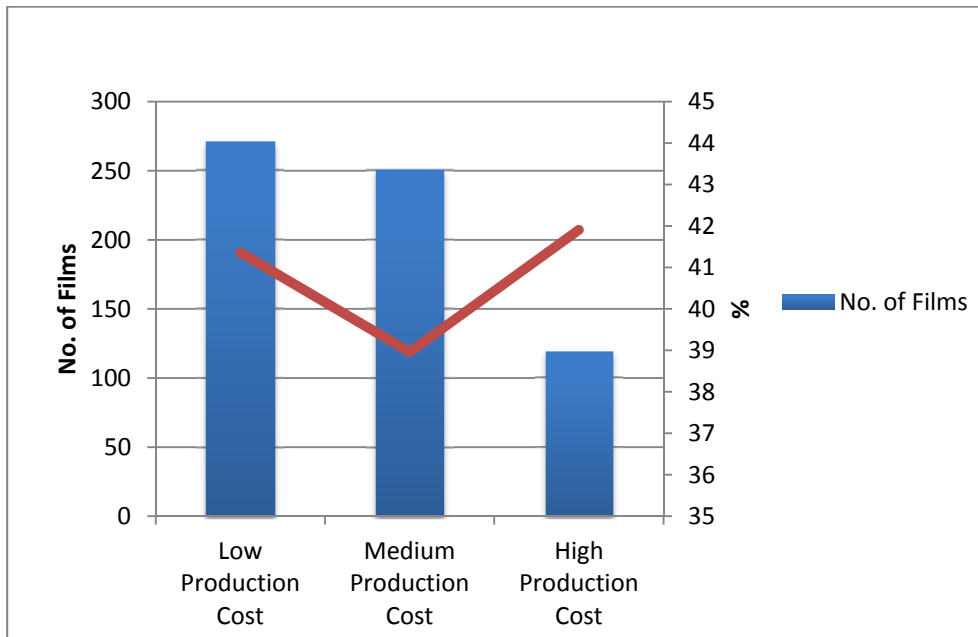
The quantitative evidence collected for this paper allows us to explore (and indeed to test) the first set of arguments outlined above, although it does not allow us to contribute to debates surrounding the second set of issues. Data has been compiled on the 665 films released internationally by Warner Bros. and MGM between 1949-1965, as detailed in the relevant studio ledgers (Glancy, 1992, 1995). For each film information is available on both foreign and domestic revenues, as well as production costs. In addition to this, an 'international orientation' score has been constructed, which allows us to measure the extent to which films were based on foreign themes or relied on foreign talent in key creative roles. A full description of the methodology is provided as an appendix, but the factors on which the 'international orientation' score are based include the nationality of leading actors, director and screen writer, as well the nationality of leading characters, the film's setting and (where applicable) national provenance of the source text on which the screenplay was based.

Armed with this data, we are in a position to answer the following questions: did films with high production budgets generate a higher proportion of their sales in foreign markets than those

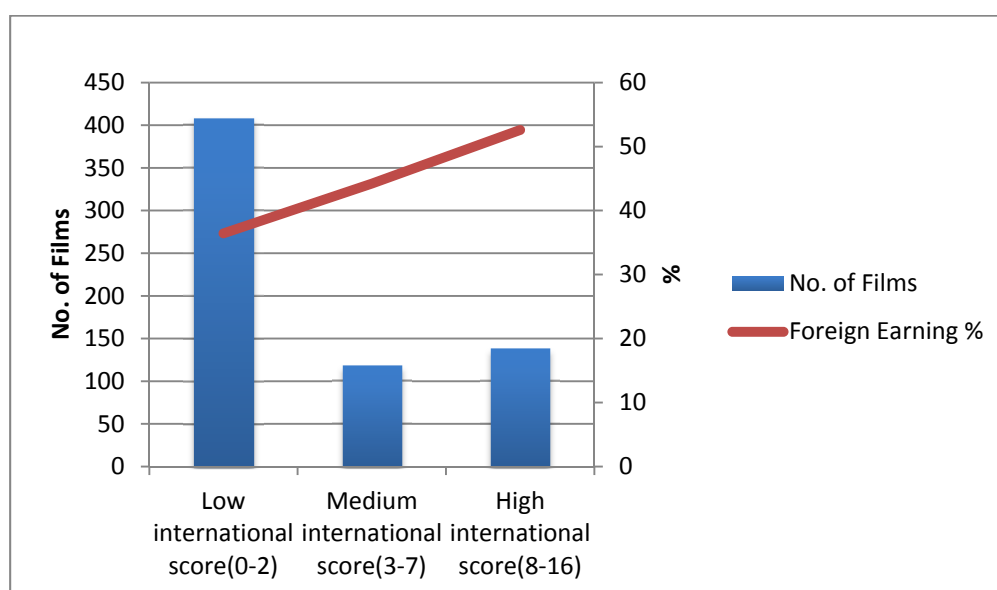


with low budgets? Or in other words, did the level of financial investment in a film, help it to reach a wider international audience? The second question we can address is whether films with a high international orientation tended to earn a higher proportion of revenues from foreign markets than those based predominantly on American themes and employing domestic talent? Or to put it another way, was the international popularity of Hollywood films attributable (at least in part) to the international nature of the content of such films? Evidence germane to each of these questions is provided in the charts below:

**Chart 2a: % Foreign earnings by production cost**



Source: Original dataset based on analysis of 665 films included in the MGM and Warner Bros. ledgers, 1949-1965.

**Chart 2b: % Foreign earnings by international score**

Source: Dataset

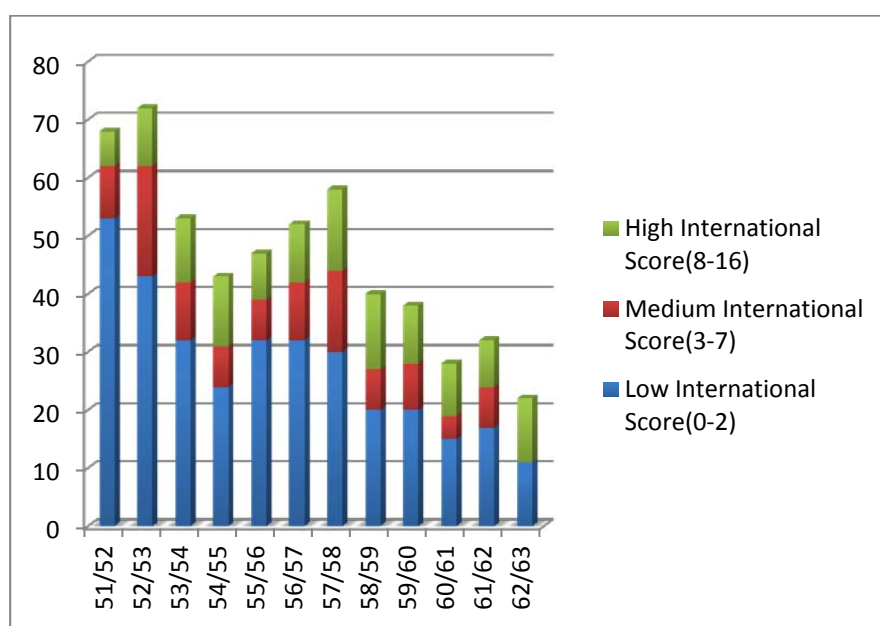
Chart 2a suggests a 'U-shaped' relationship between production budgets and the proportion of foreign revenues earned by films. It should be stressed that this should be seen in the context of the generally positive relationship between production budgets and total revenues (the correlation between budgets and total revenues was 0.708). Film revenues typically increased as production budgets rose - although there were enough exceptions to this rule to make high budget films inherently risky undertakings (Sedgwick, 2002; Sedgwick and Pokorny, 1998). The information in chart 1 suggests that as Hollywood films moved from the low to medium budget categories, the corresponding growth in earnings was likely to come predominantly from domestic rather than international audiences. Thus the proportion of foreign revenues generated by medium budget films was less than that earned by low budget pictures. When we move from medium to high budget production, however, it appears that the majority of earnings growth was now accounted for by international markets. Thus the proportion of foreign earnings was greater for high budget films than for medium budget ones. We can conclude from this that investment in high budget film production might have helped Hollywood studios to win over international audiences in this period, but only slightly. There is certainly no evidence of a positive linear relationship between a film's production costs and the proportion of earnings which came from foreign markets. The coefficient of correlation between these two measures was -0.003.

As chart 2b indicates, the relationship between a film's international orientation and the proportion of earnings it generated from foreign markets seems to be much clearer, with the

coefficient of correlation between these two measures standing at 0.501. Whereas films with a low international orientation score (i.e. a score of 2 or less on a scale of 0-16) on average generated just 36% of their revenues from international markets, films scoring 8 or above on the same scale earned 53% of income from foreign sales. It should also be noted that the relationship between a film's international orientation score and its total revenue, though positive, was much weaker (with a coefficient of just 0.102). This helps to explain why films with a strong domestic orientation were so much greater in number than internationally themed pictures. The value for Hollywood distributors in releasing films with foreign stars, settings and scripts was not simply that this would boost total revenues, but that these pictures could be expected to generate particularly strong interest in foreign markets without seriously alienating domestic audiences. This enabled US distributors to construct balanced film portfolios, containing pictures which were likely to have stronger appeal in different national markets. To take the distribution season 1950/51 as an example: the most popular film released by MGM in its domestic market that year was *Showboat* (starring Kathryn Grayson and Ava Gardner, and generating an international orientation score of just 1). By contrast the most popular MGM films from that year with international audiences were *King Solomon's Mines* (starring Deborah Kerr and Stewart Granger, and with an international orientation score of 10) and *The Great Caruso* (starring Mario Lanza and Ann Blyth, and generating an international score of 6). Both of these latter two films generated foreign earnings that were more than double those of *Showboat*.

## Internationally oriented films

The analysis so far has indicated that the extent to which a film contained international settings, characters and creative talent was an important factor determining its success in foreign markets. We also know that during the period of our study, the importance of those foreign markets increased quite substantially for US film distributors. Was it therefore the case that internationally themed films became a more important component of distributors' product portfolios as the period progressed? The answer to this, as chart 3a clearly demonstrates, was yes.

**Chart 3a: Films by international orientation score**

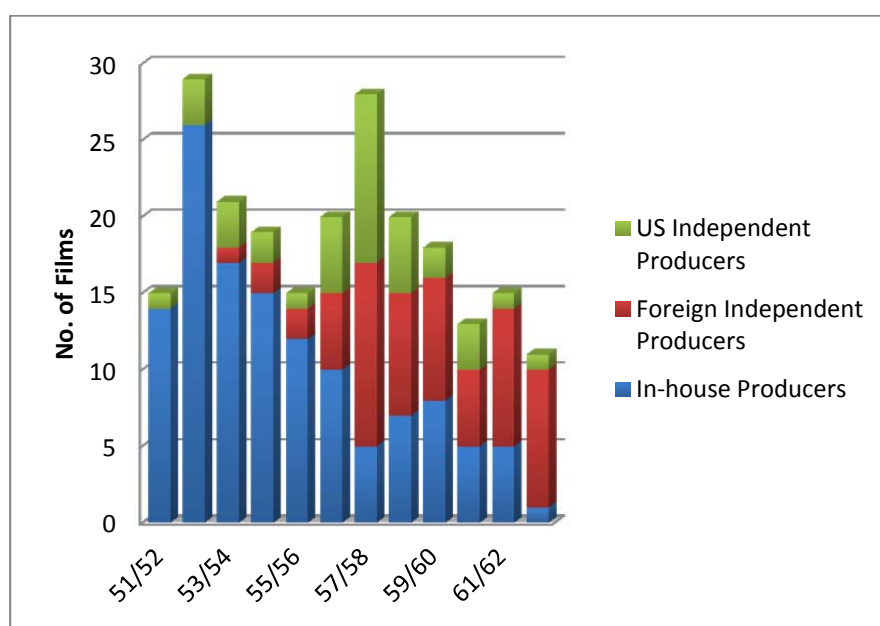
Source: Dataset

The total number of films released by Warner Bros. and MGM, in keeping with other US studios, declined very substantially during our period. This was a time when cinema audiences were shrinking, both in the domestic US market, and also in the UK which had long been the most important foreign market for US films (Waterman, 2005; Miskell, 2009). In both countries competition from television had dealt a severe blow to the custom of regular, twice-weekly visits to the cinema on the part of (mostly) working-class women and men. Whereas cinema had previously been unrivalled as a reliable source of cheap and easily accessible visual entertainment, television brought such entertainment into people's homes. The 1950s and 1960s witnessed the demise of the small neighbourhood cinema, with a twice weekly change of programme, and a regular supply B movies and not-so-new releases (Spraos, 1962). The low and medium budget pictures, which had formed the staple diet of these neighbourhood cinemas, were no longer in demand. The films that audiences would continue to pay to see were those that offered a form of entertainment that television could not match: Technicolor spectacles, epics, or lavish musicals or costume dramas. The Hollywood studio system had always produced such films, of course, but these had been relatively few in number, and the financial risks associated with the production of big budget films of this type were offset by the more modest (but also more reliable) profits that could be generated from low and medium budget pictures. As the 1950s and 1960s progressed, US film distributors released fewer films per year, but the films they did release were more likely to be big budget productions (Sedgwick, 2002).

Chart 3a, above, confirms this story of declining production volumes, but it illustrates that as well as being more skewed towards big-budget productions, the films released by Warner Bros. and MGM were also increasingly likely to have a strong international orientation. While the total number of films released by these firms declined from around 70 a year in the early 1950s to around 20 in the early 1960s, the number of films with a medium or high international orientation score remained much more stable. Thus internationally themed films moved from being a small component of film portfolios to a situation where they constituted around half of all film releases.

If internationally themed films constituted a growing share of US distributors' product portfolios during this period, where were these productions sourced from? We know that that the 1950s and 1960s was a period in which the vertically integrated structures that had been so strong a feature of the US film industry since the late 1910s became unravelled. The major producer-distributors were forced to sell off their domestic cinema chains as a result of the Paramount decision by the US Supreme Court in 1948 (Conant, 1960). This was closely followed by a process by which the functions of production and distribution also gradually began to separate (Storper and Christopherson, 1987; Storper, 1989). The separation of production and distribution was not a legal requirement forced on US companies, but was likely driven by the economic imperative to cope with the 'extreme uncertainty' created in the industry once the reliable flow of revenues and profits from low and medium budget pictures dried up (de Vany, 2004). Previous studies have suggested that independent film producers were more successful than the major studios when specialising in big budget productions (Robins, 1993; Gil and Spiller, 2007).

Chart 3b provides information on just those films released by Warner Bros. and MGM which had a medium or high international orientation score. As already noted, the number of such films remained much more stable through the period than was the case for the overall number of releases. What did change, however, was the proportion of these films produced 'in house' by the relevant distributor's production arm. In the early 1950s the international component within these Studios' portfolios was produced almost entirely in-house, by the end of our period this was rarely the case. As chart 3b illustrates, however, US distributors did not just look to independent Hollywood producers to supply their product. Increasingly, international films were sourced from an international marketplace.

**Chart 3b: International films by producers**

Source: Dataset

While the vertical disintegration of the US film industry is a much discussed topic among both economic historians and economic geographers, the international dimension of this process has attracted rather less attention. So called ‘runaway productions’ – films made, or financed, by US Studios in foreign locations – certainly increased in number during this period and were a cause of real concern for labour unions (Bernstein, 1957). The key issue raised here, however, was that of off-shoring rather than outsourcing. Whereas the motives for runaway production were typically associated with cost reduction, the evidence from chart 3b would suggest that foreign independent producers were not being contracted to supply ‘regular’ Hollywood-type films, but to provide a the distinctively international component of US distribution portfolios.

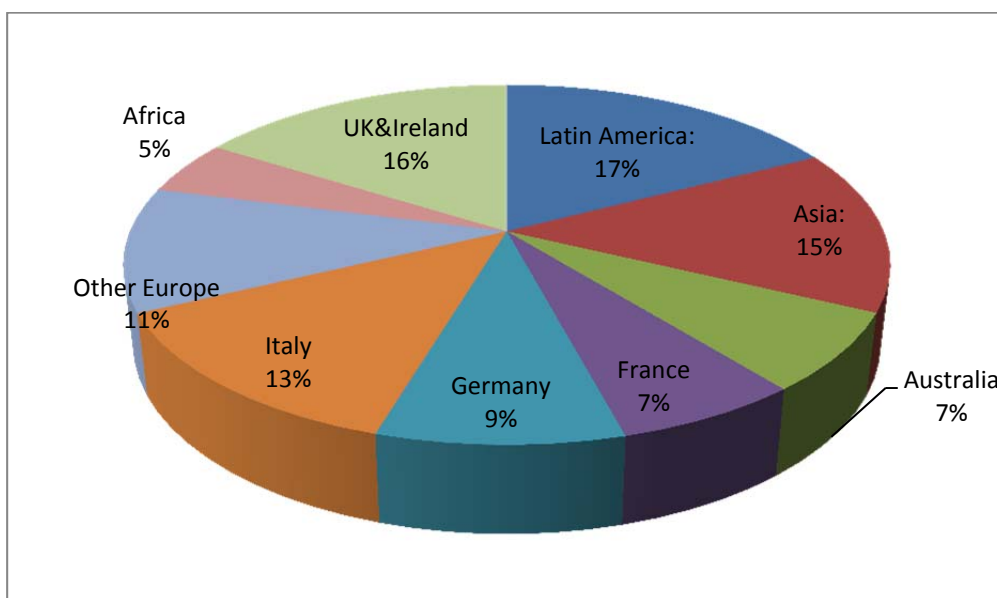
The increasing tendency for US distributors to source their internationally themed pictures from foreign production companies marked a significant progression in their internationalisation. During the Studio Era, when the vast majority of films distributed by the major studios were ‘in house’ productions, it was the production arms of these vertically integrated enterprises that reached out to attract international talent, and to buy up the rights to popular foreign novels, plays or stories. In the 1950s and 1960s, the distribution side of these businesses began to develop new internationalisation strategies – not just in terms of the marketing and selling of US films, but in sourcing product from international partners. This arguably marked a transition from a position where US distributors presented their domestically produced films in competition against foreign producers, to one of co-operation and collaboration, in which US

firms worked with leading film-makers in different parts of the world to co-ordinate (and control) the international distribution of motion pictures.

## Where were international films set?

Up to this point internationally oriented films have been discussed in fairly generic terms, with settings, characters and creative talent defined as international if they were not American. But what were the national settings of such films? Did they tend to be based on particular countries or regions, and if so, did this broadly reflect the importance of those locations as markets for US film distributors? In order to address this question we first need to identify which were the largest foreign markets for US distributors in this period. The records held at the Warner Bros. archive at the University of Southern California allow us to disaggregate by country the foreign revenues of Warner Bros. films throughout the 1950s and early 1960s. Fortunately for the purposes of this research, equivalent data for other US distributors (MGM, Paramount, Columbia and United Artists) is also held within the Warner Bros. archive for the years 1956 and 1961. The data presented in chart 4a is based on aggregated data from these two years for Warner Bros. and MGM only.

**Chart 4a: Geographical distribution of foreign earnings, MGM and WB (1956-61)**

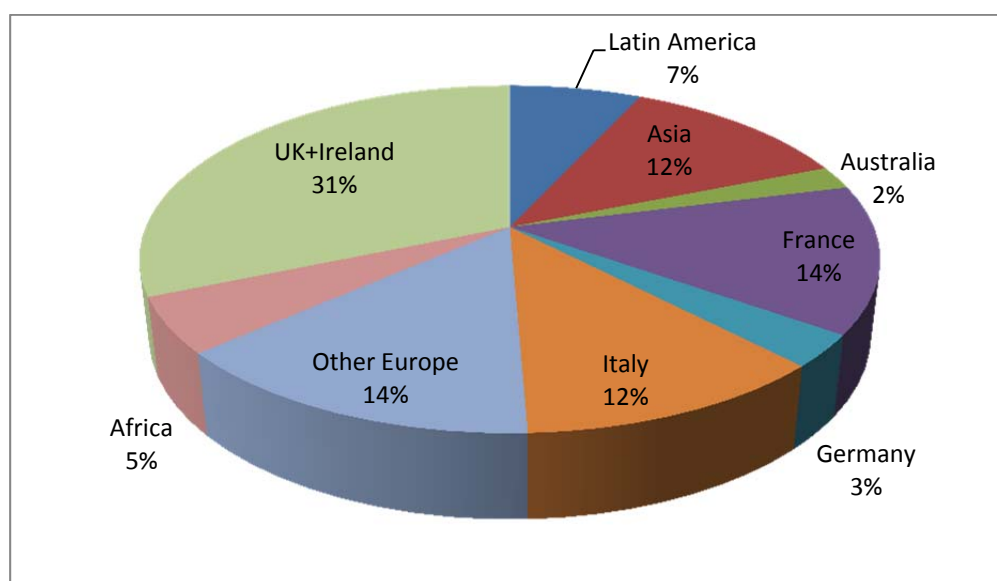


Source: Warner Bros. Archive, USC. Boxes 13116B, 16591B.

As we can see from the chart, over half of all foreign revenues for these two firms were derived from Europe, with 45% coming from the four largest national markets of the UK, Italy, Germany and France. Of these, the UK was the largest – but not by much. In the 1930s and 1940s the UK

had typically generated around half of all foreign earnings for US firms, but by the mid-to-late 1950s sales from the UK were not much greater than those from Italy, and were broadly equivalent to revenues from the Asian and Latin American regions. Yet while the UK had lost its dominance in terms of its importance as a foreign market, it remained by far the most commonly used setting for internationally themed films. The geographical distribution of the settings of international films is provided in chart 4b.

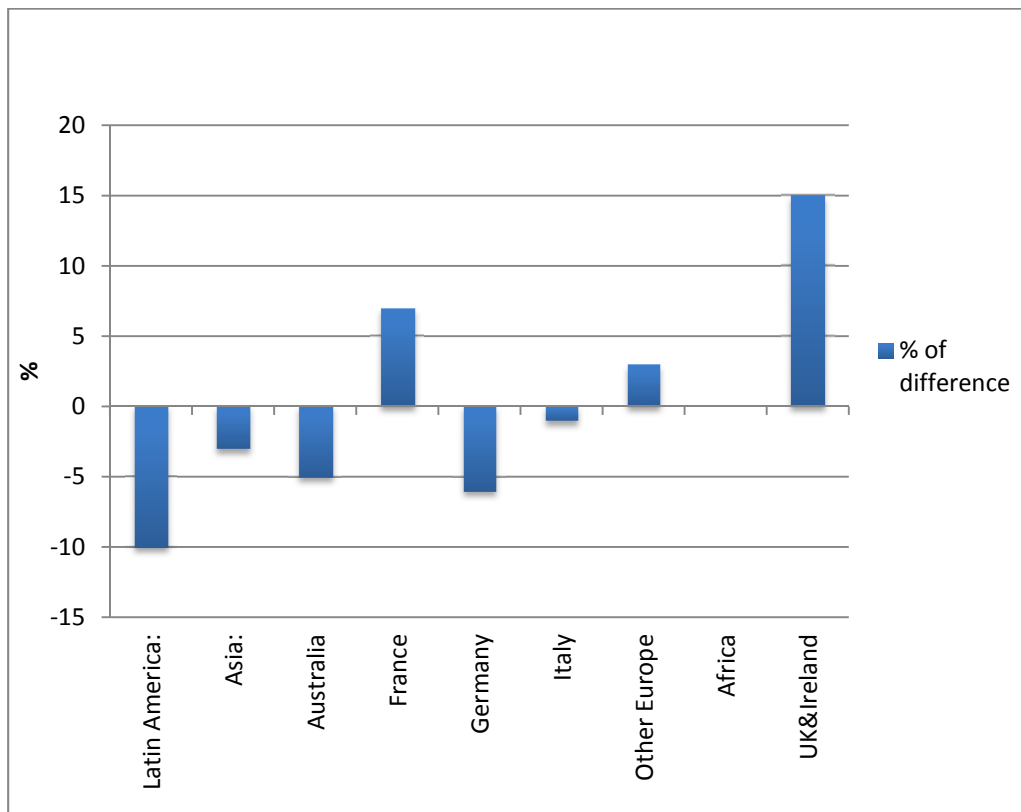
**Chart 4b: Geographical distribution of international films, by setting**



Source: Dataset

When we compare the national settings of Warners' and MGM's international films with the relative size of these foreign markets, some interesting contrasts emerge. The UK clearly seems to be over-represented, with double the number of films set in that country than would be predicted on the basis of its market size alone. Also over-represented, though to a lesser extent, is France. A conclusion that we might reasonably infer from this is that US distributors expected films with British or French themes to hold an appeal that extended well beyond these national markets. The over-representation of these nations within the distribution portfolios of US firms might be taken as an indication of their international standing in the post Second World War decades.



**Chart 4c: Difference between % of films set in each location and its relative market size**

If some national locations were over-represented as settings for international films, then the opposite must apply in other cases. This was most clearly evident in the case of Latin America. This region constituted a slightly larger market for US films than the UK, yet there were more than four times as many films with British settings as South American ones. Also under-represented, in relation to their market size, were Germany and Australia. The relative lack of films based on German settings and characters is perhaps unsurprising for the post-1945 era (those that were distributed were mostly war films). Regarding Latin America and Australia, it would appear that US distributors expected audiences in these locations to be more receptive to films with European settings than were audiences in the rest of the world to films based on Australian or Latin American content. It would be tempting to speculate further on the issues raised by these findings, and this may be an interesting area for future research.

## Summary

This paper has sought to demonstrate that the global spread of US film distribution in the decades after 1945 did not simply reflect an ‘Americanisation’ of cinema audiences around the world, but was based, at least as much, on an ‘internationalisation’ of US firms. Our research seeks to analyse firms (rather than government policies) as the key drivers of globalisation. While

we do not dispute the findings of previous scholars who have carefully charted the role of the US Government in supporting the international expansion of the US film industry, we do argue that this is only a part of the story. Had US film producers and distributors not demonstrated considerable flexibility and imagination in their international strategies, it is most unlikely that government backing would have done them any good. This paper has highlighted an important way in which US firms sought to adapt their product lines to appeal to international audiences: namely, the construction of film portfolios which contained a distinct element of internationally oriented films. This strategy was not new, and can be traced back to the 1920s, but with the growing importance of foreign markets in the 1950s and 1960s, the proportion of 'international' films within the portfolios of US distributors also increased. Another change which occurred during this period was that US distributors became much more likely to source their international films from foreign production companies rather than producing them in-house. As such, US firms were increasingly taking a role as global distributors for the world's entertainment (whatever its national origin), rather than as international exporters of American films. This is not to say, of course, that the product portfolios of US film distributors reflected a balanced 'world view' with films of all nationalities represented equally. Far from it. But it does lead us to question the assumption the international success of US film distributors constitutes a form of American cultural hegemony.

## References

- Bakker, Gerben (2008), *Entertainment Industrialised: The Emergence of the International Film Industry, 1890-1940*, Cambridge, UK, 2008.
- Bernstein, Irving (1957), *Hollywood at the Crossroads: An Economic Study of the Motion Picture Industry*, Hollywood AFL Film Council, 1957.
- Casper, Drew (2007), *Post-War Hollywood, 1946-1962*, Oxford, 2007.
- Conant, Michael (1960), *Anti-Trust in the Motion Picture Industry*, Berkeley, 1960.
- Cox, Howard (2000), *The Global Cigarette: Origins and Evolution of British American Tobacco, 1880-1945*, Oxford, 2000.
- Dickinson, Margaret and Sarah Street (1985), *Cinema and State: the Film Industry and the British Government, 1927-1984*, London, 1985.
- Dyer, Davis, Frederic Dalzell and Rowena Olegario (2004), *Rising Tide: Lessons from 165 Years of Brand Building at Procter and Gamble*, Boston, 2004.
- Gennari, Daniela (2009), *Post-War Italian Cinema: American Intervention, Vatican Interests*, Abingdon, 2009.
- Gil, Richard and Pablo T. Spiller (2007), 'Organizational dimensions of creativity: motion picture production', in *California Management Review*, Vol. 50, No. 1 (2007), pp. 243-260.
- Glancy, Mark (1992), 'MGM Film Grosses, 1924-1948: The Eddie Mannix Ledger', in *Historical Journal of Film, Radio and Television* Vol. 12 No. 2 (1992), pp. 127-144.
- Glancy, Mark (1995), 'Warner Bros Film Grosses, 1921-1951: the William Schaefer ledger', *Historical Journal of Film Radio and Television*, Vol. 15, No. 1 (1995), pp. 55-73.
- Glancy, Mark (1999), *When Hollywood Loved Britain: the Hollywood 'British' film, 1939-1945*, Manchester, 1999.
- Guback (1969) *The International Film Industry: Western Europe and America since 1945*, Indiana, 1969.
- Hoskins, Colin, Stuart McFadyen and Adam Finn (1997), *Global Television and Film: An Introduction to the Economics of the Business*, Oxford, 1997.
- Jackel, Anne (2003), *European Film Industries*, London, 2003.
- Jarvie, Ian (1992), *Hollywood's Overseas Campaign: the North Atlantic Movie Trade, 1920-1950*, Cambridge, 1992.
- Jones, Geoffrey (2005a), *Multinationals and Global Capitalism: from the Nineteenth to the Twenty-First Century*, Oxford, 2005.
- Jones, Geoffrey (2005b), *Renewing Unilever: Transformation and Tradition*, Oxford, 2005.
- Jones, Geoffrey (2010), *Beauty Imagined: A History of the Global Beauty Industry*, Oxford, 2010.

- Lopes, Teresa da Silva (2007), *Global Brands: The Evolution of Multinationals in Alcoholic Beverages*, Cambridge, UK, 2007.
- Maltby, Richard (2004), 'Introduction: The "Americanisation of the World"', in M. Stokes and R. Maltby (eds.), *Hollywood Abroad: Audiences and Cultural Exchange*, London, 2004.
- Miskell, Peter (2009), 'The film industry in twentieth century Britain', in R. Coopey and P. Lyth (eds.), *Business in Britain in the Twentieth Century*, (Oxford, 2009), pp. 306-329.
- Morley, Sheridan (1983), *Tales from the Hollywood Raj: The British Film Colony On Screen and Off*, London, 1983.
- Petrie, Graham (2002), *Hollywood Destinies: European Directors in America, 1922-1931*, Detroit, 2002.
- Robins, James A. (1993), 'Organization as strategy: restructuring production in the film industry' in *Strategic Management Journal*, Vol. 14 (1993), pp. 103-118.
- Scott (2002) 'A new map of Hollywood', *Regional Studies*, Vol. 36 (2002), pp. 957-75.
- Scott (2004) 'Hollywood and the world' *Review of International Political Economy*, Vol. 11 (2004), pp. 33-61.
- Sedgwick, John (2002), 'Product differentiation at the movies: Hollywood, 1946-1965', in *Journal of Economic History*, Vol. 62 (Sept. 2002), pp. 676-705.
- Sedgwick and Pokorny (1998), 'The risk environment of film-making: Warner Bros. in the interwar years', in *Explorations in Economic History*, Vol. 35 (April 1998), pp. 196-220.
- Sedgwick and Pokorny (2010), 'Hollywood's foreign earnings during the 1930s', *Transnational Cinemas*, Vol. 1, No. 1 (2010), pp. 83-97.
- Spraos, John (1962), *The Decline of the Cinema: an Economist's Report*, London, 1962.
- Storper (1989) 'The transit to flexible specialisation' in the *Cambridge Journal of Economics*, Vol. 13 (1989), pp. 273-305.
- Storper and Christopherson (1987), 'Flexible specialisation and regional industrial agglomerations: the case of the US motion picture industry', *Annals of the Association of American Geographers*, Vol. 77 (1987), pp. 260-82.
- Swann, Paul (1994), 'The little State Department: Washington and Hollywood's rhetoric of the post-war audience', in D. W. Ellwood and R. Kroes (eds.), *Hollywood in Europe: Experiences of a Cultural Hegemony*, Amsterdam, 2004.
- Thompson, Kristin (1986), *Exporting Entertainment: America in the World Film Market 1907-1934*, London, 1985.
- Trumpbour, John (2002), *Selling Hollywood to the World: US and European Struggles for Mastery of the Global Film Industry, 1920-1950*, Cambridge, 2002.

Ulf-Moller, Jens (1998), 'The origin of the French film quota policy controlling the import of American films', *Historical Journal of Film, Radio and Television*, Vol. 18, No. 2 (1998), pp. 167-182.

Ulf-Moller, Jens (1999), 'Hollywood's "foreign war": the effect of national commercial policy on the emergence of the American film hegemony in France, 1920-1929', in A. Higson and R. Maltby (eds.), *Film Europe and Film America: Cinema, Commerce and Cultural Exchange 1920-1939*, Exeter, 1999.

De Vany, Arthur (2004), *Hollywood Economics: How Extreme Uncertainty Shapes the Film Industry*, London and New York, 2004.

Vasey, Ruth (1997), *The World According to Hollywood, 1918-1939*, Wisconsin, 1997.

Waterman (2005) *Hollywood's Road to Riches*, Cambridge, Mass. 2005.

## Appendix

### Constructing the international orientation score

The measure for the ‘international orientation’ of each film in the dataset has been constructed from eight separate criteria. The first four of these can be categorised as contributing to a film’s ‘scenario’, with the second four constituting ‘artistic resources’. The criteria, and the method used for scoring each of them, are presented in the table below:

**Table 1: Methodology for construction of the ‘international orientation’ score**

Criteria	Score = 0	Score = 1	Score = 2
Setting	Primarily in US	Split between US and foreign location; or set in fictional location	Primarily outside US
Character 1	American	Foreign-born American; or character without nationality	Foreign
Character 2	American	Foreign-born American; or character without nationality	Foreign
Source text	American author	Authored by foreign-born American	Foreign author
SCENARIO (score = 0-8)			
Director	American	Foreign-born, but based in US for 10 years	Foreign
Writer (script)	American	Foreign-born, but based in US for 10 years	Foreign
Actor 1	American	Foreign-born, but based in US for 10 years	Foreign
Actor 2	American	Foreign-born, but based in US for 10 years	Foreign
ART RESOURCES (0-8)			

The key source for the above information is the American Film Institute (AFI) Catalogue of Feature Films. Film settings have been identified from the plot summaries provided in the catalogue for each film (US settings have been assumed where no specific information is provided), and the two lead characters / actors are the first two to be named in the catalogue’s cast list.<sup>1</sup> In cases where more than one writer (or director) was listed in the catalogue, the first

entry has been used. The nationality of each actor/writer/director was, in most cases, taken from the internet movie database and where this was not possible other biographical sources were sought out.<sup>1</sup> In the few cases where it was not possible to determine nationality, American origin was assumed.

On the basis of this methodology, it has been possible to construct a measure of each film's 'international orientation' with a score between 0-16. Films based on American settings and characters, and employing American actors, writers and directors receive a low score, whereas those set in distant locations, and featuring foreign characters, stars or creative personnel score more highly. The methodology takes account of the fact that many foreign born nationals worked for a large part of their career in Hollywood, and that their 'foreignness' would likely have diminished over time. It also allows us to differentiate between the international content of a film's scenario, and the extent to which it employed international creative artists. Some examples of how individual films have been scored are provided below.

**Table 2: How the 'international orientation' score is constructed – some examples**

Film	'Scenario'	'Artistic Resources'	International Orientation	Earnings (\$000s)
Anna Karenina	Setting – Russia (2) Char 1 – Anna (2) Char 2 – Vronsky (2) Text – L. Tolstoy (2)	Dir – Clarence Brown (0) Wr – Clemence Dane (2) Act 1 – Greta Garbo (2) Act 2 – Fredric March (0)	Scenario (8) Art Res (4)  Total = 12	For = 1,439 Tot = 2,304  Foreign % = 62.5
Casablanca	Setting – Morocco (2) Char 1 – Rick (0) Char 2 – Ilsa Lund (2) Text – M. Burnett (0)	Dir – Michael Curtiz (1) Wr – Julius Epstein (0) Act 1 – H. Bogart (0) Act 2 – Ingrid Bergman (2)	Scenario (4) Art Res (3)  Total = 7	For = 3,461 Tot = 6,859  Foreign % = 50.5
Key Largo	Setting – Florida (0) Char 1 – Frank (0) Char 2 – Johnny (0) Text – M. Anderson (0)	Dir – John Huston (0) Wr – Richard Brooks (0) Act 1 – H. Bogart (0) Act 2 – E. G. Robinson (1)	Scenario (0) Art Res (1)  Total = 1	For = 1,150 Tot = 4,369  Foreign % = 26.3