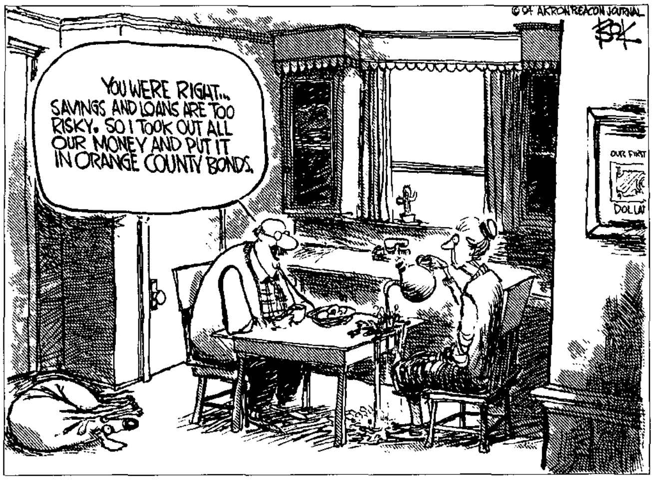
POLITICS

Red Ink Blues

By Harold Johnson

Will bankruptcy force Orange County to act like Orange County?



ORANGE COUNTY. FOR the self-respecting liberal, the very name provokes a shudder. This sun-caressed Southern California expanse is, after all, the birthplace and final resting place of Richard Nixon. One of the few counties of any size, anywhere, to go for Goldwater. And the symbolic suburban heartland of Reaganism: Its voters, more than any others, helped propel the host of *Death Valley Days* to political stardom.

In America's political shorthand, the county's name has become a code phrase to describe a don't-mess-in-my-wallet mindset that admirers style libertarian, but sentinels of government deride as self-centered (as in, "How Orange County of you," said with a sneer).

Little wonder, then, that in the wake of Orange County's bankruptcy—the county is the largest government entity ever to enter Chapter 9—much of the media has seized on the debacle to try to discredit what the county is supposed to represent. Reaganism's sins are being visited on its children, runs the line. We're told that dread '80s-style "excesses" were on display in the Nathan Detroit–like investment practices of County Treasurer Bob Citron—as if Gamblin' Bob maintained a hotline to Ron and Nancy's Bel Air digs. The fact that Citron was the lone Democrat to hold a countywide elective office gets reported, but isn't allowed to soften the sermon.

Derivatives, complex financial securities that Citron employed, are tagged as culprits as well, and media calls for regulation win an ear even in the newly ascendant House Republican caucus. As it happens, the real daredevilism in the Citron strategy wasn't the investment vehicles but the leveraging. The county and many of the scores of local jurisdictions that invested with it borrowed big time in an effort to enhance their winnings. They didn't need derivatives to bet on interest rates with borrowed money; they just happened to use them. No matter: In a lot of the reporting, that fact isn't allowed to divert attention from the alleged need to crack down on innovative financial instruments.

For many journalists, Mr. Citron's sins pale next to those of the real heavies: Orange County taxpayers. They're tightwads, you see—all me, me, me. It's because they weren't surrendering enough of their take-home loot to local government that dedicated public servants had to resort to financial risk to make ends meet.

Columnist James O. Goldsborough of the *San Diego Union-Tribune* has the lyrics down well: "Citron, I believe, happened to Orange County because of the funny philosophy up there that government is bad, that taxes that go for good government are worse...."

Los Angeles Times economics writer James Flanigan fingers a "screwed up" tax system that starves the public sector: "One reason city managers were so unquestioning of the exaggerated returns in...[the] Orange County investment fund is that they needed the money."

Mark Lacter of the L.A. *Daily News* gives miserly Orange Countians a drubbing: "[T]he most remarkable aspect of the Orange County bond mess is how little they talk about raising taxes. Which is, of course, the one thing they should be talking about, at least as a stop-gap effort to generate some quick cash and avoid draconian cuts. What is it with those folks? How far can their tax-busting attitudes reach?"

Proposition 13, which was birthed in Orange County, is, as always, hauled in for blame. Its mild, porous restraints on tax increases helped trigger a "crisis in local government finance," reports *USA Today*.

Bracing rhetoric, no question. All that's lacking is a firm link with the facts. Mr. Goldsborough, for instance, apparently forgets that the sales tax in his own San Diego County, currently at 7 percent, stands a full 10 percent lower than the 7.75 percent levy in Scroogish Orange County.

THE INCONVENIENT TRUTH IS THAT TAX dollars have been pouring into Orange County coffers with monsoon intensity for years. If local public servants still found themselves with cash-flow problems, it's because of their Niagara-force spending habits.

Two recent studies of taxing and government check-writing, one from Pepperdine University, the other from the California Taxpayers Association, lay it all out. Cal-Tax reports that revenues to Orange County—including all local taxes

CHIP BOK

and fees—rocketed skyward over the past decade and a half, from $369 million in 1978 (the year Prop. 13 darkened the horizon) to $723.9 million in 1993.

Even when you adjust for inflation and population growth, the county's income has been rising. Revenue—in constant 1992 dollars—increased from $527 per person in 1978 to $623 a person 14 years later.

This robust expansion wasn't enough to appease bureaucratic appetites. Gary M. Galles, associate professor of economics at Pepperdine, charts an increase of more than 50 percent in county spending from 1978 through 1989, even with inflation and population growth factored in.

Juicy examples of spendthriftery abound: unneeded real-estate acquisitions, the usual generous auto allowances and other pampering of top officials, fevered payroll growth (a 45-percent increase in the number of county employees over the past decade, to nearly 18,000 today). This past summer, when county supervisors approved the addition of more than 900 new positions—even as the recession-wracked local economy was undergoing another spasm of contraction—the Orange County *Register* protested editorially. In response, County Administrative Officer Ernie Schneider accused the paper's editorial staff of residing in a "mausoleum," so out of touch were we with the need for expanded "services." And officials have shown a notable lack of interest in privatization and other economy measures that you'd think would thrive in a county of such conservative repute.

THE DIRTY LITTLE SECRET, YOU SEE, IS that Orange County's reputation as a free-enterprise, small-government citadel simply isn't borne out when you look at local government. Yes, voters send stalwarts of the right to Sacramento and to Congress; the legislative delegation has been derided—or hailed—as the capital's "cavemen," while congressional representatives include such give-no-quarter conservatives as Bob Dornan, Dana Rohrabacher, Chris Cox, Ed Royce, and, until recently, William Dannemeyer. But it's a different story with the people who tend the political hearthfires back home. While practically everyone answers to the name Republican, that's rather like a Brit identifying himself as "Church of England": The tent is more sprawling than Ringling Brothers' and, for that reason, more of a circus.

The divide in the GOP between aggressive skeptics of big government and status-quo huggers is writ large in this most Republican of counties. Many local or county elected officials would make comfy chums for Bill or Hillary or other

The dirty little secret is that Orange County's reputation as a free-enterprise, small-government citadel simply isn't borne out when you look at local government. While practically everyone answers to the name Republican, that's rather like a Brit identifying himself as "Church of England."

cheerleaders for government growth. At the very least they regard George Bush's benevolent attitude toward taxes and regulations as the very model of good governance. Outgoing GOP County Supervisor Harriett Wieder actually endorsed Clinton, while her colleague Tom Riley has backed a stream of liberal primary opponents to right-wing legislators and congressmen. Wieder, Riley, and the rest of the supes gave Citron their high fives during his re-election race last June, while the county's legislative and congressional delegations got behind Republican challenger John Moorlach, a CPA who warned that the treasurer's investment bubble was about to pop.

In part, the county's political schizophrenia is a reflection of the kind of people who, in any community, are most drawn toward local office—those who believe in government and yearn to sit at the control board. But public ignorance and apathy play a large role, too. While Dornan and Dannemeyer are household names, 56 percent of residents couldn't identify a single county leader, according to a recent poll.

The large silver lining in the financial fiasco is that it is prodding people out of slumber. County officials who have been able to operate underneath the radar suddenly find themselves, and their managerial deficiencies, bathed in klieg lights. The scope of the fiscal dilemma—a $2 billion loss in the investment fund's value, translating into an operating deficit of at least $170 million this year—also offers a wonderful opportunity for the county finally to square its reality with its reputation, by serving Ultra Slim Fast to government bureaucracies.

With a popular groundswell of opposition to any new taxes, and talk of recall in the air, nervous supervisors show unaccustomed interest in strategies for dieting, devolving, contracting out. Payroll cuts are already under way. There's even talk that the county's airport—named for the celluloid saint of rugged individualism, John Wayne—might be sold or leased.

The Lincoln Club, an influential group of GOP donors, has commissioned the Reason Foundation's Robert Poole to do a top-to-bottom review and offer a blueprint for a reinvented county government. "Orange County has the chance to be a test tube for the 21st-century model of a rationalized, downsized public sector," says Lincoln Club member Howard Klein.

The forces of inertia, of course, haven't been routed, but the potential for a change is greater than any time in memory. And the battle charge has a stirring ring: At long last, let Orange County be Orange County. R

Harold Johnson is an editorial writer at the Orange County Register, *and a contributing editor of* National Review West.

Epic Burnout

By Charles Oliver

More power to film makers can be a pain in the butt to audiences.

TWO HOURS INTO THE KEVIN Costner film *Wyatt Earp*, I wondered if it would ever end. Over an hour later, it did.

One of the most conspicuous trends in movies over the past three years has been the increasing number of very long films: *Wyatt Earp*, 181 minutes; *Wolf*, 125 minutes; *Clear and Present Danger*, 141 minutes; *True Lies*, 141 minutes; *Renaissance Man*, 129 minutes; *Being Human*, 125 minutes; and *Color of Night*, 121 minutes.

Going back over the past couple of years, we find other examples: *The Bodyguard*, 130 minutes; *Malcolm X*, 201 minutes; *Scent of a Woman*, 157 minutes; *Chaplin*, 144 minutes; *Hoffa*, 140 minutes; and *Lorenzo's Oil*, 135 minutes. There are many others. Todd McCarthy, a critic for the show business trade publication *Variety*, pointed out this trend three years ago. At that time, he noted, "Now, I automatically perk up upon learning that a film runs just 89 minutes." Today, a movie that short still stands out from the pack.

Most critics who have commented on this trend toward longer movies suggest that film makers today just don't know how to make a tightly focused movie. There's some validity to this argument, but the key factor behind bloated, lengthy films is the increasing economic power of the talent behind them.

When is a long movie too long? Traditionally, theaters have preferred a 90-minute running time. Anything more cuts down on their ability to clear out the theaters and clean up between screenings. Lengths much greater than 90 minutes force theaters to eliminate screenings. A 90-minute film can be shown six times on one full day of screenings. A three-hour film such as *Wyatt Earp* can be shown only three times on one screen on one working day.

Arnold Schwarzenegger takes a break during one of many gunfights in the 141-minute long 1994 blockbuster, *True Lies.*

But for the purposes of this article, I'll use a more elusive concept of length. Namely, a film is too long when it isn't tightly focused, when scenes could be cut, when it feels padded. As Harry Cohn, the longtime head of Columbia Pictures, once said, "When my butt begins to hurt, the movie is too long."

Judged by this criteria, *Schindler's List* was fine at 195 minutes. At 120 minutes, *Home Alone 2: Lost in New York* could have been seriously trimmed. And even at a mere 87 minutes *North* was way, way too long.

Now, in some of the instances we have mentioned, the length of the film was a deliberate decision. *Wyatt Earp* and *Malcolm X* were supposed to be epics. Yet their stories ultimately did not support the length imposed upon them. At some point, this should have been pointed out to the films' creators. But most of the films listed above were not explicitly trying for epic stature. They were just flabby.

IN THE SO-CALLED GOLDEN AGE OF HOLLYwood film making, the business of movie making was a study in vertical integration. Large theater chains owned the major studios. And these studios locked up the major talent with long-term contracts. They were the only game in town, and they exercised tight control over film makers.

If an actor balked at playing a role assigned by the studio, he could be loaned out to the small independent studios, banished to the world of cheap serials and B movies. Or worse, he might be suspended, unable to work and receiving no pay.

Directors often did not have any input into the writing of scripts. They sometimes did not even see them until the day they were to start shooting them. Nor did they have the right to determine the final shape of their films. In fact, they often were not even allowed into the editing rooms where what they had shot was shaped into a film. By that time, the director might be off shooting another movie.

This system was geared toward tight films. Not only because that is what theaters, the ultimate owners in this system, preferred to show, but also because that was what maximized the use of resources. Tighter scripts meant tighter shooting schedules. This in turn allowed studios to rush actors from film to film, amortizing their yearly salaries over several movies.

Off the top of my head, I looked up several films from this era in a movie reference book. Their running times were: *The Public Enemy*, 84 minutes; *Red Dust*, 83 minutes; *The Bride of Frankenstein*, 75 minutes; *The Champ*, 87 minutes; and *Flying Down to Rio*, 89 minutes.

But in 1947, the U.S. government busted up the old studio system, forcing the studios to divorce themselves from the theater chains. In addition, television began to draw away a large portion of the cinema audience. Soon the studios could not profitably maintain the contract system. Eventually, actors, directors, and writers became free agents bargaining with studios on per-film employment.

TWENTIETH CENTURY FOX