

UNIVERSITY OF CALIFORNIA

Los Angeles

The Last Tycoon of Germany:
Bernd Eichinger, Neue Constantin Film,
and the Reorganization of the German Film Industry, 1980-2000

A dissertation submitted in partial satisfaction of the
requirements for the degree Doctor of Philosophy
in Film and Television

by

Benjamin Uwe Harris

2020

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ABSTRACT OF THE DISSERTATION

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Doctor of Philosophy in Film and Television
University of California, Los Angeles, 2020
Professor Janet L. Bergstrom, Chair

This project examines the industrial and aesthetic changes that the West German film industry underwent during the final two decades of the 20th century through a case study of the distribution and production practices of German film distributor and producer Bernd Eichinger (1949-2011) and his company, Neue Constantin Film. Some scholars have called Eichinger a "prophet of neoliberalism" and have identified the 1980s and 1990s as a turn away from a state-sponsored, auteur filmmaker-driven New German Cinema to a market-based "Cinema of Consensus." This study challenges this view on two grounds. First, this study argues that the German film industry evolved from a purely market-based industry in the postwar period to a dual economy of market-based distribution and exhibition sectors and a subsidy-based

production sector — an evolution that started in the 1970s and continued well into the 1990s. At first highly critical of the subsidy system, Eichinger responded by reshaping the operations of his company, Neue Constantin Film, around market-based principles, but ultimately learned to profit from the availability of public funding for his own film productions.

Second, this study observes that German cinema increasingly came under the influence of American cinema in the 1980s and 1990s. This study challenges traditional notions of “cultural imperialism” by arguing that Eichinger and Neue Constantin Film (along with other German film professionals) were active facilitators in the expansion of the American film industry through financing and releasing American films in Germany. Moreover, conceptualizing cinema as an “event,” Eichinger appropriated certain principles from American high-concept cinema for his own productions, incorporating spectacle and spectatorial pleasure in films such as *Die Unendliche Geschichte* (The Neverending Story, W. Petersen, 1984), *Bin ich schön?* (Am I Beautiful, D. Dörrie, 1998), and *Der Campus* (The Campus, S. Wortmann, 1998).

Drawing on archival records and interviews with industry professionals, this study illustrates how the German film industry appropriated certain production and distribution practices and aesthetic influences from American cinema at this important juncture in film history and absorbed them into a uniquely German model of a dual economy that is still prevalent today.

The dissertation of Benjamin Uwe Harris is approved.

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For Stefan

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ACKNOWLEDGMENTS

After spending nearly thirteen years in the UCLA Department of Film, Television and Digital Media, first as an MFA, then a PhD student as well as an employee, I have a lot of people to thank. First and foremost, there is my committee: John Caldwell, Denise Mann, Ross Melnick, and the chair of my committee, Janet Bergstrom. Each contributed to my development as a scholar and as a person in many ways. Janet has been my cheerleader since I started my PhD studies, turned me onto the Eichinger research and picked me up and motivated me again many times during the dissertation process. John has shaped my scholarly thinking in instrumental ways, and Ross has fueled my enthusiasm for distribution studies. And of course, Denise has been my greatest mentor and role model ever since I came to UCLA in 2003 and has supported me all through my MFA and PhD studies and my professional work in the Producers Program. I am grateful to all of them for their sharp, critical insights and feedback on the dissertation.

There are other faculty and staff in the Cinema and Media Studies program, who have supported my work in important ways: Emily Carman, Brian Clark, Barbara Dube, Erin Hill, Diana King, Steve Mamber, Kathleen McHugh, Chon Noriega, Brian Sher, and Vivian Sobchack. I would also like to acknowledge the colleagues in the Department, who made it possible for me to pursue my PhD training while remaining fully employed: Barbara Boyle, Christina Carrea, Karl Holmes, Barrett Korerat, Bill McDonald, Lorri Shundich, Cheri Smith, and Sylvia Terry. I am lucky to have had a great PhD cohort in Jessica Fowler, Carolin Kirchner, Oscar Morales, Matt Perkins, Michael Potterton, and Saundarya Thapa. Our lengthy conversations in the early stages of the PhD program provided much needed guidance and camaraderie.

This project would not have been possible without the fellowships I received from the Department of Film, Television, and Digital Media. Those awards allowed me to take a year off from work and pursue research in Berlin. I am also grateful for the generosity and assistance of the people who made my research with the Bernd Eichinger Collection at the Stiftung Deutsche Kinemathek possible: Katja Eichinger, Nina Eichinger, Regina Hoffmann, Peter Mänz, Maximilian Müllner, Lisa Roth, and, especially, Gerrit Thies, who pointed me in many productive directions in my research. I am also grateful for the support and assistance of the library staff at the Hans Helmut Prinzler Bibliothek in Berlin.

One of the pleasures of my dissertation research has been to interview many people who have worked with Bernd Eichinger over the years and who were kind enough to share with me their insights into the German film industry. I am particularly grateful to Marianne Dennler, Martin Hagemann, Klaus Keil, Michael Marbach, Martin Moszkowicz, Kirsten Niehuus, Leni Ohngemach, Fritz Preßmar, Jr., Günter Rohrbach, Klaus Schaefer, Julian Schwantes, Sebastian Storm, Herman Weigel, and Stefan Wood.

I would also like to thank my colleagues at Deutsche Film- und Fernsehakademie, who have provided me the opportunity to continue with my dissertation work while I was employed in the Serial Eyes program: Hannah Bethe, Federica Loddo, and Kathrin Osterndorff.

Finally, this project and my academic pursuits would not have been possible without the support of my family. They have cheered me on throughout this entire process: Ingrid, Joachim, Tom, Tobias, Janice, Frank, and Marina. Most of all, I want to thank the love of my life, Stefan, who has given me the encouragement and the strength to see this endeavor through to the end.

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Introduction

"It is no exaggeration to call Bernd Eichinger the most important German film producer by far of the contemporary period. Even if cinephiles might have found the one or other film too unwieldy, lacking in finesse and differentiation, it was precisely the massive, the striking, the memorable and sometimes brutally evident that he sought [in film], some unique quality. Eichinger was the German filmmaker who could think in the categories of Hollywood — and by the way, he was the only one who could credibly sip champagne from his girlfriend's shoes."¹

This quote by two of his staunchest critics on the occasion of his death in 2011 gives an indication of how significant film producer and distributor Bernd Eichinger (1949-2011) has been to recent German cinema. Eichinger had worked with almost every prominent German filmmaker over the course of his career. He produced over eighty movies, including eleven of the twenty highest-grossing German films of the last thirty years, and his distribution company, Neue Constantin Film, distributed hundreds more. He became a household name in Germany with his many public appearances in the news and tabloid media and thus shaped not only the movies, but also the national discourse on cinema. Eichinger's death produced an outpouring of remembrances and obituaries by journalists, critics and practitioners, who had crossed paths with Eichinger at one point or another. A memorial service in Munich's St. Michael's Church became a nationwide moment of mourning, televised live by national TV channel SAT1.²

And yet Eichinger's work was not without controversy during his lifetime. His artistic oeuvre has received scant serious recognition by critics and scholars of German film, some of

1. Jens Jessen, Katja Nicodemus. "Das Löwenherz des Kinos; Er wollte die Versöhnung von Kunst und Kasse, er dachte wie Hollywood und lebte für den Film: Zum Tode des Produzenten Bernd Eichinger." *Die Zeit*, 27 Jan. 2011, p. 47; my translation.

2. "Die berührende Trauerfeier für Bernd Eichinger." *Die Welt*, 7 Feb. 2011. www.welt.de/kultur/kino/article12471630/Die-beruehrende-Trauerfeier-fuer-Bernd-Eichinger.html. Accessed 30 April 2020.

whom have dismissed him as a “prophet of neoliberalism.”³ This charge cuts to the heart of the debate I want to explore in this dissertation. Eichinger never hid his ambitions to be commercially successful with his work. This ambition was often regarded with suspicion by traditional film critics and scholars, who had cut their teeth on the challenging and complex, but often commercially unsuccessful movies of the New German Cinema. In this dissertation I aim to unravel this controversy, which, in essence, is a debate over the role of popular cinema in Germany.

This dissertation pursues two parallel lines of argument that are linked through Eichinger. First, I argue that the German film industry evolved from a purely market-based industry in the postwar period (1950s-1960s) to, what I call, a dual economy of market-based distribution and exhibition sectors and a subsidy-based production sector over the course of the 1970s. Eichinger criticized this system in the late 1970s because he believed that the subsidy-based production sector had become disconnected from the marketplace and produced films not relevant to a moviegoing audience. When he took over the moribund theatrical distributor Neue Constantin Film, he envisioned building a production and distribution company based entirely on market principles.

Secondly, I argue that the American film industry greatly expanded in Germany in the 1980s and 1990s partly due to the influence and actions of local players such as Eichinger. He released independent American movies that he helped finance through international presales in the 1980s and through output deals with studio-based producers in the 1990s. His distribution methods in the 1980s helped lay the groundwork for popularizing American-style, high-concept

3. The term stems from film critic Georg Seeßlen. “Der Neo-Adenauer-Stil. Für Action zu moralpusselig, für Godard zu doof.” *Taz - die Tageszeitung*, 12 June 1997. The term was later adopted by film scholar Hester Baer. Hester Baer. “Producing Adaptations: Bernd Eichinger, Christiane F., and German Film History.” *Generic Histories of German Cinema: Genre and Its Deviations*, edited by J. Fisher, Camden House, 2013, p. 175.

filmmaking in Germany.

Some critics have called the 1980s a “period of decline,”⁴ which was meant to describe both the state of its industry as well as its movies, while German cinema of the 1990s has been labeled a “cinema of affluence”⁵ or, alternatively, a “cinema of consensus.”⁶ Such utterances misrepresent the artistic accomplishments of that time. That partly stems from a lack of understanding of the industrial conditions. For the 1980s and 1990s were a time of dramatic changes not just for German society, but also for the German film industry. I argue that the distribution and production practices of Bernd Eichinger and his company, Neue Constantin Film, exemplify the changes that German cinema underwent in terms of industrial structure and aesthetics in the 1980s and 1990s.

Eichinger and the Dual Economy

Despite his significance to German cinema over the last forty years, there has been surprisingly little scholarly work on Bernd Eichinger's production and distribution practices.⁷ Scholarship on Eichinger's oeuvre has focused mostly on individual movies, which, with a few exceptions, have been examined from a textual-analytical and/or socio-cultural perspective: *Das*

4. Sabine Hake. *German National Cinema*, 2nd edition. Routledge, 2008, p. 179.

5. Hans Günther Pflaum and Hans Helmut Prinzler. *Film in der Bundesrepublik: der neue deutsche Film von den Anfängen bis zur Gegenwart mit einem Exkurs über das Kino der DDR: ein Handbuch*. Stuttgart: Hanser Verlag, 1992, p. 143.

6. Eric Rentschler coined the term in his now seminal article, “From New German Cinema to the post-Wall Cinema of Consensus.” *Cinema & Nation*, edited by Mette Hjort and Scott Mackenzie, Routledge, 2000, pp. 260-277.

7. The only book-length discussions of Eichinger's work are Andreas M. Rauch. *Bernd Eichinger und seine Filme*. Haag+ Herchen, 2000, and Judith Früh (ed). *Bernd Eichinger*. Film-Konzepte Book Series #46 (April 2017), Richard Boorberg Verlag, 2017. Rauch's book is primarily a journalistic account of the production processes of Eichinger's most famous movies and includes interviews with Eichinger and other practitioners on his productions. Früh's edited anthology offers a reappraisal of Eichinger as *auteur* filmmaker across a variety of roles he carried out on his productions: producer, screenwriter, director. The contributions are, for the most part, journalistic/essayistic discussions of his production practices that lack scholarly rigor.

Boot (Wolfgang Petersen, 1981),⁸ *Bin ich schön?* (Am I beautiful?, Doris Dörrie, 1998)⁹, *Der bewegte Mann* (Maybe, Maybe Not, Sönke Wortmann, 1994),¹⁰ *Der Schuh des Manitu* (Manitou's Shoe, Michael "Bully" Herbig, 2001),¹¹ *Der Untergang* (Downfall, Oliver Hirschbiegel, 2004),¹² *Elementarteilchen* (Elementary Particles, Oskar Roehler, 2006),¹³ and *Der Baader-Meinhof Komplex* (The Baader Meinhof Complex, Uli Edel, 2006).¹⁴ In these articles Eichinger's contributions to the films is usually considered on the margins, if at all.

Hester Baer's chapter in the 2013 anthology *Generic Histories of German Cinema* is

8. Hester Baer. "Das Boot and the German Cinema of Neoliberalism." *The German Quarterly* 85.1 (2012), pp. 18-39; Brad Prager. "Beleaguered under the Sea: Wolfgang Petersen's *Das Boot* (1981) as a German Hollywood Film." *Light Motives*, ed. by R. Halle, M. McCarthy, Wayne State University Press, 2003, pp. 237-259; Peter Krämer. "Das Boot / The Boat." *The Cinema of Germany*, edited by J. Gancarz, A. Ligensa, Wallflower Press, 2012, pp. 197-205.

9. Peter M. McIsaac. "North-South, East-West: Mapping German Identities in Cinematic and Literary Versions of Doris Dörrie's 'Bin ich schön?'" *The German Quarterly*, Vol. 77, No. 3 (Summer, 2004), pp. 340-362; Margaret McCarthy. "Angst takes a holiday in Doris Dörrie's 'Am I beautiful?'" *Light Motives: Popular German Film in Perspective*, ed. by R. Halle, M. McCarthy, Detroit: Wayne State University Press, 2003, pp. 376-394.

10. Eve Oesch. *Vom Comic zum Film; Narrative Funktionen und Adaptationsprozess im Fall Des bewegten Mannes*. MS thesis. University of Tampere, 2005; Randall Halle. "'Happy Ends' to Crises of Heterosexual Desire: Toward a Social Psychology of Recent German Comedies." *Camera Obscura* 15.2, 2000, pp. 1-39; David N. Coury. "31 December 1995: Der bewegte Mann Sells 6.5 Million Tickets to Mark Peak of New German Comedy." *A New History of German Cinema*, ed. by J. M. Kapzynski, M. D. Richardson, Camden House, 2012, pp. 543-547.

11. Sebastian Heidusche. "21 October 2001: Television Provides Platform for Record Box-Office Success of *Der Schuh des Manitu*." *A New History of German Cinema*, pp. 572-577.

12. David Bathrick. "Whose Hi/story Is It? The US Reception of Downfall." *New German Critique* 102, Vol. 34, No. 3, Fall 2007, pp. 1-16; John Bendix. "Facing Hitler: German Responses to 'Downfall.'" *German Politics & Society*, Vol. 25, No 1 (82), Spring 2007, pp. 70-89; Steve Hochstadt. "Der Untergang." *German Studies Review*, Vol. 28, No. 1, Feb. 2005, pp. 241-243; Stephan Jaeger. "The Atmosphere in the 'Führerbunker': How to Represent the Last Ten Days of World War II." *Monatshefte*, Vol. 101, No. 2, Summer 2009, pp. 229-244; Johannes von Moltke. "Sympathy for the Devil: Cinema, History, and the Politics of Emotion." *New German Critique*, No. 102 "Nazis, Culture, and Cinema," Fall 2007, pp. 17-43; Jürgen Pelzer. "'The Facts Behind the Built'? Background and Implicit Intentions in *Downfall*." *German Politics & Society*, Vol. 25, No. 1 (82), Spring 2007, pp. 90-101; Jan Süselbeck. "Collective Emotions and Victimization in the World War Two Film *Der Untergang*." *The German Quarterly* 92.2, Spring 2019, pp. 211-228; Michael D. Richardson. "8 September 2004: *Der Untergang* offers Palatable Authenticity." *A New History of German Cinema*, pp. 589-596.

13. Marco Abel. "Failing to Connect: Itinerations of Desire in Oskar Roehler's Postromance Films." *New German Critique*, No. 109, Winter 2010, pp. 75-98; Gabriele Mueller. "Surviving Ourselves: Mothers, Clones, and the Legacy of 1968 in 'Blueprint' (2003) and 'The Elementary Particles' (2006)." *German Politics & Society*, Vol. 28, No. 4 (97), Winter 2010, pp. 1-18.

14. Christina Gerhardt. "The Baader Meinhof Complex." *Film Quarterly*, Winter 2009/2010, p. 60-61; Chris Homewood. "From Baader to Prada: memory and myth in Uli Edel's *The Baader Meinhof Complex* (2008)." *New Directions in German Cinema*, ed. by P. Cooke, C. Homewood, I.B. Tauris, 2011, pp. 130-148; Elena Caoduro. "Sisters in Arms: Epic Narratives in *United Red Army* (2007) and *The Baader Meinhof Complex* (2008)." *New Perspectives on the War Film*, ed. by C. Tholas, J. Goldie, K. Ritzenhoff, Palgrave Macmillan, 2019; Noah Soltau. "The Aesthetics of Violence and Power in Uli Edel's *Der Baader Meinhof Komplex*." *Imaginations Journal of Cross-Cultural Image Studies* 5, no. 2, 2014, pp. 29-45.

therefore the first scholarly attempt to situate Eichinger's influence within the larger context of German cinema. Yet while she acknowledges Eichinger's significance to German cinema, she is critical of his contributions. Echoing Georg Seeßlen's description of Eichinger as a "prophet of neoliberalism," she asserts that Eichinger recognized very early on a "shifting world political and economic climate that the [New International Division of Cultural Labor] describes, a neoliberal new world order defined in particular by the privatization of media, the rise of new technologies, and the erosion of the state's role as a sponsor and facilitator of culture."¹⁵ In Baer's reading Eichinger represents a complement to the system described by the authors of *Global Hollywood 2* because he existed 'outside' Hollywood and both competed with and cannibalized its practices, "all the while participating fully in the 'New International Division of Cultural Labor.'"¹⁶

I agree with Baer that Eichinger was highly adept at recognizing and responding to shifts in the cultural and economic climate of his times. However, I want to qualify her characterization of Eichinger as a "prophet of neoliberalism." Eichinger's preoccupation with market-based production does not represent the radical "neoliberal turn" that Baer claims occurred in the West German film industry in the 1980s. Baer is certainly correct that certain neoliberal ideas began spreading in German politics in the 1980s. However, the debate over free-market operations and government intervention had existed long before in the German film industry.

The German film industry had been a market-oriented industry since the postwar period. From the early 1950s through the mid-1960s theatrical distributors, such as Neue Constantin's corporate predecessor, Constantin Filmverleih, and its main competitor Gloria-Filmverleih were

15. Hester Baer. "Producing Adaptations", p. 175. The 'New International Division of Cultural Labor' is a term coined by the contributors of *Global Hollywood 2* and describes the way that Hollywood studios exert control over world markets through film marketing and distribution campaigns and through reproducing and regulating intellectual property, labor and international financing schemes. Toby Miller, Nitin Govil, John McMurria, Richard Maxwell and Ting Wang. *Global Hollywood 2*. BFI Publishing, 2005.

16. Hester Baer. "Producing Adaptations," p. 174.

the primary financiers of domestic film production and largely determined the shape and content of what Germans got to see in the movie theaters.¹⁷ By some accounts their investment made up over 70% of film financing for all domestic film production in 1967.¹⁸ However, as the influence of public film subsidy sector and the television networks on the film financing process grew, theatrical distributors increasingly retreated from production financing.

Through the 1950s and 1960s the German film industry went through its own *Wirtschaftswunder* (economic miracle) when German films dominated at the box-office and annual theater admissions topped 800 million in 1957. However, the impact of television was soon to be felt, and admissions fell off dramatically to less than 250 million by the mid-1960s. The industry was in crisis mode, and producers, distributors, exhibitors, and a group of young filmmakers (who would soon come to be known as the “Young German” filmmakers) separately appealed to the federal government for aid. The “Filmförderungsgesetz” (film subsidy law, FFG) was passed in 1967 as an economic stimulus for the industry. Producers whose qualifying film reached a minimum box-office threshold were then entitled to automatic aid (“Referenzförderung”) for a follow-up project. The law was funded through a levy on movie tickets. In this way, the film subsidy law was seen as a “self-help vehicle” for the industry to rebuild a robust industrial structure. In 1974 a new provision was added for a project fund that would benefit filmmakers who did not have a qualifying film. This fund awarded direct loans

17. For an overview of the practices of Constantin Film and Gloria Film, see Tim Bergfelder. *International Adventures: German Popular Cinema and European Co-Productions in the 1960s*. Berghahn Books, 2005; Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*. Munich: F.A. Herbig Verlagsbuchhandlung, 1986, pp. 59—89. For Gloria's operations, see Hester Baer. "16 August 1949: Ilse Kubaschewski Founds Gloria-Filmverleih, Sets the Course of Popular West German Film." *A New History of German Cinema*, pp. 328-333; Michael Töteberg. "Gloria, Die Schnulzenkönigin." *Der rote Korsar*, ed. by Thomas Bertram, Klartext, 1998, p. 149-153; Michael Kamp. *Glanz und Gloria: das Leben der Grande Dame des deutschen Films Ilse Kubaschewski 1907-2001*. Munich: Dreesbach, 2017.

18. Michael Töteberg. "Gloria, Die Schnulzenkönigin." p. 150. See also: Diana Iljine, Klaus Keil. “Der Produzent: das Berufsbild des Film-und Fernsehproduzenten in Deutschland., 2nd edition. TR-Verlags-Union, München, 2000, p. 55; and Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*. Verlag für Berlin-Brandenburg, 2000, p. 71.

that were repayable from the revenue generated by the film's release.¹⁹ In addition, public broadcasting stations commissioned film productions and effectively became co-producers and an important exhibition platform for young filmmakers.

However, theatrical admissions for German films continued to decline. Rather than rebuild a robust, self-sufficient industry structure, the various subsidy mechanisms made film production ever more dependent on public funding. Thus, I argue, by the early 1980s the German film industry had turned into a dual economy of, on the one hand, a subsidized production sector that was financed by public film subsidy agencies and public broadcasters and, on the other, the market-based distribution and exhibition sectors, which depended on the sales of movie tickets.

Eichinger had first-hand experience with auteur filmmaking. After finishing film school in 1974, Eichinger had produced movies for many "Autorenfilmer" (auteur directors) of the New German Cinema, including Hans Jürgen Syberberg (*Hitler—ein Film aus Deutschland/Hitler—A film from Germany*, 1977), Hans W. Geissendörfer (*Die Wildente/The Wild Duck*, 1976), Wim Wenders (*Falsche Bewegung/Wrong Move*, 1975), and Alexander Kluge (*Der starke Ferdinand/Strongman Ferdinand*, 1976). However, Eichinger ended up dissatisfied with the experience. On those productions his role was mostly limited to handling finances and operations with no input on creative decisions.²⁰ But it was not just failed ambition that frustrated Eichinger. In a television interview in 1979, Eichinger stated that German cinema was "one of the most boring, academic, artsy" cinemas of the world whereas he believed that cinema should be provocative and reflect contemporary life.²¹

19. However, since few if any movies generated sufficient rentals to qualify for repayment those loans effectively turned into direct subsidies. See Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*, p. 39.

20. Katja Eichinger. *BE: Bernd Eichinger*. Hoffmann & Campe, 2012, p 129.

21. Bernd Eichinger interviewed in: Hannes Karnick and Wolfgang Richter. "...sonst würde das Kino sterben." *ZDF*. June 12, 1979; my translation.

In May 1978, the then 29-year-old producer Eichinger sent a 22-page letter to Ludwig Eckes, the new owner of film distribution company Neue Constantin Film. In the letter Eichinger attributed the industry's flagging state to a subsidized production sector that had become decoupled from the exigencies of the market: filmmakers were no longer in touch with a moviegoing audience, but rather focused on satisfying the aesthetic and cultural aspirations of a small, but influential group of public film funders and broadcasting executives. Eichinger believed that only a distribution company that commissioned new film productions could engineer a cinema popular with moviegoers and thus become the motor of a revived industry.²² Eckes was persuaded by Eichinger's argument. He sold Eichinger a 25% share in the company and made him the managing director of the company.

For this reason, it is important to consider Eichinger's activities not simply as a producer, but as a distributor as well, for his work as distributor largely shaped his assumptions and practices as producer. Eichinger subsequently redirected the course of the company. In the fall of 1980 Eichinger and his second-in-command Herman Weigel launched a film slate that consisted primarily of action and horror movies. The 1981 slate thus broke with long-held assumptions. Eichinger had recognized that cinema in West German had been transformed from a mass medium aimed at a broad, family-based audience to an "event" cinema for mostly teenage and young adult audiences. Moreover, Eichinger and Weigel made saturation releasing an economically viable strategy for distributors and pushed along an American high-concept cinema at a time when even the subsidiaries of the powerful Hollywood major companies put little effort into the distribution of their product in West Germany.

I therefore argue that Eichinger accelerated certain market-based practices, rather than

22. Bernd Eichinger. Letter to Ludwig Eckes. May 26, 1978. SDK, BEC. 4.3-201210-2 Eckes, Ludwig (3).

represented a specific 'turn' for the industry. Eichinger's saturation release practice did not change the underlying logic of the profit-oriented market economy of the distribution and exhibition sectors. However, what did change was the types of movies that Eichinger and Weigel chose for distribution. *Marketability*, i.e. a movie's inherent marketing potential, became an important factor, and not just for acquisitions but also for Neue Constantin's own productions.

Global Hollywood and Self-Americanization

In my second line of argument I want to view Eichinger's actions within an international context. Here, Baer is correct in pointing out that Eichinger's distribution and production practices integrated seamlessly into an international network of cultural production. His Neue Constantin existed alongside and collaborated, if need be, with the member studios of the Motion Picture Export Association of America (MPEA) in Germany and internationally.²³ We can view Eichinger as a collaborator and active participant in the "global Hollywood" network of cultural production.

However, I disagree with the common view in film studies that the international expansion of the American film industry was prompted and engineered by the major Hollywood studios. In fact, this dissertation serves as a corrective to the view that globalization in the film industry was conducted solely by the "top players in the business."²⁴ Rather, this dissertation argues that Eichinger exemplified a group of independent producers and distributors who, over the course of the 1980s, laid the groundwork for this globalization process in the film industry.

23. In 1980 the MPEA members included Cinema International Corporation, the international distribution branch of Paramount, Universal and MGM; Warner-Columbia; United Artists; and Cent-Fox, which released the movies of 20th Century Fox and Disney.

24. See Tino Balio. "A major presence in all of the world's important markets. The globalization of Hollywood in the 1990's." *Contemporary Hollywood Cinema*, ed. by S. Neale and M. Smith, Routledge, 1998, pp. 58-73.

As a distributor, Eichinger did this on multiple levels. First, he anticipated and, in fact, facilitated the turn towards an American cinema among German audiences at a time when US movies did not (yet) represent the most popular and highest-grossing film titles in West German cinemas. Eichinger and Weigel reoriented Neue Constantin's programming by acquiring titles from US-based independent film production companies such as AVCO-Embassy, Dino de Laurentiis Productions, Zoetrope Studios, and Carolco Films, which were only loosely affiliated with the major Hollywood studios. By marketing and releasing their movies successfully in West Germany, Eichinger and Weigel contributed to an increase in the market share of US movies and helped further acculturate West German audiences to American cinema. Moreover, Eichinger and Weigel's selection of mostly male-skewed action, sci-fi, fantasy and horror films proved the commercial viability of those genres in the West German marketplace.

In this way Eichinger's Neue Constantin contributed to a dissemination process for American cinema in West Germany and thus, rather unwittingly, eased the path for the expansion course that the MPEA companies embarked on in the late 1980s and in the 1990s. However, this Americanization process was not just palpable in the distribution side of the business. After reaping the profits of the 1981 slate, Eichinger was in a position to restore Neue Constantin Film to full-fledged production. I argue that his film productions display most readily the Americanization process of the German film industry. Eichinger linked up the German film industry with the international flow of capital by producing big-budget adaptations of internationally bestselling novels. He engineered complicated financing arrangements for *Die Unendliche Geschichte* (The Neverending Story, Wolfgang Petersen, 1984), *Der Name der Rose* (The Name of the Rose, Jean-Jacques Annaud, 1986), *Ich und Er* (Him and Me, Doris Dörrie, 1988), *Letzte Ausfahrt Brooklyn* (Last Exit to Brooklyn, Uli Edel, 1989), *Das Geisterhaus* (The

House of the Spirits, Bille August, 1993), and *Fräulein Smillas Gespür für Schnee* (Smilla's Sense of Snow, Bille August, 1997). (In the following I will refer to Eichinger's English-language productions by their English titles and to his German-language productions by their German titles.)

The 'international' textual elements in these movies are easily identifiable, as the productions were shot in English language with international crews and featured Anglo-American actors. That allowed the movies to be sold to many foreign markets. Eichinger was able to raise the production financing by "preselling" the distribution licenses for the movies to distributors around the world, before the movie was shot. Presales were a familiar tool in West Germany, but only for acquiring foreign movies. Eichinger reversed this trend and now produced and sold German movies for export.

International presales required an awareness of the tastes of foreign audiences, especially North American audiences, who represented the largest film market in the world at the time. But the movies, by and large, also appealed to German audiences. Even though the critical reception for these movies in Germany was often mixed, almost all of Eichinger's international productions became big commercial successes in West Germany.²⁵ I argue that Eichinger's productions represented a successful melding of European (and, in the case of *The House of the Spirits*, Latin American) subject-matter with the visual spectacle known from Hollywood blockbusters.

However, this strategy opened him up to the charge of Americanization. As Alexander Stephan points out, Germany's relationship with American culture since World War II has been

25. Of those movies, *Last Exit to Brooklyn* was the only one to fall significantly behind Neue Constantin's box-office expectations.

complicated.²⁶ While many (young) West Germans sought out American popular culture and products in the postwar period, US political and economic might was also met with a certain level of skepticism or even outright hostility, especially in the aftermath of the Vietnam War, by left-leaning intellectuals. This was often infused with a Frankfurt School critique of American culture industries. A dialogue line in Wim Wenders' *Im Lauf der Zeit* (Kings of the Road, 1975) — "The Americans have colonized our subconscious" — is emblematic of the ambivalence many West German intellectuals felt towards the USA at the time.

Eichinger's appropriation of American practices and aesthetics therefore encountered criticism from critics and fellow artists alike. This became especially prevalent with the production and release of *The Neverending Story*, which was based on the bestselling novel by noted children's author Michael Ende. Ende, who had a large fan following among the nascent environmental movement, distanced himself from the production, calling the movie a "spectacular, perfectly-made, but ultimately soulless fantasy film [made] according to all-too familiar American templates."²⁷

These claims have to be examined more closely. Americanization is a global term that often encompasses different, even contradictory meanings. Moreover, it can paper over conditions and practices that may not be "American" per se, but are part of a modernization process that may have occurred without any direct American influences. As Andrew Higson notes, the process of identifying a national cinema is a strategy of cultural and economic resistance in the face of a (perceived) foreign hegemony. But it is also a process of hegemonizing

26. Alexander Stephan. "Introduction." *Americanization and Anti-Americanism: The German Encounter with American culture after 1945*. Berghahn Books, 2005.

27. Michael Ende. Press release from 11 March 1983. Reprinted in Ulli Pfau, *Phantásien in Halle 4/5: Michael Endes Unendliche Geschichte und ihre Verfilmung*, Deutscher Taschenbuch Verlag, 1984, p. 161; my translation.

and mythologizing one body of images and values against another.²⁸ The discursive fights over the "national" character of *The Neverending Story* may therefore also be seen as a political act of determining who has the power to define German cinema.

There is yet another way to approach this debate. For in order to assess a movie's cultural affinity we must not only look at its textual qualities or its production context, but also at its distribution and reception context. Looking at the specific case of *The Neverending Story*, we find that the movie was released as "domestic picture" by its respective distributors in the USA and in West Germany. That means that the distributor Warner Bros. in North American and Neue Constantin in Germany emphasized what was culturally familiar in their marketing campaigns to their respective audiences. Similarly, user reviews on American and German fan websites recall cherished memories of watching the movie as a child, without showing any awareness that the movie was anything other than a "domestic" film to them. If we take these responses into account, then "national cinema" becomes a much more elastic and expansive category, allowing for movies such as *The Neverending Story* to exist in multiple national cinemas at the same time.

The Domestication Effect

My two lines of argument—the dual economy and the self-Americanization of the German marketplace—converge in my discussion of Eichinger's German-language productions in the 1990s. While Eichinger's international productions in the 1980s were mostly "outbound," aimed for the international market, his productions after 1990 were mostly geared for the domestic, German market. Movies such as *Werner—Beinhart!* (Werner—Hard as Bone!, Niki

28. Andrew Higson. "The concept of national cinema." *Screen* 30.4 (1989), p. 37.

List, Gerhard Hahn, Michael Schaack, 1990), *Der Bewegte Mann*, *Das Superweib* (The Super-Wife, Sönke Wortmann, 1996), *Der Campus* (Sönke Wortmann, 1997), and *Bin ich schön?* were shot in German in Germany and found, with the exception of *Der bewegte Mann*, little international circulation. In these cases we can talk of a *domestication effect* that was the result of a confluence of several industrial forces: first, a rising demand from moviegoers increased box-office returns for certain German films; public film subsidy agencies were intent on promoting and funding domestic productions; private-commercial television networks started investing in co-productions and presales; theatrical distributors started commissioning new, domestic productions; and the exhibition market expanded after the reunification of East and West Germany and with the construction of modern multiplexes.

Yet this domestication process must also be viewed in the context of the continuing expansion of the American film industry in Germany. Public film subsidy agencies were alarmed by the continuing loss of market shares for German films and the concurrent rise of market shares for American films at the domestic box-office.²⁹ After almost a decade of debates over the efficacy of the existing film subsidy system, five of the now sixteen federal states reorganized their film subsidy agencies in the early 1990s. These public-private corporations included shareholders from both state governments and regional broadcasters. The work of these agencies has not been without controversy. Scholars have criticized them for promoting “Wirtschaftlichkeit” (economic development) in their regions at the expense of “culture.”³⁰ However, the situation is far less clear-cut. Even if the agencies of North Rhine-Westphalia, Bavaria, and Berlin and Brandenburg advocated a more market-based approach, I argue that they

29. By 1995, market shares for German movies hit an all-time low of 6.3% while US movies dominated the German box-office with market shares of 87.1%. "Verleihumsatz von 1991 bis 1995 each Herstellungsländern der Filme." SPIO. *Filmstatistisches Taschenbuch* 1996, Wiesbaden, 1996, p. 14.

30. Eric Rentschler. "From New German Cinema to the post-Wall Cinema of Consensus," p. 267.

remained highly prescriptive in their approach and steered their local film industries in rather opportunistic fashion that had little to do with free-market operations.

Similarly, public and private-commercial television networks became a significant part of the funding process for film production. As shareholders in the public-private film funding agencies, they were deeply ingrained in the film subsidy process. Moreover, the share of presales and co-production deals rose over the course of the 1990s.³¹

In this context it is important to note the role that a private entity such as Neue Constantin played. Even though Bernd Eichinger had decried the influence of public film subsidy agencies and television networks on film production in the late 1970s, by the early 1990s he seemed to have grown accustomed to their influence and became more willing to accept their financial contributions. While funding from public subsidy agencies and TV networks constituted a relatively minor part of the financing for the international productions, the financing plans for Eichinger's German-language productions *Der Campus* and *Bin ich schön?* reveal that the now-renamed Constantin Film was no longer invested with any of its own money: the production costs for both movies were covered entirely by film subsidies and TV and video sub-licenses. By "off-loading" production costs to external entities, Constantin Film could insulate itself against potential failure. Moreover, as distributor Constantin Film was in a position to recoup first from theatrical rentals — that means that the distribution unit could deduct its distribution fee and expenses before any profits flowed through to the production unit and its external financiers. In this way the film subsidy system allowed a vertically-integrated producer-distributor like Neue Constantin to amass profits from distribution and emerge as a well-capitalized "mini-major" in

31. Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*. Verlag für Berlin-Brandenburg, 2000, pp. 46-48. See also Michael Bütow. "Großer Bruder Fernsehen." *Der bewegte Film*, ed. by H. Amend, M. Bütow, Vistas Verlag, 1997, pp. 49-56.

the late 1990s.

Reading German Popular Film

Yet understanding the industrial landscape is only one part of this analysis. More significant is the question of what this means for the cinema that resulted from it. Part of the reason for the scholarly neglect of Bernd Eichinger's oeuvre is that he produced popular films. German film criticism's long-standing neglect of popular cinema has contributed to a situation whereby as scholars we lack the tools for a serious, critical engagement with these movies. I believe that the ambivalence that film critics Jens Jenssen and Katja Nicodemus, whom I quoted at the head of this introduction, had towards the "unwieldy" qualities of many of Eichinger's films stems from a lack of critical engagement with the role of spectacle and spectatorial pleasure in German film studies.

As Tim Bergfelder has noted, German film studies has traditionally focused on a very specific cultural product: the German art film, most notably exemplified by New German Cinema.³² Part of this tradition certainly stems from a strong focus on the filmic text.³³ Some more recent scholarship has opened up the field and introduced methodologies beyond textual analysis. This has entailed a more serious engagement with German popular cinema in its

32. Tim Bergfelder *International Adventures*, p. 2.

33. Sabine Hake, among others, has lamented the textual-analysis focus of much contemporary Anglo-American German film studies research and academics' preference for "close or symptomatic readings within the author-text paradigm." She encourages more research on film industry, technology and star system as well as situating German film within a larger European context. Sabine Hake. "Contemporary German Film Studies in Ten Points." *German Studies Review*, Vol. 36, No. 3 (October 2013), pp. 643-651.

various facets, be it in relation to production contexts,³⁴ marketing,³⁵ audience reception,³⁶ or genre.³⁷

On the other hand, certain critical tools traditionally reserved for understanding auteur-driven films can be useful in the analysis of popular films as well. Film critic Andreas Kilb has suggested that commercially successful comedies such as *Der bewegte Mann*, *Abgeschminkt* (Making Up!, Katja von Garnier, 1993), and *Stadtgespräch* (Talk of the Town, Rainer Kaufmann, 1995) could in fact be considered *Autorenfilme* (auteur films) because they use the same development and funding mechanisms: "small, independently developed subjects, mostly produced for television and almost without exception blessed and subsidized by the federal film board [FFA]." ³⁸

Kilb is only half-serious. But we should recall that the *Cahiers du Cinéma* critics' engagement with the work of certain Hollywood directors inside the American studio system lay the foundation for what would later become French auteur theory. The *Cahiers du Cinéma* writers posited that the respective oeuvres of John Ford, Alfred Hitchcock, Howard Hawks, Orson Welles, Fritz Lang, Nicholas Ray, and Billy Wilder exhibited recognizable thematic and aesthetic traits. These directors found ways to express their personal, artistic concerns even

34. See, e.g., Claudia Dillmann-Kühn. *Artur Brauner und die CCC*. Frankfurt/Main: Deutsches Filmmuseum, 1990; Tim Bergfelder. *International Adventures: German Popular Cinema and European Co-Productions in the 1960s*. Berghahn Books, 2005; Randall Halle. *German film after Germany: toward a transnational aesthetic*. Urbana: University of Illinois Press, 2008.

35. Vinzenz Hediger, Patrick Vonderau, eds. *Demnächst in Ihrem Kino: Grundlagen der Filmwerbung und Filmvermarktung*. Schüren Verlag, 2005.

36. Elizabeth Prommer. *Kinobesuch im Lebenslauf: eine historische und medienbiographische Studie*. Konstanz: UVK Medien, 1999; Joseph Garnarz. *Hollywood in Deutschland: Zur Internationalisierung der Kinokultur 1925-1990*. Frankfurt/Main: Stroemfeld Verlag, 2013; Anna Sarah Vielhaber. *Der populäre deutsche Film 1930-1970*. Norderstedt: Books on Demand, 2012.

37. Johannes von Moltke. *No place like home: Locations of Heimat in German cinema*. Univ of California Press, 2005; Jaimey Fisher, editor. *Generic Histories of German Cinema: Genre and its Deviations*. Camden House, 2012.

38. Andreas Kilb. "Ein allerletzter Versuch, die neue deutsche Filmkomödie zu verstehen." *Die Zeit*, 26 April 1996. Quoted in David N. Coury. "31 December 1995: Der bewegte Mann Sells 6.5 Million Tickets to Mark Peak of New German Comedy." *A New History of German Cinema*, p. 545.

though they worked within a highly commercialized setting. François Truffaut notes that he was struck, upon meeting Hitchcock in person, to find a "deeply vulnerable, sensitive, and emotional man who feels with particular intensity the sensations he communicates to his audience."³⁹

This approach leads me to examine Doris Dörrie's film *Bin ich schön?* and Sönke Wortmann's *Der Campus* within a similar field of tension. This dissertation argues that both films represent attempts at producing a filmmaker-driven vision within the constraints of an industrial system. In this context they emerge as true exemplars of a popular cinema that must negotiate between the commercial interests of the producer/distributor Bernd Eichinger and his directors' desire for artistic self-expression.

Human Agency and Industrial Organization

Eichinger then provides an ideal entryway into an examination of the structural changes in the film financing system in the 1980s and 1990s because he was both an agent and a symptom of these changes. I thus want to establish the relationship between the work of a specific man and the industrial context in which he operated. This approach is inspired by Ross Melnick's use of legendary exhibitor Samuel "Roxy" Rothafel in *American Showman*. Melnick expands the idea of the film author to the work of the exhibitor, assigning a certain level of agency to his subject. At the same time Melnick also demonstrates the evolution of broader industrial changes and historicizes the genesis of media convergence by locating "Roxy's place and influence within this phenomenon in the 1920s and 1930s."⁴⁰ Rothafel thus becomes a vehicle through which Melnick can examine and assess the industrial changes occurring in this

39. François Truffaut. *Hitchcock*, rev. edition. Simon & Schuster Paperbacks, 1983, p. 15.

40. Ross Melnick. *American Showman: Samuel "Roxy" Rothafel and the Birth of the Entertainment Industry, 1908-1935*. Columbia University Press, 2013, p. 2.

time period.

Eichinger functions in a similar way in this dissertation. Had Eichinger not existed, certain large-scale socio-economic changes would still have taken place. He did not restructure the industry by himself. On the other hand, there was no other producer in Germany who had the gumption to put together big-budget blockbusters like *The Neverending Story*, *The Name of the Rose* or *The House of the Spirits*, although some tried. Dieter Geissler, who had originally optioned the rights to *Die Unendliche Geschichte*, gave up when he realized how expensive it would become and turned the project over to Eichinger. Günter Rohrbach, who had produced the first German blockbuster of the 1980s with *Das Boot*, retreated from large-scale international productions after co-producing *Die Unendliche Geschichte* and focused primarily on German-language comedies for the domestic market. The same goes for Horst Wendlandt, who had made his name with international co-productions like the Karl May westerns and the Edgar Wallace crime series of the 1960s, but focused on German-language comedies in the 1980s. This dissertation does not proceed from a “great man” thesis. However, Eichinger’s personality remains relevant in this context because it determined the risks that he was willing to take in his business dealings. His close friend and business partner Herman Weigel told me that Eichinger needed the sense that “some heroic fight” was waiting for him in order to get himself out of bed in the morning.⁴¹

Moreover, Eichinger was a self-professed fan of American popular culture. He loved comic books such as *The Fantastic Four* series and had studied the works of American film directors while at the Munich film school in the early 1970s. As his widow Katja Eichinger

41. Herman Weigel. Producer, former managing director, Neue Constantin Film. Personal Interview by Author, 25 July 2015, Munich, Germany.

notes, he regularly “made the pilgrimage to” Disneyland “like the Catholics to Lourdes.”⁴² Therefore, releasing American films and making his own productions appealing to American audiences was not just a business calculation but also a reflection of his own, personal predilections.

Yet Eichinger’s work should not just be viewed as merely idiosyncratic. That would mean it could be detached from the cultural production that came before and after it. Italian producer Dino De Laurentiis’ method for assembling film packages clearly served as a model to Eichinger’s own production practices. By the same token other producers learned from his example. Not only did Eichinger build and expand on the practices he developed with each production, but aspiring producers could also learn and profit from his experiences. According to producer Quirin Berg (*Das Leben der anderen/The Lives of Others*, 2006), Eichinger was his role model when Berg assisted Eichinger on the set of his movie directing debut, *Der große Bagarozzy* (*The Devil and Ms. D.*, 1999).⁴³

My research has benefited greatly from the documents available in the Bernd Eichinger Collection at the Stiftung Deutsche Kinemathek (SDK) in Berlin, Germany. After her husband’s death in 2011 Katja Eichinger loaned artifacts connected to his producing career to the SDK to encourage research on his life and work. The Collection contains daily planners, personal letters, production notes, screenplays, and stills, but also confidential corporate documents that film companies rarely share for public scrutiny, such as production budgets, financing plans, co-production contracts, internal memos, and account statements. These artifacts have allowed me an unprecedented insight into Eichinger’s work as well as internal company operations at Neue

42. Katja Eichinger. *BE: Bernd Eichinger*, pp. 217-218; my translation.

43. Quirin Berg quoted in: Uli Lösl. “Quirin Berg – Interview.” *In Site 2020; Hotel Bayerischer Hof – Das Magazin*, p. 35. ebrochure.bayerischerhof.de/insite-2020/63034913/34. Accessed 28 Aug 2020.

Constantin Film.

The timeframe I am choosing coincides with Eichinger's acquisition of Neue Constantin Film in 1979 and his loss of control of the company in 2001. In 1999 Constantin Film (as it was known by then) initiated a public offering and was transformed into a vertically-integrated conglomerate with ownership in production companies, theatrical and video distribution, and movie theaters. Eichinger resigned from his position as CEO in 2001 over differences with his business partner, Leo Kirch, and later sold off his shares in Constantin to other shareholders. Moreover, the industrial reorganization that I am examining here was, for the most part, completed by the early 2000s. The major legs of the structural reorganization of the film production, distribution, exhibition and public subsidy sectors occurred from the early 1980s to the late 1990s. The contemporary film industry largely rests on those industrial structures.

Chapter Breakdown

My dissertation purposely inverts the "traditional" order in film studies by placing film distribution before production. I argue that Eichinger's movie productions must be read and understood within the framework of film distribution and financing. For this reason, I divide the dissertation into three parts: "Part 1: Distribution" (chapters 1 and 2), "Part 3: The German Marketplace" (chapters 3 and 4), and "Part 3: Production" (chapters 5 and 6).

My aim is to understand the larger industrial changes occurring in the German film industry through the distribution and productions practices of Bernd Eichinger and Neue Constantin Film. For this reason, I employ the "helicopter" approach suggested by Tim Havens et al. Unlike the bird's-eye view of classical political economy, this mid-level view of industry

operations allows for a focus on human agency within larger industrial structures.⁴⁴ Chapter 1 therefore takes a more expansive view and examines the film-historical context of the German film industry in the years leading up to the formation of Neue Constantin. I provide an overview of the corporate history of Constantin Film, Neue Constantin's corporate predecessor, from 1950 to 1977 and place it in dialogue with significant developments in the German film industry. I argue that during this period the German film industry evolved from a purely market-based economy into a dual economy of market-based distribution and exhibition sectors and a subsidized production sector.

From this large-scale view of the German film industry Chapter 2 "telescopes" in and discusses the innovations in distribution practices that Bernd Eichinger and his right-hand man Herman Weigel brought to Neue Constantin Film after Eichinger became managing director in January 1979. The focus here is on the release slate of 1981, which includes the movies that Neue Constantin Film released between August 1980 and December 1981, consisting primarily of British, Canadian and American productions. This slate represented a break with previous operations at 'old' Constantin Film, both in terms of specific distribution practices and assumptions about the role of cinema in German society.

Part 2 "telescopes" back out again and examines the impact of Americanization on the German film marketplace in the 1980s and 1990s. I examine four sectors: financing, domestic distribution, exhibition, and moviegoing. In Chapter 3 I argue that local players such as Neue Constantin Film contributed to the expansion of the American film industry in Germany by investing in American productions through international presales and output deals. At the same time Neue Constantin Film also felt the competitive pressures from the consolidation and

44. Timothy Havens, Amanda D. Lotz, and Serra Tinic. "Critical media industry studies: A research approach." *Communication, Culture & Critique* 2.2, 2009, pp. 234-253.

expansion of West German distribution operations of the MPEA companies: CIC (Paramount, Universal and MGM), Fox-Disney, Warner-Columbia, and UA. This leads to, in Chapter 4, an examination of the exhibition sector, which became a field of immense competition between American and German companies, including Neue Constantin Film, in the 1990s. Finally, I put these developments in relation with the actual practices of German moviegoers. All four sectors of film industry must be viewed as interdependent, dynamic blocks that impact and influence each other.

Part 3 examines how the developments discussed in the other two parts shaped Eichinger's production practices. Given Eichinger's two-pronged production strategy of producing English-language movies for the international market and German-language movies for the domestic market, I assume a similar outlook by looking first at his international productions in Chapter 5, followed by his domestic productions in Chapter 6. Chapter 5 assumes a case-study approach and uses *The Neverending Story* as an exemplar of Eichinger's international production strategy. The production is examined under two aspects: first, I look at the packaging and financing processes of this blockbuster production in the context of risk mitigation in a market-based economy. Since the North American market represented an important part of that risk-calculation, this leads me to the second aspect: the debate over national cinema and the question of whether *The Neverending Story* can be identified as an "American" or "German" movie. To investigate this question, I examine both the distribution and the reception contexts of the movie in the USA and West Germany.

Finally, Chapter 6 examines Eichinger's domestic production strategy in the 1990s, combining the political-economic approach and the mid-level, case-study approach. The rise of the "New German Comedy" in the first half of the 1990s had led to German moviegoers'

renewed appetite for German films at the theatrical box-office. I first examine the changes that led a stronger focus on popular cinema inside the public film subsidy system. I then examine the impact that these structural changes had on two Eichinger productions, *Der Campus* and *Bin ich schön?* by tracing their sources of financing back to the public funders. In the final part of the chapter I examine the textual qualities of *Bin ich schön?* and *Der Campus*. I argue that both films represent a moment of transition from the "New German Comedy" wave to the textually more layered films of the 2000s by merging a polished, high-concept production style with authorial intent.

Part I: Distribution

Chapter 1: Constantin Film and the Demise of the German Film Industry (1950–1977)

1.1. Chapter Introduction: The Central Nervous System

“Ownership of entertainment distribution capability is like ownership of a toll road or bridge. No matter how good or bad the software product (i.e., movie, record, book, magazine, tv show, or whatever) is, it must pass over or cross through a distribution pipeline in order to reach the consumer. And like at any toll road or bridge that cannot be circumvented, the distributor is a local monopolist who can extract a relatively high fee for use of his facility.”¹

In this chapter I examine the film historical context of the German film industry in the years leading up to the formation of Neue Constantin. In order to better assess the impact of Bernd Eichinger and Herman Weigel’s reforms at Neue Constantin Film, we must first gain an understanding of the film industrial context that preceded them. For this reason, I provide an overview of the corporate history of Constantin Film, Neue Constantin’s corporate predecessor, and place it in dialogue with significant developments in the German film industry. I argue that during this period the German film industry evolved from a purely market-based economy to a mixed economy of market-based distribution and exhibition sectors and a subsidized production sector.

Some textual-based film histories attribute the decline of the market-based film industry to a failure of the production sector and stress the failure of German producers to innovate creatively.² Even the young Bernd Eichinger, in a 22-page memo in 1978 to then-Neue Constantin-owner Ludwig Eckes, argued that postwar film producers had largely failed to train

1. Harold Vogel. “Entertainment Industry.” *Merrill Lynch*, 14 March 1989 (single page newsletter).

2. See, e.g., Jacobsen, Wolfgang, Anton Kaes, and Hans Helmut Prinzler, eds. *Geschichte des deutschen Films*, 2nd edition. Stuttgart/Weimar: Verlag J.B. Metzler, 2004; Sabine Hake. *German National Cinema*, 2nd edition. New York: Routledge, 2008.

and connect with a new generation of directors and authors.³ However, this is only part of the story. German film producers of the postwar era were largely dependent on film distributors for capital and access to the market. We must therefore consider the central role that film distributors played during the postwar years.

Often seen as a middle-man, the distributor's role is easily overlooked — however, it is potentially one of the most crucial positions in the film-industrial apparatus. Harold Vogel's quote above suggests the distributor's significance in a political-economic context: the distributor controls the access to the consumers. This position makes the distributor indispensable to producers wanting to reach their market and allows the distributor to exact a "toll," i.e. a distribution fee, on every product that passes through its distribution pipelines. In this way, the distributor directs the exchange and flow of products and money. In fact, we may call the film distributor the central nervous system of the film industry. Since distributors manage the dissemination of the filmic output, they are in contact with many players up and down the product supply chain: domestic and foreign filmmakers and producers, sales agencies, advertising and marketing agencies, laboratories, fulfillment services (which store and deliver the actual film prints), competing distributors, exhibitors, the press, critics, and general audiences. Thus, a film distributor exists within a web of relations and has the potential to influence the course of the entire industrial apparatus in no small measure.

Even more so, the distributor bears a conceptual function as well. Film distribution makes movies accessible to the audience. But it also makes the audience 'visible' to film producers. The film distributor retrieves box-office data and moviegoing data from exhibitors and, in more recent history, external market-research organizations. This data may be used to generate a

3. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978. SDK, SEC. 4.3-201210-2 Eckes, Ludwig (3), p. 6.

conceptual profile of moviegoers: their demographics, tastes and preferences, and behavioral patterns. This profile of the movie audience flows back into the conception and development of new movie projects: what types of movies do moviegoers want? What kinds of genres, production styles, subject matters and/or actors will entice what group of moviegoers to come to the theater and watch a movie?

Moreover, the distributor does not only play an intermediate role in funneling this type of data back to the producers, but often also has a very direct role in making movie productions possible. Distributors will often pay a so-called “minimum guarantee” (MG) as a percentage of production costs to retain distribution rights before a movie is made, or, in certain cases, even co-produce or fully finance development and production as well as releasing costs. In this case, the distributor effectively functions as a bank — however, as a bank that has a strong say in how things are done. Depending on the distributor’s share of the financing, s/he may retain certain approval rights during the development, production and post-production phases. In this way the distributor will contribute very directly to the shaping of the movie project based on his/her own notion of what the audience expects to see.⁴

If we now consider German film industrial history under these circumstances, a peculiar picture emerges. Rather than mere middlemen, West German film distributors such as Herzog Film-Verleih, Gloria Film, and Constantin Film emerge as the epicenters of power inside the

4. The authors of *Global Hollywood 2* offer a fair warning on the conceptualization of moviegoers. Their point is that the existing theoretical models used in communication studies are mostly concerned with the effects of screen texts on spectators. These generalized notions of the projected audience bear little resemblance to the empirical audience. Toby Miller et al. *Global Hollywood 2*, pp. 32-41. Miller et al. certainly are right to point to the epistemologically slippery slope of defining audiences and their supposed relation to screen texts. As I shall discuss below, the processes of gathering data and conceptualizing German moviegoers changed in significant ways in the German film industry in the time-period under consideration here. Nevertheless, we must acknowledge that for distributors and producers the process and the outcome of determining who moviegoers are and what they want were very real. Even if actual, empirical moviegoers may have differed from the concept of the “audience” that the industry developed, the latter still matters to us here because it impacted the decision-making processes of distributors and producers.

West German film industry in the 1950s and early 1960s. Even though the film industry was nominally not integrated, these companies still dominated both production and exhibition sectors through coercive practices and largely controlled what movies got made and seen in postwar Germany. However, this dominance turned into a liability for the industry when the distributors failed to exert successful leadership in times of crisis.

This crisis was triggered ostensibly by the arrival of television. Public transmission of a nationwide television program first commenced in late 1952. The film industry, at first, paid little heed, entering a boom time for theatrical exhibition in the second half of the 1950s. But then it grew warier of the competition towards the end of the decade when theatrical admissions started to decline. In 1956 admissions reached an all-time high of 817.5 million, but then started falling in the following years, down to 605 million in 1960 and 257.1 million in 1966.⁵

Rising living standards, consumption culture and increased mobility also meant that other leisure-time activities gained greater significance. Moreover, the declining state of movie theaters and the perceived poor quality of the movies on offer also kept potential moviegoers away, according to a market research study conducted in 1969.⁶ However, we see few concerted efforts by the film industry to make cinema stand out against the competition. The two remaining major domestic distributors, Constantin Film and Gloria Film, made certain investments in big-budget, widescreen movies that were often co-productions with other international partners in the early 1960s. However, these production cycles were abandoned when costs seemed too high in the second half of the 1960s. A wave of cheaper high school comedies and especially sex films

5. SPIO. *Filmstatistisches Taschenbuch 1960*. Wiesbaden, 1960, p. 32; SPIO. *Filmstatistisches Taschenbuch 1965*. Wiesbaden, 1965, p. 28; SPIO. *Filmstatistisches Taschenbuch 1970*. Wiesbaden, 1970, p. 14.

6. Ernest Dichter International Ltd. *Bericht zu einer motivpsychologischen Studie über die Einstellung des deutschen Publikums gegenüber dem Kino bzw. Filmtheater in seiner derzeitigen Erscheinungsform*. Unpublished research report, prepared on behalf of Filmförderungsanstalt Berlin, Munich, October 1969.

followed, leading to the perception, cited in the Dichter market research study, that German cinema was dominated by “mindless, factory-style batch production” and even cheaper sex films.⁷

The public were not the only ones watching this supposed decline of German cinema. Representatives of the film industry had called on lawmakers to step in throughout the 1960s. In 1967 a new law was finally passed by the West German federal government as a support measure for the ailing film production sector. The law was intended as a 'self-help vehicle' that would assist the film industry in getting back onto its feet. However, over the following decade this system became further institutionalized and led to a fully-subsidized production sector.

That is at least the critique voiced by Bernd Eichinger in May 1978. I start off this chapter with Eichinger’s analysis of the German film industry, which he presented in a 22-page memo to Ludwig Eckes, the majority owner of film distributor Neue Constantin Film. In it, the 29-year-old, independent producer argued that the film industry had ceased to operate as an industry: rather than responding to market forces, filmmakers were more concerned with appealing to those entities that provided the primary film financing—film subsidy agencies and public broadcasters. According to Eichinger’s critique, German cinema had lost the interest of a moviegoing audience.

Eichinger’s provocative thesis serves as the discussion starter for this chapter. I agree with Eichinger that the German film industry had ceased to operate as an industry over the course of the 1960s and 1970s. However, unlike Eichinger, I argue more specifically that the main responsibility for this collapse lay with the major domestic distribution companies. For this reason, I examine the role that Constantin Film, Neue Constantin’s corporate predecessor, played

7. Ernest Dichter International Ltd. *Bericht zu einer motivpsychologischen Studie*, p. V; my translation.

in the broader film industrial context. Launched in 1950, Constantin Film, under its co-founder and managing director Waldfried Barthel, rose to market power in the postwar era by reacting more aggressively than its competitors to, and often anticipating, market conditions. It responded to the threat of television by recruiting TV talent for its own movie productions; using television as a secondary exhibition window; and differentiating its big-budget, widescreen, Technicolor westerns and adventure movies from traditional, black-and-white television fare.

However, these were short-term, opportunistic tactics that did not develop into long-term strategies. The leadership at Constantin Film had come of age at a time when film was still a mass medium and were therefore incapable of adjusting to cinema's diminished role in society by the end of the postwar era. Even if Barthel and his management team opportunistically took advantage of television's mass reach, they did not adequately understand cinema's changing function in society. In fact, television's rise as a mass medium, and its subsequent turn to become a "medium of distraction,"⁸ never prompted Constantin to rethink its role in a niche sector by the 1970s.

This disregard for the larger industrial and societal changes also made the distributors unaware of their own growing lack of relevance. Increasingly lacking the means to fund film production, distributors gave up this role to subsidy agencies and television stations. As the primary film financiers these institutions shifted the force field inside the film industry and became the dominant players in domestic film production by the end of the 1970s.

1.2. Bernd Eichinger's Market Model

"German cinema is not [simply] in a crisis; the German film industry ceased to

8. The quote stems from Dieter Stolte, Head of Programming at public broadcaster ZDF in 1976. "Bilanz der Programmdirektion; Konzeption und Realisierung." *ZDF Jahrbuch*, 1976, pp. 49-61.

exist about fifteen years ago.”⁹

In this section I set the discursive frame for my later discussion of the German film industry by outlining the debate over two competing economic frameworks in the film industry emerging at the time: a free-market model and a public subsidy model. I start off the discussion by examining a letter that the young producer Bernd Eichinger sent to Neue Constantin’s new owner, Ludwig Eckes, in May 1978. In this 22-page letter Eichinger laid out a detailed critique of the contemporary German film industry and claimed that German film industry had ceased to operate as an industry in the early 1960s. Eichinger argued that film subsidy system established by German parliament in late 1960s had only worsened the industrial situation. I then outline the main planks of the subsidy system he referred to and discuss the main arguments that motivated its erection. I finally provide an overview of the main points of critique that scholars have levelled against Eichinger’s market model.

1.2.1. Eichinger’s Letter to Eckes

What motivated Eichinger to write this letter? In October 1977 Germany’s biggest domestic distribution company, Constantin Film, originally founded by German film executive Waldfried Barthel and Danish film producer Preben Philipsen in 1950, had filed for bankruptcy. Beverage manufacturer Ludwig Eckes, who had previously been in negotiations with then Constantin-owner Gierse to buy a share of the company, launched a new venture, buying the name and taking over personnel, leases and distribution contracts from the bankrupt company. The 29-year-old independent producer Eichinger had been on a task force examining the

9. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978. SDK, SEC. 4.3-201210-2 Eckes, Ludwig (3), p. 1; my translation.

financial state of the ‘old’ Constantin Film on behalf of its creditors. According to his biographer (and widow) Katja Eichinger, he had observed Eckes’ attempts at reviving the company from the sidelines, but disagreed with the direction the company was taking under its current leadership. Eckes then challenged Eichinger to put forward his own vision for the company.¹⁰

Eichinger started off his letter with the assertion that German cinema had ceased to operate as an industrial system. He then went on to describe the four sectors of a well-functioning film industry: 1) creative development, 2) film production, 3) marketing and distribution, and 4) the market (i.e. the movie patron). In his view, in the German film industry all four sectors had obstructed each other and thus led to a break-down of the entire system.¹¹

Eichinger dated this occurrence to fifteen years prior. Coincidentally, that was the same time that the ‘old’ Constantin Film had flourished and dominated the market. In the 1962/1963 theatrical season, Constantin Film was the leading distributor with five movies in the top ten of highest-grossing movies, including the top-grossing film, *Der Schatz im Silbersee* (The Treasure of the Silver Lake, H. Reinl, 1962). That movie was a big-budget film adaptation of a popular western novel by the German author Karl May, first published in 1894.¹² However, despite Constantin’s commercial successes, the industry was in crisis. Theatrical admissions were declining rapidly. Between 1956 and 1963, annual admissions had dropped from a peak of 817.5 million to 376 million. Meanwhile, domestic production volume was regressive: in 1956, 122 German films (including co-productions) had been produced whereas in 1963 only 66 German films were made.¹³ In turn, companies were failing.¹⁴

10. Katja Eichinger. *BE: Bernd Eichinger*. Hoffmann & Campe, 2012, pp. 134-5.

11. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978, p. 2.

12. On the history of the books and the production context of *Der Schatz im Silbersee* (and other Karl May adaptations), see Jörg Kastner. *Das große Karl May Buch*. Bergisch-Gladbach, 1992.

13. SPIO. *Filmstatistische Taschenbuch 1966*. Wiesbaden, 1967, pp. 1, 14

14. In the early 1960s, major theatrical distributors declaring bankruptcy included Union Filmverleih, Atlantik Film Verleih, N.F., Stella, Loewen Filmvertrieb, and Europa Filmverleih. Klaus Kreimeier. *Kino und*

In his letter Eichinger proposed a set of reasons that had prompted the collapse of the industry: first, a lack of creative personnel after the Nazi era; secondly, the rise of television and its subsequent usurpation of cinema's traditional role as a "medium of distraction"; and thirdly, the German public's appetite for foreign consumption goods, including American movies and music. However, instead of addressing those issues, the film industry had developed a series of responses that, in Eichinger's estimation, circumvented rather than solved the problem. He claimed: "The anachronism of German cinema rested, and still rests today, with the fact that film subsidies have cut off cinema from its original role as an entertainment and mass medium."¹⁵

According to Eichinger, the erection of a complex film subsidy system had cut filmmakers and their works off from a general moviegoing public. When a film subsidy agency was in a position to greenlight productions, producers were no longer dependent on ticket sales to refinance their productions. In turn, filmmakers lost the incentive and the need to appeal to a moviegoing audience. This could only lead to further alienation: "The audience that had previously ignored the filmmaker's works was now, in turn, getting ignored by the filmmaker, who sought his satisfaction where he could get it, namely, with the subsidy boards and the critics."¹⁶ In the current climate filmmakers were more inclined to make a movie that may be commercially unsuccessful, but could garner the acclaim and approval of this small group of decision-makers.

1.2.2. The Market Model

Underpinning Eichinger's critique was an assumption about how a film industry should

Filmindustrie in der BRD. Scriptor Verlag, 1973, p. 220.

15. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978, p. 9; my translation.

16. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978, p. 5; my translation.

function. I now want to outline the main planks of this market model.¹⁷ In this model the industry produces films according to market demands. The supply-demand thesis assumes that audiences want to see movies, but are free to choose whatever movie (or any other product) they want. Movies then become a product available for purchase by consumers. Consumers pay for the privilege of watching a movie with the purchase of a movie ticket at the theater's box-office.

However, producing movies is a high-risk venture. The upfront investment is comparatively high compared to other art forms. Moreover, as Harold Vogel points out, the “initial capital investment in production and marketing is risked without knowing how many units (including theater tickets, home video sales and rentals, television viewings, and the like) will ultimately be demanded.”¹⁸ These upfront costs are unrecoverable, regardless of whether there is a demand in the market for a movie or not. While the potential market demand for a bar of soap may be tested with a prototype before going into full-fledged production, the demand for a specific movie can only be tested once the movie has been made.

Thus, the financial risks for producing a movie are fairly large and the prospects for gauging market demand are fairly limited. Economists Thorsten Henning-Thurau and Oliver Wruck point out that in 1998 only every third US movie and only every tenth German movie was profitable.¹⁹ The researchers further observe that movies generally have a fairly short theatrical lifespan—on average, eight weeks in 1997—with new products coming onto market regularly. Consumers have therefore little to no prior experience with each new product. What then drives moviegoers to watch a certain movie? Henning-Thurau and Wruck argue that consumers rely on

17. For scholarly examples of this market model, see: Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*; Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*. Verlag Dokumentation, 1973; Harold L. Vogel. *Entertainment Industry Economics*; David Waterman. *Hollywood's road to riches*. Cambridge, MA: Harvard University Press, 2005.

18. Harold L. Vogel. *Entertainment Industry Economics*, p. 18.

19. Thorsten Henning-Thurau, Oliver Wruck. “Warum wir ins Kino gehen: Erfolgsfaktoren von Kinofilmen.” *Marketing: ZFP — Journal of Research and Management*, vol. 22, H. 3 (2000), p. 241.

certain “product-inherent” and “product-induced” indicators. Product-inherent indicators include film genres, preexisting properties (e.g. myths/fables, novels) that the movie story is based on, engaging plots, recognizable stars, directors and/or producers, high production budgets, and the “quality of the movie” as experienced by the consumer. On the other hand, product-induced factors include marketing and advertising, film reviews, awards, and word-of-mouth.²⁰

What is important to note in this context is that traditional media economists assign agency to the audience. That means that moviegoers are active participants who make conscious decisions in terms of their consumption choices. These choices will determine the success or failure of a movie product, which, in turn, will influence the production of additional movie products. Producers will attempt to make other movies that may entice audiences to return to the theaters and pay for another movie ticket. Or, if a movie fails at the box-office, they will stay away from a type or genre that resembles the failure too closely. In any case, the moviegoers’ responses to a specific movie has specific, economic consequences for the producers and filmmakers involved.

1.2.3. The Case for the Subsidy System

During the Oberhausen film festival in February 1962, a collective of young short-film directors had released a manifesto declaring their intention to make feature films unencumbered by the “outside influence of commercial partners.”²¹ One of the manifesto’s signatories, the lawyer and filmmaker Alexander Kluge, explained the collective’s goals in a follow-up publication, “What do the ‘Oberhauseners’ want?” Kluge explained that the “Oberhausen

20. Thorsten Henning-Thurau, Oliver Wruck. “Warum wir ins Kino gehen: Erfolgsfaktoren von Kinofilmen,” p. 254.

21. “The Oberhausen Manifesto.” *West German Filmmakers on Film*, edited by E. Rentschler, Holmes & Meier Publishers, Inc., 1988, p. 2.

directors” intended to “militate against the dictates of a strictly commercial orientation” and to “allow for conditions which make film aware of its public responsibility.” In Kluge’s view, it was necessary to decouple film production from market forces and thus create a space that allowed for films dealing with political questions, educational concerns and aesthetic innovation.²²

Thus, Kluge demanded a ‘protected’ space within the context of a market-based distribution and exhibition system. It is important to note that Kluge did not question the market-based system on principle. However, he acknowledged that the program called for by the “Oberhausen directors” would require public subsidies: the aim was to “maintain a noncommercial position within the framework of a free-market economy.” The subsidies would, over time, be repaid from the profits of each subsidized film. Nor were the “Oberhausen directors” opposed to serving a general moviegoing public. On the contrary, Kluge and his fellow directors sought more immediate access to the audience without the traditional intermediaries of producers and distributors.²³

The criticism of these filmmakers was thus primarily aimed at an older generation of established producers and distributors, who resisted the influence of a younger generation of filmmakers. I argue that this criticism was not that far from Eichinger’s own critique of the production system. In his letter to Eckes, Eichinger, too, asserted that producers had ignored young filmmakers for far too long and lacked a connection to the young creative community: “Almost without fail, all those [producers] who managed to survive today have lost contact with those with creative potential. Even if one or the other has worked with a young writer or director, we must observe that there has not come to pass a real working process that allows both sides to

22. Alexander Kluge. “What do the ‘Oberhauseners’ want?” *West German Filmmakers on Film*, pp. 10-11.

23. Alexander Kluge. “What do the ‘Oberhauseners’ want?,” pp. 10-11.

learn from each other and collaborate successfully.”²⁴

In a way, both Kluge and Eichinger were disillusioned by a production system that, in their eyes, had failed contemporary filmmakers. However, they differed in how they wanted to fix this system. Whereas Eichinger believed that the market-based system could be reformed, Kluge wanted to eliminate the influence of the market on the production process altogether.

1.2.4. An Overview of the 1970s Film Subsidy System

The German federal government attempted to promote the domestic film industry through various measures over the course of the 1950s through 1970s. In the following pages I outline the most important measures that were launched in the postwar period. I will return to the subsidy system in more detail in section 1.7. It is important to note that these measures cut straight to the heart of the debate over film as either a cultural or an economic product. The German constitution explicitly assigns sovereignty over cultural matters to the German federal states (“Bundesländer”) whereas the federal government may only deal with defense, trade and economic affairs. For this reason, certain federal measures, such as cultural promotions by the Federal Ministry of the Interior (see below), have caused constitutional concerns that have never been fully resolved.

A) German Film Prize (established 1951)

Since 1951 the Federal Minister of the Interior has sponsored an award for artistic excellence, “Deutscher Filmpreis” (German Film Prize). This award was intended specifically as a “cultural-political” promotion, i.e. supporting cultural and aesthetic aspects. However, since the

24. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978, p. 6; my translation.

German Film Prize could only award a very limited number of movies, the ministry made a second tier of prizes available, so-called “Prämien,” to spread subsidies more widely.²⁵ The Film Prize thus became an important mechanism for the federal government to make production subsidies available to filmmakers. The awards had to be expended on follow-up productions by the winning filmmakers.²⁶

In 1983 the Interior Minister’s authority over the Film Prize became problematic when Minister Friedrich Zimmermann refused to pay out the final installment to director Herbert Achternbusch for his movie *Das Gespenst* (The Ghost, 1983). Zimmermann’s action, which expressed explicit disapproval of Achternbusch’s portrayal of Jesus in the movie, was considered by filmmakers and critics as an act of censorship.²⁷

B) Kuratorium junger deutscher Film (est. 1965)

The lobbying efforts of certain young directors led to the foundation of the “Kuratorium junger deutscher Film” (Board of Young German Film) in 1965. The Kuratorium was a selective funding board that decided on the creative merits of submitted project proposals and made production funds available directly to filmmakers rather than producers. The Kuratorium was specifically intended for first-time feature film directors and funded the films of young filmmakers like Alexander Kluge (*Abschied von Gestern*/Yesterday’s Girl, 1966), Edgar Reitz (*Mahlzeiten*/Table for Love, 1967), Hans-Jürgen Pohland (*Katz und Maus*/Cat and Mouse,

25. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 558—561; Bruno Schwegmann. “Die Kulturelle Filmförderung des Bundes.” *Filmförderung: Entwicklungen/Modelle/Materialien*, ed. by K. Hentschel/K.-F. Reimers, Verlag Ölschläger, 1985, pp. 21-29.

26. Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*. Konstanz: UVK Verlagsgesellschaft, 2008, pp. 32-4 .

27. Eric Rentschler. “Film der achtziger Jahre: Endzeitspiele und Zeitgeistszenerien.” *Geschichte des deutschen Films*, ed. by W. Jacobsen et al, Stuttgart: J.B. Metzler Verlag, 2004, p. 284. Zimmermann refused the allegation of censorship, but failed to establish any transparent guidelines on the issue: “Alles zusammen ergibt einen Kurs.” *Der Spiegel*, 7 Nov. 1983, pp. 22-29.

1966), Johannes Schaaf (*Tätowierung/Tattoo*, 1967), and Werner Herzog (*Lebenszeichen/Signs of Life*, 1968).

The Kuratorium was initially funded by the federal government, which set aside DM 5 million as production loans to the filmmakers.²⁸ That capital was supposed to be repaid from the movies' rentals; however, by 1969 the original funds were exhausted after repayments did not occur. The federal government withdrew from its engagement in the Kuratorium, and the Bundesländer took over the funding, initially committing DM 750,000 per year.²⁹

C) Filmförderungsanstalt (est. 1968)

In 1967, in response to lobbying efforts by the producers' and distributors' trade associations, the West German federal parliament ("Bundestag" and "Bundesrat") passed a film subsidy law in order to jumpstart the flailing production sector. Through a levy placed on ticket sales, automatic-aid funding ("Referenzförderung") was made available for producers whose previous film had reached a certain box-office gross threshold. The funds they received were to be expended on a follow-up production, thereby ensuring a steady flow of new movie productions for the distribution and exhibition systems.³⁰

The law had to be reauthorized in regular intervals and thus went through a series of revisions over the years. The "Autorenfilmer" lobbied for changes to the law, demanding a project fund ("Projektförderung") that would not be contingent on previous commercial success.³¹ After a coalition government of Social-Democrats and Free Liberals came to power in 1971, the project fund became part of the FFG in 1974. The project fund would now allocate

28. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 584–587.

29. Oliver Castendyk. *Die deutsche Filmförderung*, p. 35.

30. Oliver Castendyk. *Die deutsche Filmförderung*, pp. 36-7

31. Paul Cooke. *Contemporary German Cinema*. Manchester University Press, 2013, p. 25.

money to projects based on a selection process administered by selection commissions (“Gremien”) composed of representatives from industry branches sponsoring the FFA: producers, distributors, exhibitors, and political appointees.³²

D) Film/Fernseh-Abkommen (est. 1974)

Parallel to the FFG reauthorization bill, the FFA set up an agreement with the two national public broadcasting networks, ARD and ZDF, which committed co-production funding of some DM 48.5 million over five years. With this agreement, the ARD and ZDF networks became the most significant co-financiers of German films and a reliable exhibition platform for New German filmmakers like Rainer Maria Fassbinder, Volker Schlöndorff, and Wim Wenders.³³

1.2.4. Critique of Eichinger’s Market Model

It is doubtful that the New German Cinema could have emerged without this alignment of film production, high art and state interests. Arguably, the avant-garde cinema that much of the New German Cinema represents would not have been possible with market forces alone. As film scholar Eric Rentschler observes, with very few exceptions, the films of the New German Cinema were not commercially successful domestically. He argues that the New German Cinema embraced a critical and non-conformist view of German society in their films while attempting to grapple with the legacies of Germany’s complicated past: “New German Cinema was challenging and unsettling, which in part explains why it found such a modest domestic

32. Oliver Castendyk. *Die deutsche Filmförderung*, pp. 38-40; .

33. Paul Cooke. *Contemporary German Cinema*. Manchester University Press, 2013, p. 26; Martin Blaney. *Symbiosis or Confrontation? The relationship between the Film Industry and Television in the Federal Republic of Germany from 1950 to 1985*. Berlin: Edition Sigma Rainer Bohn Verlag, 1992, pp. 222-228.

following. It was taken seriously abroad because it was spurned at home; it was a curious cultural ambassador which at its best spoke for the nation by speaking (indeed: acting out) against it.”³⁴

Given this high-minded legacy, it should therefore not be that surprising that many critics and scholars felt compelled to defend this system and were suspicious of any attempts to return to a market-based production model. Film critic Georg Seeßlen claimed in 1997 that Eichinger turned German film back into “an economic enterprise” and allowed “conservative cultural politics” to “throw its legacy of the 1970s overboard”: “Eichinger — that meant a system of dependencies and competition in place of an—admittedly naive—notion of solidarity.”³⁵ Seeßlen’s critique retains echoes of a Frankfurt School distrust of entertainment industries and mass culture and sets up a simple dichotomy between the New German Cinema of the 1970s and Eichinger’s “neoliberal” cinema.³⁶

Baer, who offers one of the first serious scholarly discussions of an Eichinger production, *Christiane F.—Wir Kinder vom Bahnhof Zoo* (1982), is similarly critical of the producer’s commercial practices. In her view, Eichinger “explicitly aimed to dismantle the collective filmmaking enterprise” of the New German Cinema and replace it with a “top-down management style and a model of filmmaking that sustains itself through ties to global capital.”³⁷

Baer may have been referring to Eichinger’s later movie-financing practices, but she fails to explain this in her article. In her case-study discussion of *Christiane F.* she neglects to trace the origins of the capital used for the production. In fact, the film’s DM 3.5 production budget

34. Eric Rentschler. “From New German Cinema to the post-Wall Cinema of Consensus,” p. 263.

35. Georg Seeßlen. “Der Neo-Adenauer-Stil. Für Action zu moralpusselig, für Godard zu doof.” *Taz - die Tageszeitung*, 12 June 1997, my translation.

36. See: Max Horkheimer, and Theodor W. Adorno. “The culture industry: Enlightenment as mass deception.” *Media and Cultural Studies: Key Works*, edited by MG Durham & DM Kellner, Blackwell, 2006, pp. 41-72.

37. Hester Baer. “Producing Adaptations,” p. 175.

relied entirely on the same film-funding mechanisms that most other movie productions used at the time: the production received a DM 150,000 DM minimum guarantee from the distributor, Neue Constantin; a DM 400,000 production grant from FFA; an (unspecified) production loan from the local film subsidy agency in Berlin; and a co-production payment from regional public broadcaster SDR.³⁸ At least for this production, Eichinger worked entirely within the standard funding system that relied so heavily on state subsidies and advances from television stations.

Seeßlen and Baer propagate a simple dichotomy between market versus subsidy. They equate the latter with critical, progressive art cinema and the former with uncritical, popular cinema. However, I argue that we cannot delineate that neatly between the two industrial systems nor the cinemas involved. Art cinema and popular cinema exist in a continuum, with film styles, genres and themes influencing each other at any given time. It is therefore slightly disingenuous of Baer to claim that Eichinger's "prestige pictures," specifically *Der Untergang* (Downfall, O. Hirschbiegel, 2004) and *Der Baader Meinhof Komplex* (Baader-Meinhof Complex, U. Edel, 2008), "coopted" the styles and themes of art cinema.³⁹ The aesthetic innovations of countercultural art cinema have always pushed along the styles of more conventional, mainstream cinemas. We see this in American cinema, most notably during the "Hollywood Renaissance" (late 1960s to early 1970s), but also already in the aftermath of the dissolution of the classic Hollywood studio system in the late 1950s, as Denise Mann has demonstrated in her study of counter-culture-infused studio productions such as *A Face in the Crowd* (B. Wilder,

38. Filmförderungsanstalt. "Gesamt-Titelübersicht der Filmprojekte mit Projektfilmförderungsmitteln und/oder Genehmigung nach dem FFA-ARD-ZDF-Film/Fernsehabkommen." *FFA Direkt*, Berlin, 31 Dec. 1996; "Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981". SDK, BEC. 4.3-201210-NEUE CONSTANTIN FILM 4 2/2 2; "Christiane F. — Wir Kinder vom Bahnhof Zoo." *Filmportal.de*. DFF - Deutsches Filminstitut & Filmmuseum e.V.. www.filmportal.de/film/christiane-f-wir-kinder-vom-bahnhof-zoo_976d161aa3d04945b989d4ae27897f98. Accessed 19 July 2019.

39. Hester Baer. "Producing Adaptations," p. 175.

1957) and *Sweet Smell of Success* (A. Mackendrick, 1957).⁴⁰

Moreover, the German film industry has existed in a dual economy of subsidies and market forces at least since the 1970s. The German film distribution and exhibition sectors had always operated in a market-based economy since the postwar era whereas the production sector shifted to a subsidy model during the late 1960s and 1970s. Therefore, I argue that Eichinger's declared project in 1978 was to realign production with distribution and exhibition in the same economic model.

Finally, returning to Eichinger's initial critique of the subsidy system, I want to highlight the way in which he recognized the role of filmmakers, producers, subsidy board members, TV commissioners, moviegoers, and even film critics. With this critique, Eichinger laid bare the inherent political-economic conditions of cultural production in a subsidy system. Even though filmmakers of the 1962 Oberhausen Manifesto had initially claimed full control over creative matters, this system did not grant them such control either. Greenlight decisions for film production ultimately rested with those agencies and broadcasters that controlled the funding, and filmmakers had to appeal to the tastes and predilections of those decision-makers. Eichinger recognized the network of interdependencies between all these parties and the subtle power structures that bind them together. Eichinger's critique mobilizes certain assumptions of critical media industry studies: he acknowledges the role of institutions in setting conditions for cultural production, but he also allows for the active role of industry practitioners "on the ground" as well as the audience. Critical media industry studies propose a methodological synthesis of a big-picture, political economy approach that examines systemic, industrial structures and a more

40. Denise Mann. *Hollywood Independents: The Postwar Talent Takeover*. Minneapolis: University of Minnesota Press, 2008. On the Hollywood Renaissance, see: David A. Cook. *Lost Illusions: American cinema in the shadow of Watergate and Vietnam, 1970-1979*. Berkeley: University of California Press, 2002, pp. 67-157.

granular, cultural studies approach that considers the actions of individual actors.⁴¹

In the following sections I will now examine the evolution of the role of distributors over the course of the 1950s to the 1970s. I argue that the distributors' lack of leadership in the 1960s led to the establishment of this complex subsidy system for film production. In this analysis I shall consider the interactions of industry agents (distributors, producers, exhibitors), government policy (i.e. lawmakers and public agencies), broadcasters, and moviegoers.

1.3. The Power of the Distributor

In this section I examine Constantin Film's role as theatrical distributor in the German postwar film industry. It is important to understand Constantin's origins in the booming postwar theatrical market in order to understand its modus operandi in subsequent decades. Constantin Film came to power at a time when cinema was the dominant mass medium. In the 1950s and 1960s theatrical distributors exerted enormous control over the entire film industry. As the primary financiers, distributors controlled the production process and largely directed what did and did not get made. They also exerted pressure on exhibitors through blind- and block booking—coercive practices that had been made illegal in the USA by the *Paramount Consent Decrees* of 1948. I argue that through exerting pressure up and down the product value chain, on both producers and exhibitors, Constantin Film (and its competitor Gloria Film) as the last remaining major distributor in the 1960s controlled much of what the German film industry produced in that time period. Constantin Film commissioned a number of movie series and

41. See Timothy Havens, Amanda D. Lotz, and Serra Tinic. "Critical media industry studies: A research approach." *Communication, Culture & Critique* 2.2 (2009): 234-253; David Hesmondalgh. *The Cultural Industries*. London: Sage Publications, 2002; John Hartley, ed. *Creative industries*. Malden, MA: Blackwell, 2005; Paul Du Gay, and Michael Pryke, eds. *Cultural economy: Cultural analysis and commercial life*. Sage, 2002.

generic production cycles that offered security through reliable box-office successes, but ultimately failed to generate creative experimentation and product innovation—and thus an adequate answer to the competition from television.

1.3.1. Producers and Distributors in the Postwar Period

In this subsection I outline the general context of the film business in the immediate postwar period. According to Georg Roeber and Gerhard Jacoby's 1973 standard textbook on the German film industry, the military occupation forces hampered the restart of domestic film production substantially.⁴² After the war the French, British and American allied forces controlling the West German territories were intent on preventing the re-erection of a monopolistic propaganda machine in the mold of the UFI trust, which had been constructed out of the merger of the major film companies—Ufa, Terra, Tobis und Bavaria—during the Nazi period. Another goal was to prevent film professionals who had held prominent positions in the Nazi regime from working again. Therefore, the occupation governments in the American, British and French zones enacted a set of measures to regulate the resumption of film operations in the occupied territories. These included disassembling the UFI trust; prohibiting the vertical integration of production, distribution and exhibition; and licensing the operators of new production and distribution companies. Roeber and Jacoby argue that only once those measures were lifted by the new sovereign government of the Federal Republic of Germany after 1949 did film production really manage to take off. Moreover, loan guarantees by both the federal

42. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche: Die wirtschaftlichen Erscheinungsformen des Films auf den Gebieten der Unterhaltung, der Werbung, der Bildung und des Fernsehens*. Verlag Dokumentation, 1973, p. 194. For a similar viewpoint on the impact of allied occupation in postwar Germany, see Thomas H. Guback *The International Film Industry: Western Europe and America Since 1945*. Bloomington: Indiana University Press, 1969.

government and certain “Bundesländer” (federal states), including Bavaria, Hamburg, Lower Saxony, Hesse, and Berlin, provided some capital-starved producers and distributors with bank loans between 1949 and 1955. In 1947, only nine new films were produced in West Germany; in 1948, 23; and in 1949, 62. After 1950, more than 80-120 new films were being made annually.⁴³

Theatrical distributors had a somewhat easier start. They were the first to gain licenses to operate in the occupied territories in 1947. In the initial phase, these firms focused primarily on foreign acquisitions and re-releases of German productions from before and during the war. Especially re-releases of German movies made in the 1930s and 1940s and deemed ideologically unproblematic by the Allied forces allowed those companies to build up financial capital without putting much money upfront.⁴⁴ In 1950 film industry trade paper *Film-Echo* counted 71 domestic distributors with nearly 1,000 feature films on offer to exhibitors. With the exception of 80 new domestic movies, the bulk was made up of some 400 German re-releases and foreign imports: 225 films from the USA, 120 from the UK, 79 from France and 50 from Austria.⁴⁵

Through licensing old movies for little money and releasing them successfully to the market, certain distributors were soon in a position to advance funds for new movie production. During the 1950s distributors became used to covering up to 80% of production costs with a minimum guarantee (MG), an advance against expected rentals. Producers were rarely able to cover the remainder with their own capital, but rather had to rely on their own in-kind services as well as deferred payments from vendors. Roeber & Jacoby note that distributors thus gained a dominant position with regards to production, but also took on substantial risk if those movies

43. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*. Verlag Dokumentation, 1973, pp. 194—204.

44. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, p. 275.

45. Other countries and number of movies included: Sweden (14), Italy (9), Switzerland (9), Denmark (5), Hungary (2), Spain (2), Mexico (1), and Finland (1). “Verleihprogramm 1949/50.” *Film-Echo*, March 1950.

failed.⁴⁶

Distributors were divided into major companies (“Großverleihunternehmen”), medium-sized (“Mittelverleihunternehmen”) and small (or specialized) distributors (“Kleinverleihunternehmen”). Major distributors operated on a national basis, maintaining exchanges in all four regional markets: Hamburg and northern Germany; Düsseldorf and western Germany; Frankfurt and southwestern Germany; and Munich and southern Germany. West Berlin and Saarland were usually covered by local releasing agents. Medium-sized and specialized distributors might operate nationally, but more often than not operated on a regional basis.⁴⁷

Major distributors started to emerge after 1950. The first major distributors were Schorch Film (which was later subsumed by Bavaria Filmverleih), Herzog Film (which became Ufa Verleih in 1957), National Film, Gloria Film, and Constantin Film. Medium-sized distributors through 1960 included Allianz Film, Union Film, Deutsche London Film, Prisma Film, Pallas Film, Europa Film, Nora Film, and Panorama/Schneider.⁴⁸

Significant production companies that operated throughout the 1950s and 1960s included: in Berlin, producer Artur Brauner’s CCC Film, Kurt Ulrich’s Berolina Film, and later, Horst Wendlandt’s Rialto Film; in Hamburg, Walter Koppel and Gyula Trebitsch’s Real Film; in Göttingen, Rolf Thiele’s Filmaufbau, Hans Domnick’s Domnick-Filmproduktion, and Gero Wecker’s Arca Film; in Munich, Harald Braun’s NDF, Günther Stapenhorst’s Carlton Film, Peter Ostermayr Film, Luggi Waldleitner’s Roxy Film, Franz Seitz Filmproduktion, Wolfgang

46. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 194, 275-6.

47. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 276-277. By the time of publication, none of those companies were still in operation.

48. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 277-278.

Hartwig's Rapid Film, and Alois Brummer-Filmproduktion.⁴⁹ Many of these producers would continue to operate well into the 1970s and remain relevant to Neue Constantin, at least in the early years. Those included Wolfgang Hartwig, Luggi Waldleitner, Franz Seitz, Artur Brauner, and, as a major competitor, Horst Wendlandt with his Tobis Filmkunst distribution company.⁵⁰

1.3.2. Constantin Film: From United Artists to Karl May

In this subsection I describe the early beginnings of Constantin Film from releasing United Artists movies to commissioning its own domestic movie productions.

On April 1, 1950, then 36-year-old German film executive Waldfried Barthel and Danish film producer Preben Philipsen founded Constantin Filmverleih in Frankfurt. The company name was an homage to Philipsen's father Constantin, who had founded the Danish film production company Rialto-Film in Copenhagen in 1897.⁵¹

At that time, Constantin Film was one among many distributors. Preben Philipsen was acquainted with decision-makers at the US studio United Artists.⁵² Constantin Film was able to secure a three-year distribution deal with United Artists and thus served as the US major's local releasing agent in West Germany.⁵³ With such an arrangement Constantin had instant access to a whole slate of finished, high-quality product because United Artists maintained a deep back catalogue of previously unreleased titles in Germany. This allowed Constantin Film to establish a

49. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 204-218.

50. Wendlandt acquired the company name "Tobis" from the UFI estate when it became available in 1969. "Wendlandt Gets Chaplin Films For German Mkt." *Variety*, 23 Feb. 1972, p. 30.

51. Joachim Kramp. *Hallo! Hier spricht Edgar Wallace; Die Geschichte der Kriminalfilmserie 1959-1972*. Berlin: Schwarzkopf & Schwarzkopf Verlag, 1998, p. 8; "25 Jahre Constantin: Engagement für den deutschen Film." *Film-Echo/Filmwoche*, 6 Feb. 1976, p. 6.

52. Joachim Kramp. *Hallo! Hier spricht Edgar Wallace*, p. 8.

53. Until January of that year, UA's movies had been handled by the MPEA, which, however, ceased to operate as a releasing agent in January 1950. "UA boosts Thorburn to Aussie top spot." *Variety*, 30 Aug. 1950; "Foreign Deals Bolster UA Chances For 1952; Improve Sales Manpower." *Variety*, 5 Dec. 1951.

presence in the very competitive German marketplace. The first movies that Constantin brought out included three Charlie Chaplin movies as well as pre- and post-war UA releases.⁵⁴

Constantin's second slate consisted of five UA movies and three European productions.⁵⁵

However, after the expiration of the three-year contract, Constantin and United Artists went separate ways. In September 1953 UA announced that it was setting up its own subsidiary in West Germany with exchanges in Frankfurt, West Berlin, Munich, Düsseldorf and Hamburg.⁵⁶

Constantin had lost its main supplier and therefore had to reformulate its business plan if it wanted to stay in the business. At first, Constantin Film acquired films from independent European producers for release in Germany. In 1952 the company landed an early box-office hit with the Swedish film *Hon dansade en sommar* (One Summer of Happiness, 1951), which may have thrilled audiences with brief glimpses of female nudity. Other imports included Ingmar Bergman's *Sommeren met Monika* (Summer with Monika, 1953) and Federico Fellini's *La Strada* (1954).⁵⁷

In 1955 Preben Philipsen resigned from active management of the German Constantin Film. Barthel and his wife Ingeborg were now managing directors of the company. The company moved headquarters to Munich two years later.⁵⁸ Barthel started focusing on domestic productions. At that time German films represented the bulk of theatrical box-office business.

54. The first slate included the Chaplin movies *The Gold Rush* (originally released in the USA in 1925), *City Lights* (1931), and *The Great Dictator* (1940) as well as *The Macomber Affair* (1947), *Africa Screams* (1949) and *The Man on the Eiffel Tower* (1950). "Constantin startet mit Chaplin." *Film-Echo*, 29 Jul 1950. Another four movies were later added to that slate: *Stagecoach* (1939), *Sensations of 1945* (1944), *Sleep, My Love* (1948), and *Blood on the Sun* (1945). "Erste Constantin Staffel." *Film-Echo*, 12 August 1950; *Film-Echo*, 7 Oct. 1950.

55. The UA movies were *You Only Live Once* (1937), *The Big Wheel* (1949), *Too Late for Tears* (1949), *Sundown* (1941), and *Intrigue* (1947). The other movies included: *Im Banne der Madonna* (West Germany, 1951), *Volcano* (Italy, 1950), and *The Man from Morocco* (UK, 1945). "2. Constantin Staffel." *Film-Echo*, 9 Dec. 1950.

56. United Artists Opening Own Sales Offices To Handle German Deals." *Variety*, 23 Sep. 1953.

57. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, p. 77.

58. Joachim Kramp. *Hallo! Hier spricht Edgar Wallace*, p. 9; "Constantin verbreitert Kapitalbasis." *Film-Echo/Filmwoche*, 22 Jan. 1975, p. 3; "25 Jahre Constantin: Engagement für den deutschen Film." *Film-Echo/Filmwoche*, 6 Feb. 1976, p. 6.

While American movies were more numerous in the marketplace, German and Austrian movies were more popular at the box-office. In 1957, 111 German releases accounted for 47.6% of market share (compared to 221 US movies at 29.3% market share).⁵⁹ Moreover, theater admissions rose rapidly during this time-period. Between 1950 and 1956, they nearly doubled from 487.4 million to 817.5 million admissions. Theater levels also rose quickly, from 3,962 in 1950 to 6,438 in 1956. German audiences were avid moviegoers: in 1956, the average moviegoer attended 15.6 performances per year.⁶⁰

Therefore, not surprisingly, Constantin turned to German productions. It was a little late in the game since other distributors, most notably Herzog Film (*Sissi* movies, 1955-57) and Gloria Film (*08/15* [P. May, 1954], *Die Trapp Familie* [W. Liebeneier, 1956]), had already established a strong presence in the field.⁶¹ However, Constantin Film managed to find early box-office success with the Heinz Rühmann-vehicle, *Charleys Tante* (Charley's Aunt, H. Quest, 1956), the remake of a 1925 comedy.⁶² However, according to film researcher Joachim Kramp, Constantin lacked a clear domestic production strategy until the arrival of production head Gerhard F. Hummel in April 1959. Hummel continued Constantin's strategy of light entertainment, but also pursued the adaptation rights of pulp fiction that could target a broad public. He commissioned the adaptation of two novels by English crime novelist Edgar Wallace, which were produced by Philipsen's Danish production company Rialto-Film. The films became such box-office hits that Preben Philipsen founded a German production company, Rialto Film Preben Philipsen Filmproduktion und Filmvertrieb GmbH, which would produce another 30

59. Spitzenorganisation der Filmindustrie (SPIO). *Filmstatistisches Taschenbuch 1960*. Wiesbaden, 1960. Annual reports of theatrical market data.

60. Ibid.

61. Manfred Barthel. *So war es wirklich*, pp. 45-71.

62. Manfred Barthel. *So war es wirklich*, p. 78.

Edgar Wallace adaptations on behalf of Constantin Film through 1972.⁶³

Then, according to Kramp, shortly before leaving his post, Gerhard Hummel commissioned the adaptation of the bestselling novel, *Der Schatz im Silbersee* (The Treasure of the Silver Lake, H. Reinl, 1962), by early 20th century German author Karl May, again to be produced by Rialto.⁶⁴ *Der Schatz im Silbersee* became the highest-grossing movie of the 1962/63 theatrical season; five more Karl May adaptations, produced by Rialto, would follow.⁶⁵ By the mid-1960s, Constantin had become the undisputed champion among theatrical distributors.

1.3.3. Controlling Production

In this subsection I discuss the ways in which Constantin Film exerted control over production: first, the distributor was the primary financier of domestic film production; second, Constantin tied down production and creative talent with exclusive contracts; and third, distributors recouped their share of the profits from film rentals ahead of the producer and could thus influence the producer's profit margins in substantial ways.

A) Financing Production

As the primary source of production financing, the distributor exerted considerable power over the entire production process. The most common practice for production financing was the minimum guarantee (MG). This is the distributor's advance against the producer's share of the rentals, which the producer often uses to finance his production. Until the early 1960s, the MG typically covered 70-80% of the production costs. Not surprisingly, with such a high financial

63. Joachim Kramp. *Hallo! Hier spricht Edgar Wallace*, pp. 8-9.

64. Joachim Kramp. *Hallo! Hier spricht Edgar Wallace*, p. 9.

65. For a full discussion of Rialto's Karl May adaptations, see Tim Bergfelder. *International Adventures*, pp. 172-206.

commitment upfront, the distributor insisted on a say in all production elements and was keen on protecting its investment. The distributor only invested money in those productions that s/he believed their audience wanted to see.

Manfred Barthel, who had worked as production head at both Gloria and Constantin Film, describes Constantin's head Waldfried Barthel as a mogul-like figure. In M. Barthel's account the "Consul," as Waldfried Barthel was widely known in the film industry, was a dealmaker, prone to make fast decisions that could carry a lot of financial risk. Thus Manfred Barthel describes a scene in which producer Horst Wendlandt of Rialto Film pitched the Consul on the idea of turning the Karl May Western novel into a movie – the costs to the distributor would be at least DM 2 million. According to M. Barthel, that meant the movie would have to bring in rentals of at least DM 3.4 million before the distributor could break even. No movie of the previous theatrical season had brought in those kinds of numbers. Nevertheless, without blinking an eye, W. Barthel agreed to the deal on a handshake.⁶⁶

In addition to the minimum guarantee, Manfred Barthel lists three more types of financing: commissioned productions, which were fully financed by the distributor and in which the producer received solely a producer's fee as part of the production budget; so-called 'flat-rate' productions, which the producer sold for a previously negotiated all-in rate to the distributor—in this case, the distributor retained all rentals; and the 'P&A' production, which was financed fully by the producer, including prints and advertising — in this case, the producer retained all rentals minus a distribution fee to the distributor).⁶⁷

66. M. Barthel never clearly states whether he was present for the scene or not. Yet note the incongruity with Kramp's account, who credits M. Barthel's predecessor, Gerhard Hummel, with originating the idea for the Karl May adaptation whereas Hummel is not mentioned in M. Barthel's account. Most likely, M. Barthel knew the anecdote from hearsay. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, pp. 76-7.

67. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, p. 111.

In all these arrangements, the deals were always made between producers and distributors. No other financing entity was involved. This is important to keep in mind because over the course of the 1970s the center of gravity would shift away from the theatrical distributors to other sources of financing: public subsidy agencies and television networks. However, before we delve into that discussion, let us first explore the other ways that distributors exerted control in the production sector in the 1950s and 1960s.

B) Tying Down Talent

For the most part, production companies were tied to a particular distributor. We see this play out with Constantin Film in the 1960s. Manfred Barthel argues that Constantin's rise was due to its tight relationships with producers and the company's willingness to experiment with new generic trends and formats. In his account Constantin set up "tight, if possible exclusive" relationships with a roster of producers, such as Horst Wendlandt (at production company Rialto Film), Hans Domnick, Franz Seitz, Wolf C. Hartwig (Rapid Film), Karl Spiels (Lisa-Film) and Heinz Willeg (Allianz-Film).⁶⁸

Film scholar Tim Bergfelder observes that these nominally independent producers were assigned the status of what in the US classical studio system would have been called a "production unit." That means that each producer was in charge of a very specific type of product. Bergfelder argues Constantin relied heavily on "serialization of one-off box-office hits and the creation of generic cycles, which characterizes not just West German film production during the 1960s, but European cinema more generally."⁶⁹

Constantin's longest-running series was Rialto's Edgar Wallace crime series, produced by

68. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, p. 75.

69. Tim Bergfelder. *International Adventures*, p. 85.

Horst Wendlandt, with thirty-two films. The company's portfolio would be expanded with the series of Karl May adaptations. Between 1962 and 1965 Constantin released some nine Karl May adaptations, seven by Rialto and two by other producers.⁷⁰ Other series included the eight-movie *Jerry Cotton* series, produced by Heinz Willeg and based on a series of pulp novels, between 1965 and 1968. British producer Harry Alan Towers produced a series of five *Fu Manchu* films for Constantin from 1965 through 1968. Then, in 1966 Constantin took over Gloria's *Kommissar X* franchise and produced five more movies through 1971. Between 1968 and 1972, Franz Seitz produced seven films of the high-school comedy series *Die Lümmel von der ersten Bank*. Also in 1968 Constantin began the *Frau Wirtin* cycle of erotic movies that lasted for six movies through 1973.⁷¹ And in 1970, Constantin commissioned the first *Schulmädchen-Report* from producer Wolf Hartwig, which would turn into a series of 13 low-budget sex films.⁷²

C) Distribution Fee

In addition to formal relationships with producers, distributors exerted control over producers in a less overt fashion. Typically, theatrical distributors negotiate rental terms with exhibitors, deliver film prints and collect rentals from the theaters on behalf of the producers. For their services and expenses distributors collect a distribution fee from the producers. This fee is traditionally taken as a percentage of the film rentals.⁷³

However, a 1957 *Der Spiegel* article revealed how Gloria Filmverleih and other

70. Tim Bergfelder. *International Adventures*, pp. 251-253.

71. Tim Bergfelder. *International Adventures*, pp. 82—88; Manfred Barthel. *So war es wirklich*, pp. 72—88, 264—278,

72. Manfred Barthel. *So war es wirklich*, pp. 151-152.

73. For more on this, see Harold L. Vogel. *Entertainment Industry Economics*, pp. 175-178.

distributors used this recoupment to exert control over producers. From the rentals that it collected from theaters, Gloria would retain a flat rate of 30% as reimbursement for distribution expenses. However, according to the article, this fee lay far above Gloria's actual costs: "since the actual distribution expenses for any regularly operating German major distributor range between 13 and 17%, [Gloria head Ilse Kubaschewski] has already secured a nice profit margin: even if the rentals won't cover the production costs, the distributor has made money."⁷⁴

Even though Constantin Film was not explicitly mentioned in the article, *Der Spiegel* implied that Gloria's practices were common among major distributors. By taking money off the top, the distributor ensured that it got paid before the producer did. Before the producer ever received a share of the rentals, Gloria had thus already made a profit of 13-17% of film rentals. This practice delayed the breakeven point for producers and made it harder for them to share in profits (producers' net).⁷⁵ A consequence of this practice was that producers found it harder to build up a capital base for their company; they remained financially dependent on the distributors for a longer period of time. *The Spiegel* points out that smaller production companies were treated as de-facto "satellites" of the larger distribution companies.⁷⁶

Moreover, the lack of a capital base prevented producers from taking creative risks. Very few producers had the financial wherewithal to fund their own productions.⁷⁷ Without capital they could not act as creative or strategic counterweights to the distributors within the industry. As long as the capital stayed with the distributors, the center of gravity for deciding on what

74. "Ilse Kubaschewski; det greift ans Herz." *Der Spiegel*, 23 Jan. 1957, p. 44.

75. Often a distributor will also share in the producers' net if s/he contributed to the production financing. Harold Vogel lists the revenue "waterfall" for a typical US theatrical release, ca. 1992, with the customary deductions and fees. Harold L. Vogel. *Entertainment Industry Economics*, p. 179.

76. "Ilse Kubaschewski; det greift ans Herz." *Der Spiegel*, 23 Jan. 1957, p. 44.

77. Producer Hans Domnick was the exception. He offered his movie *Das Haus in Montevideo* (1962) to Waldfried Barthel for no upfront investment. Domnick was able to finance the production outright and even paid for prints and advertising. In return, he demanded all rentals less a 15% distribution fee for Constantin. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, p. 80.

movies got made remained there.

The distributor could thus rely on these quasi-independent production companies to supply it with the product the distributor demanded while the producers had little opportunity to move out of this dependency role. Of course, some might not even want to. Movie series and production cycles provided a level of financial and strategic security, not just to the distributor but also to the producer. Moreover, as Jaimey Fisher points out, a certain level of genre repetition and serialization is a regular occurrence in both mainstream and art cinema.⁷⁸ Nor does it mean that genre production invariably results in a lack of creative innovation. Sascha Gerhards observes that Rialto's Edgar Wallace series allowed for a certain level of aesthetic experimentation, which may explain its longevity.⁷⁹

Nevertheless, I argue that Constantin's and Gloria's downward pressure on producers and filmmakers to adhere to certain production cycles and genre formats limited the room for creative innovation within the overall system. Even Manfred Barthel, who supervised many of Constantin's production cycles, admits that eventually Waldfried Barthel helped kill off the lucrative Edgar Wallace series by commissioning too many copycat productions.⁸⁰

At the same time neither Constantin nor Gloria engaged much with the young filmmakers of the New German Cinema. Constantin released Alexander Kluge's *Abschied von Gestern* in October 1966. However, most films now associated with the New German Cinema were produced as co-productions with TV broadcast networks; few got made in collaboration with either of the two major distributors. Of thirty-three film/TV co-productions by auteur

78. Jaimey Fisher (ed). "Introduction." *Generic Histories of German Cinema: Genre and its Deviations*. Camden House, 2013, pp. 2-4.

79. Sascha Gerhards. "Ironizing Identity: The German Crime Genre and the Edgar Wallace Production Trend of the 1960s." *Generic Histories: Genre and its Deviations*, pp. 133-156.

80. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, p. 271.

filmmakers, Constantin and Gloria each released only one.⁸¹ In her unpublished memoirs Gloria's Ilse Kubaschewski expressed no interest in working with new talents. She viewed the attempts of young filmmakers such as Werner Herzog, Rainer Werner Fassbinder, Edgar Reitz, Volker Schlöndorff, Wim Wenders, and Alexander Kluge rather critically. In her view, it was not the distributors' responsibility to groom new talents.⁸²

However, I argue that this unwillingness by distributors and their associated producers to invest in new talents deprived the overall production system from new ideas and fresh creative impulses. Moreover, this refusal to engage seriously with the young filmmakers early on further alienated the latter from the "old guard" and made later rapprochements only more difficult. Had Waldfried Barthel and Ilse Kubaschewski hired young filmmakers to work on existing production cycles in the way that the Hollywood studios recruited the directors of the Hollywood Renaissance to work on theirs,⁸³ it may have infused those movies with new creative energy. Moreover, it would have tied the creative talent to the existing industrial structure of distributors and producers. Instead, many New German filmmakers found a more welcoming home at the public service broadcasters. More on this later.

1.3.4. Exerting Pressure on Exhibitors

I argue that the power of the distributors can also be gleaned from the way they exerted

81. Most films in Martin Blaney's list of film/TV co-productions by auteur filmmakers were released by smaller distributors, such as Filmverlag der Autoren (which was co-owned and operated by New German filmmakers), Jugendfilm, Atlas, Basis, Ceres, Obelisk, and Neue Filmkunst. Martin Blaney. *Symbiosis or Confrontation?*, pp. 218-220.

82. Michael Kamp. *Glanz und Gloria*, pp. 233-237.

83. Notable examples of directors who moved almost seamlessly between the independent and studio worlds include Arthur Penn (*Bonnie and Clyde*, WB, 1967), Mike Nichols (*The Graduate*, Embassy Pictures, 1967), Francis Ford Coppola (*The Godfather*, Paramount, 1972), Stanley Kubrick (*2001: A Space Odyssey*, MGM, 1968), Sam Peckinpah (*The Wild Bunch*, WB, 1969), Robert Altman (*MASH*, 20th Century Fox, 1970), and Peter Bogdanovich (*The Last Picture Show*, Columbia Pictures, 1971). See David A. Cook. *Lost Illusions*, pp. 67-157.

control over the exhibition sector by subjugating theater owners to blind-bidding and block-booking practices.⁸⁴ The practice had been struck down in the USA with the *Paramount Decree* in 1948. However, it remained common practice in West Germany throughout the postwar period.

In his biography of Gloria boss Ilse Kubaschewski, Michael Kamp explains the process rather uncritically: “‘Block’ means that the theaters cannot complete contracts for individual films, but must take several films at the same time. ‘Blind’ means that most of the films are not in production at the time of the rental agreement. The exhibitors thus only know the films from the distributor’s announcements.” As Kamp observes, this allowed the distributor security in planning its annual slates.⁸⁵

The 1957 *Der Spiegel* article explains the sales process in more detail: negotiations between distributors’ sales people and theater managers usually commenced ahead of September 1, the official start date of the new theater season. Over the summer, the distributors’ salesmen would tour the provinces and visit each theater individually to present the upcoming slate. The typical slate consisted of eight to twelve movies that could only be rented in blocks of four, eight or twelve movies, sight unseen. A distributor’s sales staff had to close contracts with about 3,000 cinemas (out of approximately 6,500 cinemas in the late 1950s), which was the minimum number of playdates needed for an average movie to recoup its production costs. With these contracts as collateral, the distributor could then secure a bank loan that would provide the funding for the productions he had promised to the exhibitors.⁸⁶

The blind- and block-booking process was certainly advantageous to the distributor—but

84. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, pp. 51.

85. Michael Kamp. *Glanz und Gloria*, p. 86; my translation.

86. “Ilse Kubaschewski; det greift ans Herz.” *Der Spiegel*, 23 Jan. 1957, p. 42.

not so for exhibitors. They had to compete and commit to movies that were not even in production yet. Their judgment on whether a movie could be profitable or not was based entirely on the brief description in the distributor's annual program catalogue. This typically included the movie title, the main actors and director, and a logline. Excerpts from the catalogue were usually presented in the trade paper *Film Echo*, which was published by the exhibitors' trade association.⁸⁷

Moreover, in order to get a potentially lucrative title, exhibitors had to accept other titles that were less so. Manfred Barthel observes that the distributors packaged their high-profile, star-driven movies in a very deliberate fashion: "Such a movie was then tied to a whole line-up of less desirable titles. Hence, the word 'locomotive.'"⁸⁸

Thus German distributors were clearly well aware of their own strong-arm tactics. In the USA, independent exhibitors had successfully sued the major studios over the blind- and block-booking practices, which resulted in the *Paramount et al.* consent decrees of 1948. Henceforth, distributors had to license motion pictures "picture by picture, theater by theater, so as to give all exhibitors equal opportunities to show a given title."⁸⁹

Block-booking would recede by the early 1970s in the major cities. According to *Film-Echo/Filmwoche*, most foreign distributors and medium-sized to small domestic distributors had abandoned the system whereas certain "German distribution companies" still insisted on block-booking with small theaters in the provinces. Clearly, this was a matter of leverage. First-run, showcase theaters in the major metropolises successfully resisted the imposition of an entire block

87. See, e.g., the publication of Constantin's line-up for the 1955/56 theatrical season: "Was Constantin bringt, kommt an." *Film Echo*, 29 June 1955, p.29; or the line-up for Herzog Verleih for the same season: "Das Herzog-Programm 1955/56: 16 Filme, davon 9 Farbfilme." *Film Echo*, 22 June 1955, p. 27.

88. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, pp. 81; my translation.

89. Harold L. Vogel. *Entertainment Industry Economics*. Cambridge University Press, 2007, p. 536.

of movies whereas small theaters with less revenue lacked the power to refuse any titles from distributors. *Film-Echo/Filmwoche* observed that the block-booking system could only be abandoned once and for all if reliable information was available to theater managers on the films that had the most commercial potential for their sites.⁹⁰

Thereafter the topic seems to recede from the pages of the trade journal of the exhibitors' association. By the time Eichinger releases the 1981 slate we find no evidence of block-booking occurring in any parts of the country.

1.3.5. The End of the Mogul Era

In the 1950s and early 1960s Ilse Kubaschewski of Gloria and Waldfried Barthel of Constantin Film held powerful positions within the industry. Both Manfred Barthel and Michael Kamp confirm that the head of Gloria had a good feel for what 'her' female homemaker audiences wanted to see in the theaters (mostly romances and "Heimatfilme," i.e. folkloric films).⁹¹ Similarly, Joachim Kramp, who has assembled a production history of Constantin's entire Edgar Wallace series, credits the Constantin boss with its success: "When Constantin was still 'his' Constantin, Barthel, with his decision-making and his willingness for risk-taking, shaped not only the image of the German cinematic landscape, but made room for German film within a European context."⁹²

These moguls were successful as long as they were in tune with their respective audiences. However, I argue that there was a risk in concentrating power in so few final decision-makers. Once Kubaschewski and Barthel got out of tune with what their audiences were keen to

90. "Freie Filmauswahl – und was dagegen steht." *Film-Echo/Filmwoche*, 26 Feb. 1971, p. 4.

91. Michael Kamp. *Glanz und Gloria*, pp. 143-5; Manfred Barthel. *So war es wirklich*, pp. 66-7.

92. Joachim Kramp. *Hallo! Hier spricht Edgar Wallace*, p. 11; my translation.

watch and started making poor choices, this had ripple effects throughout the entire industry. We observe a downturn in both distributors' businesses after the audience marketplace shifted. Tim Bergfelder notes that Gloria floundered with its melodramas, musicals and Heimatfilme in the 1960s. Ilse Kubaschewski had a hard time adjusting to new genres. In the early 1960s westerns, crime thrillers, horror and spy films started targeting a new adolescent and more male-skewed moviegoing audience.⁹³ Kubaschewski tried chasing those audiences with adventure, spy and sex film franchises, albeit with middling success. Therefore, by the late 1960s she returned to her more familiar genres of Heimatfilme and "Schlagerfilme" (easy-listening music films). She was convinced that she could again reach a more generationally diverse family audience. She believed that film was still "a mass medium that cannot be compared with anything else and will remain so."⁹⁴

Kubaschewski's almost obstinate insistence on her familiar product line displays a lack of understanding of the changes that were occurring in the marketplace at the time. She was unable to lift the company out of its downturn and was forced to sell off Gloria to an American investor in 1973.⁹⁵

Yet Gloria and Constantin had managed to hold out longer than most. Many prominent companies had already closed down in the early 1960s.⁹⁶ The most spectacular bankruptcy was the fall of the reconstituted Ufa in 1962, which sent shockwaves through the industry.⁹⁷ Its CEO Arno Hauke had reassembled companies in the mid 1950s that originally belonged to the old UFI

93. Tim Bergfelder. *International Adventures*, p. 79.

94. Ilse Kubaschewski quoted in: Michael Kamp. *Glanz und Gloria*, p. 252.

95. Michael Kamp. *Glanz und Gloria*, p. 261.

96. In 1957 Allianz Film was the first distributor to fall. Schorcht Film was subsumed in the newly-reprivatized Bavaria Film. Then, between 1960 and 1962, Union Filmverleih, Neue Filmverleih, and Deutsche Commerz Film München had to close down. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, p. 202.

97. "Die Hintergründe des Ufa Dilemmas." *Film-Echo/Filmwoche*, 3 Feb. 1962, pp. 6-7. See also Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 233-35.

trust into a media concern that comprised production companies, a distribution arm, a processing laboratory, a movie theater chain, and music and book publishing.⁹⁸ But by 1962 the new Ufa had, in the view of the *Film-Echo/Filmwoche* editor, produced too many big-budget flops to remain viable.⁹⁹

The Ufa assets were picked up in 1964 by the music and book publishing concern Bertelsmann.¹⁰⁰ A year later, Bertelsmann acquired 60% of Constantin Film,¹⁰¹ which, by this time, ranked as the “biggest and most successful German distribution company.”¹⁰² By all outward appearances, Constantin was at the height of its power in 1965. However, M. Barthel saw the Consul’s sale as an ultimately desperate move: “His friends congratulated him, his enemies were annoyed, but all were amazed that the last of the German major distributors managed to exit the train on its downhill descent.”¹⁰³

I read Constantin’s flight into the arms of a bigger concern as an acknowledgment that it could no longer survive on its own. The sale constituted the end of an era during which Constantin Film had reigned supreme. Waldfried Barthel was no longer in control of his industry and would become subsumed in the turmoil that was spreading through the West German film industry like a forest fire.

That forest fire, by all accounts, had a name: television.

98. In 1957 Ufa took over the Herzog distribution company, the top-ranked distributor by rentals at the time. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 233; “Ufa: Die Auferstehung.” *Der Spiegel*, 21 Jan. 1959, p. 46.

99. “Die Hintergründe des Ufa Dilemmas.” *Film-Echo/Filmwoche*, 3 Feb. 1962, pp. 6-7.

100. “Ufa-Aktien an Bertelsmann; Ausgliederung der Produktionsbetriebe.” *Film-Echo/Filmwoche*, 8 Jan. 1964, pp. 3, 5; Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 235-42.

101. “Enge Partnerschaft: Constantin/Bertelsmann.” *Film-Echo/Filmwoche*, 30 Jun 1965, p. 15.

102. “Constantins 35-Millionen-Programm.” *Film-Echo/Filmwoche*, 8 April 1964, p. 4.

103. Manfred Barthel. *So war es wirklich: der deutsche Nachkriegsfilm*, p. 82 my translation.

1.4. Film and Television

As I have argued in the previous section, one major reason for the film industry's decline in the 1960s was the power imbalance between the two major distributors, Gloria and Constantin, and the many dependent production companies that were tied to them. Another was the film industry's inadequate response to the challenge from television. The 1960s were marked by the rising significance of the television industry in West Germany. This was partly due to its quick dissemination. Many households acquired television sets in a fairly short period of time. Time spent in front of the television was less time available to be spent at the cinemas.

However, it is too simplistic to blame television's fast dissemination as the (only) cause of the film industry's contemporaneous decline during this period. The film industry's main lobbying organization, SPIO, which consisted of representatives from the four major sectors of the industry, was far from unified in its response to television: while producers and production services were eager to collaborate with the new medium (and potential employer), distributors and especially exhibitors wanted to retain the movie theater as the exclusive site for the exhibition of feature films.

In this context Constantin Film is both an exception and a representative of this situation. Whereas its competitors struggled, Constantin thrived in the first half of the 1960s, partly because it dealt opportunistically with the competition from television. However, I argue that those were short-term strategies that Constantin failed to implement for the long term. The company's leadership did not stay committed enough in its practices to withstand, or even benefit from, the television competition in the long run.

1.4.1. Film vs. Television

In this subsection I examine the film industry's initial response to the arrival of television. Film industry representatives decried unfair competition from television stations for programming feature films and demanded a boycott of all films for television. I argue that this stance ultimately undercut the industry's own position because, first, the boycott was unenforceable and, second, it prevented the industry from establishing a more productive strategy vis-à-vis the new medium.

Television in Germany had already started under the Nazi regime in the 1930s, but after the onset of the war its widespread application remained limited. After 1945 the Allied occupation forces erected broadcasting companies in their respective territories: the Americans set up "Bayerischer Rundfunk" (BR) in Bavaria, "Hessischer Rundfunk" (HR) in Hesse, "Radio Bremen" (RB) in Bremen, and "Süddeutscher Rundfunk" (SDR) in northern Baden-Württemberg; the French set up "Südwestfunk" (SWF) in Rhineland-Palatine and southern Baden-Württemberg; and the British set up "Nordwestdeutscher Rundfunk" (NWDR) in North-Rhine-Westphalia, Lower Saxony, Schleswig-Holstein, and Hamburg.¹⁰⁴ In 1950 these regional public broadcasters linked up together in a nationwide network, "Arbeitsgemeinschaft deutscher Rundfunkanstalten" (ARD), which formally launched with a daily broadcast program on Christmas Day 1952 between 8 and 10 pm. Since then, the number of television sets rose from barely one thousand to 121,000 officially registered sets—with another estimated 60,000 unregistered sets.¹⁰⁵

The film industry had not remained completely disengaged in the lead-up to the start of television. Media scholar Martin Blaney, who has traced the relationship between the two media

104. Joan Kristen Bleicher. *Chronik der Programmggeschichte des deutschen Fernsehens*. DFG-Sonderforschungsbereich 240, Universität Siegen, 1992, p. IV. In 1956 the NWDR was split up into WDR (North Rhine-Westphalia) and NDR (Lower Saxony, Schleswig-Holstein, Hamburg). In 1957 the "Saarländische Rundfunk" took up operations in the Saarland region. Hans J. Kleinsteuber. *Rundfunkpolitik*. Hamburg: Landeszentrale für politische Bildung, 1980, p. 17.

105. "Zwischen Breitwand und Fernseh-Schirm II." *Film-Telegramm*, 10 May 1955, p. 2.

in West Germany between 1950 and 1985, records that the industry's main lobbying organization, SPIO, set up a television committee in September 1952, ahead of the young medium's official launch. The committee was supposed to decide on the strategy the film industry should adopt in its dealings with the future television service. However, the committee could never decide on a coordinated response. As Blaney points out, the various sectors had very diverging interests with regard to the new medium. While producers and production facilities saw the opportunity for work and project commissions from the new medium, distributors and exhibitors were mostly hostile, "believing that too many concessions, including allowing feature films onto the television screens would be damaging for the exhibition sector."¹⁰⁶

Thus, the film industry was far from united. Nevertheless, at SPIO's 1955 annual meeting, the chairman of the exhibitors' association, Rolf Theile, uttered the now-infamous line: "Not a single meter of film for television." The statement became a rallying cry especially for theater owners, and was widely reported in the trade press, leading to the false assumption that it represented official SPIO policy.¹⁰⁷

In an interview with trade paper *Film-Telegramm* producer Walter Koppel noted that the simple acquisition of a television set meant that viewers lacked the disposable income for going to the movies or stage theater. Moreover, Koppel was concerned about the low prices that TV stations paid for film programming: stations typically only paid DM 1 to DM 1.50 per meter of film; since most films were around 2,800 meters, that came to a price of DM 2,800 per film. Koppel demanded that if the average movie cost DM 800,000 to produce, television stations should be expected to pay at least DM 28,000 for the broadcast license.¹⁰⁸

106. Martin Blaney. *Symbiosis or confrontation? The relationship between the film industry and television in the Federal Republic of Germany from 1950 to 1985*. Berlin: Rainer Bohn Verlag, 1992, p. 34.

107. Martin Blaney. *Symbiosis or confrontation?*, p. 43.

108. Kurt Joachim Fischer. "Filmprobleme in 625 Bildzeilen; Walter Koppel und die Film-Fernseh-

In 1959 Siegfried Lubliner, the new chairman of SPIO's TV committee, made several suggestions in order to regulate the relations between the two industries. First, there should be a 'hold-back' period for recent releases. That meant that broadcast networks would have to wait a certain period of time after the initial theatrical release before they could broadcast that title on television. Secondly, he announced the establishment of a collective licensing agency ("Verwertungsgesellschaft für Fernsehrechte mbH") that would handle all film license sales on behalf of producers and distributors.¹⁰⁹

Lubliner's proposal was a sensible move forward. The ARD's feature film programming was still fairly low in the late 1950s, compared with later years. In 1958 ARD broadcast only 46 feature films; in 1959, 45; and in 1960, 59.¹¹⁰ However, more crucially, in 1959 ARD centralized its feature film programming operations and set up its own acquisitions team.¹¹¹ That means that film producers now faced a single buyer for feature films. The film industry's collective licensing agency could therefore have handled sales on behalf of all domestic producers and would control virtually the entire supply of domestic films. In this way, it could meet the ARD buyers at eye-level and thus, most likely, negotiate better prices and deal terms on behalf of its clients. Such a system could establish the television broadcast as a new, viable revenue stream for producers.

However, the collective licensing agency was disbanded in 1962. The scheme did not receive enough support within SPIO, least of all from the exhibitors.¹¹² Lubliner's TV committee

Revolution." *Film-Telegramm*, 13 Dec. 1955, pp. 2-5.

109. Siegfried Lubliner. "Film und Fernsehen II." *Film-Telegramm*, 17 Mar 1959, p. 6. This body was supposed to collect a fee from each cinema ticket sold and deposit it in a fund to be used for the acquisition of broadcast rights of films before they were offered to television. In this way, this organization could monitor and control the movement of rights and persuade producers and distributors to act in the interests of exhibitors. Martin Blaney. *Symbiosis or confrontation?*, p. 59.

110. Irmela Schneider. *Film, Fernsehen & Co.; Zur Entwicklung des Spielfilms in Kino und Fernsehen*. Heidelberg: Carl Winter Universitätsverlag, 1990, p. 198.

111. Martin Blaney. *Symbiosis or confrontation?*, p. 58.

112. Martin Blaney. *Symbiosis or confrontation?*, p. 59.

was also dissolved. As Martin Blaney observes, Lubliner's TV committee ultimately failed because the conflicting interests inside the SPIO organization could never come together. Much got derailed by the exhibitors' increasing inflexibility, which lost them the support of other branches of the industry and turned the official organ for the industry largely inoperable.¹¹³

1.4.2. Constantin's Opportunism

The failure of the official lobbying organization does not mean that film companies were unable to confront the challenge of television. Constantin Film managed to deal with television in some rather opportunistic ways. It did so by pursuing three avenues: first, it recruited talent from television, including actors and directors; second, the company negotiated a broadcast license for some of its movies; and finally, Constantin launched a series of big-budget, widescreen western and adventure movies in color. I argue that these strategies could have offered Constantin a viable framework for redefining its own role as a film company and of cinema in general, but it ultimately failed to pursue them consistently enough.

A) Recruiting Television Talent

Constantin Film cleverly drew on television's growing power as a mass medium to groom and popularize certain talent. Constantin's former head of production Manfred Barthel reports that, since in its early years Constantin Film could not afford expensive movie stars, it employed TV stars, such as actor Heinz Drache.¹¹⁴ Drache had appeared in movies and TV since 1953, but he became a bona-fide star with his role in the TV mini-series *Das Halstuch* in 1962. Constantin then took him under contract and cast him in several of Rialto's Edgar Wallace

113. Martin Blaney. *Symbiosis or confrontation?*, pp. 61-62.

114. Manfred Barthel. *So war es wirklich*, p. 75.

adaptations as well as in productions for Rapid Film and Towers of London Film Ltd., which were all released by Constantin Film.¹¹⁵

Thus Constantin Film realized that it could bring television viewers who wanted to see their favorite actors back to the cinema, but then tied those actors to the company in exclusive contracts.¹¹⁶ In 1955 *Film-Telegramm* had already suggested exclusive contracts that would prevent actors from acting on television.¹¹⁷ Constantin put this proposal into practice; however, ironically, it was now former TV stars who, after moving to film, were barred from working for the medium that had made them famous.

B) The Broadcast Window

A second strategy that turned into a financial windfall for Constantin was just as opportunistic, although not initiated by the distributor. In summer 1964 the two public broadcasters ARD and ZDF negotiated a scheme, “Aktion 100 Filme,” with the producers’ and the distributor’s trade groups to acquire broadcast rights of 100 German movies produced between 1960 and 1964.¹¹⁸ This scheme had been proposed by the broadcasters as an alternative “film aid program” to the film subsidy law, which was being debated in the West German federal parliament at the time. Broadcasters wanted to preempt a proposed levy on television stations

115. Drache starred in the following Edgar Wallace adaptations for Rialto: *Die Tür mit den sieben Schlössern* (1962), *Das indische Tuch* (1963), *Der Zinker* (1963), *Der Hexer* (1964) und *Neues vom Hexer* (1965); for Rapid, he starred in *Der schwarze Panther von Ratana* (DE/IT, 1963) and *Ein Sarg aus Hongkong* (1963); and for Towers of London Films Ltd. in *Coast of Skeletons* (UK, 1964) and *Die dreizehn Sklavinnen des Dr. Fu Man Chu* (UK/DE, 1966). “Jürgen Drache.” *Filmportal.de*. Deutsches Filminstitut-DIF e.V. www.filmportal.de/person/heinz-drache_08ae193acbc344978d9babe9c32a8587. Accessed 20 Jun 2018.

116. Tim Bergfelder. *International Adventures*, p. 83.

117. Siegfried Lubliner. “Film und Fernsehen II.” *Film-Telegramm*, 17 Mar 1959, pp. 6-7. See also: “Zwischen Breitwand und Fernseh-Schirm II.” *Film-Telegramm*, 10 May 1955, p. 4.

118. Martin Blaney. *Symbiosis or confrontation?*, p. 105. The ZDF had been launched in 1963 as a second national network. Hans J. Kleinsteuber. *Rundfunkpolitik*. Hamburg: Landeszentrale für politische Bildung, 1980, p. 19.

that lawmakers were considering as part of the new law.¹¹⁹ The contract that eventually came about between the broadcasters, producers and distributors proposed that a programming committee from ARD and ZDF would select the films. In addition, broadcasters agreed to a hold-back period of five years, i.e. the first broadcast would not occur any earlier than five years from the theatrical premiere.¹²⁰

The “Aktion 100 Filme” could already be called a significant victory for the film industry based on the price that the broadcasters were now willing to pay. In return for the broadcast rights, the broadcasters would pay DM 100,000 per film. That sum would be split into two instalments: producers would get DM 30,000 directly and the remaining DM 70,000 would be earmarked for new productions.¹²¹ Clearly, DM 100,000 was significantly more than the DM 2,800 stations had been willing to pay only nine years prior. This payment could represent a significant revenue stream for producers and distributors. Moreover, the hold-back period gave the industry sufficient time to exploit a movie in theaters before it could be seen on television.

Constantin and Rialto benefited from this financial windfall in no small measures. Movies included in the package were Constantin releases of Rialto’s Edgar Wallace adaptations *Das Gasthaus an der Themse* (The Inn on the River, A. Vohrer, 1962), *Der Hexer* (The Mysterious Magician, A. Vohrer, 1964), and *Der Würger von Schloß Blackmoor* (The Strangler of Blackmoor Castle, H. Reinl, 1963), and the Karl May adaptations *Unter Geiern* (Amongst Vultures, A. Vohrer, 1965), *Winnetou I* (H. Reinl, 1963), and *Winnetou II* (H. Reinl, 1964).¹²²

Martin Blarney observes that little of this money was used to support new talent, but

119. Martin Blaney. *Symbiosis or confrontation?*, pp. 104-110.

120. For certain movies, the hold-back could be reduced to 2.5 years. Irmela Schneider. *Film, Fernsehen & Co.*, p. 64.; Martin Blaney. *Symbiosis or confrontation?*, p. 105.

121. Martin Blaney. *Symbiosis or confrontation?*, p. 110.

122. Martin Blaney. *Symbiosis or confrontation?*, p. 110.

rather went into productions by all-too familiar directors. Since 70% of the funds were to be reinvested in new productions, the money fueled more iterations of the Karl May and Edgar Wallace series.¹²³

However, in this case I believe that Blaney focuses on the wrong issue. Certainly, it would have been a great benefit if Constantin and Rialto had hired more young directors. As I have argued in the previous section, new filmmaking talent would have reinvigorated the film industry. However, there was a bigger problem. These payments should not have been labeled “film aid” in the first place. That way, the stations could label this scheme as a one-time payment to help out the film industry and ward off any future commitments to pay reasonable license fees for domestic productions. Rather, producers and distributors should have used the scheme as a blueprint for negotiating broadcast licenses on behalf of the entire film industry. That way, the “Aktion 100 Filme” scheme could have put into practice Siegfried Lubliner’s proposal for collective bargaining for film licenses.

However, there was no follow-up to this one-time initiative. Part of the problem may have been that the broadcasters did not find any movies that fit their programming mandates. From the 300 movies that had been offered by distributors and producers, the broadcasters selected only 80 that they found suitable for television broadcast.¹²⁴ Constantin and Rialto probably did better than most because they had fairly popular films. But even their widescreen, color Karl May westerns were not appropriate for the 4:3-sized, black-and-white TV screen.

I conclude that the film industry failed to establish a codified system for a “broadcast window” of their movie releases at this juncture. Unlike the US major studios, which had

123. Martin Blaney. *Symbiosis or confrontation?*, p. 110.

124. The ZDF acquired the remaining 20, presumably to satisfy the letter of the agreement. Martin Blaney. *Symbiosis or confrontation?*, p. 105.

successfully negotiated a system for licensing their movies to US television stations, West German producers and distributors failed to secure a new, steady revenue stream for their films in addition to the theatrical release.

But maybe there was yet still another way to make cinema distinctive from television.

C) Product Differentiation

A third strategy employed by Constantin Film was the expansion into genres and formats not available on television. I argue that the strategy of producing ‘blockbuster’ movies such as the big-budget, widescreen western epic *Der Schatz im Silbersee* was the most effective way of differentiating cinema from television.

Right at the height of the Karl May wave, broadcast executive Werner Hess referred to specific qualities of cinema inherent to the medium, which moviemakers should exploit: “Film has opportunities that television cannot take away. The size of the screen, color, the theatrical presentation, [and] the communal experience remain appealing — provided that the movie is exceptional.”¹²⁵ In his view the “adventure film” and the “well-made crime movie” were two genres that would always be popular with movie audiences. Thus, in his view, the widescreen format, the theatrical presentation style and certain movie genres unsuitable for public television (such as adventure films and “well-made crime”) gave cinema competitive advantages over television.

This strategy was not without precedent. The Hollywood major studios had already shown a way to deal with the competition from television. After initial losses in admissions in

125. Werner Hess. “Kann das Fernsehen den Film retten?” *EPD Kirche und Film*, no. 1, 1964, p. 3; my translation. Werner Hess was at the time the director-general of Hessischer Rundfunk, the regional ARD station for Hesse, and the ARD coordinator for relations with the film industry.

the immediate post-war era, the major studios changed tactics by the mid 1950s. They closed down 'B' movie production and, instead, focused on big-budget, visual extravaganzas that overwhelmed the senses. As Denise Mann points out, the major studios focused on "bigger-budget, A-film productions that also incorporated highly marketable elements such as the latest technologies (CinemaScope, VistaVision, Todd-AO, 3-D, and so on), top stars, broadly appealing storylines (often based on presold literary properties), and, increasingly, contemporary settings, fashions, furnishings, and décor, or the opposite, nostalgic representations of the past."¹²⁶

Constantin's Karl May adaptations followed a similar pattern. First, *Der Schatz im Silbersee* (and all subsequent Karl May adaptations by Rialto) was based on a well-known franchise: bestselling German author Karl May's series of western and adventure novels had been published between 1892 and 1910 and reissued in regular intervals since then. By 2013, some 200 million copies of May's books had been sold worldwide since their original publication dates, and his work had been translated into 46 languages.¹²⁷ Tim Bergfelder observes that May's novels remain an initiation ritual for each subsequent generation of young German readers, and May's portrayal of the American Wild West has "profoundly shaped German perception of America for most of the twentieth century."¹²⁸

Second, although on a slightly smaller budgetary scale than their Hollywood counterparts, *Der Schatz im Silbersee* was conceived as an "A-film production" by West German standards. With a production budget of DM 3.5 million, *Der Schatz im Silbersee* was the most expensive West German production up to that point, and had to be structured as an international

126. Denise Mann. *Hollywood Independents: The Postwar Talent Takeover*. Minneapolis: University of Minnesota Press, 2008, p. 12.

127. André Neubert. "Das Karl-May-Haus und seine Begegnungsstätte als Ort für interkulturelle Begegnungen." *Karl Mays Friedenswege. Sein Werk zwischen Völkerstereotyp und Pazifismus*, ed. by H. Kuße, Karl-May-Verlag, Bamberg/ Radebeul 2013, p. 533.

128. Tim Bergfelder. *International Adventures*, p. 174.

co-production. Rialto brought on board French and Yugoslav co-producers, Société Nouvelle de Cinématographie (SNC) and Jadran Film respectively, with Rialto and Constantin providing the majority financing. And finally, the movie was shot in color and widescreen format and foregrounded the spectacular western set-pieces and locations. The movie was shot on location in Croatia and employed some 3,000 Yugoslav extras and 2,500 horses.¹²⁹ These were production values that black-and-white television could not match. Thus Constantin and Rialto's strategy was clearly one of differentiation: emphasizing the unique theatrical experience inside the movie theater.

The movie became the highest-grossing movie of the 1962/1963 theatrical season. It was followed by eight more Karl May adaptations commissioned by Constantin Film through 1965. Competitors Gloria, Nora and Columbia-Bavaria also commissioned adaptations of Karl May novels, with the last one released in 1968.¹³⁰

1.4.3. Letting Go

Constantin responded well to immediate challenges. However, the company failed to develop long-term strategies. At the height of its power in the first half of the 1960s, Constantin Film showed specific ways of not only meeting the challenge of television, but exploiting it for its own benefit. However, the company stopped the production of those expensive Karl May adaptations in 1965. I argue that abandoning the blockbuster model was the wrong move for Constantin at the time. The distributor had finally hit upon a formula for differentiating the cinematic experience from television viewing at home. Of course, the high budgets bore a certain

129. Jörg Kastner. *Das große Karl May Buch*. Bergisch-Gladbach, 1992, p. 141.

130. See a complete filmography of all 1960s' Karl May adaptations in: Tim Bergfelder. *International Adventures*, pp. 251-3.

financial risk for the company. But Rialto had designed a financing structure to share the risk with international partners. Moreover, the co-production structure and participation of foreign producers forced the filmmakers to craft movies that were inherently exportable. *Der Schatz im Silbersee* was sold to sixty countries.¹³¹

But after the end of the Karl May series Constantin Film would not commit to another production of a similar scale and budget for another ten years.¹³² Nor did Constantin promote a follow-up to the “Aktion 100 Filme” initiative. Constantin and Rialto had clearly benefited from the financial windfall that they received. Yet there is no evidence that Constantin lobbied to extend the program and work towards a more equitable licensing process. In this instance, the distributor failed to show industry leadership, given its central position with regard to movie production.

Where did this reluctance to continue the blockbusters stem from? Tim Bergfelder observes that Constantin discontinued the expensive Karl May adaptations after Bertelsmann AG acquired 60% of the company. The new partner changed company policy and focused on higher output without increased production spending.¹³³ I agree that Bertelsmann certainly exerted a considerable influence on Constantin’s fortunes. However, ultimately, the media concern failed to fix Constantin’s underlying problems—or those of the industry at large.

131. “Exporterfolg für Karl May.” *Film-Echo/Filmwoche*, 17 Aug. 1963, p. 11. However, Bergfelder qualifies the level of recognition that the Rialto films acquired especially in the UK and the USA. There, the movies were often reedited and exhibited as supporting features on a double bill. *International Adventures*, p. 190.

132. The production of *Steiner—Das Eiserne Kreuz* (Cross of Iron, S. Peckinpah, 1977) only confirmed the validity of the ‘blockbuster’ strategy. Budgeted at DM 4.5 million, the movie was structured as an international co-production and produced with an international cast and crew. Released in January 1977, it became a huge commercial success for Constantin: in 1985 *Variety* listed the movie as number 8 among the “all-time German rental champs” with DM 6 million in rentals. However, by that time, Constantin was so deep in debt that even such a box-office hit could no longer save it. “Wolfgang Hartwig; ‘Das eiserne Kreuz’ kostet 4.5 Mill DM.” *Film-Echo/Filmwoche*, 12 Nov. 1975; “All-Time German Rental Champs.” *Variety*, Wednesday, 13 Feb. 1985, p. 60.

133. Tim Bergfelder. *International Adventures*, p. 86.

1.5. The Volume Business

On June 30, 1965, Constantin Film and Bertelsmann AG announced to the press that the media concern had become a partner in the film distributor.¹³⁴ Constantin was supposed to continue operating as before. However, its former production head Manfred Barthel argues that Bertelsmann interfered in Constantin's operations very deliberately: the media concern, with its core business in book and music publishing, applied its "volume principle" to the movie business, forcing Constantin to increase its distribution output without higher production budgets.¹³⁵

However, I question in how far Bertelsmann really did change Constantin's operating principles in any substantive way. I argue that the company had always operated as a wholesaler of films and held on to the idea of film as mass medium long after television had usurped that role. Moreover, the film business at large could not let go of this idea and failed to adjust its overall output when declining admissions created less need for so many movies.

1.5.1. Bertelsmann and Constantin: A Study in "Deliberate Overproduction"

In this section I examine Constantin's deliberate overproduction strategy after the Bertelsmann acquisition in 1965. I argue that even though this strategy was common in certain cultural industries at the time, it did not benefit Constantin's overall business. By focusing on increased distribution output, the distributor could no longer pursue the blockbuster strategy that had differentiated moviegoing from television.

When the Bertelsmann music and publishing concern acquired a stake in Constantin

134. The press releases stated 50%; however, it was later revealed that Waldfried Barthel had sold 60% of the company's shares for an estimated \$5 million. "Barthel Again in 100% Control of Constantin Firm." *Variety*, 27 Jan. 1971, p. 23.

135. Manfred Barthel. *So war es wirklich*, pp. 82-3.

Film, both companies expected from this union “positive effects for the state of German film.”¹³⁶ Originally founded in 1835 as a publisher of evangelical literature, Bertelsmann became “Germany’s biggest cultural concern” in the postwar period and contained some 50 subsidiary firms with a total 9,800 employees and annual revenues of some DM 600 million in 1967.¹³⁷ In 1964 Bertelsmann had already acquired the Ufa assets from a consortium of creditor banks.¹³⁸

Manfred Barthel, production head at Constantin at the time, reports that Bertelsmann’s chief executive, Manfred Köhnlechner, was seen as a magic healer who would inject the film industry with a new sense of optimism and a drive for expansion.¹³⁹ According to *Der Spiegel*, the 40-year-old Köhnlechner represented a new generation of ambitious and agile executives.¹⁴⁰

However, Manfred Barthel soon became disillusioned with Bertelsmann’s engagement. He argues that Bertelsmann applied its operating principle, “volume is key,” to the film business and forced Constantin to increase its output of movies. M. Barthel observes that while Herzog Film and Gloria never released more than eighteen and twenty-four movies per year, respectively, in 1966 Constantin decided to release some 57 new movies.¹⁴¹

While I agree that Constantin Film released far more movies than the market could absorb, I disagree that Bertelsmann was the culprit here. Bertelsmann did not fundamentally change Constantin’s operating principle as a mass distributor. Constantin Film had released a

136. “Enge Partnerschaft: Constantin/Bertelsmann.” *Film-Echo/Filmwoche*, 30 June 1965, p. 15.

137. “Bertelsmann: Profil mit Ei.” *Der Spiegel*, 26 Feb. 1968, p. 114; “Gruner + Jahr: Das lechzt.” *Der Spiegel*, 26 May 1969, p. 92.

138. Bertelsmann acquired Ufa’s news reel, TV, commercial and industrial film production assets and the theater chain. Ufa’s sound stages and technical facilities were sold separately to Becker & Kries OHG and renamed into Berliner Union Film. Roeber/Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, p. 236. See also: “Ufa-Aktien an Bertelsmann; Ausgliederung der Produktionsbetriebe.” *Film-Echo/Filmwoche*, 8 January 1964, pp. 3, 5.

139. Manfred Barthel. *So war es wirklich*, p. 82. Tim Bergfelder notes that Bertelsmann installed its chief accountant Herbert Schmidt as co-managing director next to Waldfried Barthel to have greater control of the day-to-day operations of the distributor. Tim Bergfelder. *International Adventures*, p. 86.

140. Generally known as a left-leaning news magazine, *Der Spiegel* published an uncharacteristically glowing profile of the executive in “Akten in der Sauna.” *Der Spiegel*, 18 April 1966, pp. 72-74.

141. Manfred Barthel. *So war es wirklich*, p. 82.

high volume of movies even before Bertelsmann took over. In the 1950s Constantin already released more films than either Gloria and Herzog: whereas the latter two rarely went above 20 films per year, Constantin consistently released between 25 and 30 films per year. This trend only intensified in the 1960s. In the 1964/65 theatrical season, before the Bertelsmann acquisition, Constantin released 49 movies; the closest any competitor came was the combined Columbia-Bavaria with 38 movies, representing the output of two merged distribution companies.¹⁴² After the Bertelsmann deal closed, the slates went up to 57 movies (1966/67), 64 (1967/68) and 59 (1969/70) before they dipped to 46 (1970/71) and 44 (1971/72).¹⁴³ Thus the new ownership structure only accelerated a trend that had started well before Bertelsmann's entry into the company.

It is more likely that Constantin's change in policy came on the heels of the success of its two Karl May adaptations, *Der Schatz im Silbersee* (1962) and *Winnetou I* (1963).¹⁴⁴ *Film-Echo/Filmwoche* discussed the 1964/65 slate, which the paper called "the most comprehensive German and, at the same time, biggest release slate in the history of the company." The article pointed out that the distributor had invested DM 35 million in thirty new German productions and twenty-two foreign acquisitions. Constantin's head of distribution, Hubert Kristen, explained that the "biggest and most successful German distribution company" would consolidate its position further.¹⁴⁵

The distributor was combatting uncertainty in audience demand with an oversupply of product. The publishing industry calls this practice "deliberate overproduction." A 1975 editorial

142. All release data compiled from the annual issues of *Film Echo Verleihkatalog*, Wiesbaden, 1950—2005.

143. All release data compiled from the annual issues of *Film Echo Verleihkatalog*, Wiesbaden, 1950—2005.

144. Both movies topped the box-office polls for their respective years of releases. See box-office rankings in: Joseph Garnarcz. *Hollywood in Deutschland*, p. 191.

145. "Constantins 35-Millionen-Programm." *Film-Echo/Filmwoche*, 8 April 1964, p. 4.

in *Film-Echo/Filmwoche* explained the thinking behind this practice: “One used to calculate (and still does) with a certain set percentage, about 10 to 1—that means, ten so-so titles and one hit movie.”¹⁴⁶ Accordingly, a sufficiently broad spectrum of product would harbor the occasional hit. In a way, it was a numbers’ game.

Organizational sociology scholar Paul Hirsch points out that the strategy is fairly common in cultural industries as a mechanism for dealing with uncertainty in audience response. Hirsch explains: “Under these conditions it apparently is more efficient to produce many ‘failures’ for each success than to sponsor fewer items and pretest each on a massive scale to increase media coverage and consumer sales.”¹⁴⁷ Publishers will promote only a select number of books or records from proven bestselling artists. The disproportionately high sales from these bestseller items will then fund the remainder of the slate. The other titles that are not promoted are still pushed out into the marketplace in case that some may meet an unexpected demand.

However, the problem in the film business is that movies are much more expensive to produce than books and music records. Bertelsmann’s strategy of increased volume did not come with an increase in production investment for Constantin. As a result, budgets for films had to be cut and more expensive film series were shut down, such as the Karl May series.¹⁴⁸ However, as I have argued in the previous section, the spectacular Karl May adaptations were exactly the type of product that differentiated Constantin’s cinematic movies from what television had to offer. I therefore believe that with eliminating the blockbusters Constantin failed to cultivate a broader, more mainstream audience for the theatrical experience. The company did not even attempt to

146. “Das muss 1975 anders werden; Forderungen an Verleiher, Filmemacher und Theaterbesitzer zum Jahresbeginn.” *Film-Echo/Filmwoche*, 3 Jan. 1975, p. 3.

147. Paul M. Hirsch. "Processing fads and fashions: An organization-set analysis of cultural industry systems." *American journal of sociology* 77.4 (1972), p. 652.

148. Tim Bergfelder. *International Adventures*, p. 86.

replace those series with similar big-budget, widescreen productions, but rather focused on more low-budget production cycles such as the high-school comedy series, *Die Lümmel von der ersten Bank* (consisting of six installments released between 1968 and 1971), the erotic comedy series *Susanne, Frau Wirtin von der Lahn* (*Sexy Susan*, six installments, 1968—1973), and the documentary-style sex film series *Schulmädchen-Report* (thirteen installments, 1970–1980).

1.5.2. Industrial Overproduction

Bertelsmann & Constantin were not the only ones who believed that more was better. Even if television was an easy scapegoat for the film industry, it was not the (only) cause for its dismal state. I argue that the entire German film industry was suffering from an oversupply of product. The 1954/55 theatrical season had counted 486 new releases.¹⁴⁹ Even if we consider that in 1956 some 6,400 West German theaters needed product,¹⁵⁰ 484 movies were still a very high amount. For comparison, in the USA, at the height of the postwar movie business in 1948, major studios and independent distributors had released a total of 459 movies for a market of about 18,000 theaters.¹⁵¹

However, even more problematically, German theatrical distributors failed to adjust their release slates when admissions started to decline. In 1959/1960, when annual admissions were down to 609.6 million (from a peak of 817 million in 1956), distributors still released more movies than ever, some 540 (or more than ten new releases per week).¹⁵² By 1965 the number of new releases had dropped to 373. However, annual admissions had dropped even more steeply

149. SPIO. *Filmstatistisches Taschenbuch 1957*, p. 15.

150. SPIO. *Filmstatistisches Taschenbuch 1957*, p. 17.

151. US statistics from: Thomas Schatz. *Boom and Bust: American Cinema in the 1940s*. University of California Press, 1997, pp. 461—463.

152. SPIO. *Filmstatistisches Taschenbuch 1961*, pp. 15, 34.

by 47%, to 320 million from 1960's 609 million.¹⁵³ Thus the decline in release numbers did not hold pace with the decline in admissions. Moreover, by 1970 releases were back up to 410 movies for the year at 160.1 million annual admissions.¹⁵⁴

By ignoring the overall number of releases the industry unwittingly made it harder for each title to become profitable. With declining admissions number, the same number of releases had to recoup from ever fewer ticket sales. In 1956, 495 movies generated DM 331.2 million in rentals.¹⁵⁵ By 1970, the situation had become much direr. That year, 410 movies generated only DM 196.1 million in rentals, which means that significantly less money would flow back to producers.¹⁵⁶

If this strategy was so clearly counterproductive, why did the industry hold onto it for so long?

1.5.3. The Focus on Domestic Production

I argue that, rather than deal with the overall number of releases, the official organs of the film industry were more preoccupied with the number of German-produced films. Producers and exhibitors had already started lobbying parliament over the course of the 1950s. As discussed previously, federal loan guarantees had contributed to a rise in overall domestic film production in the first half of the 1950s. But with the end of those guarantees producers foresaw a dip in production volume — which did occur in the second half of the 1950s.¹⁵⁷

However, the real moment of crisis was the year 1966 when production levels dropped to

153. SPIO. *Filmstatistisches Taschenbuch 1966*, pp. 8, 14.

154. SPIO. *Filmstatistisches Taschenbuch 1980*, pp. 4, 10.

155. SPIO. *Filmstatistisches Taschenbuch 1957*, pp. 15, 16.

156. SPIO. *Filmstatistisches Taschenbuch 1971*, pp. 5, 7.

157. See Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*. Verlag Dokumentation, 1973, pp. 197-202.

60 movies of which 33 were co-productions with other countries. Consequently, in April 1967 the Bundestag took up again a draft of a bill first initiated in 1963 and passed it into law on December 1, 1967. The “Filmförderungsgesetz” (FFG, film subsidy law) was supposed to represent a form of self-help to the film industry and provide an economic stimulus. The law, which came into effect on January 1, 1968, placed a levy of DM 0.10 on each movie ticket sold. In this way, the three main sectors of the industry—exhibitors, distributors and producers—were meant to contribute equitably to the funding of the law.¹⁵⁸ In turn, producers of a qualifying German film that reached a minimum of DM 500,000 in rentals within two years of initial release were entitled to an automatic subsidy of DM 150,000 (“Grundbetrag”) for a follow-up project.¹⁵⁹ In addition, films that received top awards at film festivals or a special mention by “Filmbewertungsstelle Wiesbaden” (FBW) were entitled to additional funds (“Zusatzbetrag”). This fund was supposed to reward excellence in filmmaking and thus represented a form of cultural subsidy.¹⁶⁰

The FFG was intended to encourage market-based film production. The goal was to incentivize the industry to produce and release movies that would appeal to a mainstream audience. However, at least in the short term the law incentivized producers and distributors to increase production simply for the sake of capturing more subsidies. Roeber & Jacoby note that from 1966 to 1967 production levels rose by more than 50%, from 60 movies to 96 movies per annum. They suggest that the increased output was in response to the law’s coming into effect in

158. For youth programs and theaters that only presented newsreels or short films, the levy was set at 0.05 DM. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, p 572.

159. A 1971 amendment to the law removed the set amount of DM 150,000 and instead linked the subsidy to the number of qualifying films in relation to the annual revenue available. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, p 575.

160. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, p 569-579. See also Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*, p. 36.

the following year.¹⁶¹ However, the FFG was only indirectly responsible for the rise in production levels in the following years. In 1969 only 35% of 121 new releases received subsidies; in 1970, only 23% of 115 new films. That does not mean that film subsidies had no effect. Roeber and Jacoby argue that the cumulative effect of the various film subsidies now available to producers contributed to an overall rise in production output. Producers could combine the various subsidy funds (the Film Prize, the FFA fund, and Kuratorium junger deutscher Film) to finance their movie productions without having to advance any of their own money.¹⁶²

I argue that the subsidy monies exacerbated the issue of oversupply because now producers and distributors had access to production financing without having to risk any of their own capital. Production levels could be maintained, or even raised, because the costs for producing the movies were now shifted to the FFA, the Federal Ministry of the Interior, and the Kuratorium junger deutscher Film. If a movie flopped, producers and distributors no longer lost money. On the other hand, if a movie did well, theatrical distributors were the first to reap the rewards because they collected a distribution fee on the rentals. Therefore it was in their own interest to keep as many movies as possible in circulation in order to increase their chances for success.

1.5.4. Bertelsmann Exits While Constantin Stays the Course

In 1970 Bertelsmann decided to exit the film business altogether. However, despite its departure, Constantin's remaining management team under Waldfried Barthel continued with the volume business.

161. Roeber/Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, p. 582.

162. Roeber/Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 582-3.

After Bertelsmann's attempts to sell off the Constantin shares along with its theater chain to an American investor failed,¹⁶³ Waldfried Barthel bought back Bertelsmann's shares in Constantin in 1971. Bertelsmann's executive Köhnlechner reportedly wanted to concentrate the company "on its traditional operations, i.e. book and music publishing."¹⁶⁴ Six months later, Bertelsmann also sold off the Ufa theater chain to theater exhibitor Heinz Riech (see chapter 4).¹⁶⁵

Manfred Barthel indicates in his book that Constantin Film was in severe financial distress when Bertelsmann sold its shares back to Waldfried Barthel.¹⁶⁶ Nevertheless, Constantin continued to release a very high number of films. I argue that the 'volume' thinking continued unabated at Constantin Film, even without Bertelsmann's involvement. For the 1973/1974 season, Constantin still released some 67 titles.¹⁶⁷ Then, for the 1975 season, the company finally started reducing its output. In the assessment of *Film-Echo/Filmwoche*, the company was continuing a "trend toward a reduction of quantity." However, the slate still came to a reported 50 movies.¹⁶⁸

That number may have been on par with Fox-MGM, which announced 52 releases for 1975 in West Germany. However, that company was releasing the combined output of four Hollywood studios: 32 movies from Fox, 10 from MGM, 5 from Disney and 5 from Avco Embassy.¹⁶⁹ Similarly, Warner-Columbia Germany, representing two Hollywood studios, announced a total of 23 releases for 1975.¹⁷⁰ In fact, the US studios had reduced their overall

163. Roeber/Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, p. 240.

164. "Barthel again in 100% control of Constantin firm." *Variety*, 27 Jan. 1971, p. 23.

165. "Bertelsmann sells last 41 theaters." *Variety*, 14 July 1971, p. 4.

166. Manfred Barthel. *So war es wirklich*, p. 85.

167. "Nachtrag zum Verleihkatalog 74/75." *Film-Echo/Filmwoche*, 17 May 1975, appendix.

168. "Constantins Programmlinie unverändert." *Film-Echo/Filmwoche*, 1 Aug 1975; my translation.

169. "Fox-MGM '75/76 mit glanzvollem Programmangebot." *Film-Echo/Filmwoche*, 28 Feb 1975.

170. Warner-Columbia advertising spread. *Film-Echo/Filmwoche*, 26 April 1975.

output over the previous ten years significantly. In 1975 film imports from the USA had come down to just 84 movies. For the remainder of the decade, the number of movies would rarely move past 100 movies per annum.¹⁷¹

The MPEA studios' reduced output may have impacted lower overall release numbers in West Germany. In 1975, 323 new titles were released in West Germany with combined rentals of DM 230.8 million; annual theatrical admissions were now at 128.1 million.¹⁷² That was about 50 new releases fewer than ten years earlier. However, if we compare it to the US market, it was still very high. In the USA the members of the Motion Picture Association of America (i.e. the major studios) and independent distributors released a combined total of 195 movies in 1975. There, weekly average attendance had actually risen to 19.9 million in 1975, coming to about 1 billion annual admissions.¹⁷³ Thus, two-thirds of the number of releases supplied a market that was almost eight times bigger than the West German market.

With 50 new releases in 1975, Constantin was thus supplying 15% of the overall number of movies in Germany. Considering the debt load of some DM 30–40 million that the company was carrying at the time,¹⁷⁴ it seems counterproductive to put out such a high volume of product. After all, every one of the 50 releases required a minimum guarantee that the distributor had to advance to its producers, not to speak of the distribution and marketing costs.

However, in order to gain an understanding of Constantin's practices, I argue that we must look to the mentality of the company. Waldfried Barthel and his management team had come of age at a time when film had been a mass medium and the main vehicle for entertainment

171. SPIO. *Filmstatistisches Taschenbuch 1980*, p. 4

172. SPIO. *Filmstatistisches Taschenbuch 1975*, pp. 5, 7, 11.

173. All US distribution and attendance data sourced from: David A. Cook. *Lost Illusions*. University of California Press, pp. 490-492.

174. "In den Wind geschrieben." *Der Spiegel*, 11 July 1977, p. 270.

and news in West German society. Now, some twenty-five years later, the industrial and societal landscape had changed, but the company was still operating according to those same principles. Constantin Film stuck to the volume business because it considered itself a wholesaler of films. Clearly, the thinking was that if it carried a big enough inventory, the distributor could deliver something for everybody. And even when Constantin stopped making money and incurred massive losses in its operations, it still operated according to the same principle. In an era when television had taken over as the primary mass medium, the company was holding on to the belief that it was the main purveyor of filmed entertainment.

Eichinger acknowledged Constantin's legacy as the sole remaining major distributor in his letter to Eckes of July 1978. But Eichinger also stated that a company of its size should have gone bankrupt long ago. He argued that only the incompetence of its creditor banks and their sheer hope of reviving the company had prolonged its life well into the 1970s.¹⁷⁵

Eichinger has a point here. The 'old' Constantin Film rose to prominence in the 1950s and experienced its heyday in the first half of the 1960s. However, after 1965, the company held on steadfast to this self-image as a major distributor and largely ignored the changes taking place in the film industry and the society at large.

What were those changes? For one, cinema was no longer the primary mass medium. But more importantly, it barely reached a broad swathe of the population anymore. Cinema had turned into a niche medium.

1.6. The New Moviegoer

In this section I discuss Constantin's releasing practices in relation to demographic

175. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978, p. 13.

changes occurring among the moviegoing public. Between 1975 and 1977 Constantin Film underwent significant changes in ownership and management. Tax adviser Hellmut Gierse bought Barthel's shares in the company and attempted to reduce the company's debts. However, I argue that, despite numerous changes to the management teams, the company failed to take account of a changing reality in the audience marketplace. Over the first half of the 1970s, various market research firms published reports showing that cinema was no longer a mass medium, but had become a niche medium for a narrower audience: the most frequent moviegoers were now teenagers and young adults between the ages of 14 and 29 years of age. Nevertheless, Constantin Film continued putting out a large quantity of movies of various genres for a broad audience, which remained without impact at the box-office and only strained the financial resources of the company.

1.6.1. Out of Step

On January 22, 1975, *Film-Echo/Filmwoche* announced that the Gierse-Unternehmensverwaltung GmbH, a holding company owned by financial auditor and tax accountant Dr. Hellmuth Gierse, had purchased a 50% share of Constantin Film.¹⁷⁶ Waldfried Barthel was to remain in charge as managing director, along with longtime lieutenant Herbert Schmidt (who had originally come from Bertelsmann in 1965).¹⁷⁷

However, despite the new ownership structure, Constantin did not really change much in terms of its distribution or production strategies. Constantin's programming remained "unchanged," as a *Film-Echo/Filmwoche* headline announcing the slate for 1975 pointed out a few months later. That slate would still encompass 21 new titles, raising the overall volume to

176. "Constantin verbreitert Kapitalbasis." *Film-Echo/Filmwoche*, 22 Jan. 1975, p. 3.

177. "Neu im Hause Constantin." *Film-Echo/Filmwoche*, 25 Jan. 1975.

nearly 50 films for the calendar year.¹⁷⁸

Nor did the movies succeed at the box-office. The American MPEA companies and Horst Wendlandt's Tobis dominated the top charts of the box-office rankings more consistently than Constantin.¹⁷⁹ In 1975 Constantin had only one movie (French erotic film *Histoire D'O./The Story of O*, J. Jaeckin, #5) in the top ten. Steven Spielberg's action spectacle *Jaws* was the big winner of that year. The highest-grossing movies were US blockbusters and French and Italian action-comedies.¹⁸⁰

In a 1975 *Film-Echo/Filmwoche* editorial, film journalist and director Klaus Hebecker lamented German distributors' lack of attention to the core theatrical audience. He noted that "today's moviegoers" had little in common with the decision-makers at the film companies. According to Hebecker, seventy per cent of moviegoers were 14 to 29 years old. Yet those in charge of acquisitions at the distribution companies did not have a sense of what that audience was interested in: "Most of the buyers, i.e. company bosses and heads of distribution, came of age in an era when film was doing well. They live off the tastes of yesterday and are fairly uncertain of how to meet present day's tastes."¹⁸¹

Hebecker fails to clarify whom he counted among those distribution companies. After all,

178. "Constantins Programmlinie unverändert." *Film-Echo/Filmwoche*, 1 Aug. 1975, p. 5.

179. Joseph Garnarcz observes that the top ten films of any theatrical season generally attracted 30-40% of all moviegoers for that year. Joseph Garnarcz. *Hollywood in Deutschland: Zur Internationalisierung der Kinokultur 1925-1990*. Frankfurt/Main: Stroemfeld Verlag, 2013, p. 70. That means that Constantin may still have reached a good swathe of the population with its films even if they did not enter the "top ten" list, but it made less money because it failed to break through in the more profitable showcase theaters.

180. The other movies were, in order of box-office ranking: action-comedy *Porgi l'altra guancia* (Turn the other cheek, F. Rossi, released by Tobis), starring Italian stars Terence Hill and Bud Spencer; *L'Incorrigible* (The Incorrigible, P. De Broca, Tobis), starring Jean-Paul Belmondo; *Frankenstein Jr.* (M. Brooks, Fox); the Terence Hill-vehicle *Un genio, due compari, un pollo* (Trinity Is Back Again, D. Damiani, Tobis); *Mandingo* (R. Fleischer, Tobis); *The Towering Inferno* (J. Guillermin, Warner-Columbia); *Earthquake* (M. Robson, CIC); and *Rollerball* (N. Jewison, UA). "Top 25 Deutschland 1975." *InsideKino.de*. 19 Nov. 2006. www.insidekino.de/DJahr/D1975.htm. Accessed 10 July 2020.

181. Klaus Hebecker. "Findet 'Dramaturgie' wirklich statt? Fragen zur Filmherstellung und zum Filmeinkauf." *Film-Echo/Filmwoche*, 17 Jan. 1975, pp. 3, 7; my translation.

Tobis was running rather successfully.¹⁸² However, in 1975 Waldfried Barthel at Constantin was sixty-one years old. It is fair to ask how much he could still be expected to understand the tastes and interests of his audience.

In Hebecker's view, this lack in first-hand knowledge led to poor decision-making. He noted that those between 14 and 29 were hardly cinephiles, "but rather altogether normal moviegoers who want to be animated, relaxed, entertained, amused, filled with suspense or otherwise appealed to. They just don't want to be bored."¹⁸³

So, who was this audience?

1.6.2. Market Research Measures the Audience

Over the course of the 1970s several research studies on moviegoing behavior had come out and were reported on in the trade press. Even though these studies focused on different aspects of contemporary moviegoing habits, in aggregate their findings provided a fairly consistent picture of the composition of the moviegoing audience at the time: the most active and committed moviegoers were teenagers and young adults between the ages of 14 and 29 years.

One of the first market research studies was commissioned in 1969 by the new "Filmförderungsanstalt" (FFA), which was set up as part of the federal film subsidy law (FFG). The FFA commissioned a study by the Ernest Dichter Institute for Motivational Research, based in New York, Zurich and Munich. Even though the study was not published, its results were reported on in the trade magazine *Film-Telegramm*.¹⁸⁴ This study interviewed a representative

182. For the 1975/76 season, *Film Echo Verleih Katalog* lists the following distributors with full programs: A.-B.-Film (mostly sex films), Adria Film Verleih, Apollo Film, Avis, C.H. Filmverleih, CIC, Cinerama, Constantin Film, Film-Allianz, Filmverlag der Autoren, 20th Century-Fox Germany, Gloria Film, Jugendfilm, Nobis, Scotia International, United Artists, Warner-Columbia. *Film Echo Verleihkatalog*. Wiesbaden, 1975.

183. Klaus Hebecker. "Findet 'Dramaturgie' wirklich statt?", p. 3.

184. Ernest Dichter International Ltd. *Bericht zu einer motivpsychologischen Studie über die Einstellung des deutschen Publikums gegenüber dem Kino bzw. Filmtheater in seiner derzeitigen Erscheinungsform*.

selection of 334 men and women on their views and motivations with regard to moviegoing and cinema. The conclusions of the report were therefore mostly geared towards the reasons why viewers were not attending the movie theaters. One main reason for many to abstain was that they considered cinema a site for cinephiles as well as single men: bachelors, young males, senior citizens and those “socially unassimilated.”¹⁸⁵

This subjective, anecdotal impression by non-moviegoers was actually confirmed by a research study that came out six years later. *Medien-Analyse 1975*, a market research study published by Institut für Medienforschung, measured by polling who actually went to the movies.¹⁸⁶ This study provides a more detailed picture of the composition of the actual moviegoing audience: men were overrepresented with 57% of moviegoers (even though they represented 46% of the total population). Seventy percent of moviegoers were aged 14 to 29, which was a substantial overrepresentation of that age group since it constituted only a quarter of the total population. Fifteen percent of the 14 to 19-year-olds went to the cinemas at least once a week. The study found that the average moviegoer was well educated, had an above-average income and was geographically mobile.¹⁸⁷

Many of the findings of the 1975 study were again confirmed by a 1979 research study commissioned by the public broadcast networks ARD and ZDF. That study examined viewers’ motivations and behaviors with respect to both moviegoing and television viewing.¹⁸⁸ The

Unpublished research report, prepared on behalf of Filmförderungsanstalt Berlin, Munich, October 1969. Reported on in: “Nicht der Mörder, der Ermordete ist schuld.” *Film-Telegramm*, 7 April 1970, pp. 2—6 and 14 April 1970, pp. 2—7. A copy of the study has since become available at the Hans-Helmut Prinzler Bibliothek in Berlin.

185. “Nicht der Mörder, der Ermordete ist schuld.” *Film-Telegramm*, 7 April 1970, pp. 2—6 and 14 April 1970, pp. 2—7; my translation.

186. “Der Kinobesucher im Spiegel der Statistik; Media-Analyse 75: Ein positives Erscheinungsbild.” *Film-Echo/Filmwoche*, 5 March 1976.

187. “Der Kinobesucher im Spiegel der Statistik; Medien-Analyse 75.” *Film-Echo/Filmwoche*, 5 March 1976.

188. Elisabeth Berg, Bernward Frank. *Film und Fernsehen: Ergebnisse einer Repräsentativerhebung 1978*. Mainz: V. Hase & Koehler Verlag, 1979.

ARD/ZDF study confirmed that frequent moviegoers were largely dominated by the 14 to 19-year-old demographic and skewed slightly more male than female. More specifically, thirty-six percent of the general population aged 14 and above could be counted as moviegoers.¹⁸⁹ That means that two-thirds of the general population had not been to the movies at all within the preceding twelve months. Moviegoers were subsequently subdivided into “frequent moviegoers” (those who went to the cinema at least once per month) and “occasional moviegoers” (at least once a year). “Frequent moviegoers” thus constituted 29% of moviegoers (or 10% of the general population).¹⁹⁰

The researchers further indicated two groups of moviegoers with specific preferences in the types of movies that they watched: action/horror fans and cinephiles. The former group was predominantly male (69%), under 30 years of age (65%), had mostly basic schooling and were, as the name suggests, mostly interested in action and horror genre movies. On the other hand, the cinephiles expressed a strong interest in New German cinema, foreign arthouse and literary adaptations, and were predominantly between 20 and 39 years of age (66%) with more advanced schooling and university education.¹⁹¹ Interestingly, though, action/horror fans were mostly frequent moviegoers whereas the cinephiles were occasional moviegoers.¹⁹²

Of course, these qualitative and quantitative studies are circumscribed by their respective methodologies and should not be taken at face value. However, I argue that, taken together, they do show a significant trend: the moviegoing audience of the mid-1970s had fundamentally

189. The study defined “moviegoers” as those persons who had attended a cinema at least once within the last twelve months.

190. Elisabeth Berg, Bernward Frank. *Film und Fernsehen*, p. 48.

191. Elisabeth Berg, Bernward Frank. *Film und Fernsehen*, pp. 36-37.

192. Elisabeth Berg, Bernward Frank. *Film und Fernsehen*, p. 50. Another *Media-Analyse 1980* report confirmed previous findings and revealed some new trends: now 61% of frequent moviegoers were male; among the 24 to 29-year-olds even 70% were male. Frequent moviegoers also often pursued sports and traveling in their leisure. “Kino ist ein jugendliches Medium.” *Film-Echo/Filmwoche*. September 13, 1980.

changed from the 1950s and 1960s: it was younger and skewed male.

That is not to say that children, youths and young adults had not been part of the moviegoing audience before. Media scholar Elizabeth Prommer argues that they had always constituted the most ardent core of moviegoers since the postwar period.¹⁹³ However, what was new was that the other audience segments—the 1950s middle-aged housewives that Gloria targeted with its Heimatfilme and Schlagerfilme, or the older males who had turned out for Edgar Wallace adaptations—had simply melted away. As the ARD/ZDF study pointed out, older viewers preferred to stay home and watch television. In fact, regular TV viewers did not even consider cinema as an option anymore. However, the reverse was not true for young moviegoers: they would watch television just as much as the non-moviegoers. For the researchers this meant that television was a mass medium that was used by all age groups whereas cinema was only relevant to a specific group – i.e. cinema had become a niche medium for young people.¹⁹⁴ Moreover, for moviegoers, cinema was primarily a social activity. This was true for cinephiles just as much as the youthful action and horror fans: moviegoing was largely a social experience with peers.¹⁹⁵

Taken together, these findings reveal that cinema's function in West German society had fundamentally changed. Cinema no longer functioned as a mass information and entertainment medium that could reach a broad swathe of the population. Cinema had turned into a niche medium that was mostly used as a social gathering place for teens and young adults. With this core audience, kinetic, action-filled spectacles that got the hearts of action and horror fans racing

193. In fact, Prommer argues that the share of older audiences in the 1950s has traditionally been overstated in most research literature. Elizabeth Prommer. *Kinobesuch im Lebenslauf: eine historische und medienbiographische Studie*. Konstanz: UVK Medien, 1999, pp. 94-98.

194. Elisabeth Berg, Bernward Frank. *Film und Fernsehen*, p. 86.

195. Elisabeth Berg, Bernward Frank. *Film und Fernsehen*, p. 96.

were now succeeding at the box-office.

1.6.3. Moviegoers Shift to American Cinema

This analysis of the demographic shifts in the West German moviegoing audience may thus offer one explanation for the rise in popularity of American movies at the German box-offices in the second half of the 1970s. For West German moviegoing trends show a striking similarity with trends in the USA. Tom Schatz reports that by the mid-1970s, the “politically hip, cineliterate viewers” who had watched the movies of the ‘Hollywood Renaissance’ of the late 1960s had given way to younger viewers “with more conservative tastes and sensibilities.” He explains that “demographically, this trend reflected the ageing of the front-end baby boomers and the ascendance not only of their younger siblings but of their children as well—a new generation with time and spending money and a penchant for wandering suburban malls and for repeated viewings of their favorite films.”¹⁹⁶ According to Schatz, the major Hollywood studios had picked up on that trend and were supplying this audience now with action-packed blockbusters like *Jaws* (1975) and *Star Wars* (1977).

This growing correlation in audience composition and tastes between the USA and West Germany is significant. Joseph Garnarcz argues that from the 1920s through 1963, Germans had traditionally favored German movies and homegrown stars and genres. He bases his argument on a review of box-office rankings and exhibitor polls in Germany from the 1920s through the 1990s. However, he observes that between 1964 and 1979, a change occurred. During this transitional phase, films from France, Italy, the UK, and Scandinavia became popular as never before. This coincided with a rise in popularity for American movies. After 1975, that trend

196. Thomas Schatz. "The New Hollywood." *Film theory goes to the movies*, ed. by J. Collins, H. Radner, and A. Collins, Routledge, 1993, p. 19.

accelerated and American movies became the most popular at the German box-office, leaving German and other Western countries far behind.¹⁹⁷

I concur that the demographic correlation between American and West German moviegoers in the mid 1970s is significant. Clearly, those movies that appealed most stringently to the teen and young adult audience were the ones that succeeded at the box-office.

However, Constantin Film largely ignored that audience in the mid 1970s.

1.6.4. Constantin Ignores the Moviegoers

If the core moviegoing audience consisted of teens and young adults, we should examine Constantin's slate in terms of the movies' potential appeal to that core group. One way to do that is to look at the recommendations by SPIO's rating agency FSK ("Freiwillige Selbstkontrolle der Filmindustrie"), which reviewed movies in terms of their age appropriateness. As previously reported, Constantin's 1974/75 slate contained some 67 titles. Of those, twelve titles had been deemed appropriate for audiences of twelve years of age and older by the ratings agency FSK, and fifteen movies for those sixteen and above. Nineteen movies were deemed appropriate for eighteen and above, and fifteen for general audiences of six years of age and above.¹⁹⁸ Thus, arguably, Constantin carried a fairly balanced slate with an equal number of movies for all age groups.

However, if we now consider that the most active and engaged moviegoers were those 14 to 19-year-old action and horror fans, a more sobering statistic emerges. Thus, in addition the FSK recommendations, we can also look at the genre appropriateness. Of the twenty-five titles deemed appropriate for the 14 to 19-year-old age group, only seven fit into the 'action genre'

197. Joseph Garnarz. *Hollywood in Deutschland*, pp. 73—75.

198. "Nachtrag zum Verleihkatalog 74/75." *Film-Echo/Filmwoche*, 17 May 1975, pp. III-IV.

category and were, for the most part, either Italian or Japanese imports.¹⁹⁹ Thus just about 10% of Constantin's slate could potentially appeal to the most committed and active moviegoers.

In contrast, Horst Wendlandt's Tobis Film released only eight movies in 1974/75. Of those, the action comedies *Porgi l'altra guancia* (Turn the other cheek, F. Rossi) and *Un genio, due compari, un pollo* (Trinity is Back Again, D. Damiani) were rated appropriate for teens while hard action movies *Mandingo* (R. Fleischer) and *Death Wish* (M. Winner) were rated 18+, and most likely appealed to the 18 to 29-year-old demographic.²⁰⁰ Thus, at least half of Tobis' slate could be expected to have a strong appeal to the core moviegoing audience. Moreover, since it only carried eight titles, it could spend more staff resources and money to promote each title.

On the other hand, Constantin, which released one to two titles per week, could hardly be expected to spend as much time and money on any one title. It had a much larger and broader slate and carried, by default, some films with a potential appeal to the youth market. However, unlike Tobis, it had to spend money on all the other films as well. Constantin also had to maintain a large distribution infrastructure and therefore needed a lot of money to stay afloat. The company needed a lot of box-office hits to maintain its operations — but in 1975 it lacked those hits.

1.6.5. Constantin's End

Hellmuth Gierse had taken over the moribund distributor with the stated promise to clean

199. I list the year of first theatrical release in the movie's respective country of origin: *Anche gli angeli mangiano fagioli* (Even Angels Eat Beans, E.B. Clucher, 1973), *Crash! Che botte... strippo strappo stroppio* (The Three Fantastic Supermen in the Orient, A. Albertini, 1973), *Gojira tai Megaro* (Godzilla vs. Megalon, J. Fukuda, 1973), *Gojira tai Mekagojira* (Godzilla vs. Megagodzilla, J. Fukuda, 1974), *Piedone a Hong Kong* (Flatfoot in Hong Kong, Steno, 1975), *Piedone lo sbirro* (The Knock-Out Cop, Steno, 1973), *Il bianco il giallo il nero* (Shoot first – Ask Questions Later, S. Corbucci, 1975). “Nachtrag zum Verleihkatalog 74/75.” *Film-Echo/Filmwoche*, 17 May 1975, pp. III-IV. Genre allocations cross-referenced on IMDBPro.com.

200. “Nachtrag zum Verleihkatalog 74/75.” *Film-Echo/Filmwoche*, 17 May 1975, p. X.

up its finances. First, Gierse changed out executives. Production head Manfred Barthel was let go in 1975.²⁰¹ In January 1976, Gierse's company acquired the remaining shares of the company for DM 1.35 million and initiated a wholesale management overhaul.²⁰² Gierse promised to use beneficial tax laws and corporate restructuring to make the looming debt burden (estimated at DM 30-40 million) disappear.²⁰³ However, all this maneuvering did little to solve the fact that the company had a large overhead and needed cash-flow to acquire new titles and pay for print and advertising costs. By early 1977 Constantin owed some DM 13 million to licensors and vendors, but no bank was willing to grant the company any new line of credit.²⁰⁴

Then, in September 1977, things really started to unravel. Yet another managing director was let go while Waldfried Barthel was "relieved of his post."²⁰⁵ At the same time, two of the producers who had their movies with Constantin, Luggi Waldleitner and Karl Spiehs, set up a new company, C-Film GmbH & Co. Verleih KG. The company was supposed to take over distribution operations for the producers in the ever more likely case that Constantin became insolvent.²⁰⁶

But then Constantin's owner Gierse approached liquor manufacturer Ludwig Eckes, who had amassed a fortune with his beverages company, Peter Eckes Co. On October 6, 1977, Gierse and Eckes allegedly reached an agreement that saw Eckes buy 50% of the company for \$2.174 million (DM 5 million).²⁰⁷ Eckes could be the white knight that could save the company.

201. "Ab morgen sind wir reich und ehrlich." *Der Spiegel*, 17 Oct. 1977, p. 118.

202. Waldfried Barthel remained with the company at first. But his co-managing director Herbert Schmidt was replaced with an executive who had previously worked for a steel manufacturer. Evidently, Gierse believed that an experienced business executive from another industry could take over operations. "Gierse Takes Over Constantin, Biggest Distrib In Germany." *Variety*, 28 Jan. 1976, p. 29.

203. "In den Wind geschrieben." *Der Spiegel*, 11 July 1977, p. 270; "Ab morgen sind wir reich und ehrlich." *Der Spiegel*, 17 Oct. 1977, p. 119.

204. "Ab morgen sind wir reich und ehrlich." *Der Spiegel*, 17 Oct. 1977, p. 120.

205. Billy Kocian. "Constantin Rumors Swirl While Secret Meetings Fail To Put Company On Course." *Variety*, 19 Oct. 1977, p. 4.

206. "In den Wind geschrieben." *Der Spiegel*, 11 July 1977, p. 272.

207. Billy Kocian. "Bankrupt Constantin saved as C-Film; staff retained." *Variety*, 9 November 1977, p.

However, Eckes must have gotten cold feet and changed his mind. On October 18, Eckes sent a telex to Constantin calling off the deal. Eckes later claimed that the financial accounts at Constantin were a mess.²⁰⁸ Allegedly, the tax accountant Gierse, whose job it was to audit and certify other companies' financial records, had not been able to produce Constantin's balance sheets for the fiscal year 1976.²⁰⁹ On October 24, 1977, Constantin Film formally declared bankruptcy.²¹⁰

After the announcement of the bankruptcy, one journalist claimed the company had been missing a "trained film executive with a lucky hand."²¹¹ I argue that that is only partially correct. After Waldfried Barthel's exit, the company was run by executives with little to no experience in the film business. It is hard to imagine how financial auditors and former steel industry executives could really have the acumen to select the appropriate movies for a release slate. However, even W. Barthel and his team had lost touch with both the moviegoing audience and the wider social makeup of the country. I argue that Constantin held on to an outdated image of itself and of its industry for far too long. Whereas Tobis ran a very focused operation that targeted only the most active and engaged moviegoers, Constantin's management (and possibly its entire staff) saw the company as a wholesaler of movies that was intended to provide many different titles to a very broad spectrum of the population—and thus failed to accept the fact that most of those people did not visit the movie theaters any longer. The days that cinema was the primary mass medium were gone, as was now the company.

With the end of Constantin Film, the age of the mogul had finally come to an end. But

18.

208. "In den Wind geschrieben." *Der Spiegel*, 11 July 1977, p. 272; Billy Kocian. "Bankrupt Constantin saved as C-Film; staff retained." *Variety*, 9 November 1977, p. 18.

209. Billy Kocian. "Bankrupt Constantin saved as C-Film; staff retained." *Variety*, 9 Nov. 1977, p. 18.

210. "Constantin-Konkurs—Produzenten-Appell an Theaterbesitzer: Abspiel nicht unterbrechen!" *Film-Echo/Filmwoche*, 26 Oct. 1977, p. 3.

211. Horst Kerlikowsky. "Der Constantin-Report." *Die Zeit*, 11 Nov. 1977; my translation.

filmmaking had not ended. A new set of movers and shakers had stepped into the space left vacant by the distributors.

1.7. The New Power Players

In this section I discuss the emergence of the Filmförderungsanstalt (FFA), new measures by the Federal Ministry of the Interior (BMI), and certain state efforts in support of film activities as well as the activities by the two national public broadcasting networks, ARD and ZDF. I argue that these institutions played an increasingly significant role in film financing and commissioning of film productions, and thereby largely replaced theatrical distributors as the main arbiters on what films got produced in West Germany in the 1970s and 1980s.

1.7.1. Federal Measures

In this subsection I provide an overview of the film promotion measures enacted at the federal level over time. These can generally be categorized in three types: federal loan guarantees, the film subsidy law in its successive reauthorizations, and the BMI's cultural-political programs. I argue that these measures became increasingly more immediate and directive. Whereas the loan guarantee programs in the 1950s were intended to prop up the film industry in the aftermaths of the devastations of World War 2, later measures, especially by the BMI, were much more targeted by injecting subsidies into film production, script development and other areas. However, one complicating factor for these types of federal measures has been the fact that cinema is considered both an economic and a cultural product. This duality becomes an issue in the separation of powers on economic and cultural matters between the federal and state governments. According to articles 70-73 of the German constitution, the Bundesländer

have the exclusive sovereignty over all cultural affairs whereas federal and state governments share authority over economic affairs and trade.²¹² This separation has created tensions, especially with respect to the FFG and the efforts by the Federal Ministry of the Interior.

A) Loan Guarantees

In 1950 the West German parliament resolved to offer federal loan guarantees for the production of feature films and backed loans made by banks to producers. Up to one third of production costs were thus insured against potential revenue shortfalls. Since the federal government did not issue those loans directly but simply acted as guarantor, we can speak of indirect aid to the film industry. Through 1953 a total of 82 movies were backed with a combined volume of DM 22 million in loan guarantees; total production costs for those 82 movies were approximately DM 67 million.²¹³ In 1953 the federal government authorized a second loan guarantee program, mostly geared at film slates of eight or more titles. As a result, the scheme benefited mostly distributors.²¹⁴ About a third of loans in both programs had to be written off. However, according to Oliver Castendyk, those losses compare favorably to the nearly 90% in write-offs incurred nowadays by the various West German federal and state production loan programs (see below).²¹⁵

212. This duality in the character of film was even acknowledged by the Federal Administrative Court (“Bundesverwaltungsgericht”) in a court case confirming the constitutionality of the FFG. Siegfried Dörffeldt. “Filmförderung aus rechtlicher Sicht.” *Förderung essen Filme auf... Positionen, Situationen, Materialien*, ed. by G. Hundertmark, L. Saul, Verlag Ölschläger, 1984, pp. 39-41. See also: Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*. Konstanz: UVK Verlagsgesellschaft, 2008, pp. 84-85; Jin-Seong Kong. *Die Filmförderungskompetenz des Bundes. Insbesondere zur kompetenzrechtlichen Qualifikation des Filmförderungsgesetzes*. Doctoral Dissertation. University of Cologne, 2008, pp. 58-60.

213. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 544-545.

214. Georg Roeber and Gerhard Jacoby. *Handbuch der filmwirtschaftlichen Medienbereiche*, pp. 546-548; Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*. Konstanz: UVK Verlagsgesellschaft, 2008, p. 32.

215. Castendyk observes that the repayment rate for the loans paid out under the FFG and similar regional funding schemes is less than 10%. Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*, p. 32.

B) Film Promotion Law (FFG)

After the expiration of the second loan guarantee program the federal government largely retreated from support to the film industry. Meanwhile, the film industry considered several measures on its own, but those came to naught.²¹⁶

On December 1, 1967 the film subsidy law (“Filmförderungsgesetz,” FFG) was passed by both chambers of the West German federal parliament (for a detailed description of the contents of the law, see section 1.5.3). The ostensible goal of the FFG was to promote both “quality” and “profitability” (Wirtschaftlichkeit) of cinema in West Germany. The notion of “quality” was controversial in this context because it implied a cultural component that was not in the purview of the federal government.²¹⁷

I argue that the FFG embodied a paradox that was unique to the West German film funding context. With the automatic-aid system the federal government had endorsed a form of “self-help” by the film industry — the funds were derived from theatrical revenues, to be redistributed to the production sector. However, the West German federal government had ensured that it retained a significant level of influence over the implementation of the law by placing political appointees on the FFA's board of governors. Moreover, with each new reauthorization bill lawmakers adjusted the funding and disbursement mechanisms, and thus not only reasserted, but greatly expanded their control over the film industry: by determining who was covered by the law, and who was not, lawmakers could privilege one group of industry practitioners over another.

216. One idea that was discussed in the mid 1950s was to impose a surcharge of DM 0.10 on each ticket price and support producers with those funds. However, exhibitors opposed the idea. The surcharge idea was picked up again in 1961 by the industry's main trade group SPIO, but again, it did not win enough support by all branches of the organization. Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*, pp. 32-33.

217. For more on this discussion, see Jin-Seong Kong. *Die Filmförderungskompetenz des Bundes. Insbesondere zur kompetenzrechtlichen Qualifikation des Filmförderungsgesetzes*. Doctoral Dissertation. University of Cologne, 2008.

C) BMI's Cultural Film Promotion

Whereas the FFG's ostensible goal was to increase the profitability of cinema economically, the goals of the Federal Ministry of the Interior ("Bundesministerium für Inneres," BMI) were more explicitly aimed at "raising the artistic quality of German films." As previously mentioned in section 1.2., the BMI first sponsored film prizes starting in 1951. By the mid 1980s the BMI sponsored various prizes for a combined total of DM 5 million. The prize monies could only be expended on follow-up productions.

Additionally, the BMI offered direct subsidies for new film productions without a qualifying film. Grants were made available for feature film, documentary and short-film projects in the pre-production phase as well as script proposals at the early development stage.²¹⁸ However, this program was not without controversy. In 1983 Interior Minister Friedrich Zimmermann's declared his goal of decreasing support for auteur filmmakers and to start promoting films for a broader audience.²¹⁹ This type of direct cultural action was problematic for legal scholars. The licensed lawyer and head of Kuratorium junger deutscher Film, Siegfried Dörffeldt, argued that if Zimmermann's grant program attempted to create a cultural impact, it encroached on the federal states' sovereignty over cultural affairs.²²⁰

In 1998 BMI's cultural activities were reorganized and came under the purview of the German chancellor. The federal government's appointee for cultural affairs and media

218. Bruno Schwegmann. "Die kulturelle Filmförderung des Bundes." *Filmförderung: Entwicklungen, Modelle, Materialien*, ed. by K. Hentschel, K. F. Reimers, Verlag Ölschläger, 1985, pp. 24-25.

219. "Zu Unrecht angegriffen: Zimmermanns neue Filmförderung-Richtlinien." *Blickpunkt:Film*, 10 Aug. 1983 p. 7.

220. Siegfried Dörffeldt. "Filmförderung aus rechtlicher Sicht." *Förderung essen Filme auf...*, ed. by G. Hundertmark, L. Saul, Verlag Ölschläger, 1984, p. 42.

(“Beauftragte der Bundesregierung für Kultur und Medien,” BKM) was henceforth in charge of all film subsidy measures previously conducted by the BMI. However, the reorganization did not curtail the federal government’s role in cultural subsidies for cinema since all grant programs remained in effect, as of 2018.²²¹

1.7.2. State Measures

Whereas the federal government was limited in its film promotional activities, the eleven Bundesländer had much greater leeway in supporting cinema both in cultural and economic terms. In the late 1960s the Bundesländer jointly took over operations and funding of the Kuratorium junger deutsche Film from the federal government.²²² As a group, they also operated and funded the Filmbewertungsstelle (FBW), which recognized movies that had “significant cultural value.” Movies that received an “outstanding quality” rating from the FBW were eligible for a reduced VAT rate at the box-office and could also qualify for the FFA’s “Zusatzbetrag.”²²³

In addition to that, individual states began implementing certain measures to support filmmaking in their respective regions. Both Bavaria and West-Berlin set up publicly-funded film schools in the 1960s, HFF and DFFB respectively, to support vocational training for filmmakers. In 1978 West-Berlin was the first to set up an economic stimulus program for film productions. A loan guarantee program was established to attract film productions to the city. Between 1978 and 1986 206 feature film productions were thus supported.²²⁴

221. “Im Bund mit der Kultur – Kultur- und Medienpolitik der Bundesregierung.” Presse und Informationsamt der Bundesregierung, Berlin, 2018, p. 13. On the grant programs, see also the website of the Bundesbeauftragte für Kultur und Medien: www.bundesregierung.de/breg-de/bundesregierung/staatsministerin-fuer-kultur-und-medien/medien/filmfoerderung/antraege-und-merkblaetter/kulturelle-filmfoerderung-320586.

222. Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*, p. 48.

223. Steffen Wolf. “Filmförderung der Länder: Filmbewertungsstelle Wiesbaden (FBW).” *Filmförderung: Entwicklungen, Modelle, Materialien*, pp. 61-69

224. Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*, p. 48-49; Ortkemper, Herbert. “Filmförderung in Berlin.” *Filmförderung: Entwicklungen, Modelle, Materialien*, pp. 79-85.

Bavaria quickly followed suit in 1980 with an economic stimulus program that was modelled on the FFA's project fund. Feature film, documentary and art film productions were supported with direct loans whose repayment was contingent on the commercial success of the movie. Notable here was the level of support: a single movie production could receive up to DM 2 million on the condition that this money was expended in Bavaria. Between 1980 and 1983 the state government thus supported some 82 film productions with an estimated DM 47 million. The subsidy program also included a script fund, loans for distribution, grants to film theaters, and grants for student film productions at the HFF film school.²²⁵

The city-state of Hamburg placed a stronger emphasis on cultural promotion. Hamburger Filmbüro ("Hamburg Film Office") was set up as a non-profit organization. The state government appropriated DM 3 million in public funds per year. But the administration and disbursement of that money was left to the organization's ninety members, mostly filmmakers of the New German Cinema. By 1985, 200 films had received some DM 8 million in total.²²⁶ By the late 1980s the Hamburg state government added a second initiative for economic development of the local film industry, the Hamburg Film Fund.²²⁷

1.7.3. Television Turns Film Producer: The *Film/Fernseh-Abkommen* of 1974

The film subsidy system was complemented by a second set of decision-makers that played an increasingly important role in deciding what movies got made. Certain regional public broadcasters, most notably WDR in Cologne, HR in Frankfurt, BR in Munich and SDR in

225. Kurt Henschel. "Das Bayerische Filmförderungsprogramm." *Filmförderung: Entwicklungen, Modelle, Materialien*, pp. 71-77.

226. Dieter Kosslick. "Selbst verwaltet - Das Hamburger Filmbüro." *Filmförderung: Entwicklungen, Modelle, Materialien*, pp. 87-93.

227. Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*, p. 49.

Stuttgart, had started working with young filmmakers such as Peter Zadek, Werner Herzog, Rainer Werner Fassbinder, Volker Schlöndorff, Johannes Schaaf, and Wim Wenders in the late 1960s.²²⁸ As Martin Blaney notes, these filmmakers had been disappointed by the passing of the film subsidy law in 1967, which privileged established producers and distributors, and saw the public broadcasters as an alternative source of financing and artistic support.²²⁹ The WDR's commissioning editor for film productions, Günter Rohrbach, was keen to recruit film directors to television since he believed that the collaboration could benefit both sides: "Nothing could promote the ambitious feature film more than financial support from television; in turn, the competition of the movie marketplace can rid the TV movie of its stale provincialism."²³⁰

The "Film/Fernseh-Abkommen" ("Film/TV Agreement") between the two national public broadcasting networks ARD and ZDF and the FFA codified this evolution in 1974. The broadcasters had pushed for this agreement in the lead-up to the 1974 revision of the film promotion law. Broadcasters still wanted to prevent a levy on their revenues to support the operations of the FFA.²³¹ Instead, the two national networks pledged to commit DM 34 million over five years to co-productions with film industry partners. The mandate was to produce movies that could "enrich the programming offerings of both film theaters and television stations." A committee made up of four representatives from the two networks and four representatives from the FFA would jointly select the projects. Movies produced under this scheme would incur a two-year hold-back.²³²

228. The commissioning editors responsible for this collaboration were primarily Günter Rohrbach (WDR), Helmut Haffner (BR), and Dietmar Schings and Hans Prescher (HR). Martin Blaney. *Symbiosis or Confrontation?*, pp. 201, 218-220.

229. Martin Blaney. *Symbiosis or Confrontation?*, p. 201.

230. Günter Rohrbach. "Nicht Springer, sondern die eigene Untätigkeit bedroht das Fernsehen." *Fernsehen + Film*, 3 (1970), p. 35.

231. Martin Blaney. *Symbiosis or confrontation?*, p. 111. See also Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*, pp. 40-41.

232. *Media Perspektiven*, volume #11 (1974), pp. 555—559.

Two movies that came out of the first funding round, Volker Schlöndorff's *Die verlorene Ehre der Katharina Blum* (The Lost Honor of Katharina Blum, 1975) and Alf Brustellin & Bernhard Sinkel's *Berlinger* (1975), reveal how much the film producers now relied on public funding. Both movies were directed by prominent representatives of the New German Cinema and produced with fairly large budgets, at around DM 1.7 million each. Schlöndorff's film was allocated DM 500,000 from the Film/Fernseh-Abkommen fund; another DM 300,000 came from the FFA's production fund; and the remaining DM 900,000 were put up by the German branch of Paramount Pictures and Schlöndorff's own production company, Bioskop Film.²³³ Thus, nearly 50% of the financing came from television and public funding sources.

With *Berlinger*, the shift was even more pronounced. Broadcaster ZDF committed DM 700,000 as part of its commitment to the Film/Fernseh-Abkommen. The Ministry of the Interior (BMI) and the FFA's project fund each committed DM 300,000 while the producers put in DM 250,000, and Constantin Film DM 150,000 as a distribution guarantee.²³⁴ Thus, the theatrical distributor, once the main financier of domestic production, committed just 8.8% of the production funds whereas the television network committed 41%. That means that the broadcaster was now the majority financier.

Even if the commissioning editors at ZDF did not "meddle" with the filmmakers' work in any way, as co-director Alf Brustellin later asserted,²³⁵ the broadcasters carried much more sway in domestic film production. Moreover, in addition to the DM 34 million in co-production funding, ARD and ZDF also committed to an annual payment of DM 500,000 DM to the FFA's

233. Martin Blaney. *Symbiosis or confrontation?*, p. 226; Filmförderungsanstalt. "Gesamt-Titelübersicht der Filmprojekte mit Projektfilmförderungsmitteln und/oder Genehmigung nach dem FFA-ARD-ZDF-Film/Fernsehabkommen." *FFA Direkt*, Berlin, 31 Dec. 1996.

234. "Film: Eine Branche ohne Zukunft?" *Der Spiegel*, 26 Jan. 1976, p. 115; Filmförderungsanstalt. "Gesamt-Titelübersicht der Filmprojekte mit Projektfilmförderungsmitteln und/oder Genehmigung nach dem FFA-ARD-ZDF-Film/Fernsehabkommen." *FFA Direkt*, Berlin, 31 Dec. 1996.

235. Helmut Müller. "Unser ganzes Streben gilt dem Kinofilm." *Film-Echo/Filmwoche*, 12 Nov. 1975, p. 2.

project fund as part of the FFG. This payment was linked to a specific condition: the project fund should support a sufficient number of films “appropriate for an exploitation on television.”²³⁶ In return, the broadcasters placed two representatives on the eleven-person commission that decided on the submissions.²³⁷ The two broadcast networks were now both formally and practically ensconced in much of the decision-making for future movie productions.

1.7.4. The New Economics

Bernd Eichinger was not the only one to criticize the film subsidy system. Criticism was mostly centered on two sets of arguments: first, the influence of TV broadcasters on the project selection process was deemed too great and thus supposedly skewed movie productions in favor of “TV aesthetics”;²³⁸ and second, the selection commissions at the FFA, the BMI, and the various Bundesländer production funds were often unwieldy and subject to internal bureaucratic pressures. As a consequence, decision-making did not support artistic ambition but rather compromised on mediocrity.²³⁹

However, I argue that these debates miss the point of just how enmeshed these public funders had become with the film industry. By 1989 federal and state agencies provided an estimated

236. *Media Perspektiven*, 11 (1974), pp. 555—559.

237. The eleven members of the project fund commission were selected by the industry trade groups represented in the FFA (exhibitors, distributors, producers, technical services, international sales), but also by political representatives from two chambers of parliament, representatives from the public broadcasters, film journalists, and Catholic and Evangelical Church representatives. Article 14a, (3), “Zweites Gesetz zur Änderung des Gesetzes über Maßnahmen zur Förderung des deutschen Films.” 7 February 1974. *Bundesgesetzblatt*, Teil I, 1974, 20 (2 March 1974), p. 441.

238. See: Helmut Woeller and Klaus Scepanik. “Halbzeit für FFG - eine traurige Bilanz.” *Film Echo/Filmwoche*, 25 June 1976, pp. 3-4; Andreas Meyer. “Auf dem Wege zum Staatsfilm; Baustein zu einer Situationsanalyse des bundesdeutschen Kinos.” *Medium*, vol. 7, 10 (October 1977), pp. 27-30; vol. 7, 11 (November 1977), pp. 14-19; vol. 7, 12 (December 1977), pp. 15-21.

239. See Eric Rentschler. “The Price of Survival: Institutional Challenges.” *West German Filmmakers on Film*, 1988, pp. 9; Alfred Andersch. “Räte, Kommissionen und ‘Förderungsanstalten ersticken das Kino.” *Konkret*, August 1977, p. 36; “Ab morgen reich und ehrlich — Teil 1.” *Der Spiegel*, 10 Jan. 1977, p. 110.

total funding of DM 183 million per year for the film industry.²⁴⁰ Of that sum, the FFA's expenses alone made up DM 33.2 million DM (or 18%).²⁴¹ Other areas of the federal government had also increased their funding levels: the Federal Ministry of the Interior spent some DM 16.5 million and other federal ministries another DM 10 million.²⁴² However, the majority of funding actually came from the Bundesländer, which expended a combined total of DM 103.13 million on film-related activities.²⁴³

Moreover, the public monies spent on “film promotion” (to use the most general term) did not solely fund film production. According to FFA researcher Gerhard Neckermann, about DM 75 million (excluding FFA funding) went towards “economic funding,” i.e. support for film production, distribution, exhibition, development, and theater renovations. Another DM 28 million went towards “cultural film promotion,” such as non-profit filmmaker-led organizations and support institutions, municipal arthouse cinemas, film festivals, prizes and events, scholarships for filmmakers, and selective production and development funding. Finally, DM 48 million were expended on funding for the film schools HFF in Munich and DFFB in Berlin, film research, scholarship, preservation and archiving, media libraries, Kuratorium junger deutscher Film, and film-education projects by the Foreign Office.²⁴⁴

240. This number does not include funds expended under the Film/Fernseh-Abkommen (see 1.7.3).

241. In this context automatic-aid funding made up the smaller amount and consisted of DM 6.5 million for “Grundbetrag” and DM 1.7 million for “Zusatzbetrag” whereas project funding consisted of DM 11.9 million. Short film funding and script funding consisted of DM 1.1 million and DM 0.2 million respectively; exhibitors received DM 5.3 million in grants and loans to upgrade facilities; and distributors received DM 2.5 million and an additional DM 1.9 million earmarked to make more prints available for rural areas. Gerhard Neckermann. *Filmwirtschaft und Filmförderung: Strukturveränderungen - Daten. Deutsches Institut für Wirtschaftsforschung*. Berlin: Vistas Verlag, 1991, p. 99.

242. Other federal ministries included the Ministry for Trade and Economy (DM 4.1 million), the Foreign Office (DM 3 million), the Ministry of Youth, Women, Family and Health (DM 3 million).

243. The biggest spenders were Bavaria (DM 32.38 million), Berlin (DM 30.08 million), Hamburg (DM 15.85 million), and Lower Saxony (DM 8.64 million). The other Bundesländer included (all numbers in million DM): Baden-Württemberg (5.44), North Rhine-Westphalia (4.46), Hesse (3.42), Rhineland Palatinate (0.91), Schleswig-Holstein (0.82), Bremen (0.75), and Saarland (0.38). Gerhard Neckermann. *Filmwirtschaft und Filmförderung: Strukturveränderungen - Daten*, p. 96.

244. Gerhard Neckermann. *Filmwirtschaft und Filmförderung: Strukturveränderungen - Daten*, p. 94.

This list of activities demonstrates that by the end of the 1980s public funding was going to almost every aspect of a film's lifecycle. The notion that the state should only aid the film industry in helping itself, so prevalent in the 1950s and early 1960s, had clearly turned in favor of direct intervention by public agencies.

However, we must be careful to distinguish what we mean by "public agencies." Because of West Germany's unique federal structure, film promotion had become dispersed across a vast variety of federal and state governments and ministries, public institutions (such as the FFA), public broadcasting networks, and communally-run organizations. Rather than one central, unified entity (such as France's CNC), the German film subsidy system of the 1980s consisted of an internecine network of institutions and agencies with sometimes overlapping and competing jurisdictions and interests.

1.8. Chapter Conclusion: The Dual Economy

In this chapter I have argued that the major distribution companies dominated the German film industry in the postwar era because they functioned as the primary financiers of film production. In the splintered industrial structure of that era, producers lacked corporate scale and financial capital and were thus largely dependent on distributors for production financing. Yet the distributors' control of the process did not benefit the industry at large. The distributors kept producers in a state of dependency by charging high distribution fees and kept exhibitors in check through block-booking and blind-bidding. The distributors led the industry through a period of rapid growth, but failed to innovate early enough to allow the art form of cinema to evolve along with society.

Therefore, when competition from television increased and theatrical admissions declined

in the early 1960s, the industry lacked an innovative product that could be differentiated from what was on TV. Rather than encourage film producers to work with young creative talent, film distributors insisted on the same generic cycles with the same familiar actors, directors and writers. Young talent was not incorporated into existing film industry structures, but was allowed to drift off to work with TV broadcasters and the emergent public subsidy agencies. Constantin briefly experimented with new business and creative models, such as international co-productions in widescreen and color format, but did not develop them into long-term strategies.

Constantin's maintenance of the status quo became even more prevalent the more it was dependent on its volume business at the end of the 1960s. I have argued that Constantin Film failed to recognize the changing role of cinema in German society. Its management continued to operate according to the principles learned in the 1950s and considered cinema a mass medium for a broad, demographically diverse audience. However, by the early 1970s cinema had evolved into a niche medium for a mostly young and male audience. Eventually, suffocating under a mountain of debt, Constantin had to declare bankruptcy in October 1977.

The power vacuum left by the theatrical distributors was soon filled by a new set of decision-makers: film subsidy agencies and public broadcasters made funds available for film production and began steering domestic film production. However, because of the complexity of the overall system, decision-making became dispersed across a variety of ministries, public agencies, broadcasters, and communal organizations. No longer a single company owner or head of production was in charge of green-lighting new movies, but a range of film subsidy committees and broadcast executives reviewed project submissions from filmmakers. Moreover, producers often had to apply to multiple authorities to gather enough financing for a single movie project.

As an independent producer Bernd Eichinger had experienced the complexity of the film financing system first-hand. He criticized this system as the wrong answer to the ailments of the film industry: the increasing reliance and dependency of producers and filmmakers on these public funders made them less responsive to the marketplace and the moviegoing audiences. I argue that the German film industry had effectively evolved into a dual economy of a market-based distribution and exhibition system and a subsidy-based production system, which operated largely disconnected from each other.

In 1978 Eichinger argued to the Neue Constantin owner Eckes that a market-based film economy could generate the type of cinema that was both meaningful to and popular with a moviegoing audience. That meant that a distributor had to step up and become the connective tissue between the production sector and the marketplace again. He saw Neue Constantin as the only company capable of fulfilling that role.²⁴⁵

But at the time of his writing the company was heading in the wrong direction. Even after Constantin's collapse, its business model and philosophy had not died off but moved on to Neue Constantin Film. Ludwig Eckes' outfit held on to the same notion that cinema was a mass medium. The company was once again supplying a large and broad slate of films aimed at an undifferentiated viewership that, for the most part, no longer attended the theaters.

It would take this 29-year-old film producer and film school graduate to turn the ship around.

245. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978, p.11.

Chapter 2: An Entirely "Neue" Constantin Film (1979-1982)

2.1. Chapter Introduction: Eichinger's High Concept

In this chapter I discuss the innovations in distribution practices that Bernd Eichinger and his right-hand man Herman Weigel brought to Neue Constantin Film after Eichinger became managing director in January 1979. I focus on the release slate of 1981, which includes those movies that Neue Constantin Film released between August 1980 and December 1981: *Can't Stop the Music* (N. Walker, US release: 6/20/1980; released by Neue Constantin: 8/7/1980); *Cruising* (W. Friedkin, 2/5/1980; 8/29/1980); *Le coup de parapluie* (G. Oury, French release: 10/8/1980; 11/14/1980); *The Awakening* (M. Newell, 10/31/1980; 11/ 21/1980); *Prom Night* (P. Lynch, 07/18/1980; 11/21/1980); *Mother's Day* (C. Kaufman, 09/19/1980; 1/16/1981); *Scanners* (D. Cronenberg, 01/14/1981; 3/6/1981); *Christiane F.—Wir Kinder vom Bahnhof Zoo* (U. Edel, West German release: 4/3/1981); *Escape from New York* (J. Carpenter, 07/10/1981; 9/4/1981); *Das Boot* (W. Petersen, West German release: 9/18/1981); *Excalibur* (J. Boorman, 04/10/1981; 10/29/1981); and *Conan the Barbarian* (J. Milius, 05/14/1982; 09/03/1982). This slate was first introduced to exhibitors at Neue Constantin's convention in Berlin in June 1980).¹

I am considering this slate for two reasons. First, Eichinger and Weigel put together the program as they saw fit—"without compromises" as Eichinger put it to Neue Constantin's majority owner Ludwig Eckes in a letter in August 1980.² The programming thus represented a

1. The 1981 program was first announced at Neue Constantin's presentation to exhibitors with some exceptions: *Prom Night* and *Mother's Day* were added later to the slate without a formal announcement in the trades; *Shoo-Be-Do-Moon*, originally part of the above-cited announcement, was never released; *Conan the Barbarian* was postponed till September 3, 1982, but was still counted among the slate of 1981 in most corporate announcements and internal memos. Finally, *Christiane F.—Wir Kinder vom Bahnhof Zoo* was a postponement and technically belonged to the 1980 slate; yet I consider it part of the 1981 line-up. "Neue Constantin präsentiert Programm 1981." *Film-Echo/Filmwoche*, 20 June 1980.

2. Bernd Eichinger. Letter to Ludwig Eckes, 13 Aug. 1980. SDK, BEC. 4.3-201210-2 Eckes, Ludwig (3).

shift in the balance of power among the four co-managing directors who were running Neue Constantin at the time: Eichinger was cementing his power at Neue Constantin and implementing his vision for the company after he pushed the other three co-managing directors, Silvio Tabet, Horst Berger and Karl-Heinz Böllinghaus, out of the company. For this reason, we can view the 1981 slate as the onset of the “Eichinger era” at Neue Constantin Film.

Secondly, Eichinger and Weigel implemented a new set of marketing and distribution techniques that represented a shift away from traditional practices and introduced a new, more aggressive style of marketing and distribution. Both the choice of movies and these new practices radically transformed Neue Constantin Film. Eichinger charted a course for the company that fundamentally reimagined the company from its predecessor, Constantin Film: Eichinger’s Neue Constantin Film no longer saw itself as a wholesaler of films for a general audience, but rather as a marketer of fewer, more high-profile movies that could be promoted as “events.” Eichinger assumed that moviegoers wanted to be overwhelmed with spectacular images and strong emotions. I argue that in this way Eichinger proceeded from a new conceptualization of the role of cinema in Germany: cinema was no longer a site of everyday diversion, but was now supposed to engage the moviegoers’ sensory faculties and emotions.

In order to reach this goal, Eichinger and Weigel employed a number of steps. First, they placed greater emphasis on an Anglo-American cinema. Whereas previous Neue Constantin slates had contained movies from other European countries, the majority of films on the 1981 slate were produced by US, UK or Canadian producers. I propose that this shift towards the Anglo-American cultural sphere was intentional on Eichinger and Weigel’s part because they specifically sought “high concept” movies. According to film scholar Justin Wyatt, the American film industry released fewer movies in the 1980s, but spent more effort and money on the

marketing of these movies. This had an effect on the movies themselves: their narrative and visual design allowed for greater integration with marketing materials. In Wyatt's conceptualization of the term, "high-concept cinema" thus describes a strand of American mainstream cinema that places particular emphasis on "the look of the images, the marketing hooks, and the reduced narratives."³

Neue Constantin's movies *Can't Stop the Music*, *Escape from New York*, *Excalibur*, and *Conan the Barbarian* combined a simple but pithy narrative premise with spectacular production design and an overwhelming musical soundtrack, which allowed for a seamless integration with highly visual marketing campaigns. Similarly, *Das Boot* and *Christiane F.—Wir Kinder vom Bahnhof Zoo* were based on pre-existing properties — *Das Boot* was based on a bestselling non-fiction book and *Christiane F.* was based on a series of magazine articles — and played into a certain, contemporary zeitgeist. Moreover, both were executed with deft visual design that carried a strong visceral impact on the viewer. I argue that the 1981 slate played into Eichinger's vision of cinema that overwhelmed the moviegoers' senses with kinetic action, spectacular visual design and engrossing musical scores.

A second step that Eichinger and Weigel employed was the planning and execution of marketing campaigns that took advantage of the movies' high-concept elements. Examining the poster and trailer campaigns employed for the 1981 slate, I argue that these campaigns were geared towards creating a visceral impact on the potential moviegoer.

However, this focus on fewer movies also carried a certain financial risk for the company. Whereas the old Constantin Film's volume business was less dependent on the returns of individual movies, Neue Constantin had to maximize the profits from each title. For this reason,

3. Justin Wyatt. *High Concept*. Austin: University of Texas Press, 1994, p. 22.

Eichinger introduced saturation releasing to exploit a movie's release in the most efficient and profitable way. In the early 1980s, a theatrical distributor would deliver 50 to 70 prints to exhibitors for a major release.⁴ However, with the release campaigns for *Das Boot* in 1981, which was started with 200 copies, and particularly for *Conan the Barbarian* with 300 copies in 1982, Eichinger proved the economic benefits of "going out wide" with a movie.

This leads me to examine the increased rental prices that Neue Constantin charged to exhibitors for the movies of the 1981 slate. Neue Constantin was under pressure to recoup on its expensive acquisitions and costly marketing and release campaigns. By raising the prices of its movies, Neue Constantin was following a trend that had started with the members of America's Motion Picture Export Association (Warner-Columbia, Fox-Disney, UA, CIC) in the mid-1970s. As distributors felt the financial pressures of releasing their expensive blockbuster movies, they tried to pass on the financial risk to exhibitors. This strained relations between distributors and exhibitors over the course of the 1980s.

Finally, I argue that the 1981 slate is also important to consider because it set a model for the type of mainstream cinema that Eichinger and Weigel instituted at Neue Constantin. Weigel has asserted that a marketer has to offer a potential moviegoer a convincing argument to see a movie.⁵ Therefore, building on Wyatt, I argue that the notion of the pitch to the moviegoer has always been present in movie marketing; however, with the high-concept movie, this pitch became more transparent and targeted. As I shall discuss in Parts II and III, these elements will appear in Neue Constantin's acquisitions and in its own productions throughout the 1980s and 1990s.

4. Robert Watkins. "Small staff, tight controls brings Tobis in no. 1 among distribs." *Variety*, 11 February 1981, pp. 53, 76.

5. Herman Weigel. Producer, former managing director, Neue Constantin Film. Personal Interview by Author, 25 July 2015, Munich, Germany.

2.2. Power Shifts

In this section I examine the new direction that Bernd Eichinger charted for Neue Constantin Film after he took control of the company. First, I argue that after the formation of Neue Constantin Film in October 1977 the company remained on the same course as the ‘old’ Constantin Film, both organizationally and programmatically. Neue Constantin had not yet shed the mandate of operating as a wholesaler of movies. However, after his hiring Eichinger lobbied for a radically new course: the company should reduce its annual output and focus on what he termed “event movies.” His reform plans encountered stark opposition within the company. However, after he was able to push out the other co-managing directors and gain full control of the company by the summer of 1980, Eichinger managed to start implementing his reforms. I argue that the slate of 1981 thus represents the implementation of his reform plans and the beginning of the “Eichinger era” at Neue Constantin.

2.2.1. Business As Usual

In this subsection I examine the formation of Neue Constantin Film. I argue that the organizational structure and the programmatic policy of the company copied the same structures from ‘old’ Constantin Film. As a result, the company was destined to repeat the same mistakes that had already brought down Constantin Film.

After the bankruptcy of Constantin Film GmbH was made formal on October 24, 1977, Ludwig Eckes bought C-Film from producers Luggi Waldleitner and Karl Spiels on October 26. Waldleitner and Spiels had formed C-Film as a holding company that could take over releasing operations for the movies that Constantin Film was exploiting on their behalf should Constantin become insolvent. C-Film took over the leases for Constantin Film’s offices in Munich and the

branch offices in Berlin, Düsseldorf, Frankfurt and Hamburg. C-Film also hired 105 out of 120 former Constantin employees. C-Film negotiated with licensors for about 150 titles that could be ready for delivery to film theaters.⁶

On November 7, 1977, Eckes and his management team held a press conference and introduced the new C-Film as a theatrical distributor with grand ambitions. He saw the company as a means to support German cinema and “to encourage German moviemaking.” Co-managing directors would be Eckes’ son-in-law, Sylvio Tabet; financial auditor Dr. Horst Berger; and C-Film’s acting head of distribution, 50-year-old Karl-Heinz Böllinghaus. Tabet and Böllinghaus were in charge of acquisitions whereas Berger was in charge of finances and general operations. According to the new management team, the company would not produce movies itself, but would focus solely on distribution of third-party product. Publicity director Karl August Stanke reported that the company planned to release some 20-25 movies per year.⁷

Film-Echo/Filmwoche commented that C-Film had at its disposal an “experienced and successful, operating sales team” and claimed that a “seamless transition” had occurred.⁸ However, anybody looking for a radical break from the previous way of operating must have been sorely disappointed. A commentator for the newspaper *Saarbrücker Zeitung* concluded that C-Film would continue in the same way that Constantin Film had ended: the product was nearly identical, and so far, the company lacked a vision for the future.⁹

I agree with that assessment. C-Film—or, as it would soon be known as, Neue (“New”) Constantin—was a lot like the ‘old’ Constantin Film. The new company had not shed the

6. “C-Film aktiv.” *Film-Echo/Filmwoche*, 4 Nov. 1977, p. 3; “Eckes denkt an den deutschen Film; Neuer Filmverleih in München will bald Gewinn einspielen.” *Münchener Merkur*, 8 Nov. 1977; “Fast alles gerettet: C-Film steht; Fast alles verloren: Constantin-Konkurs eröffnet.” *Blickpunkt:Film*, 10 Nov. 1977, pp. 3—5.

7. “C-Film soll deutschen Film beleben.” *Film-Echo/Filmwoche*, 11 Nov. 1977, p. 3.

8. “C-Film aktiv.” *Film-Echo/Filmwoche*, 4 Nov. 1977, p. 3; my translation.

9. Florian Hop. “Constantin und die Folgen; Nach dem Konkurs des größten deutschen Filmverleihs: Versuche zur Wiederbelebung.” *Saarbrücker Zeitung*, 5 Nov. 1977.

philosophy and operating principles of its now-insolvent predecessor. Neue Constantin Film still saw itself as a wholesaler of movies and lacked a clear profile beyond that. For how little had changed became clear when Neue Constantin presented its first full slate for 1978 during the Berlin Film Festival in March 1978. Distribution head Böllinghaus said: “We’ve got something for everybody’s tastes”¹⁰ — and that was exactly the problem.

Reviewing the list of releases for the 1977/1978 theatrical season, we find a very broad assortment of genres and tonalities: soft-core pornos (*Schulmädchen Report 12* [W. Boos, 1978],¹¹ *Leidenschaftliche Blümchen* [A. Farwagi, 1978]); comedies (*Don’s Party* [B. Beresford, 1975], *Diabolo Menthe* [D. Kurys, 1977], *Tendre Poulet* [P. De Broca, 1977], *The Hound of the Baskervilles* [P. Morrissey, 1978], *Matilda* [D. Mann, 1978]); low-budget science-fiction and fantasy films (*Empire of the Ants* [B. I. Gordon, 1977], *The Island of Dr. Moreau* [D. Taylor, 1977], *The People that Time forgot* [K. Connor, 1977], *Warlords of Atlantis* [K. Connor, 1978]); thrillers (*Der Richter und sein Henker* [End of the Game, M. Schell, 1975], *Capricorn One* [P. Hyams, 1977]); and one arthouse drama (*Autumn Sonata* [I. Bergman, 1978]).¹² This potpourri of genres displays a similar lack of focus in the programming that had already plagued the ‘old’ Constantin. Most of these titles were comparatively cheap acquisitions: the minimum guarantee for *Matilda* was DM 260,000; *The Hound of the Baskervilles* cost DM 132,000.¹³

However, two movies were more expensive than the rest: the adaptation of Agatha Christie’s mystery novel, *Death on the Nile* (J. Guillermin, 1978), and *Steiner—2. Teil* (Breakthrough, A. V. McLaglen, 1978), the sequel to the high-grossing *Steiner* (Cross of Iron,

10. “Erstes Programm der Neuen Constantin.” *Film-Echo/Filmwoche*, 17 Feb. 1978, p. 8.

11. I list the year of first theatrical release in the movie’s respective country of origin.

12. Titles, short descriptions and production information for all releases were published in the 1977 and 1978 issues of *Film Echo Verleihkatalog*, Wiesbaden.

13. “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981”. SDK, BEC. 4.3-201210- NEUE CONSTANTIN FILM 4 2/2 2.

1977). Both contained facets of the prototype blockbuster: a “pre-sold spectacle” that was based on a familiar property (a popular novel and a successful movie, respectively), a phalanx of major stars, and high production values. Neue Constantin had paid DM 802,000 for the minimum guarantee of *Death on the Nile* and DM 1 million for *Steiner 2*, which the distributor had commissioned from producer Wolf Hartwig’s Rapid Film.¹⁴ These movies were glossy spectacles that clearly stood out from the rest of the slate.

In order to understand Neue Constantin’s lack of innovation we have to look to Ludwig Eckes. In a lawsuit submitted in December 1977, Constantin Film owner Gierse alleges that Eckes let old Constantin slide into bankruptcy because he was more interested in taking over a debt-free company without any financial obligations.¹⁵ Gierse’s lawsuit makes him sound like a sore loser; however, I concede that his claim that Eckes realized he could have a distribution company debt-free may not be too far off the mark. Eckes’ dealings contain a certain calculated logic. Letting Constantin Film GmbH slide into bankruptcy allowed Eckes to retrieve only those assets that he needed for a new company—the staff, branch offices and the film licenses—without any of the obligations to creditors that the old company was burdened with. Being a keen businessman, Eckes may have understood that the company could only function properly if it was given a truly fresh, debt-free start.

However, Eckes was no reformer. Even if he did not want the ‘old’ Constantin Film, he wanted to retain the same practices and infrastructure. And I argue that that was his mistake. Eckes, who was born in 1913, had witnessed Constantin’s rise in the 1960s and wanted to return the company to that glorious moment in time. For all of Eckes’ very sincere intentions to revitalize German cinema, the company lacked a clear concept of how this was supposed to

14. “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981.”

15. “Gierte nennt Constantin-Besitzerwechsel ‘Piratenstück.’” *Süddeutsche Zeitung*, 17-18 Dec. 1977.

happen. Retaining the majority of Constantin's employees had certainly been a smart move to ensure continuous operations. However, it was exactly this continuity of operations that became a problem for the company. The company had failed to deliver a program that took account of the deep structural changes in the marketplace. Neue Constantin needed a radically new approach if it wanted to stay in business.

Fortunately, Eckes was smart enough to see that he could get that with Bernd Eichinger.

2.2.2. Eichinger Formulates his Vision

In this subsection I examine Bernd Eichinger's attempts to rethink the company's basic programming assumptions and to chart a new direction in the face of internal opposition. I argue that he introduced a radically new concept that would transform the company into a major distributor offering a more targeted line of product.

Eichinger's letter to Eckes that I discussed in chapter 1.2. was both a film-industrial analysis and a vision plan for the Neue Constantin company—and a job application. Eichinger wanted to be the man who executed this vision for the company: "It is also obvious that this proposal includes me and my company, since, with all due humility, I am currently the only person who could effectuate this proposition and see it through successfully."¹⁶

Eichinger's gumption must have convinced Eckes. Despite (or maybe because of) this complete lack of modesty, Ludwig Eckes invited Eichinger to discuss the future of the company. In a subsequent letter dated October 25, 1978, Eichinger thanked the beverage manufacturer for the "enjoyable and interesting talk." Eichinger further confirmed the points that they had agreed upon in their conversation: first, the company should expand into production; second, the

16. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978, p. 22; my translation.

company should lose the image of a “department store.” Eichinger explained that this meant offering a good slate of movies and investing in corporate branding as well as “targeted” movie marketing. The distribution slate should be “broad and yet at the same time homogenous.” And finally, Constantin had to rebuild relations with the domestic film industry.¹⁷

Eichinger also reiterated his request that he acquire a minority stake in the company. He asked to be sold 30% of the shares of Neue Constantin (with an option to purchase up to 50%) at a “fair” offering price. Eichinger argued that this would allow him to carry out his reform plans with the necessary authority.¹⁸

Eichinger’s biographer (and widow) Katja Eichinger explains that Eichinger knew that his reform plans would encounter resistance inside the company; however, as a business partner, he could not be as easily replaced. Eckes ended up selling Eichinger a quarter of the shares for DM 1.5 million. Eichinger had to get a loan from his bank to afford the purchase.¹⁹

On December 15, 1978, *Film-Echo/Filmwoche* announced that Eichinger would join Neue Constantin Film as partner and managing director (“Geschäftsführer”) effective January 1, 1979.²⁰ As the chair of the management team, he was supposed to represent the company vis-a-vis producers and manage acquisitions in coordination with co-managing director Sylvio Tabet. In addition, Eichinger also oversaw the distribution and marketing division, headed by Karl-Heinz Böllinghaus, and administration and finance, headed by Horst Berger.²¹

Despite his elevated position, by his own admission Eichinger took a backseat in the first

17. Bernd Eichinger. Letter to Ludwig Eckes. 25 Oct. 1978. SDK, BEC. 4.3-201210-2 Eckes, Ludwig (3); my translation.

18. Bernd Eichinger. Letter to Ludwig Eckes. 25 Oct. 1978.

19. Katja Eichinger. *BE*. Hoffmann & Campe Verlag, 2012, pp. 140-141.

20. “Bernd Eichinger — Mitgesellschafter und neuer Geschäftsführer der Neuen Constantin.” *Film-Echo/Filmwoche*, 15 Dec. 1978, p. 3.

21. “Bernd Eichinger — Mitgesellschafter und neuer Geschäftsführer der Neuen Constantin.” *Film-Echo/Filmwoche*, 15 Dec. 1978, p. 3.

six months of his tenure and allowed “those with more industry experience” to make the “important” decisions.²² However, by summer 1979 he could no longer sit still. In a memo to staff, dated July 31, 1979, Eichinger took stock of the two slates that the company had released so far.²³ This memo is noteworthy because it affords insight into the operations of the company, especially its financial situation, at the time. But even more importantly, it lays out the main planks of Eichinger’s thinking.

In the memo Eichinger noted that while only a few high-profile titles generated the bulk of the revenue, the majority of titles were a drag on the bottom line. He reiterated the fact already stated at the November 7, 1977 press conference that Neue Constantin required annual rentals of at least DM 30 million in order to remain solvent. However, Eichinger noted that rentals from the 21 new movies released in 1978 had generated only DM 12.5 million. That means the company was already running a deficit, barely nine months into operations. Of those movies, two, *Convoy* and *Death on the Nile*, had generated DM 5.9 million whereas the other nineteen movies had brought in the remainder of DM 6.6 million, or an average of DM 344,000 per title.²⁴

The 1979 slate did not look much better. Total rentals for the first half of 1979 came to DM 9.865 million. Eichinger observed that three movies—action crime-thriller *Driver* (W. Hill, US release: 1978), the war movie *Steiner 2*, and Roman Polanski’s period drama *Tess*—had generated DM 6.9 million in rentals.²⁵ This means that the remaining twenty movies of that slate generated, on average, DM 150,000 per title. Yet the average minimum guarantee for each title was already around DM 200,000, even without prints and advertising costs.²⁶ Eichinger did not

22. Bernd Eichinger. Letter to Ludwig Eckes, 13 Aug. 1980. SDK, BEC. 4.3-201210-2 Eckes, Ludwig (3).

23. Bernd Eichinger. “Situationsanalyse zum Halbjahr 1979.” Memo to staff. 31 July 1979. SDK, BEC. 4.3-201210-2 Neue Constantin Film (2-6).

24. Bernd Eichinger. “Situationsanalyse zum Halbjahr 1979,” p. 2.

25. *Tess* did not open until October 26, 1979. Eichinger must therefore have relied on pre-orders from exhibitors for his estimate.

26. Bernd Eichinger. “Situationsanalyse zum Halbjahr 1979,” p. 3.

have to spell it out: the company was losing a lot of money.

Thus Eichinger's memo was a scathing attack on the current practices at Neue Constantin. Eichinger believed that one problem was that the staff was overextended with releasing 25 films per year. He proposed that the company reduce its slate to no more than sixteen films per year. That way, more time could be spent on the promotion of each individual title. He also observed that Neue Constantin was only able to acquire those movies that the other distributors, specifically Tobis and Jugendfilm, had already passed on. Eichinger listed the titles that Neue Constantin had lost out on in the last two years: Jugendfilm had acquired the horror comedy *Love at First Bite* (S. Dagoti, released in the USA in 1979) while Tobis Film had got the Jerry Lewis-vehicle *Hardly Working* (J. Lewis, 1980), *Laura Moore*,²⁷ the "new Belmondo" (most likely, *Flic ou voyou* [Cop or Hood, G. Lautner, 1979]), *Piedone d'Egitto* (Flatfoot in Egypt, Steno, 1980), and "the next Pierre Richard" (most likely *C'est pas moi, c'est lui* [It's not me, it's him, P. Richard, 1980]). Eichinger estimated the potential rentals for those titles at DM 20 million. He saw the reasons for Neue Constantin's failed acquisitions policy in the complicated green-light system between him and Tabet as well as a number of "errors and misunderstandings."²⁸

I argue that Eichinger had recognized that moviegoing behaviors had fundamentally changed. Cinema had attained a different status and function in society. In his memo to staff he argued that moviegoers no longer simply went to the movies as a general pastime, but decided on what movie to see before they went out. He reasoned that moviegoers were more interested in high-profile titles that had a "presence in the awareness of the viewer." He asserted that a movie should either feature established stars like Louis de Funès, Bud Spencer or Jean-Paul Belmondo

27. I cannot identify a movie with this or a similar title.

28. Bernd Eichinger. "Situationsanalyse zum Halbjahr 1979." pp. 5-6.

or that it could call attention to itself with a unique story, production style, budget size, or a combination of all three.²⁹ For this reason, he argued, the company should reduce its slate and focus on more specific films. The discrepancies in box-office grosses between the more high-profile titles and the low-profile (“B-movie”) titles prompted Eichinger to define a new mandate: a movie’s marketing potential had to be gauged already when it was acquired. If a movie did not allow for a clear marketing angle, it would be better to pass on it.³⁰

2.2.3. Breaking Free

Nevertheless, Eichinger still found himself isolated inside the company. Eichinger’s memo is revealing because it shows how little had changed in terms of the basic operating assumptions at the transition from old Constantin to Neue Constantin. Even if distribution head Böllinghaus had previously claimed that Neue Constantin wanted “no more ‘B’ movie stuff,”³¹ in Eichinger’s view, the company continued to acquire just those types of movies. In a letter to Eckes from August 1980, Eichinger expressed his frustration with the practice. He complained that during the most recent Cannes film market in May 1979 the company had acquired “inferior product.” He observed that even though 1979 turned out to be one of “best years at the cinemas” in a long time, Neue Constantin still managed to place 14 flops.³²

According to Katja Eichinger, distribution head Karl-Heinz Böllinghaus was one of the culprits. Böllinghaus held on to the old “Gießkannenprinzip,” i.e. the scattergun approach that spread company resources as widely as possible. Katja Eichinger, who recorded her late

29. Bernd Eichinger. “Situationsanalyse zum Halbjahr 1979,” p. 4.

30. Bernd Eichinger. “Situationsanalyse zum Halbjahr 1979,” p. 7.

31. Billy Kocian. “Bankrupt Constantin saved as C-Film; staff retained.” *Variety*, 9 Nov. 1977, p. 18.

32. Bernd Eichinger. Letter to Ludwig Eckes, 13 Aug. 1980. SDK, BEC. 4.3-201210-2 Eckes, Ludwig (3); my translation.

husband's recollections, writes that "almost every week, a new film was thrown onto the market with just a few prints in the hopes that one might eventually work." In contrast, Eichinger's proposal to release fewer films with more prints and more targeted advertising was largely ignored inside the company.³³

However, by September 1979 Eichinger must have asserted himself. In an interview with trade paper *Blickpunkt:Film*, Eichinger confirmed that in the future, Neue Constantin would release no more than 15 movies per year. He argued that movies that did not stand out were no longer of interest to moviegoers: "B-picture product that used to generate only middling revenues for years has no place in theaters anymore."³⁴

Thus, Eichinger had started to initiate the first reforms. In his letter to Eckes from August 1980, Eichinger explained that in the summer of 1979 he and Herman Weigel had started putting together a program for 1981 "with no room for compromises." Eichinger was convinced that the slate for 1981 provided Neue Constantin with "a whole new perspective."³⁵

The letter reads like the manifesto of a man about to throw off his shackles. By his own account Eichinger seemed to have suffered under the restraints placed on him by the other co-managing directors. In the letter to the majority partner, Eichinger expressed his belief that he had already considered the management "incompetent" before he joined the company. He pointedly excluded Sylvio Tabet (Eckes' son-in-law) from this assessment; the one criticism Eichinger permitted himself to utter was that Tabet was more familiar with the French than the German market.³⁶

Obviously, Eichinger was being very diplomatic here. Tabet and Eckes' daughter Heidrun

33. Katja Eichinger. *BE*. Hoffmann & Campe, 2012, p. 143; my translation

34. "Neue Constantin: Qualität statt Quantität." *Blickpunkt:Film*, 30 Sep. 1979, p. 35.; my translation.

35. Bernd Eichinger. Letter to Ludwig Eckes, 13 Aug. 1980; my translation.

36. Bernd Eichinger. Letter to Ludwig Eckes, 13 Aug. 1980.

owned a share in the company equal to Eichinger's. Along with Eckes and Eichinger, they constituted the company's four owners and board members. Therefore Eichinger had to tread carefully. But Herman Weigel confirmed to me in an interview that he and Eichinger considered Tabet a problem.³⁷ According to Weigel, he told Tabet, who lived in Los Angeles and visited Neue Constantin only a few times a year,³⁸ that his way of management was not working. Weigel told Tabet the titles that he had prevented Weigel from acquiring on behalf of the company and that had subsequently turned into box-office hits for other companies.³⁹

Tabet, too, must have felt that his and Eichinger's positions were irreconcilable because in January 1980 he stepped down from his management role. However, the move was not made public until September 1980. Only then did Tabet explain to the trades that he and his wife had sold their shares to Eckes and were cutting ties with the company, citing a "basic disagreement on policy with the management at Neue Constantin."⁴⁰ Ten days before, Eckes had just publicly endorsed Eichinger's policies. *Variety* revealed that Eckes was guaranteeing his financial support for "Neue Constantin's release lineup for next year, [including] *Conan*, *Merlin* [ie *Excalibur*], *The Awakening*, *Escape from New York*, and its latest acquisitions, *Prom Night*."⁴¹

Similarly, head of finance and administration Horst Berger saw his influence dwindle at Neue Constantin. First, Eckes limited the extension of his contract to a couple more months in June 1980.⁴² Then, in November 1980, he was officially replaced by producer Bernd Schaefers as of January 1, 1981. Schaefers had bought the shares previously held by Heidrun Eckes and

37. Herman Weigel. Personal Interview by Author, July 21, 2015, Munich, Germany.

38. Tabet set up an LA-based financing, production and distribution company, Leisure Investment Co., in October 1979. "Sylvio Tabet's Hollywood Firm." *Variety*, 17 Oct. 1979, p. 84.

39. Herman Weigel. Personal Interview by Author, July 21, 2015, Munich, Germany.

40. "Tabet reveals Neue Constantin split." *Screen international*, 27 Sep. 1980, p. 6.

41. "Constantin Boss Eckes Solves Internal Hassle; Buys Subsid." *Variety*, 17 Sep. 1980, p. 51.

42. Ludwig Eckes. Letter to Dr. Horst Berger, Co-Managing Director, NCFV. 30 June 1980. SDK, BEC. Neue Constantin Film 4 2/2 2.

Sylvio Tabet. In an interview with *Film-Echo/Filmwoche*, Eichinger expressed the sentiment that with Schaefer in place, Eichinger felt that the company was now set up properly.⁴³

Thus, by November 1980 Eichinger had dismantled the internal opposition and was now in full control of the company. Being able to count on Eckes' support, Eichinger could implement a new direction for the company as he saw fit. The "Eichinger era" had begun.

2.3. Importing High Concept Cinema

In this section I discuss the process of assembling the slate of 1981. The selection of films represents a pivot towards an Anglo-American cinema, away from the European movies that had previously populated Neue Constantin's slates. Examining the movies of the 1981 slate, I argue that they represented a shift towards a high-concept cinema, which was emerging in the USA at the time. Neue Constantin's high-concept films focused on simple narratives that allowed for an easy integration with marketing imagery and music. I further argue that Neue Constantin's 1981 slate was built for a sensory, visceral experience: the movies represented visual spectacle and unique story worlds that provided visual and aural pleasures to the audience.

2.3.1. Pivoting towards America

Prior Neue Constantin slates had been dominated by West German and European productions whereas US or Canadian productions were clearly in the minority. In the 1977/1978 slate, there were four new West German films and one rerelease, two films from France, one movie from Australia, five European co-productions (with West German participation), and six

43. "Neue Constantin: neues Management." *Film-Echo/Filmwoche*, 14 Nov. 1980, pp. 3-4.

films from the USA (including co-productions with the UK).⁴⁴ The 1979 slate included two West German films, five European co-productions with West German participation and two without, two films from France, two from the UK, one from Switzerland, and eight US films (including co-productions with the UK).⁴⁵ In the 1980 slate there were two productions from West Germany, four productions from the UK, three from France, and five from the USA.⁴⁶

However, with the 1981 slate, the balance shifted markedly towards Anglo-American productions. We cannot yet speak of a US cinema per se, since many movies were produced by Canadian, British and/or US-American companies and personnel: *Cruising* was directed by US-American director William Friedkin and produced by LA-based Lorimar Film Entertainment;

44. The 1977/1978 movies included: *Schulmädchen-report 12. Teil* (W Ger, 1978), *Don's Party* (Australia, 1978), *The Biggest Battle* (Italy/West Ger/Yug, 1978), *The Hound of the Baskervilles* (UK, 1978), *Death on the Nile* (UK, 1978), *Steiner Part 2* (UK/W Ger, 1978), *Convoy* (USA, 1978), *Der Mann im Schilf* (West Ger, 1978), *Leidenschaftliche Blümchen* (W Ger, 1978), *Verdammt bis in den Tod* (The Fifth Commandment, Italy/W Ger, 1978), *Murder on the Bridge* (W Ger/Italy, 1975), *Feuer um Mitternacht* (W Ger, 1978), *Autumn Sonata* (Fr/W Ger/Sweden/UK, 1978), *Diabolo Menthe* (Fr, 1977), *Tendre Poulet* (Fr, 1977), *Matilda* (USA, 1978), *Capricorn One* (USA/UK, 1978), *Warlords of the Deep* (UK, 1978), *Münchhausen* (Ger, 1943), *Empire of the Ants* (USA, 1977), *The Island of Dr. Moreau* (USA, 1977), *The Land that Time Forgot* (UK/USA, 1974). All dates refer to the date of initial release in the country of origin. "Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981"; *Film Echo Verleihkatalog*. Wiesbaden: Verlag Horst Axtmann GmbH, 1977-1978. Additional data on countries of origin for individual titles collated from IMDB.com and Studiosystem.com. Accessed 1 Oct. 2018.

45. The 1979 films included: *Bermude: la fossa maledetta* (Spain/Italy/Mexico, 1978), *Driver* (USA/UK, 1978), *La carapate* (France, 1978), *Phantasm* (USA, 1979), *Götz von Berlichingen* (W Ger/Yugoslavia, 1979), *Arabian Adventure* (UK, 1979), *The Thirty Nine Steps* (UK, 1978), *Search and Destroy* (Canada, 1979), *Mean Dog Blues* (USA, 1978), *Love and Bullets* (UK/USA, 1979), *Sunnyboy und Sugarbaby* (W Ger, 1979), *Dawn of the Dead* (USA/Italy, 1978), *Uranium Conspiracy* (W Ger/Israel/Italy, 1978), *The Big Sleep* (UK/USA, 1978), *A Different Story* (USA, 1978), *Tess* (UK/France, 1979), *Der Durchdreher* (W Ger, 1979), *Clair de Femme* (France/Italy/W Ger, 1979), *Geschichten aus dem Wienerwald* (W Ger/Austria, 1979), *Le Pion* (France, 1978), *Movie Movie* (USA/UK, 1978), *L'Adolescente* (France/W Ger, 1979), *Die Schweizermacher* (Switzerland, 1979). "Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981"; *Film Echo Verleihkatalog*. Wiesbaden: Verlag Horst Axtmann GmbH, 1977-1978. Additional data on countries of origin for individual titles collated from IMDB.com and Studiosystem.com. Accessed 1 Oct. 2018.

46. The 1980 movies included: *Firepower* (UK, 1979), *Quadrophenia* (UK, 1979), *L'Avare* (France, 1980), *I... comme Icare* (France, 1979), *The Kids are Alright* (UK, 1979), *Amityville Horror* (USA, 1979), *The Mirror Crack'd* (UK, 1980), *Bête, mais discipliné* (France, 1979), *Defiance* (USA, 1980), *Wir Kinder vom Bahnhof Zoo* (W Ger, 1981), *Schulmädchen-Report 13. Teil* (W Ger, 1980), *Can't Stop the Music* (USA, 1980), *Cruising* (USA, 1980), *Roller Boogie* (USA, 1980). "Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981"; *Film Echo Verleihkatalog*. Wiesbaden: Verlag Horst Axtmann GmbH, 1980. Additional data on countries of origin for individual titles collated from IMDB.com and Studiosystem.com. Accessed 1 Oct. 2018. Although they technically counted as part of the 1980 slate, *Can't Stop the Music* and *Cruising* were announced as part of the 1981 slate in Neue Constantin's promotional materials. *Wir Kinder vom Bahnhof Zoo* was released in 1981.

Conan the Barbarian was directed by US-American John Milius, produced by New York-based Dino De Laurentiis Company; *Escape from New York*, directed by US-American John Carpenter, produced by LA-based AVCO; *Scanners* was directed by Canadian David Cronenberg and produced by Canadian Film Development Corporation (CFDC); *The Howling* was directed by US-American Joe Dante and produced by US-based AVCO; *Excalibur* was directed by British director John Boorman and produced by US-based Orion Pictures; *The Awakening* was directed by British director Mike Newell and co-produced by UK-based EMI Films and US-based Orion Pictures; *Prom Night* was directed by Canadian Paul Lynch and produced by Canadian companies SimCom Productions and Alliance Atlantis Productions; and *Can't Stop the Music* was directed by US-American Nancy Walker and produced and financed by UK-based EMI Films.⁴⁷

Only the teams of *Le coup du parapluie*, *Wir Kinder vom Bahnhof Zoo* and *Das Boot* were French and German respectively: *Le coup du parapluie* was directed by French director Gérard Oury and produced by French studio Gaumont; *Wir Kinder vom Bahnhof Zoo* was directed by German director Uli Edel and produced by Eichinger himself; and *Das Boot* was directed by German director Wolfgang Petersen and produced by Munich-based Bavaria Film.⁴⁸

The motivation for such a shift from a European to an Anglo-American cinema would not have been self-evident at the time. The most reliable box-office hits were Italian and French films with Italian action stars Terence Hill and Bud Spencer as well as French action star Jean-Paul Belmondo and comedians Louis de Funès and Pierre Richard. It is very likely that Eichinger would have wanted those movies. *Le coup de parapluie*, starring Pierre Richard and German

47. All production and crew data collated from: IMDBPro.com and Studiosystem.com. Accessed 1 Oct. 2018.

48. All production and crew data collated from: IMDBPro.com and Studiosystem.com. Accessed 1 Oct. 2018.

actor Gert Fröbe (who had co-starred in *Goldfinger*, 1964), follows in this tradition of the European star-driven cinema. Moreover, as previously mentioned, in his memo to staff from July 31, 1979, Eichinger had already expressed his frustration with not getting the new movies starring Belmondo (i.e. *Flic ou voyou*, 1979) and Richard (*C'est pas moi, c'est lui*, 1980).⁴⁹

I propose that Eichinger's pivot towards an Anglo-American cinema was partly born out of necessity to circumvent the professional relationships that Tobis and Jugendfilm had established with European producers and sales agents. Therefore, over the course of the 1980s Eichinger focused his efforts on the USA/UK independent film world and built up his own set of relationships with sellers outside the traditional studio system: AVCO-Embassy, EMI Films, Orion Pictures, De Laurentiis Company, and, later, Goldcrest Films, Zoetrope Studios, and Producers Sales Organization⁵⁰ (PSO). Many of these companies became important suppliers to Neue Constantin, and, later on, Goldcrest and PSO would even sell Neue Constantin's own productions, *The Name of the Rose* (1986) and *The Never-Ending Story* (1984) respectively.⁵¹ In this way, these distributors and sales companies gave Eichinger access to the international market, a point I will return to in Chapter 3.

2.3.2. The Concept of "High Concept"

Another reason for Eichinger's pivot to Anglo-American suppliers was that they

49. Bernd Eichinger. "Situationsanalyse zum Halbjahr 1979," pp. 5-6.

50. For the 1982 slate, Neue Constantin acquired *Pink Floyd's The Wall*, directed by Alan Parker, from Goldcrest; from Zoetrope, it acquired: *One from the Heart*, directed and produced by Francis Ford Coppola; *Hammett*, directed by Wim Wenders, produced by Francis Ford Coppola; and *The Escape Artist*, directed by Caleb Deschanel, produced by Francis Ford Coppola. Other movies of that slate included: *Fire and Ice*, directed by Ralph Bakshi, produced by Polyc International BV (US). Source: "Neue Constantin Film 82." Advertising supplement. *Film-Echo/Filmwoche*, 26 June 1981. Additional credit data sourced from Studiosystem.com. Accessed 18 Oct. 2018.

51. Roger Watkins. "PSO's Belly-up is a belly ache to Bavaria and Neue Constantin." *Variety*, 22 Oct. 1986, p. 404; "Goldcrest picks up 'Rose' rights, scotches rumours." *Screen International*, 26 Oct. 1985, pp. 1-2.

produced a different type of cinema. I argue that the movies of the 1981 slate exemplify a trend toward a high-concept cinema that allowed for an easy integration of narrative elements and marketing campaigns. The elements that Eichinger mentioned in his memo to staff of July 31, 1979— stars, unique story, production style, and budget (i.e. production values)⁵²—correlate in large measures with the elements that film scholar Justin Wyatt has identified in what he has termed “high-concept filmmaking.” Even though Eichinger never used the term “high concept” in his own correspondence, I argue that he was proceeding from the same assumptions that prompted filmmakers and producers in the American film industry to develop this style of filmmaking.

Justin Wyatt argues that in the late 1970s the American film industry looked for ways to differentiate its movies from alternate leisure-time activities. The high-concept film emerged as such a means for differentiation. The distinguishing feature of high-concept filmmaking is, in Wyatt’s catchy phrase, “the integration of the look, the hook, and the book.”⁵³ According to Wyatt, the movie’s production style, its narrative, and the studio’s marketing campaign were all closely linked—and often conceived—together. More than ever before, high-concept films were conceived of as products aimed at a youth audience.⁵⁴

In his memo to the Neue Constantin staff Eichinger already recognized that Neue Constantin had to capture audiences’ attention and turn them onto Neue Constantin’s movies. The movies, in turn, had to hold a special attraction that could be communicated succinctly through marketing. Neue Constantin’s slate of 1981 represents a concerted effort to introduce high-concept filmmaking to German moviegoers. Herman Weigel confirms that he and Eichinger

52. Bernd Eichinger. “Situationsanalyse zum Halbjahr 1979,” p. 4.

53. Justin Wyatt. *High Concept: Movies and Marketing in Hollywood*. University of Texas Press, 1994, p. 20.

54. Justin Wyatt, *High Concept*, p. 105.

knew instinctively what high concept meant at the time. For them, it was about pitching what was unique about a movie to moviegoers so that they had a strong desire to see it: “[Moviegoers] must like a movie before they walk [into a movie theater]. Nobody wants to buy something they don’t know. It’s too expensive and time-consuming. That means they need to have a pretty concrete idea of the movie — and if they like it, they will go [and watch it].”⁵⁵

Thus, for Eichinger and Weigel, the pitch to moviegoers was very important. The narrative premise had to be succinct enough that it could be quickly conveyed in the marketing campaign. Wyatt argues that in high-concept filmmaking the film’s narrative premise offers easy integration with its visual style and marketing elements: “The tie between marketing and high concept is centered on a concept which is marketable (i.e. that contains an exploitable premise or pre-sold properties, such as stars). The marketability of the concept must possess a *visual* form, presentable in television spots, trailers, and print ads. The high-concept films therefore depend upon the visual representation of their marketable concepts in advertising.”⁵⁶

Wyatt postulates that the high concept style used in films such as *Grease* (R. Kleiser, 1978), *American Gigolo* (P. Schrader, 1980), *Flashdance* (A. Lyne, 1983), and *Top Gun* (T. Scott, 1986) represented a departure from the "classical" Hollywood cinema. According to Wyatt, these films exhibit an "excess of style" that disrupts the narrative flow of the filmic text. These moments of excessive style include images and scenes that are not explicitly motivated by the narrative, but rather stand apart and draw attention to themselves. Wyatt attributes these moments of stylistic excess both to the influence of film directors who came out the advertising business and to the mandate to create "trailer moments" that could be featured in the marketing

55. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany; my translation.

56. Justin Wyatt. *High Concept*, p. 23; emphasis in original.

materials.⁵⁷

Wyatt asserts the high-concept films sacrifice character development in favor of character-typing and an over-reliance on star casting: "Perhaps the most striking result of the high concept style is a weakening of identification with character and narrative. The modularity of the film's units, added to the one-dimensional quality of the characters, distances the viewer from the traditional task of reading the film's narrative."⁵⁸ However, film scholar Geoff King challenges that assumption. He argues that the main characters in *Top Gun* and *Flashdance* still pursue clear-cut motivations and goals, which animate a cause-and-effect narrative. Moreover, the music in *Top Gun* may have been extracted for promotional purposes. But the main theme still has a narrative purpose in the movie, foreshadowing the first time that the two principal characters make love. King notes that style and image are important features of these films. But so are genre and star-image. Rather than a departure, King sees high-concept filmmaking as an "intensification of familiar Hollywood strategies."⁵⁹

I see a strong integration of the marketing and filmic elements and stylistic excess in many of the movies selected for Neue Constantin's 1981 slate. Many of those movies lack moral complexity and conform to their genre conventions with fairly straightforward narratives and archetypal characters. Yet I agree with King that these films still contain a clear narrative and, for the most part, identifiable character arcs. But what makes those films stand out is their visual and aural conceit. *Conan the Barbarian*, *Excalibur*, *Escape from New York*, *Can't Stop the Music*, *The Howling*, *Wir Kinder vom Bahnhof Zoo*, and *Das Boot* feature visually stunning set-pieces and impressive musical scores that Neue Constantin repurposed for visceral trailer moments.

57. Justin Wyatt. *High Concept*, p. 28.

58. Justin Wyatt. *High Concept*, p. 60.

59. Geoff King. *New Hollywood Cinema: An Introduction*. New York: Columbia University Press, 2002, pp. 218-219.

2.3.3. The Movie as Promotion: *Can't Stop the Music* (August 1980)

Can't Stop the Music exemplifies the high-concept style to a fault: the entire movie is essentially one big promotional video for the band The Village People. Even though the movie is nominally about the band's formation, the narrative serves primarily to motivate the musical set-pieces that function almost entirely as self-contained music videos. The musical numbers represent moments of stylistic excess that cannot be absorbed by the film's narrative. The movie thus becomes a series of music videos that promote the band's albums and stage appearances.

In announcing the movie, producer Allan Carr, who had adapted the screenplay for the movie *Grease* (1978), described the movie as “*Singing in the Rain* for the disco crowd.”⁶⁰ Neue Constantin pitched the film in its 1981 program spread to exhibitors as follows: “*Can't Stop the Music* is the story of six young people who are obsessed with one idea: to start a band and make their own music. For this, they risk everything. When hundred thousand people rave enthusiastically on the Golden Gate Bridge, they have reached their goal! The most flipped-out pop group that has ever existed is born and starts its conquering march around the world...”⁶¹

Neue Constantin hooked into this promotional aspect of the movie by booking live performances of the band as part of its marketing campaign. The European premiere of the movie in Essen featured an appearance of the band performing two songs from the soundtrack. In addition, Neue Constantin organized TV appearances for the band in Bremen, Berlin, Munich and Wiesbaden.⁶²

60. Charles Schreger. “Film Clips: Hollywood's Party Champion Defends His Crown.” *Los Angeles Times*, 11 June 1979, p. E10.

61. “Can't Stop the Music: Der Village People Film.” Neue Constantin Film slate 1981 announcement. No date. SDK, HWC. 4.3-201406 6 NEUE CONSTANTIN FILM GMBH-6.; my translation.

62. “Can't stop the Music; Premiere mit 2x Gold in Essen.” *Film-Echo/Filmwoche*, 15 Aug. 1980, pp. 8-9.

Eichinger must have been confident in the economic prospects of the movie given the minimum guarantee he paid: a steep DM 1.374 million.⁶³ However, the movie ended up being a “total flop,” as Eichinger had to acknowledge in a letter to Eckes only five days after its release.⁶⁴ In the end, rentals came in at about DM 529,000 for West Germany and Austria. In addition to the minimum guarantee, prints and advertising had cost another DM 870,000.⁶⁵ Eichinger had gambled high and lost big on the movie.

Nevertheless, *Can't Stop the Music* set a template for the type of high-concept movies that Neue Constantin would produce in the 1990s. The reliance on screwball comedy, an upscale, urban setting, and an ensemble of slightly eccentric, twenty-something people going through the tribulations of professional ambition and heart-break would return in movies like *Der bewegte Mann* (1994), *Das Superweib* (1996), *Der Campus* (1998), and *Bin ich schön?* (1998), which will be discussed in Chapter 6.

2.3.4. Mainstreaming Horror: The Awakening, Prom Night, Mother's Day, Scanners, The Howling

Horror movies tend to be the most high-concept movies of all genres. The plots are typically organized around viscerally striking scenes of very graphic violence. Evidently, Eichinger and Weigel had recognized the commercial successes of their releases *The Amityville Horror* (S. Rosenberg, 1978) and *Zombie* (aka *Dawn of the Dead*, G. A. Romero, 1979) and were convinced that there was a vital market for horror movies in West Germany.

63. “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981 vom 30. Oktober 1980.”

64. Bernd Eichinger. Letter to Ludwig Eckes, 13 Aug. 1980..

65. “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981 vom 30. Oktober 1980.”

As American film scholar David Cook has noted, the horror genre experienced an artistic and popular revitalization during the 1970s and “moved from the margins of the exploitation field into the mainstream to become a vital and disturbingly influential genre.”⁶⁶ While *Prom Night* (released on December 19, 1980) and *Mother’s Day* (released on January 16, 1981) represent fairly formulaic, low-budget renditions of the ‘slasher’ sub-genre following in the wake of *Halloween* (1978), *The Awakening*, *The Howling* and *Scanners* display a more calculated effort to push the genre into a more mainstream realm.

Released by Neue Constantin on November 21, 1980, *The Awakening* represents the most overt attempt to create a mainstream horror movie for a general audience. Co-produced by US studio Orion Pictures and UK studio EMI Films, the movie was a contemporary adaptation of Bram Stoker’s 1903 novel *The Jewel of Seven Stars*. Starring Charlton Heston and Stefanie Zimbalist, the movie was intended to appeal both to a more mature audience who were familiar with Heston (*The Ten Commandments*, 1956, *Planet of the Apes*, 1968), and to a younger audience that could relate to the 20-year-old Zimbalist. The movie was directed by Mike Newell, an established director of British TV movies.

The movie has its share of gruesome murders. However, rather than a straight-out slasher movie, *The Awakening* is more character-driven and charts Heston’s character’s growing obsession with raising a mummy from the dead. The story comes to a terrifying climax when the evil spirit of the mummy takes possession of his daughter’s body (Zimbalist). The movie’s final frame shows the possessed girl ready to unleash her supernatural powers onto the city of London.

Neue Constantin was clearly aware of the movie’s appeal to an older audience because it scheduled the movie as a substitution for EMI’s Agatha Christie adaptation, *The Mirror Crack’d*

66. David A Cook. *Lost Illusions: American cinema in the shadow of Watergate and Vietnam, 1970-1979*. University of California Press, 2002, p. 220.

(G. Hamilton, 1980) when that movie's release had to be delayed.⁶⁷ In his memo to staff, Böllinghaus remarked that the big city theaters that had booked *The Mirror Crack'd* could easily play *The Awakening*, "given the subject matter."⁶⁸ Evidently, the feeling inside Neue Constantin Film was that the scares engendered by *The Awakening* were comparable to the ones to be expected from an Agatha Christie murder mystery.

In contrast, *Scanners* (released March 6, 1981) is a stylistically innovative 'splatter' movie that depicts its moments of violence with graphic intensity. Neue Constantin's program spread for exhibitors advertised the movie with the slogan "no movie is more hard-core." The marketing logline played up the graphic violence of the movie: "Heads explode, brains boil, limbs incinerate, bodies shatter. Every act of killing that the human brain may imagine becomes gruesome reality."⁶⁹

The narrative premise of the movie concerns a battle between competing factions of so-called "scanners" who, in the world of the movie, are psychics with violent telekinetic powers. In the opening scene a character's head is made to explode on-screen. This shocking moment found its way into the trailer and the poster campaigns. In this way the marketing played up the visual and visceral elements of the movie.

The movie was an independent Canadian production without any US studio backing. Eichinger and Weigel must have been familiar with director David Cronenberg's work. The Neue Constantin Film program spread predicted that *Scanners* would allow Cronenberg the jump from "cult to star director."⁷⁰ Thus, there was a certain expectation that the movie could become a

67. *The Mirror Crack'd* was eventually released on February 2, 1981.

68. Karl-Heinz Böllinghaus. "Vermietungsanweisung der Produktion 1981 von Karl-Heinz Böllinghaus an Filialen." Memo to Distribution Staff, 4 June 1980. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (5) 2. Teil; my translation.

69. "Scanners." Neue Constantin Film slate 1981 announcement. No date. SDK, HWC. 4.3-201406 6 NEUE CONSTANTIN FILM GMBH – 6.; my translation.

70. "Scanners." Neue Constantin Film slate 1981 announcement. No date. SDK, HWC. 4.3-201406 6

mainstream break-out hit.

The Howling (released April 1, 1981) was another foray by a US mini-major studio into the horror genre. AVCO Embassy hired actors with a potential appeal to a mainstream audience. The movie starred Patrick Macnee (of the TV series *The Avengers*, 1961-69) and Dee Wallace Stone, who had starred in the low-budget horror movie, *The Hills Have Eyes*, and would gain worldwide fame in Steven Spielberg's *E.T.* (1982). *The Howling* is notable for its state-of-the-art special effects depicting the on-screen transformation of a werewolf. The film abounds with self-referentiality in the art direction: a copy of Allen Ginsburg's poem *Howl* lies about; *The Big Bad Wolf* cartoon plays on TV; and one of the characters eats a Wolf Brand chili dish. Such ironic intertextuality opens the filmic text to multiple readings and multiple viewings.

According to booking reports from Neue Constantin's branch offices, *The Howling* was booked into 65 theaters as of fall 1980. This release pattern also positioned *The Howling* as a mainstream movie in the contemporary industry context that saw most major releases released with 50 to 70 prints.⁷¹ On the other hand, *Scanners*, *Mother's Day*, *Prom Night*, and *The Awakening* were booked into 12 to 16 theaters each, evidently a more limited release campaign.⁷²

Whatever Eichinger's personal taste for horror movies may have been, he and Weigel must have had a sense of the directorial talents behind the movies they chose. Many of the directors represented on the 1981 slate had gained, or would gain, critical and commercial recognition with horror movies: *Escape from New York*'s director John Carpenter had previously written and directed *Halloween* (1978) and *The Fog* (1979), both seminal pieces in the horror

NEUE CONSTANTIN FILM GMBH – 6.; my translation.

71. Robert Watkins. "Small staff, tight controls brings Tobis in no. 1 among distributors." *Variety*, 11 February 1981, pp. 53, 76

72. Booking Reports from Neue Constantin's branch offices Berlin, Munich, Hamburg, Cologne, Frankfurt, and Düsseldorf. No date. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (4).

genre;⁷³ John Boorman (*Excalibur*) had previously directed *The Exorcist II; Scanners*’ David Cronenberg would, of course, become one of the seminal directors of the 1980s and 1990s with *The Fly* (1986) and *Naked Lunch* (1991); and after *The Howling* director Joe Dante would direct the Steven Spielberg-produced horror comedy, *Gremlins* (1984), released by Warner Brothers. Eichinger and Weigel captured the works of directors who were at important artistic junctures in their careers. This is a testament to Eichinger and Weigel’s ability to discover talent with great creative promise.

2.3.5. Stylistic Excess and Spectacle: Escape from New York, Conan the Barbarian, and Excalibur

I argue that *Conan the Barbarian* and *Escape from New York* were part of a new practice of elevating traditional B-movie genre pictures to A-movie status through lavish production design, opulent scores, and sophisticated cinematography.

David Cook points out that *Jaws* was the first movie to follow that strategy. He argues that the so-called “blockbuster syndrome” was in fact the application of production and marketing techniques that exploitation producers such as Sam Katzman and Roger Corman had utilized for low-budget B-pictures for decades. What was new was that the major studios now applied those same strategies to big-budget productions: “The innovation of *Jaws* was to apply the exploitation technique of saturation booking to studio-produced exploitation material with a marketing force that only a major distributor could achieve and actually sell the film to the public through the process of commodity packaging.”⁷⁴

Conan the Barbarian represents a prime example of the exploitation picture as big-

73. See David Cook. *Lost Illusions*, pp. 234-6.

74. David Cook. *Lost Illusions*, p. 233.

budget, high-concept movie. Based on a preexisting comic book franchise, it was packaged to be released worldwide through a major Hollywood studio. However, Eichinger and Weigel flew to New York and convinced producer Dino De Laurentiis to sell them the distribution rights for German-speaking territories for \$1.1 million (DM 2.08 million).⁷⁵ In the end, Universal Pictures released the movie in the USA and 20th Century Fox in most other international territories.⁷⁶

On the other hand, *Escape from New York* had a much more immediate B-movie pedigree. Director John Carpenter and producer Debra Hill had previously collaborated on *Halloween* (1978), which had become a surprise commercial hit. *Escape from New York* was their second production for mini-major AVCO-Embassy Pictures after *The Fog* (1979). That studio had specialized in producing exploitation pictures, such as *The Fog* and *The Howling* (1981), and turning them into mainstream hits.⁷⁷

Both *Conan the Barbarian* and *Escape from New York* feature archetypal warrior heroes. There is no moral ambiguity in main character Conan's search for his antagonist nor in the physical violence he engages in. Similarly, *Escape from New York's* Snake Plissken (Kurt Russell) is a former soldier turned convicted criminal. Even though the moral scheme of the narrative is more complex than *Conan the Barbarian*, the hero's rugged individualism harkens back to the lone cowboy trope of the B-movie western. Both *Conan the Barbarian* and *Escape from New York* consider close combat, physical violence as the only means to solve morally complex situations. In this way, *Escape from New York* can have it both ways: it incorporates a leftist, post-Watergate critique of a self-involved political establishment that oppresses its own people while at the same time it offers a pro-violence ideology as the only way out of this

75. Katja Eichinger. *BE*, pp. 192-193.

76. "Conan the Barbarian." *IMDBPro.com*. Accessed 2 Aug. 2018.
pro.imdb.com/title/tt0082198/companycredits.

77. David A Cook. *Lost Illusions*, pp. 324-5.

situation.

Conan the Barbarian's storyline builds on a simple revenge plot. The scaling-back of narrative complexity offers *Conan the Barbarian* much opportunity for stylistic excess. The movie was shot entirely on location in Spain and features breathtaking vistas of desert, mountain and tundra landscapes that are shot in Todd-AO, 70 mm widescreen format. The wall-to-wall musical score by Basil Poledouris rises to a bombastic, symphonic pitch in the opening scene when the evil sorcerer Thulsa Doom's warriors storm and burn down the village of Conan's tribe. The same bombastic motif is picked up again when later Conan finds the religious cult at Thulsa Doom's temple. The wide-angle frame is filled with massive crowds of white-robed devotees filing up a mountain path to the temple grounds. These moments of stylistic excess go well beyond the purposes of the narrative and thus stand out as pure spectacle. Not surprisingly, these are also the moments we see featured in the movie's promotional trailers.

Escape to New York features similar set-pieces of stylistic excess with little narrative purpose. Plessken's bare-chested fight in the middle of the movie is set in stark contrast to the almost carnivalesque atmosphere of the raucous spectators dressed in colorful rags. The scene shows off the actor's muscular build that he developed specifically for the movie and thus serves solely as a fetishization of the male physique.⁷⁸

Both movies were directed towards such visual and aural spectacle. Their streamlined narratives serve primarily to deliver set-pieces that bedazzle the spectator through impressive *mise-en-scène* and cinematography. *Excalibur* is another example of that strategy. The film's plot lacks a clear narrative through-line, but presents a series of set-pieces with little narrative connection to each other. While the characters in *Conan the Barbarian* and *Escape from New*

78. Lee Goldberg. "Kurt Russell — Two-Fisted Hero." *Starlog*, July 1986, p. 108.

York are driven by singular motivations, *Excalibur*'s character motivations are often unclear or even contradictory. As a consequence, the storyline breaks down into modular pieces that are mostly built around scenes of knightly combat. *Excalibur* extols on the impressive landscapes and castles that were filmed on location in Ireland. The knights are filmed riding astride their horses in their glistening suits of armor against spectacular vistas. The score picks up motifs of Richard Wagner operas for a rich, opulent musical soundtrack. Neue Constantin released a 70 mm print version for certain showcase theaters, which must have overwhelmed the senses.⁷⁹

However, because of the lack of character motivation, the viewer remains emotionally detached from the action. There is no clear identification with the characters or the narrative. However, this does not mean that the viewer is unaffected by what happens on screen. Even though there is little emotional identification with the narrative, I argue that the visual and aural spectacle on screen stimulates the viewer sensorially. The viewer cannot but be deeply affected by the rapid succession of graphically explicit material, which her/his brain must absorb and process. Therefore, even if there is no emotional identification with the narrative, the viewer may still experience a certain level of affective, even if deeply visceral, response to this sensory overstimulation.

2.3.6. Neue Constantin's "Cinema of Attractions"

David Cook considers this sensory overwhelming of the spectator an essential element of the 1970s blockbuster. Cook argues that the 1970s blockbusters represented a return of the performative spectacle that had characterized cinema's early days.⁸⁰ He notes that this

79. Karl-Heinz Böllinghaus. "Vermietungsanweisung der Produktion 1981 von Karl-Heinz Böllinghaus an Filialen." Memo to Distribution Staff, 4 June 1980. SDK, BEC. Box 79. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (5) 2. Teil.

80. David A Cook. *Lost Illusions*, pp. 43-44.

presentational cinema—the “cinema of attractions” as coined by Tom Gunning, following Sergei Eisenstein—dominated in the medium’s first decade (1895-1906). This presentational cinema was geared towards overwhelming the spectator with spectacular images. However, after the narrative cinema emerged as the dominant form in the classic period, certain elements of the cinema of attractions remained as components of certain genres, such as the musical and the horror film, “where direct sensory stimulation (the delivery of spectacle and shock) became a key element of spectatorial pleasure.”⁸¹

The biggest appeal of the movies of the 1981 slate lay in their ability both to stimulate the viewer sensorially and to present entire story worlds unfamiliar to the viewer. I argue that the adventure, fantasy, horror, and science fiction genres depend on alternate but coherent story universes that are imbued with their own social systems and laws of physics. For that reason, these genres are highly cinematic because they allow for intense stylization of mise-en-scène, cinematography, music and sound. *Conan the Barbarian*’s meandering narrative spends much time taking the viewer to a dazzling marketplace scene that has little to do with the overall story arc but is rich in visual details and makes repeated viewings necessary and pleasurable.

Even the more character-driven movies, *Wir Kinder vom Bahnhof Zoo*, *Cruising* and *Das Boot*, invite the viewers to sink down the rabbit hole into unknown but highly cinematic worlds. In *Das Boot*, production design, cinematography and sound design work together to portray the world of the underwater submarine and convey strong visceral feelings of claustrophobia and paranoia to the spectator. In the semi-documentary style of *Wir Kinder vom Bahnhof Zoo* the teenage actors are filmed with a handheld camera on location, alongside real-life drug addicts. The movie abounds with explicit depictions of drug use and sex by under-age minors. In that, it

81. David A Cook. *Lost Illusions*, p. 44.

constantly teases and plays with the viewer's expectations. Hester Baer notes, "like drug use, sex is presented as an object of curiosity and voyeurism in the film, something that viewers can indulge in through the eyes of Christiane, but which the heteronormative drive of the narrative ultimately forecloses on, not least by ultimately insisting on an equation between drug use and sexuality as deviant activities."⁸²

Cruising invites that same level of voyeurism. The movie teases the viewer by inviting him/her into a setting they are (most likely) unfamiliar with: the forbidden world of gay S&M culture. It thus plays with the viewer's expectations that what they see is "real" by staging certain scenes in real-life underground gay bars.

I conclude that Eichinger and Weigel deliberately populated the 1981 slate with movies that conformed to this cinema of attractions logic. With these movies Eichinger and Weigel brought not a reflective, but a highly visceral, sensory experience to German cinema. In this way Eichinger's high-concept cinema managed to delineate the cinematic experience from television viewing. Television sets of the early 1980s could not offer the same widescreen viewing experience as a movie theater. The visual spectacle of the crowd scenes in *Conan the Barbarian* or the musical set-pieces in *Can't Stop the Music* could only be fully enjoyed on a large screen and the right Dolby sound system. Nor could public-service television afford to offer the same kind of transgressive voyeurism that *Cruising* and *Wir Kinder vom Bahnhof Zoo* invited. Eichinger and Weigel's choices in movies was therefore a deliberate attempt to differentiate the moviegoing experience from television viewing.

2.3.7. A New Cinema for New Moviegoers

82. Hester Baer. "Producing Adaptations: Bernd Eichinger, Christiane F., and German Film History." *Generic Histories of German Cinema: Genre and Its Deviations*, ed. by J. Fisher, Camden House, 2013, p. 195.

I argue that Eichinger and Weigel catered with their 1981 movies to the core moviegoing demographics. The ARD/ZDF market research study noted that one of the most ardent moviegoing demographics were action/horror fans. The researchers characterized this preference for “suspense, for things that are not commonplace, maybe the experience of a counter-reality to the everyday life of work and school.”⁸³ The 1981 movies clearly conform to those expectations. They offer entry into escapist experiences far beyond the quotidian experience of the everyday working West German.

When I asked Herman Weigel on what grounds he and Eichinger selected the movies for the 1981 slate, he told me that they picked the movies that appealed to them personally.⁸⁴ He explains his thinking a little more in Katja Eichinger’s book: “In essence, I want a strong emotional experience from a movie — no matter whether it’s an action film, a love story or a horror film. I look for movies that have a strong immediate impact.”⁸⁵ Thus Eichinger and Weigel extrapolated their own tastes onto other moviegoers: if the two of them had a strong reaction to a movie, others might have it too.

Eichinger and Weigel were helped by the fact that they correlated strongly with the core moviegoing groups: Eichinger and Weigel were male, film school-educated and barely thirty years old, fitting squarely into the ‘frequent moviegoer’ category of the ARD/ZDF research study. Thus, even if according to Weigel’s own account he and Eichinger acted mostly intuitively in the way they selected movies, their actions ended up being very much in line with the structural realities of the audience marketplace.

A second feature that Berg and Frank identified in their research study was the social

83. Elisabeth Berg, Bernward Frank. *Film und Fernsehen*, p. 96.

84. Herman Weigel. Personal Interview by Author, July 21, 2015, Munich, Germany.

85. Katja Eichinger. *BE*, pp. 148–149; my translation.

component of moviegoing. Cinema was widely regarded as a social medium that allowed individuals to come together for a common experience. This desire existed with the action/horror fans keen to watch the latest James Bond movie as well as with the cinephiles who would watch the latest from Wenders, Fassbinder or Herzog together.⁸⁶

I argue that Eichinger recognized this social component of moviegoing when he argued for movies to be treated as “events” in his memo to staff from July 31, 1979. The event character of moviegoing was therefore not just limited to the sensorial experience of watching the movie, but also included the social experience of watching it in a crowd of like-minded spectators. Weigel confirms that Eichinger maintained the notion of the “event” movie before any other industry professionals in West Germany.⁸⁷ The notion of moviegoing as an event in and of itself was in clear opposition to the quotidian experience of watching television at home. In this way, Eichinger recognized moviegoing as a purposeful act of “going out” and experiencing the out-of-the-ordinary as a distinguishing feature of cinema.

There was another component to the new moviegoers that made the high-concept movie a sensible choice for distributors. Arguably, moviegoers of the early 1980s were more media-savvy and prone to reading cinema texts than previous generations. Again, it is useful to draw parallels to developments in the USA. As previously discussed, the core moviegoers in the USA were also teenage viewers with more conservative tastes and sensibilities than the cinephile, college-age audiences of the late 1960s. Moreover, these new spectators also grew up in a different viewing environment and developed a different relationship to the cinematic text than previous generations. Schatz argues that the youth audience of the 1980s were far more likely to be “active multimedia players, consumers, and semioticians, and thus to gauge a movie in

86. Elisabeth Berg, Bernward Frank. *Film und Fernsehen*, p. 96.

87. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

intertextual terms and to appropriate in it a richness and complexity that may well be lost on middle-aged movie critics.”⁸⁸

If we draw the parallel with the West German action/horror fans, we may assume that these audiences were familiar with a vast body of filmic texts and highly adept at deciphering the cinematic codes of their favorite genres. Genre movies such as *Conan the Barbarian*, *Excalibur*, *Escape from New York*, *Scanners*, and even *The Awakening* worked with and appropriated the codes of their respective genres, which led to an extra layer of intertextuality that would appeal to and reward those fans familiar with the referents in other movies. We should therefore consider these movies as heavily coded texts that carried a particular appeal to the most dedicated fans.

Finally, I want to put the development of a high-concept cinema into an industrial context. Tom Schatz asserts that the mid-1970s ascent of the ‘New Hollywood’ marks the Hollywood major studios’ “eventual coming-to-terms with an increasingly fragmented entertainment industry—with its demographics and target audiences, its diversified ‘multi-media conglomerates, its global(ized) markets and new delivery systems.” In this context, the “high-cost, high-tech, high-stakes” blockbuster movie was fashioned as a response to this industrial reality. The American film industry responded to these changing audience demographics in the USA in the second half of the 1970s and reoriented their production slates to exploit this youth market.⁸⁹

I argue that we may think of American cinema as a ‘first responder’ to the changes in the audience marketplace. Over the course of the 1970s the Hollywood major studios and the mini-majors like AVCO-Embassy, Orion Pictures and EMI Films had adapted to the new composition

88. Thomas Schatz. "The New Hollywood": 19.

89. Thomas Schatz. "The New Hollywood": 19.

of a primarily teenage and young moviegoing audience. These Anglo-American producers were therefore in a good position to supply Neue Constantin with the movies that would appeal to a similar audience demographic in West Germany. In this way we can also read Eichinger and Weigel's pivot toward an Anglo-American cinema in industrial terms. By the start of the 1980s, American producers were simply better positioned than European producers to respond to the changes in moviegoing audiences and behaviors in West Germany; it therefore made sense for Eichinger and Weigel to look for films coming out of those markets first.

2.4. High Concept Marketing

In this section I argue that Eichinger and Weigel introduced a new, more aggressive marketing style at Neue Constantin Film that sought to address the spectator in a visceral fashion. By placing an emphasis on high-concept marketing, they wanted to shape the perception of a movie and create an excitement for it on the part of the targeted audience before it was shown in movie theaters. Their new approach had to identify each movie's specific appeal to audiences and find a way to translate this appeal into visual imagery.

However, while the old Constantin Film's volume business had put less emphasis on any single movie, it was also less dependent on the returns of individual movies. In contrast, Neue Constantin's new strategy of releasing fewer films meant that it could focus more resources on each individual movie in the slate, but that it also carried a much higher financial risk on each title.

2.4.1. Designing a New Style

In this sub-section I examine the ways in which Eichinger and Weigel implemented the

new policy at Neue Constantin. Before they could create new marketing campaigns, they had to change the corporate culture at Neue Constantin, which still stemmed from the ‘old’ Constantin Film culture.

A) Breaking Up Old Patterns

Tim Bergfelder has argued that in the 1960s Constantin Film had a tradition of innovative marketing strategies during which the company introduced “glossy and garishly colorful” posters with titillating illustrations and lurid headlines.⁹⁰ However, when Eichinger arrived at Neue Constantin in 1979, he found a place much less prone to innovation. In a letter to Neue Constantin partner Ludwig Eckes from fall 1979, Eichinger expressed his belief that a fundamental misconception had taken root at the company. Many Neue Constantin Film employees believed that only a broad, diverse program could deliver good returns.⁹¹

According to Katja Eichinger, this “misconception” started at the top: head of distribution Karl-Heinz Böllinghaus believed in quantity: “almost every week another new movie was dropped into the marketplace with few prints, in the hopes that one of these movies may work.” Ads in local and national newspapers were small and arbitrarily placed. The advertising department pasted together its own posters with scissors and glue.⁹²

Eichinger and Weigel were keen to change this situation. In spring 1979 Herman Weigel wrote a memo (with Eichinger’s blessing) to the marketing staff, admonishing them for poor performance. Katja Eichinger records that as soon as that memo landed on people’s desks “one could tell right away that the temperature on the entire floor had sunk dramatically. Suddenly, the

90. Tim Bergfelder. *International Adventures: German Popular Cinema and European Co-Productions in the 1960s*. Berghahn Books, 2005, p. 83.

91. Bernd Eichinger. Letter to Ludwig Eckes. 12 Sep. 1979. SDK, BEC. 4.3-201210-2 “Eckes, Ludwig”

92. Katja Eichinger. *BE*, p. 143; my translation.

office doors were closed. Icy silence.”⁹³

Clearly, Eichinger and Weigel’s aggressive management style left employees demoralized. Eichinger admitted as much to Eckes in his letter from fall 1979. Apparently, Eckes had observed a nervous restlessness among personnel on his most recent visit to the Neue Constantin offices. Eichinger explained that his “aggressive actions” were intended to “break up old behavioral patterns.” He reminded Eckes that co-managing director Sylvio Tabet had already written up the advertising and publicity divisions for their poor performance even before Eichinger joined Neue Constantin.⁹⁴

Thus we find the clashing of two opposing work principles. Neue Constantin’s existing corporate culture saw its role primarily in straight-forward distribution. It continued to see itself as a wholesaler of movies that made films available to exhibitors. In this context promotion was primarily seen as a way of alerting exhibitors and viewers to the next film in the pipeline.

This clashed with Eichinger’s own assumptions. As he explained in his letter to Eckes, Eichinger believed that “today, only a few individual movies determine the annual sales and, for this reason, one must pursue completely different strategies in the divisions film acquisition, public relations, advertising and marketing.⁹⁵ Rather than putting out one movie after another, he saw it as his responsibility to position it carefully in the marketplace. In his memo to staff from July 31, 1979, Eichinger stressed the need for concerted marketing efforts: “This is not about sending a movie out with the most basic materials and screening it for the press, but rather it’s about providing the movie with a presence in the marketplace.” He concluded that this kind of work needed resources in terms of personnel and time.⁹⁶

93. Katja Eichinger. *BE*, p. 150; my translation.

94. Bernd Eichinger. Letter to Ludwig Eckes. 12 Sep. 1979.

95. Bernd Eichinger. Letter to Ludwig Eckes. 12 Sep. 1979.

96. Bernd Eichinger. “Situationsanalyse zum Halbjahr 1979.” Memo to staff. 31 July 1979; my translation.

Thus, Eichinger saw role of the company as primarily that of a marketer who had to engage the public and build anticipation in advance of each release. With this, Eichinger was reformulating the primary function of a film distributor: rather than delivering the film copies to exhibitors, the distributor was now responsible for positioning each film in the minds of prospective moviegoers before it came onto the marketplace. The role of the distributor was now making the audience want to watch a film.

B) The Example of Jaws (1975)

This struggle inside Neue Constantin mirrored a wider industry debate about the role of distribution and marketing in contemporary West German cinema. Eichinger was not the only one to complain about outdated approaches to marketing. Three years earlier *Film-Echo/Filmwoche* had complained that theatrical distributors were out of step with the demands of the marketplace.⁹⁷ The article criticized distributors for putting too little effort into publicity and advertising⁹⁸ even though *Jaws* had just demonstrated the benefits of a concerted marketing campaign. According to the article's author, producers and distributors proceeded from the assumption that while a 'good' movie would find its audience through word-of-mouth, no amounts of advertising could save a 'bad' movie: "This silly conviction was uttered twenty-five years ago by the distribution chief of a big German distribution company and—because it's cheap and convenient—has been repeated by other 'experts' ever since." According to the article, distribution departments were eager to spend as little money on paid advertising as possible so

97. "Das nachahmenswerte Beispiel des 'Weißen Hai'; Nicht nur der Film - auch die Werbung dafür setzt Maßstäbe." *Film-Echo/Filmwoche*, 20 Feb. 1976, p. 4.

98. Suzanne Mary Donahue distinguishes between publicity and advertising thus: "Publicity directs attention to a product in the media using time and space that has not been purchased, either directly or indirectly... Advertising is an announcement brought to the public by a paid appearance in a communications medium." Suzanne Mary Donahue. *American Film Distribution: The Changing Marketplace*. Ann Arbor, MI: University of Michigan Press, 1987, p. 75.

that they could tell their bosses “on this or the other side of the Atlantic” how much money they had saved on marketing.⁹⁹

The latter comment demonstrates that the drive to save money on marketing was not just a hallmark of German domestic distributors, but also applied to the MPEA companies in West Germany. This is surprising since the *Jaws* marketing campaign in the USA and Canada had been a watershed moment for the major Hollywood studios. Three days before the movie’s opening on June 20, 1975, that movie’s distributor, Universal Pictures, had run a nationwide TV ad campaign “via all media outlets within signal range of the theaters.”¹⁰⁰ Gerry Lewis, the former head of marketing at Universal’s international distribution outfit, CIC, had developed the international marketing campaign for *Jaws* at the time. However, he told me in an interview that CIC’s branch offices did not embrace the concept of spending money on advertising. They were used to spending a set amount on paid advertising for each movie. And even after *Jaws*’ big commercial success, Lewis had to spend much time convincing local managers that they should peg marketing expenditures to the potential box-office expectations of a movie – that means blockbusters should be supported with higher advertising expenditures than movies with less box-office potential.¹⁰¹

The *Jaws* marketing campaign is noteworthy for another reason. Print campaign and TV ads were designed around a simple visual but highly visceral concept: a giant shark rises through the water toward an unsuspecting swimmer. This “key art” tied together the various promotional elements of the campaign. Before the movie’s release the book cover of Peter Benchley’s novel,

99. “Das nachahmenswerte Beispiel des ‘Weißen Hai’; Nicht nur der Film - auch die Werbung dafür setzt Maßstäbe.” *Film-Echo/Filmoche*, 20 Feb. 1976, p. 4; my translation.

100. David A. Cook. *Lost Illusions*, p. 43.

101. Gerry Lewis. Former Head of Marketing, CIC. Phone Interview by Author, 1 April 2012, London, UK/Los Angeles, CA, USA.

on which the movie was based, had already displayed the same design in book stores. The image was then reiterated in the poster and billboard campaigns.¹⁰² At the same time radio and TV ads incorporated John Williams' ominous *Jaws* theme, thus integrating movie and marketing even on an aural level. David Cook asserts that *Jaws* proved that "a multimillion-dollar-blockbuster could be distributed and marketed as if it *were* exploitation product—hyped for a quick weekend's profit (...) and sold on the basis of a single sensational image as if it were pornography."¹⁰³

C) Marketing *Zombie* (1979)

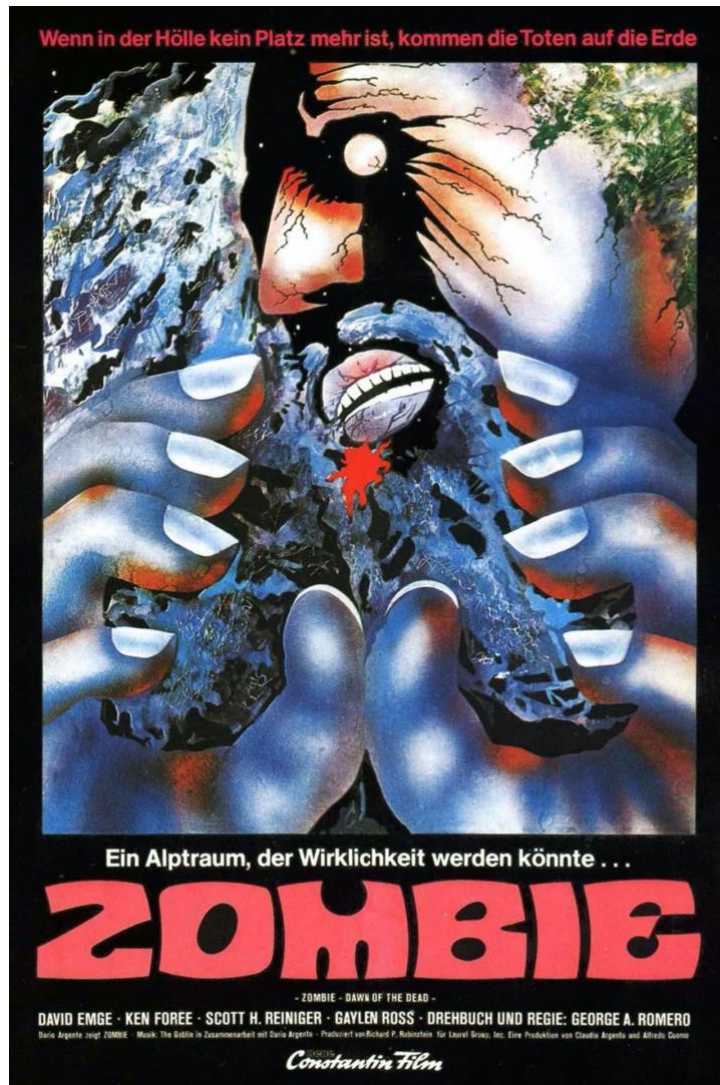
Eichinger put the lessons that could be learned from the *Jaws* campaign into practice with the campaign that he and Weigel developed for the horror movie *Dawn of the Dead* (released as *Zombie* in Germany) in August 1979. The marketing campaign for *Zombie* anticipated a number of ideas that would characterize Eichinger's later campaigns.

The movie poster is already exemplary in this context. Katja Eichinger reports that normally, Neue Constantin's own promotions department put together the poster. However, in this case Eichinger hired two outside graphic artists to design it: wife-and-husband team Margrit und Peter Sickert, who had previously worked with many New German filmmakers.¹⁰⁴ Whereas the US poster shows a cartoon head raised above the title like a rising sun—thus playing on the title "Dawn of the Dead"—Neue Constantin's poster is much more disturbing: drawn in an expressionist style, the poster features a grotesquely deformed face reaching for the viewer with giant hands.

102. Sheldon Hall, Steve Neale. *Epics, Spectacles and Blockbusters*, p. 209.

103. David A. Cook. *Lost Illusions*, p. 3; emphasis in original.

104. Katja Eichinger. *BE*, p. 150. The Sickerts' work was commemorated in an exhibition in Berlin in 2015. 50 poster designs from 1964 to 2002 for films such as *Effi Briest* (1974), *The American Friend* (1977), *Heimat* (1984), *Wir Kinder vom Bahnhof Zoo* (1982) and *Die Klapperschlange* (Escape from New York, 1981) were shown. Julia Friese. "Als ein Plakat noch das Fenster zum Film war." *Die Welt*, 5 Feb. 2015; Gunda Bartels. "Fenster zum Film." *Der Tagesspiegel*, 6 Feb. 2015.



Zombie (Dawn of the Dead) poster design for German theatrical release (1979)

According to Weigel, Neue Constantin had one-sheets of *Zombie* plastered on hoardings — a new grassroots marketing practice that was being introduced by some innovative public relations companies at the time.¹⁰⁵ The poster campaign was enhanced with live appearances by the director. Neue Constantin flew in director George A. Romero for appearances in Munich, Berlin, Hamburg, Vienna, Cologne, and Wiesbaden. Following one of those appearances

105. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

Eichinger and Romero posed for cameras at an Italian restaurant with waiters who were dressed in “I am a *Zombie*” T-shirts. That picture caught the attention of *Film-Echo/Filmwoche*, which published it for all the film industry to see right before the movie’s premiere.¹⁰⁶ Eichinger’s marketing approach was clearly highly aware of the power of the publicity still.

The *Zombie* campaign gained recognition inside the industry. Two weeks after the movie’s release trade journal *Blickpunkt:Film* placed the movie at the top of the box-office rankings for that week across all regions.¹⁰⁷ About a month later the paper published an interview with Eichinger, tellingly entitled “Neue Constantin: Qualität statt Quantität” (“Neue Constantin: Quality instead of Quantity”). In the interview the *Blickpunkt:Film* editor commented on the high costs of the *Zombie* campaign. Eichinger explained that the marketing was less expensive than widely assumed in the industry, but had left a mark because it was “ubiquitous.”¹⁰⁸ Thus the movie had gained that “presence” in the marketplace that Eichinger sought for his movies.

In the *Blickpunkt:Film* interview Eichinger also explained that the company was reorganizing its marketing division: one department would be in charge of advertising, to be led by Peter Sickert, who had designed the campaign for *Zombie*, and another department would be in charge of publicity and press, to be led by Karl August Stanke, the existing head of promotions.¹⁰⁹

However, a letter exchange between Eichinger and Stanke from the summer of 1980 shows how hard it was to motivate existing personnel to adapt to Eichinger’s new policies. In a memo dated June 3, 1980, Eichinger reprimanded Stanke for failing to organize promotional events for two movies. Eichinger admonished him that previews with influential opinion-makers

106. “Mr. *Zombie* unterwegs.” *Filmecho/Filmwoche*, 11 Aug. 1979, p. 11.

107. “Film-Erfolgsmeldungen.” *Blickpunkt:Film*, 20 Aug. 1979, p. 22.

108. “Neue Constantin: Qualität statt Quantität.” *Blickpunkt:Film*, 30 Sep. 1979, p. 35.

109. “Neue Constantin: Qualität statt Quantität.” *Blickpunkt:Film*, 30 Sep. 1979, p. 35.

should have been set up for *A Different Story* (originally released in USA in 1978), which carried great potential for word-of-mouth propaganda. Similarly, *Roller Boogie* (1979) could have benefited from collaborations with existing roller-skating derbies in every major city.¹¹⁰ The exchange with Stanke demonstrates not just the internal resistance to change that Eichinger faced throughout the ranks, but also the challenge of shaping targeted campaigns for each movie. Eichinger demonstrates an acute flexibility of mind in finding targeted approaches to each movie. But those targeted approaches also required an increase in time and expenditure that Stanke may not have had. Marketing was about to get a lot more expensive.

2.4.2. The Poster Campaigns for the 1981 Slate

This emphasis on visual iconography is a hallmark of high-concept filmmaking and marketing. I argue that the posters for Neue Constantin's most high-profile releases, *Conan the Barbarian*, *Escape from New York* and *Das Boot*, appropriated each movie's iconography in very specific ways to create an emotional impact with the viewer.

A) The Conan Poster

The marketing campaign for *Conan the Barbarian* played on the notion of the main character Conan as a physically imposing warrior figure. This idea was already present in the larger-than-life 'Conan' replica that Neue Constantin put up for the exhibitors' convention in Berlin in June 1980. This massive statue measured some 25 meters and must have been an overwhelming sight for attendees of the convention.¹¹¹ Thus Eichinger's Neue Constantin set out

110. Bernd Eichinger. Inter-Office Memo to Karl August Stanke. 3 June 1980. SDK, BEC. 4.3-201210-6 Neue Constantin Film 4 1/2 - 2.

111. *Filmecho/Filmwoche* features a photo of the full-size statue. "Neue Constantin präsentiert Programm 1981." *Filmecho/Filmwoche*, 20 Jun 1980, p. 9.

for an overwhelming, spectacular impact on exhibitors already at the first presentation of the slate.

The poster campaign then followed up on this idea. Interestingly, there are notable differences between the poster released by Universal Pictures, the North American distributor, and Twentieth Century-Fox, the international distributor outside West Germany, and the poster released by Neue Constantin. I argue that Neue Constantin's poster had a more immediate impact on the spectator than the American studios' poster. Both posters are appropriations of graphic art work from the original comic books. The Universal/Twentieth Century-Fox movie poster used art work by Renato Casaro.¹¹²

112. See a reproduction of the US release movie poster art in: Paul Sammon. *Conan the Phenomenon: The Legacy of Robert E. Howard's Fantasy Icon*. [Dark Horse Books](#), 2007, p. 96.



Conan the Barbarian poster design used by Universal Pictures and Twentieth Century-Fox (1982)

In this version Conan is seen from afar, raising his sword above his head. His eyes are shielded under a massive headgear, and he seems to stare off into the distance. Next to him squats the female warrior Valeria. The image, framed by flickering flames, evokes the fantasy genre. The effect of the poster is mythical, slightly remote.

In contrast, Neue Constantin's poster is drawn with more detail and feels much more



Conan der Barbar poster design used by Neue Constantin (1982)

The image features Conan and Valeria as well. But both characters are drawn much bigger and closer to the spectator. Valeria still squats in the same position as in the Universal/Twentieth Century-Fox poster. However, Conan is now drawn without the headgear, wearing only a bandana. As result, his face is no longer hidden, but drawn much more elaborately, and he stares straight at the viewer with a fierce, provoking look. He rests his sword

113. "Conan the Barbarian (1982)." *Schofizzy Movie Tally*. 13 Aug. 2011. movietally.blogspot.com/2011/08/conan-barbarian-1982.html. Accessed 10 July 2020.

on the ground, rather than holding it over his head. His muscles are strained, looking ripped and sinewy. The style of the drawing still evokes the fantasy genre, but far less mythical than in the Universal/Twentieth Century-Fox version. In the Neue Constantin version, the spectator feels directly addressed and implicated by Conan's gaze.

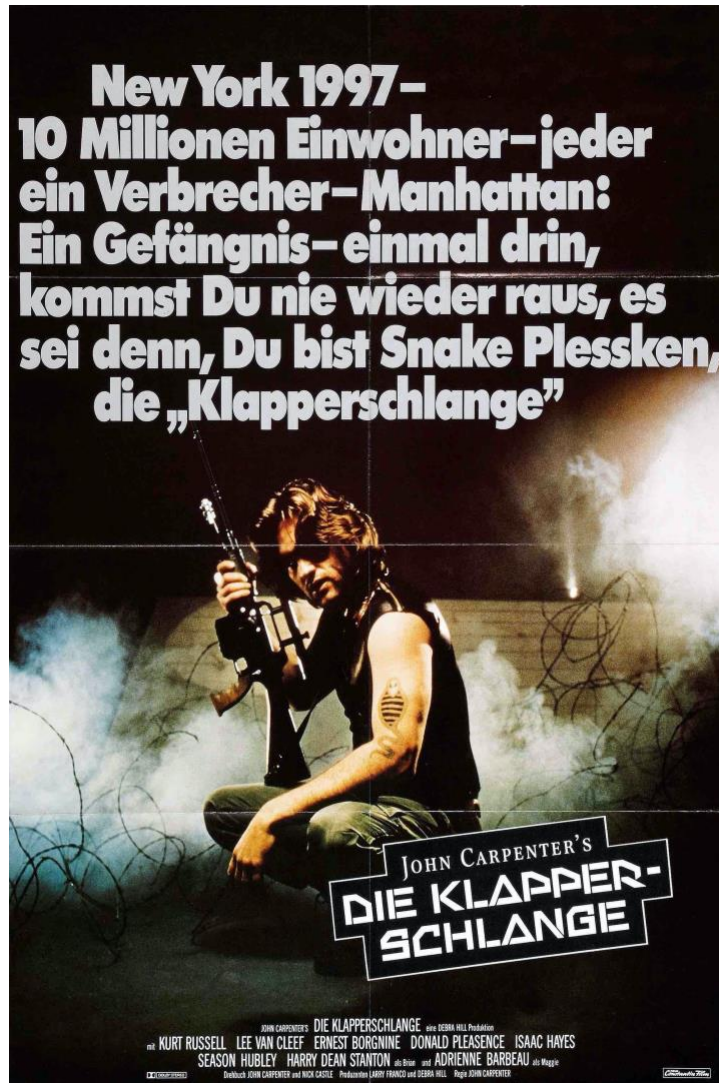
B) The Escape from New York Poster:

According to Herman Weigel, Neue Constantin always designed its own marketing materials, rather than relying on the American campaigns.¹¹⁴ This is nowhere more evident than with *Escape from New York*. Weigel confirms that he invented the German title even before Neue Constantin had acquired the movie. The German title, "Die Klapperschlange" (i.e. "The Rattle Snake") was inspired by a publicity shot of star Kurt Russell wearing a cobra tattoo on his left bicep.¹¹⁵ It is noteworthy that Weigel chose the rattle snake over the cobra: the name evokes the sound of the rattlesnake, adding an aural dimension to the poster image.

The poster was designed by Peter and Margrit Sickert. What is remarkable is that in this campaign the image of the star actually was less relevant than the narrative concept of the movie. Kurt Russell was not well known in West Germany at the time. In fact, Russell's face is barely visible in the poster. On the other hand, the narrative premise is spelled out in bold type.

114. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

115. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany. The publicity still was most likely done before actual shooting took place because in the movie that tattoo is on Russell's stomach.



Die Klapperschlange (Escape from New York) poster design used by Neue Constantin Film (1981)

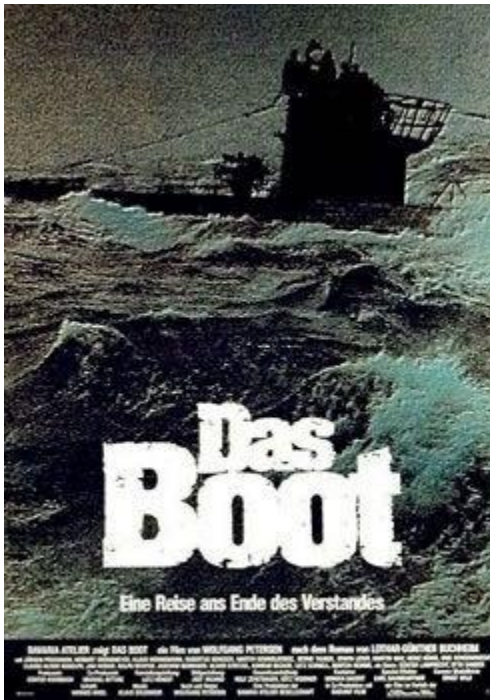
The publicity still of Kurt Russell as Snake Plissken squatting with his machine gun was placed below a large caption that encapsulated the narrative premise of the movie: “New York 1997—10 million inhabitants, each one a criminal—Manhattan: a prison — once you’re in, you never get out, unless you are Snake Plessken [sic], the ‘rattle snake.’”¹¹⁶ The large font itself carries a visual impact and feels domineering and aggressive. The bold, prominent type turns the

¹¹⁶ “Die Klapperschlange” 1981 German Movie Poster. www.TheMovieDB.org. image.tmdb.org/t/p/original/tSavNov84m2iRayojRnJUKF9sTf.jpg. Accessed 17 Aug. 2018.

narrative premise into a visual representation. Moreover, as Katja Eichinger astutely observes, the unexpected inversion of the typical hierarchy of image and text creates a strong tension in the poster.¹¹⁷ In this way, the poster subverts traditional marketing conventions and thus upsets spectator expectations.

C) The Das Boot Poster:

The poster for *Das Boot* is equally unsettling, although in a different way. Katja Eichinger reports that Eichinger picked a still that was not from the film, but based on a real-life war photograph taken by the novel's author, Lothar-Günther Buchheim.¹¹⁸ The photo-image fills out the entire poster.¹¹⁹



Das Boot poster design used by Neue Constantin (1981)

117. Katja Eichinger. *BE*, p. 176.

118. Katja Eichinger. *BE*, p. 182.

119. "Das Boot." Original 1981 theatrical poster. *Wikipedia.org*. en.wikipedia.org/wiki/Das_Boot. Accessed 17 Aug. 2018.

In the foreground, waves of a stormy sea rise up. Further back, the dark silhouette of a submarine emerges from the waves. The image is grainy and greyish-green, intimating wartime photography. In the lower third of the poster, the title “Das Boot” is emblazoned in white in the now-iconic font that looks weathered and worn.

I find the poster unsettling on two levels. First, on an immediate, visceral level the poster induces a vertigo-like feeling from the stormy, unsteady sea. On a more intellectual level, the image implies the fragility of human existence, which, despite the imposing war-time machinery, can only attempt to fight its way through the elements.

Katja Eichinger reports that Eichinger had hired a public relations company to design the campaign. Eichinger had been dissatisfied with the work of the in-house marketing staff at Neue Constantin on previous campaigns. In that respect, outsourcing this work must have been a sensible choice. However, Katja Eichinger notes that this move was considered a “revolutionary innovation” at the time.¹²⁰

I argue that Eichinger may also have taken his cue from the Hollywood studios in this instance. Working with outside graphic agencies and trailer production houses had become common practice at the major studios during this period. According to film scholar Lisa Kernan, the Hollywood studios had started laying off their in-house marketing staffs in the late 1960s as cost-saving measures and outsourced this type of work to outside vendors.¹²¹

However, I argue that the *Das Boot* campaign demonstrates the American influence on Eichinger’s understanding of marketing on another level. Katja Eichinger reports that Eichinger and Weigel came up with a tagline for the poster: “Eine Reise ans Ende des Verstandes” (“A

120. Katja Eichinger. *BE*, p. 182.

121. Lisa Kernan. *Coming Attractions: Reading American Movie Trailers*. University of Texas Press, 2004, Kindle edition. Kindle location 671.

journey to the edge of reason”). However, Eichinger felt that the poster still needed something to suggest that this was “Germany’s biggest movie.” Weigel jokingly suggested that they print “Deutschlands größter Film” (“Germany’s biggest movie”) in yellow stickers and paste them onto the posters. Eichinger took him up on that idea. Weigel concludes: “After the success of *Christiane F.* we were pretty hot. But once we put that on the posters, everybody thought we’d gone off the deep end. But it still worked.”¹²²

The reason for the indignation inside the industry may have been that such hyperbole was atypical of German movie promotion at the time. Jane Gaines observes that the design of film posters (“one-sheets”) in American culture had always been based on the principles of enlargement and excess. In her reading of the work of early film publicists the retouched and enlarged photograph allowed the viewer to escape the boredom of the mundane and every day. Exaggeration or hyperbole was thus both pleasurable and unambiguous. Gaines argues that “American culture, to a certain degree, equates hyperbole with value (...) In a culture that depends upon notions of “bigger” and “better” to evaluate all aspects of life, verbal exaggeration itself may be seen as a measure of worth. Puffery must be proportionate to the excellence of the product.”¹²³

Weigel’s own astonishment that Eichinger would take him up on his outlandish challenge shows that this type of hyperbole was in no way a common feature of West German marketing at the time. But Eichinger’s willingness to resort to such hyperbole is evidence of his sense of showmanship. The claim “Germany’s biggest movie” should therefore be read as both a piece of puffery and a bold statement of fact. But even more importantly, the fact that a German

122. Katja Eichinger. *BE*, p. 182; my translation.

123. Jane M. Gaines. “From Elephants to Lux Soap: The Programming and ‘Flow’ of Early Motion Picture Exploitation.” *Velvet Light Trap*, Spring 1990, pp. 35-36.

distributor had dared to put such a hyperbolic claim on a poster in the first place must already have worked as an audacious marketing statement in and of itself.

2.4.3. Trailer Marketing: The Promise of Something to Come

Not everybody discounted Eichinger's efforts as mere "puffery." *Das Boot* producer Rohrbach embraced the poster campaign as Eichinger's vote of confidence in the movie: "Bernd's decisive accomplishment, with respect to *Das Boot*, was his fantastic marketing campaign. German movies had a terrible image at the time. But Bernd achieved that *Das Boot* was the first German movie that, just like an American movie, arrived with a massive bow wave."¹²⁴

Rohrbach's comment reveals how significant marketing was in establishing the movie in the marketplace. Neue Constantin's new marketing campaigns signaled a new confidence in its movies to the moviegoing public and to the film industry at large. This confidence especially came to the fore in its movie trailers. For some contemporary viewers Neue Constantin's campaigns signaled a new stance in terms of marketing. K. Eichinger quotes filmmaker Tom Tykwer: "Back then, when Bernd built up Constantin, the whole German film industry was, in terms of marketing, very provincial [...] It became very different when Bernd and his crew did it: a new kind of sensuality that came along with a certain aggressiveness, but also with a self-confident, modern and aesthetic flair. And not just for American acquisitions, but for German films as well. When the logo 'Neue Constantin Film' showed up [in trailers], it suddenly became exciting. I didn't always like the Constantin movies. But the logo represented a new gesture and the start of a new era."¹²⁵

124. Günter Rohrbach quoted in: Katja Eichinger. *BE: Bernd Eichinger*, pp. 181-182; my translation.

125. Tom Tykwer quoted in: Katja Eichinger. *BE: Bernd Eichinger*, p. 177; my translation.

Tykwer's quote is significant on two levels. First, Tykwer's comment reveals an implicit value system in the way that movies got promoted. What was new about Neue Constantin's marketing strategies was not just the style itself, but even more so the value it conferred onto German movies. German movies like *Das Boot* were no longer treated as inferior product by the distributor. Marketing itself thus became a value judgment about the movies themselves: if a distributor was willing to invest big money in the promotion, it thereby demonstrated a strong belief in the inherent entertainment and commercial value of the movie. Eichinger and Weigel's hyperbolic tags on the *Das Boot* one-sheets may not just have worked as marketing "puffery," but also served as a signal to the film industry that a major German distributor now expressed confidence in a domestic film production. This may have been an important signal for an aspiring filmmaker like Tom Tykwer that it was safe to go back into the water again, as it were, and work in domestic film production.

Tykwer's experience of Neue Constantin's trailers is also revealing on a second level. Film scholar Lisa Kernan relates movie trailers to Tom Gunning's 'announcing gesture,' which denotes the bow of a magician calling the audience's attention to a transformation about to take place. In Gunning's view, this 'announcing gesture' creates two temporalities: first, the present moment of the attraction itself and, secondly, the "temporal frame of expectation and even suspense."¹²⁶ Kernan sees the same type of dual temporality in trailers: "while they continually invoke a heightened presence through their display of spectacular images, essentially the announcement (of a not-yet-seen film) is the event. Thus, the temporality of trailers comprises a present that is thoroughly imbricated in an anticipated future: truly a *cinema* of (coming)

126. Tom Gunning. "'Now You See It, Now You Don't': The Temporality of the Cinema of Attractions." *Velvet Light Trap*, Fall 1993, p. 6.

attractions.”¹²⁷ The trailer is thus both a spectacle in itself and raises the expectation for something about to happen. Tykwer refers to this expectation and the excitement he felt at the sight of the Neue Constantin logo. Neue Constantin’s trailers thus worked not just as advertisements for individual movies, but also gestured towards a new type of cinema.

2.4.4. Toward Reductionism: The *Conan der Barbar* Trailer

What was this new type of cinema? I argue that Neue Constantin’s new trailer campaigns anticipated certain aesthetic developments of high-concept filmmaking, such as reductionism and a lack of narrative coherence in favor of foregrounding visual spectacle.

Kernan argues that Hollywood trailers changed their rhetorical mode of address over the course of the 1970s as the Hollywood film industry became focused on the blockbuster movie. Trailers assumed an audience already familiar with genre and narrative codes. As a result, trailers tended toward the reductive: “strong rhetorical assumptions can be discerned that follow the pattern of the incomplete syllogism (where something assumed by the trailer’s visual, aural or verbal argument to ‘go without saying’ can be problematized).” Rather than story, audience interest is focused on “dazzling new generic worlds and the ever-expanding discourse of stardom and celebrity.”¹²⁸

Weigel had hired director Uli Edel (*Wir Kinder vom Bahnhof Zoo*) to cut the movie trailers for new releases, including *Conan the Barbarian* and *Excalibur*.¹²⁹ I argue that Edel’s reedited trailer for *Conan the Barbarian* anticipated this development towards reductionism. Whereas Universal Pictures’ *Conan the Barbarian* trailer is focused on narrative exposition and

127. Lisa Kernan. *Coming Attractions: Reading American Movie Trailers*, Kindle Locations 431-432; emphasis in original.

128. Lisa Kernan. *Coming Attractions: Reading American Movie Trailers*, Kindle Locations 3341-3345.

129. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

coherence, Neue Constantin's *Conan der Barbar* trailer works mostly on incomplete syllogism.¹³⁰

Universal's two US trailers (included in the German remastered DVD release from 2004) do not differ much.¹³¹ Both introduce Conan's character and his (dramatic) function with a voice-over and short scenes from the movie, followed by an introduction of the antagonist Thulsa Doom. Brief clips of dialogue further elaborate on the main theme and conflicts while introducing a panoply of supporting characters and their generic function within the story.

In contrast, Neue Constantin's trailer works much more reductively in terms of narrative and is structured solely around the character of Conan. The trailer starts with a wide shot of Conan covered only with a loincloth tied to a tree, evoking mythical-religious references with Christ on the cross and the martyr Sebastian on the tree. The theme of revenge is laid out in a brief internal monologue. Then, apart from a short voice-over that introduces Conan as part of a prophesy, the trailer provides no more narrative information. What follows is a series of spectacular battle and fight scenes that give no indication of their narrative or thematic relation to each other. The spectator is simply overwhelmed with a succession of imposing images that are blanketed with an operatic musical soundtrack. Rather than narrative context, Neue Constantin's trailer provides visual and aural spectacle and invites the spectator into a dazzling world of swordplay and magic.

Neue Constantin's drive towards narrative reductionism is not coincidental, but rather indicative of a broader trend in the international marketplace. As I will discuss in more detail in Chapter 3, in the early 1980s American-based independent producers such as Dino De Laurentiis

130. "Conan der Barbar - Trailer Deutsch (Kino)." *YouTube.com*, uploaded by Spannick, 8 May 2015. www.youtube.com/watch?v=WDRbn2PFPIM. Accessed 18 Aug. 2018.

131. "Conan the Barbarian' US Original Theatrical Trailers 1 and 2." *Conan der Barbar - Special Edition, Remastered*, Concorde Home Entertainment, 2004. DVD.

recognized a demand by foreign independent distributors for less dialogue-driven and more action-based movies. *Conan the Barbarian* would become part of a broader wave of 1980s American action movies that relied less on narrative coherence and more on visual stimuli, and could thus be marketed by virtue of their spectacular action and fight scenes. In some ways, then, Neue Constantin's *Conan der Barbar* trailer anticipated—and contributed to—this rising tide in high-concept marketing and filmmaking.

2.4.5. The Costs of Marketing

We can see the shift in policy that Eichinger instituted at Neue Constantin in the way that money was allocated in marketing expenditures: away from the sprinkler method of spreading resources across a broad range of titles that the 'old regime' under Karl-Heinz Böllinghaus had favored to Eichinger's more concentrated dowsing of a few, high-profile movies. Before Eichinger's arrival in January 1979, Neue Constantin had spent a total sum of DM 2.295 million for the 1977/78 slate of 22 movies on all marketing.¹³² Two movies, *Convoy* and *Steiner 2*, received disproportionately more money than others, DM 307,000 and DM 285,000 respectively. Five more titles were allocated between DM 100,000 and DM 200,000, and the remaining fifteen titles received less than DM 100,000 per title.

A similar picture emerges for the 1979 slate. However, we can begin to see some changes occurring under Eichinger's initial influence. A total of DM 2.47 million was spent on 23 movies. The movies that Eichinger had the highest expectations for received the most money: *Zombie* (Dawn of the Dead) expended the most, DM 373,000. This was followed by Roman Polanski's *Tess* with DM 358,000 and *Driver* with DM 223,000. Two star-driven movies also

¹³². All financial data from: "Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981."

received higher marketing spends: Neue Constantin expended DM 108,000 on the Pierre Richard-vehicle, *La carapate* (1979), and DM 179,000 on the Charles Bronson-vehicle *Firepower* (1979). Those five movies also earned more than DM 1 million in rentals each, with *Zombie* earning more than DM 6.5 million. However, the majority, 16 titles, received less than DM 100,000 in marketing spend, but earned even less than that in rentals.

With the slate of 1980, we see the shifts occur even more prominently. First, there are fewer titles: ten movies for the first half of 1980,¹³³ plus four in the interim summer slate (including *Cruising* and *Can't Stop the Music*). Secondly, each movie was allocated more money in marketing expenses. Ten out of those fourteen movies received more than DM 100,000 in marketing spend; five of those ten received even more than DM 300,000: *The Who's Quadrophenia*, *L'avare* (The Miser, starring Louis de Funès), *Amityville Horror*, the Agatha Christie-adaptation *The Mirror Crack'd*, *Can't Stop the Music*, and *Cruising*. The total marketing spend for all fourteen titles was DM 2.879 million. Thus, while the total marketing increased only slightly from year to year, the number of titles the money was spent on decreased.

This trend accelerated with the 1981 slate. The total expenses for the ten titles listed here was set at DM 2.39 million.¹³⁴ Except for *Prom Night*, all titles were allocated more than DM 200,000. The high-profile titles were allocated the most: *Escape from New York* was allocated DM 260,000, *Das Boot* DM 321,000, *Excalibur* DM 400,000, and *Conan the Barbarian* DM 450,000.

These must have been staggering amounts for a company used to spending a little money on many movies. This new course did not come without internal debate. Eichinger's letter to

133. The marketing budget for *Christiane F.—Wir Kinder vom Bahnhof Zoo* is listed as part of the 1980 slate, even though it was not released until April 1981. I am therefore including it in the data for the 1980 slate.

134. Since the spreadsheet is dated June 30, 1981, it includes projections for upcoming releases.

majority owner Ludwig Eckes from August 13, 1980, must be read in this context.¹³⁵ In a post-script to the letter, Eichinger referred to a recent phone call with Eckes, in which the latter had allegedly stated he was not going to be “blackmailed.” Eichinger admitted that the financial situation of the company was precarious. He acknowledged that the minimum payments guaranteed to producers for the 1981 slate exceeded the company’s financial resources. Minimum guarantees for the movies about to be released in the second half of 1980 and 1981 totaled DM 6.6 million (excluding the license for *Conan the Barbarian*). In the letter, Eichinger expressed confidence that he would make the money back in film rentals.¹³⁶

However, until the moment that rentals started coming in, Eichinger must have been facing an acute cash-flow problem. Eichinger was evidently pushing the financial resources of the company to a breaking point. The financial risks of such a blockbuster strategy were enormous. The losses incurred from the flop of *Can’t Stop the Music* had already given the company a taste of what was at stake: that movie had cost DM 1.374 million in minimum guarantee plus DM 388,000 in distribution expenses (i.e. prints, dubbing, transportation) and DM 482,000 in marketing expenses. However, in return, the movie had only brought in rentals of DM 529,000 for West Germany and Austria.¹³⁷ Ergo, there was an effective loss of DM 1.715 million. That was a lot of money for any company. But if any more of the 1981 movies incurred comparable losses, it would most certainly wipe out the company’s reserves and push it into bankruptcy again. Eichinger was performing a financial high-wire act without a net.

135. Bernd Eichinger. Letter to Ludwig Eckes, 13 Aug. 1980. SDK, BEC. 4.3-201210-2 Eckes, Ludwig (3).

136. Bernd Eichinger. Letter to Ludwig Eckes, 13 Aug. 1980.

137. “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981.”

2.4.6. The Mercantilism of Marketing

The financial risks of Eichinger's new approach were enormous. While the company had previously operated rather conservatively, spreading its resources across a broad variety of movies, Eichinger was focusing his financial resources on just a few movies. Eichinger's approach represented a stronger reliance on market forces.

In this context it is useful to consider Hester Baer's critical reading of the movie *Das Boot* and its production and distribution context. She calls the movie both "a lever for and a symptom of the neoliberal turn that took hold of German film culture (along with the economy, politics, and society) in the early 1980s, laying the groundwork for a new producers' cinema that aimed to make a virtue of the tyranny of the market." She argues that with the production and release of *Das Boot*, director Wolfgang Petersen, producer Günter Rohrbach and distributor Bernd Eichinger facilitated this turn toward a market-oriented film economy in West Germany.¹³⁸

Baer is very astute in linking the emergence of this "neoliberal cinema" with the rise of neoliberal politics in Western politics at the same time. She asserts that *Das Boot* was produced "during the three-year period (1978-1980) that David Harvey has termed a revolutionary turning-point in the world's social and economic history," and was, for this reason, implicated in Germany's neoliberal turn.¹³⁹ And yet, if we put this argument in the context of Neue Constantin's acute financial situation at the time, a slightly different picture emerges. Neue Constantin Film, and before it, Constantin Film, had always operated inside a market economy since the postwar period. The film distribution and exhibition sector in West Germany had always been subjected to "the tyranny of the market." On the other hand, the production sector

138. Hester Baer. "Das Boot and the German Cinema of Neoliberalism." *The German Quarterly* 85.1 (2012), p. 19.

139. Hester Baer. "Das Boot and the German Cinema of Neoliberalism," p. 19.

had only gradually, since 1968, turned into a public subsidy system. It therefore seems odd to single out this particular moment in time and characterize it as a neoliberal turn for the industry at large.

I therefore want to offer a slightly more nuanced reading of the situation. I agree that Eichinger's high-concept marketing approach accelerated the subordination of cultural production to certain market concerns. However, we need to be more specific in this regard. In his memo to staff from July 31, 1979, Eichinger had postulated that movies must be evaluated for their marketing potential at the point of acquisition.¹⁴⁰ Movies thus had to be submitted to a marketability test: if a movie did not contain certain marketing-friendly elements, it may be more cost-effective to pass on it. That means that marketing considerations, rather than mere market considerations would become a decisive factor in which movies to acquire and release. That means that it was no longer just a concern of who the audience for a particular movie would be, but also of how the movie could be marketed to that audience. And in this context, high-concept marketing was the tool to render new efficiencies from a capitalist market system. Thus what was new was not the basic logic of a profit-oriented market system for the German film industry, but rather the way that profits could be extracted from that system.

2.5. Going All Out: Implementing Saturation Releasing in West Germany

The process for extracting profits from a movie occurs at the level of distribution. The distributor rents the movie out to exhibitors and receives a share of the box-office returns, the "rentals," in return. In this section I argue that with the slate of 1981 Eichinger introduced wide

¹⁴⁰ Bernd Eichinger. "Situationsanalyse zum Halbjahr 1979." Memo to staff. 31 July 1979; my translation.

releasing as a common distribution practice in West Germany. Throughout the postwar period and into the 1970s, the prevailing practice had been to “roll out” a movie with a limited number of prints in the five major distribution markets. A “major” release would typically start with 50 to 70 prints that would be moved from first-run to second-run to third-run theaters across the nation.¹⁴¹ Starting the release of a movie with more than 100 print copies had been tried on occasions before in West Germany, most notably by Tobis Film and Disney. However, with the release campaigns for *Das Boot* in 1981, which was started with 200 copies, and particularly for *Conan the Barbarian* with 300 copies in 1982, Eichinger proved the economic benefits of going out wide with a movie, and thus contributed to institutionalizing the practice across the industry in subsequent years.

2.5.1. The Maths of Distribution

In this subsection I provide the historical and industrial context for wide releasing in West Germany in the late 1970s and early 1980s.

Eichinger was not the first to introduce wide releases to West Germany. In 1976, Neue Constantin’s main competitor, Tobis Film, had already released *King Kong* (1976) with 125 copies and *Io sto con gli ippopotami* (I am for the hippo, I. Zingarelli, 1979) with 275 copies. In the USA, the commercial success of *Jaws* in 1975 had prompted other studios to replicate its distribution pattern. Tom Schatz observes that *Jaws*’ nationwide release and concurrent ad campaign “underscored the value of saturation booking and advertising” for MPAA studios in the 1970s. Subsequently, the focus on opening weekend’s box-office grosses led to the practice of “front loading” the audience, i.e. getting most audiences into a theater in the early release phases

141. Herman Weigel. Personal Interview by Author, 25 July 2015, Munich, Germany; Robert Watkins. “Small staff, tight controls bring Tobis in no. 1 among distribs.” *Variety*, 11 February 1981, pp. 53, 76.

of the movie.¹⁴²

Consequently, Paramount was eager to open *King Kong* (J. Guillermin) on 961 screens in North America on December 17, 1976. The release was part of a carefully planned “monster saturation premiere campaign” that included another 1,200 screens throughout the world.¹⁴³ Tobis Film, which had acquired the distribution rights for West Germany, released the movie in coordination with Paramount. The movie was released with 135 prints in all major Germany cities on the same day as the US opening. Tobis flew in the movie’s star, Jessica Lange, for appearances on a TV variety show and had thirty 11-foot replicas of the ape set up in front of cinemas.¹⁴⁴

The *King Kong* release must have emboldened Tobis’ owner Horst Wendlandt and his general manager Kilian Rebentrost to try the saturation pattern again on subsequent releases. They released the Bud Spencer-Terence Hill starring-vehicle *I am for the hippo*¹⁴⁵ with 275 copies for Christmas 1979.¹⁴⁶ Commenting on the release of *I am for the hippo*, news magazine *Der Spiegel* observed that an economic argument could be made in favor of a wide release strategy in West Germany. Unlike most other Western European nations, the theatrical distribution business in West Germany was marked by a decentralized structure. Whereas France and the U.K. had centralized exhibition markets with Paris and London respectively, West Germany’s theatrical market was more spread out across the entire nation.¹⁴⁷

Indeed, West Germany was divided into five regional distribution markets (“exchanges” in industry parlance) that broke down fairly evenly in terms of theatrical rentals: Frankfurt and

142. Thomas Schatz. "The New Hollywood." *Film theory goes to the movies*, p. 19.

143. Sheldon Hall, Steve Neale. *Epics, Spectacles and Blockbusters*. Wayne State University Press, 2010 p. 213.

144. “King Kong’ mit 120 Kopien.” *Blickpunkt: Film*, 10 Dec. 1976, p. 2.

145. I am following *Variety*’s usage of the English title of the movie to avoid confusion.

146. “Harte und Zarte.” *Der Spiegel*, 24 December 1979, p. 152.

147. “Harte und Zarte.” *Der Spiegel*, 24 December 1979, p. 153.

the surrounding region in central Germany generated about 27% of theatrical rentals; Düsseldorf and the western region came to 26%; Munich and the southern region to 22%; Hamburg and the northern region to 20%; and West Berlin generated some 5% as a quasi-island inside the territory of the German Democratic Republic.¹⁴⁸ Therefore, whereas in France and the UK distributors could start a movie in Paris and London respectively and roll out from there, distributors in West Germany had to start a movie in all five regions including the eight “keys” (i.e. major metropolises of 500,000 inhabitants or more): West Berlin, Düsseldorf, Cologne, Frankfurt, Stuttgart, Hamburg, Hannover, and Munich.¹⁴⁹

This also meant that a distributor had to spend more money on advertising right off the bat. In order to support such a dispersed release campaign, a distributor had to buy advertising in national and local newspapers and radio (and later TV) in all the keys. According to *Variety*, in the early 1980s the prints and advertising budgets for a release of 20-25 prints were around \$75,000; for 25-45 prints, \$200,000; and for 80-200 from \$200,000 to \$450,000.¹⁵⁰ Thus a campaign for 45 prints cost about the same as a campaign for 80 prints, since the distributor had to buy nationwide advertising in either case. The actual difference in costs was just striking more prints.

Given these upfront costs, there was a clear benefit in starting a movie more widely.

Variety observed at the time that the wide release pattern allowed distributors to “playoff [sic] the

148. “German-speaking market at a glance.” *Variety*, 2 Mar 1983, pp. 274, 314.

149. In 1980 West Berlin’s 31 first-run theaters and 35 other theaters generated 6.3 million ticket sales (4.38% of the total market); Düsseldorf: 29 first-run & 8 other theaters, 2.5 million ticket sales/1.74%; Cologne: 31 first-run & 16 other theaters, 4.1 million ticket sales/3.18%; Frankfurt: 27 first-run & 18 other theaters, 3.2 million ticket sales/2.28%; Stuttgart: 26 first-run & 12 other theaters, 2.7 million ticket sales/1.88%; Hamburg: 62 first-run & 28 other theaters, 6.3 million ticket sales/4.38%; Hanover: 27 first-run & 6 other theaters, 2.6 million ticket sales/1.81%; and Munich: 44 first-run & 22 other theater, 6.3 million ticket sales/4.38%. The total combined population of all eight keys was 8.148 million out of a total national population of 61.4 million. Key cities accounted for total first-run rentals of \$40,631,500 (26.4%) from 278 first-run theaters and 145 second-run theaters. “Germany at a Glance.” *Variety*, 10 Feb. 1982, p. 49.

150. “German-speaking market at a glance.” *Variety*, 2 Mar 1983, pp. 274, 314.

country in around four months and to get most benefit from highest media campaigns.”¹⁵¹ This means that higher print numbers allowed distributors to reach more theaters in a shorter time span and thus accelerate a movie’s theatrical run. In turn, the movie’s shorter run meant that it did not have to be sustained with a long-term marketing campaign, but could benefit more from the upfront publicity generated at the launch of the movie.

However, given the upfront costs that a distributor had to shoulder, it should not come as a surprise that wide releases of over 100 prints remained limited to a handful of releases per year—and only to those distributors that could afford such a campaign. *Der Spiegel* reported that, parallel to Tobis’ release of *I am for the hippo* in December 1976, Disney started the re-release of *The Jungle Book* with 200 copies in West Germany. The magazine complained that those two movies “jammed the majority of the coveted city cinemas during the popular Christmas season.”¹⁵²

Tobis’ release pattern for *I am for the hippo* paid off handsomely with DM 15 million in box-office grosses during the first three weeks of release (and DM 25 million in seven weeks). *Variety* credited *I am for the hippo* with contributing substantially to turning Tobis into the top-ranked independent distributor in terms of rentals in West Germany for 1979.¹⁵³

2.5.2. The First-Run Bottleneck

Before I delve into Neue Constantin’s practices for the 1981 slate, I want to take a step back and take stock of the evolution in the US distribution market up to that point. Examining

151. Robert Watkins. “Small staff, tight controls brings Tobis in no. 1 among distribs.” *Variety*, 11 Feb. 1981, pp. 53, 76.

152. “Harte und Zarte.” *Der Spiegel*, 24 Dec. 1979, p. 152; my translation.

153. According to *Variety*, Tobis’ seven releases for 1979 grossed more than \$65 million. “Tobis tops indies with \$65-mil gross from 7 films in 1979.” *Variety*, 13 Feb. 1980, pp. 37, 219.

the US market, Vinzenz Hediger notes that wide releasing did not become common practice in the USA until the 1970s even though early attempts at “saturation” campaigns had been made in the 1930s and 1940s.¹⁵⁴ Throughout the classical studio era Hollywood movies would start with very few prints in the downtown showcase theaters of the major cities. Even a major movie such as *Gone with the Wind* (1939) would not run in more than two movie theaters in New York simultaneously. After running there for a few weeks, the movies would be held back before being rereleased in smaller theaters in the same region. Then, in the third run, the movies would reach the smaller cities and rural areas.¹⁵⁵

As Harold Vogel explains, this “sequential distribution pattern” is a form of price-discrimination: it segments consumers into different groups based on their willingness (and ability) to pay different levels of ticket prices. Those viewers most willing to pay the highest prices get to see the movies first (and in the most pleasant venues); those with less means have to wait longer but also pay lower prices. Films were thus first released in the markets that generated the highest marginal revenue over the shortest period of time—i.e. the first-run showcase venues—before they cascaded down to the markets with the lowest return per unit time.¹⁵⁶

Hediger argues that this practice privileged the downtown showcase theaters, owned by the vertically-integrated Hollywood studios, which could exhibit a movie exclusively at higher ticket prices. However, economically, the practice made less sense. Hediger notes that, according to certain estimates, the average Hollywood movie reached only a quarter of its potential

154. In his paper Hediger examines early regional saturation campaigns orchestrated by RKO for its releases *Check and Double Check* (1930), *Hitler's Children* (1943), *The Master Race* (1944), and *This Land is Mine* (1943). Vinzenz Hediger. “Blitz Exhibitionism”. Der Massenstart von Kinofilmen und die verspätete Revolution der Filmvermarktung.” *Demnächst in Ihrem Kino: Grundlagen der Filmwerbung und Filmvermarktung*, ed. by V. Heider, P. Vonderau, Schüren Verlag, 2005, pp. 140-160.

155. Vinzenz Hediger. “Blitz Exhibitionism”. Der Massenstart von Kinofilmen und die verspätete Revolution der Filmvermarktung,” pp. 140-152.

156. Harold L. Vogel. *Entertainment Industry Economics*, p. 118.

audience. For the major studios this was not a big issue. Their focus was on generating sales for the showcase theaters that they owned. They could achieve sufficient rentals through sheer scale by putting out a combined 500 to 800 movies per year. However, this system disadvantaged independent producers like David Selznick, who released only a handful of titles per year. Hediger argues that this was the reason that Selznick conceived his movie productions as major “event movies” with big, splashy premieres and nationwide publicity campaigns. If Selznick could “break the first-run bottleneck” and get his movies into the wider market outside the major cities faster, he would not have to wait up to a year to break even, but could potentially recoup on his investment within a few months.¹⁵⁷

The comparison with the American context is useful because it demonstrates how significant the first-run premiere theaters were in the traditional distribution system. The West German exhibition sector, too, was dominated by certain premiere theaters in the major cities. In 1983 *Variety* listed the showcase theaters that earned an average of more than \$10,000 per week with their seating capacities: in West Berlin (1.9 million inhabitants) those were Zoo Palast (1,206 seats), Gloria Palast (769), Marmorhaus (525), Atelier (526); in Munich (1.3 million), the multiplexed Mathaeser Filmpalast A (747), B (300) and C (302), Sendlinger Tor (620), and Eldorado (295); in Hamburg (1.6 million), Ufa Center 1 (620), 4 (446) and 5 (390), Kino-Center 1 (423), and Streit’s Haus (565); Cologne (900,000) had Ufa-1 (762), Passage 1 (387), CC-Filmstudio (212), and Capitol (916); Frankfurt (660,000) had Royal (723) and Europa (564); Düsseldorf had Residenz 1 (710); and Hanover had Palast (899). These cinemas were the highest-earning locations and thus represented the “bottle necks” in the West German exhibition market. Major releases that hoped to gain the highest box-office grosses had to get into these

157. Vinzenz Hediger. “‘Blitz Exhibitionism’. Der Massenstart von Kinofilmen und die verspätete Revolution der Filmvermarktung,” p. 154.

theaters first before going into the wider market.

2.5.3. The Transition: *Das Boot* (September 18, 1981)

Tobis' box-office success had not escaped Eichinger and Weigel. Weigel acknowledged to me in an interview that he credited Tobis' higher print runs for the company's stellar revenues.¹⁵⁸ Eichinger and Weigel appropriated certain distribution practices from Tobis Film for the release of *Das Boot* (1981). This release was an early attempt to launch with a "massive bow wave," in the words of Günter Rohrbach. I argue that the movie's opening represented a transitional moment in the evolution towards wide releasing.

In the Eichinger Collection we find reports from Neue Constantin's branch offices that confirm theater bookings for the 1981 slate.¹⁵⁹ Even though these reports do not provide a complete picture, they offer a useful trend in gauging the release patterns for the 1981 slate. The reports record 115 bookings for *Das Boot* about a year ahead of its September 18, 1981 release date.¹⁶⁰ *Das Boot* would eventually be released in 200 theaters.¹⁶¹ Compared with other releases on the slate, *Das Boot* had the widest release, although *Excalibur*, with 102 bookings (to be released on October 30, 1981), and *Escape from New York*, with 83 bookings (to be released on September 4, 1981), were not far behind. Thus, Neue Constantin was treating all three movies similarly in terms of release patterns.

In comparison, other movies on the slate showed very different bookings: *Le coup de*

158. Herman Weigel. Personal Interview by Author, 25 July 2015, Munich, Germany.

159. "Booking Reports" for *Das Boot*, *Excalibur*, *Escape from New York*, *The Howling*, *The Awakening*, *Conan the Barbarian*, *Shoo-Be-Doo-Moon*, *Le Coup de parapluie*, *Mother's Day*, *Prom Night*, *Scanners*. No dates. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (4).

160. The reports are not dated, but were most likely prepared after the August 29, 1980 release of *Cruising* (not included in the reports) and sometime before the first release that is listed, *Le Coup de Parapluie*, on November 14, 1980.

161. "Claim 'Conan' best ever in Germany." *Variety*, 8 September 1982, p. 89.

parapluie (release date: November 14, 1980), *The Awakening* (November 21, 1980), *Prom Night* (December 19, 1980), *Mother's Day* (January 16, 1981), and *Scanners* (March 6, 1981) were each booked into 12 to 16 theaters. Thus, the Pierre Richard comedy and the four horror films were released in a very limited pattern. On the other hand, *The Howling* (July 31, 1981) was released with a more traditional print number and booked into 55 theaters. In both cases, the pattern was to start the movie with a limited number of copies in first-run locations before those same prints would be recirculated to second-run engagements.

On the other hand, Eichinger had high expectations for *Das Boot*. We can read a more aggressive corporate stance from a memo that distribution head Karl-Heinz Böllinghaus circulated to his staff on June 4, 1980. Whereas instructions in the memo for the 1980 slate had been sparse,¹⁶² the memo for the 1981 slate contained detailed directions for each release. Thus, *Das Boot* was only to be booked into the “biggest and best theaters in each city”; in the key cities, theaters were obligated to book the movie for a minimum engagement of 42 days (6 weeks).¹⁶³

Evidently, Neue Constantin was very confident about the movie. From the booking reports we can see that the movie was booked into the familiar, first-run showcase venues in the major cities: in West Berlin, the movie was booked into Ufa Palast, Marmorhaus and Royal Palast; in Hamburg, into Ufa Palast, Oase and Passage; in Munich, into Sendlinger Tor, Royal, Gloria and Marmorhaus; and in Cologne into Capitol, Lux, Rudolfsplatz, and Atelier. In Frankfurt and Bremen (550,000 inhabitants), the movie was booked into two locations each. In

162. Karl-Heinz Böllinghaus. “Hausmitteilung von Geschäftsführung Karl-Heinz Böllinghaus an Filialen Berlin, Hamburg, Düsseldorf, Frankfurt, München vom 13.9.1979.” Memo to Distribution Staff. 13 Sep. 1979. SDK, BEC. 4.3-201210-6 Neue Constantin Film 1 (5) 2. Teil.

163. Karl-Heinz Böllinghaus. “Vermietungsanweisung der Produktion 1981 von Karl-Heinz Böllinghaus an Filialen.” Memo to Distribution Staff. 4 June 1980. SDK, BEC. Box 79. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (5) 2. Teil.

all other municipalities between 600,000 and 32,000 inhabitants, the movie was booked into a single location; however, for the most part, those were big theaters with seating capacities of 300 to 900.¹⁶⁴

Thus the booking reports show a fairly traditional release pattern at the top end. In fact, those theaters were so much in demand that distributors had to plan their campaigns long in advance. Distribution executive Michael Marbach told me that post-production delays on *Das Boot* had prompted Eichinger to consider postponing the release. However, a postponement of even three weeks would have been impossible because the slots following *Das Boot* in the most important showcase theaters had already been taken. Therefore, Eichinger was forced to stay with the original date. It became a nail-biter for Marbach and his staff to get the movie to theaters on time for the September 18, 1981 start date.¹⁶⁵ This was an instance of the “first-run bottleneck” curtailing the distributor’s options.

What is most notable is that the three wide releases — *Das Boot*, *Excalibur* and *Escape from New York* — did not go beyond those two to four first-run locations in the major cities; thus, the second-run, “neighborhood” venues in the same cities were not affected by the expansion. The theaters affected by the greater print-runs were actually located in the mid-sized cities. Thus the “Hirschen” theater in Lörrach, a city near the German-Swiss border that counted some 32,000 inhabitants, would play *Escape from New York* on September 4, 1981, *Das Boot* on September 18, 1981, and *Excalibur* on October 30, 1981.¹⁶⁶ *Das Boot* also ran in other smaller to mid-sized cities: Celle, Flensburg, Goslar, Husum, Neuß, Nienburg, Salzgitter-Lebenstedt,

164. Booking Reports for *Das Boot* from Neue Constantin’s branch offices Berlin, Munich, Hamburg, Cologne, Frankfurt, and Düsseldorf. No date. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (4).

165. Michael Marbach. Former Head of Distribution, Neue Constantin Film, based in Düsseldorf. Phone Interview by Author, 18 Aug. 2015, Essen/Berlin, Germany..

166. Booking Reports for *Das Boot*, *Excalibur*, *Escape from New York*. No dates. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (4).

Schleswig, Wolfsburg, and Zweibrücken. These were cities ranged in size between 23,000 and 123,000 inhabitants.

Michael Marbach confirmed that the saturation release campaign primarily benefited the so-called “Mittelpätze” (mid-sized communities). Those theaters were always concerned that if they had to wait several weeks into a movie’s initial run, their local audiences would drive off into the closest major city where a movie was already showing. These audiences would thus be lost to the local theater when the movie finally became available.¹⁶⁷ However, with the expanded distribution pattern Neue Constantin could serve those theaters now on opening night directly along with the theaters in the big cities. Thus the saturation release system not only benefited distributors. The theater owners in the “Mittelpätze” situations were eager to accept the wide release system because it broke open structures that had disadvantaged them before.

However, in the major cities the *Das Boot* campaign still respected the privileged position of the traditional first-run venues. Neue Constantin clearly saw the benefit of opening its movies in the showcase theaters. These theaters still generated the highest revenues. Moreover, the elegant cinemas added a certain level of prestige to the movies. Hediger notes that in the American film industry, the downtown showcase venues played an outsized role in the industry’s self-perception. The opulent picture palaces were a symbol of the cultural legitimacy of the film industry.¹⁶⁸ Similarly, West Berlin’s Zoo Palast and Marmorhaus, Munich’s Mathaeser Filmpalast and Sendlinger Tor were gorgeously-built constructions that radiated elegance and glamor. Neue Constantin was not (yet) ready to challenge their monopolies because it needed those relationships.

167. Michael Marbach. Phone Interview by Author, 18 Aug. 2015, Essen/Berlin, Germany.

168. Vinzenz Hediger. “‘Blitz Exhibitionism’. *Der Massenstart von Kinofilmen und die verspätete Revolution der Filmvermarktung*,” p. 158.

2.5.4. The Big Release: *Conan the Barbarian* (September 3, 1982)

Whereas the release campaign for *Das Boot* followed traditional, although expanded distribution patterns I argue that the release of *Conan the Barbarian* represented a more radical move that tried out a distinctly different economic logic to distribution. The release of *Conan the Barbarian* on September 3, 1982 represented a real saturation release and a turning-point for the West German film industry.

The booking reports for *Conan the Barbarian*, which were generated at the same time as the above-mentioned *Das Boot* reports do not show the full release campaign for *Conan the Barbarian*, which still had almost two years till its opening. In the reports bookings were confirmed for only twenty-one locations in the key cities: Berlin, Bremen, Düsseldorf, Essen, Frankfurt, Hamburg, Hanover, Cologne, Munich, Nuremberg, and Stuttgart.¹⁶⁹ However, from trade paper reports we know that the movie would be opened in 300 locations. *Variety* called it a “new high for volume releasing, about 30% higher than a Bond or Disney release.”¹⁷⁰

However, more relevant than the actual number of prints was the economic logic behind this high print run. Katja Eichinger relates that before the release of *Conan*, Eichinger had asked a statistician he had known from school to calculate how many print copies would return the highest possible box-office gross. The traditional view had been that it did not matter whether a movie started with fifty or a hundred prints — with fewer prints it would just take longer to collect. However, Eichinger’s statistician-friend proved with a simple algorithm that that assumption was wrong: a higher print run would always yield a higher total box-office gross.¹⁷¹

Thus we witness here an important shift in cultural-economic logic. The previous

169. Booking Reports for *Conan der Barbar*. No dates. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (4).

170. “Constantin Wins Distrib Crown Powered By 'Christiane' & 'Boat.’” *Variety*, 10 Feb. 1982, p. 60.

171. Katja Eichinger. *BE*, p. 195.

distribution system had relied on the sequential price-discrimination strategy whereby the movie cascaded from first-run to second-run to third-run situations. However, I argue that there is a problem with this logic: it assumes that all consumers in the “downstream” situations actually want to pay less. But what if they, too, are willing to pay more as long as they do not have to wait for the movie? Moreover, who says that they are still as eager to see the movie when it arrives weeks if not months into its run? The sequencing strategy disregards what economists call “consumers’ surplus” (i.e. the price difference between what consumers actually pay and what they would be willing to pay) in the second-run situations. If the “Mittelplätze” could release a movie on opening night, then they could capture those audience segments who would want to watch a movie sooner but so far had not been able to. The eight keys only accounted for only about a quarter of nationwide rentals. That suggests that outside the major metropolitan areas there were still some strong theatrical markets in the medium-sized and smaller communities. Those audiences could be part of the “event” that the opening week might represent whereas having to wait for a second or third run might diminish their desire to watch the movie altogether.

Michael Marbach, who was branch manager of Neue Constantin’s exchange in Düsseldorf at the time, became an important ally to Eichinger and Weigel in implementing this strategy. Marbach told me that he had always been convinced that additional prints would benefit the company because they could go to those theaters that generated the best results. However, why this theory had never been put into practice before he could not say. He assumed that theaters were largely selected based on the personal relationships between sales representatives and theater managers.¹⁷²

172. Michael Marbach. Phone Interview by Author, 18 Aug. 2015, Essen/Berlin, Germany.

Conan sold more than 1 million tickets in its first seven days, grossing DM 8.5 million (\$3.4 million) at the box-office.¹⁷³ Eichinger's strategy of increasing the initial print run in order to generate higher rentals had worked. *Variety* observed: "Whereas until last year the 200-print release was considered massive, Eichinger & Co. successfully jacked that up to a 300-print launch for 'Conan the Barbarian.'" ¹⁷⁴ Thus, starting with roughly a third more prints than *Das Boot*, the movie also ended collecting about a third more in admissions on the opening weekend.

However, *Conan* did not have the same staying power as *Das Boot*. *Variety* commented in March 1983 that the movie's "fast payoff" had been the right strategy because word-of-mouth for the movie was "poor."¹⁷⁵ *Variety*'s analysis was based on a common assumption in the American film industry that, in the words of film scholar David Cook, saturation releasing in the USA "historically had been reserved for 'stiffs' to make a quick profit from a bad movie before word-of-mouth and reviews killed it."¹⁷⁶ Michael Marbach confirmed that *Conan* was not expected to have a long run. The movie's ticket sales dropped by 50% in the second week of its run.¹⁷⁷

However, it is not clear whether the movie's drop-off was really due to bad word-of-mouth. The review of the movie in trade paper *Blickpunkt:Film* was glowing and highlighted that the movie had broken all kinds of records in the USA. However, as the reviewer points out, the movie was not suitable for children because of excessive violence and nudity. And indeed, the FSK rating for the movie was 16 and over. That means the movie was missing out on the very lucrative youth market. Thus while *Conan the Barbarian* ended up collecting about \$2.7 million

173. "Claim 'Conan' best ever in Germany." *Variety*, 8 September 1982, p. 89.

174. "Claim 'Conan' best ever in Germany." *Variety*, 8 September 1982, p. 89.

175. "Neue Constantin Firm To Watch; Production Joins Import Release." *Variety*, 2 March 1983, pp. 278, 314.

176. David A. Cook. *Lost Illusions*, p. 42.

177. Michael Marbach. Phone Interview by Author, 18. Aug. 2015, Essen/Berlin, Germany.

in rentals,¹⁷⁸ tickets sales for *Das Boot*, which was rated 12 and above, held more steady, allowing the movie to collect some \$6.5 million in rentals over its entire run.¹⁷⁹

2.5.5. The Distribution Revolution

Marbach confirms that the release of *Conan* marked a turning-point for the German industry: “Once it worked with *Conan*, the other distributors decided to start [their movies] in a bigger way.”¹⁸⁰ Marbach would eventually rise to become head of distribution after Karl-Heinz Böllinghaus left the company in August 1983.¹⁸¹ With him, the old regime had finally taken its leave from Neue Constantin. Eichinger’s new distribution policies thus also signaled a generational changing of the guards in the ranks.

I conclude that Neue Constantin had proven the economic benefits of opening a movie wide. This recognition would incite other distributors to follow its example. However, it was Neue Constantin that would follow its own playbook first. The company released the Jean-Paul Belmondo-vehicle *Der Profi* (The Professional, G. Lautner, 1981) and French director Jean-Jacques Annaud’s *La Guerre du feu* (Quest for Fire, 1981) with over 200 prints each in 1983¹⁸² and *The Never-Ending Story* with a reported 230 prints in 1984¹⁸³ — not quite the 300 copies delivered for Conan, but certainly indicating a trend toward wide releasing.

Vinzenz Hediger observes that the shift to wide releasing in the USA had meant that

178. “Returns From De Laurentiis’ Pics Draw Differing Distrib Responses.” *Variety*, 13 Feb. 1985, p. 60.

179. “Constantin Wins Distrib Crown Powered By ‘Christiane’ & ‘Boat.’” *Variety*, 10 Feb. 10 1982, p. 60.

180. Michael Marbach. Phone Interview by Author, 18. Aug. 2015, Essen/Berlin, Germany.

181. Weigel confirmed that they replaced the “old chief of distribution” with Marbach. Herman Weigel. Personal Interview by Author, 25 July 2015, Munich, Germany. Böllinghaus formally left his post on August 2, 1983. Source: “Handelsregistereinträge.” (Public Business Records.) SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM (3)

182. “Neue Constantin Firm To Watch; Production Joins Import Release.” *Variety*, 2 March 1983, pp. 278, 314.

183. “German ‘Story’ Opens To Record \$2-Mil (First 3 Days); Tops ‘E.T.’” *Variety*, 11 April 1984, p. 6; “‘Story’ opens to big box office in Germany.” *Screen International*, 21 April 1984, p. 1.

distributors had to relinquish their authority over price-discrimination and would now have to offer their movies to all potential buyers for the same price instead. However, that also meant that theaters had to be equipped in a way that justified uniform ticket prices. This was only possible once the expensive downtown picture palaces had closed down and newly-built shopping mall theaters drew new audience segments in suburban locations. Hediger concludes that saturation releasing also represented a shift in the American film industry's self-perception: "[The industry] had to make the transition from a theatrical industry to a copyright industry that was centered around the efficient exploitation of copyrighted entertainment programming, and no longer the exploitation of real estate as had previously been the case in the classical era."¹⁸⁴

A similar transition was about to occur in West Germany. Thus, even if Eichinger was not the first to introduce wide releasing as a distribution practice, I argue that he brought a different way of thinking into the business — a more rationalized way of generating the most efficient exploitation of a movie's revenue potential.

2.6. The Distributor and the Exhibitor

"Though the distributor or exhibitor might try to extract as much as he possibly can out of each license, without regard for the other party, his long-term success ultimately is linked to the other party's success. Distribution and exhibition, though highly suspicious of the motives and practices of the other, need each other for their own survival."¹⁸⁵

As the quote from film scholar Suzanne Mary Donaghue above suggests, the rental contract that a distributor and exhibitor negotiate for the exhibition of a movie plays an important part in

184. Vinzenz Hediger. "'Blitz Exhibitionism'. Der Massenstart von Kinofilmen und die verspätete Revolution der Filmvermarktung," p. 159.

185. Suzanne Mary Donahue. *American Film Distribution: The Changing Marketplace*. Ann Arbor, MI: University of Michigan Press, 1987, p. 139.

defining their relationship. For, as much as that contract represents the relative power one side may hold over the other, both sides must acknowledge that they share a common business model that locks them into a state of mutual dependency. In this section I examine the frayed relationship that German distributors and exhibitors found themselves in at the beginning of the 1980s. I first examine the significance of the rental prices that Neue Constantin charged exhibitors for the movies on the 1981 slate. Neue Constantin was under pressure to recoup on its expensive acquisitions and costly marketing and release campaigns. However, in this, I assert, Neue Constantin was following a wider trend that had been set by the MPEA companies in the mid-1970s. I conclude that relations between distributors and exhibitors were starting to get more strained in the early 1980s as distributors felt the financial strains of releasing their expensive blockbuster movies and tried to pass those costs on to exhibitors.

2.6.1. Neue Constantin Raises the Prices

In this subsection I observe that Neue Constantin substantially increased the rental prices for the 1981 slate over the previous year. I argue that on the one hand, this action represented a more self-confident stance by the company vis-a-vis exhibitors. On the other hand, it was also a financial calculation to extract as much revenue from its expensive acquisitions as possible.

How do negotiations between distributors and exhibitors actually take place? Distribution executives Anke Hahn and Anna Schierse explain in their text book on distribution that the head of distribution typically determines the rental price (i.e. what the theater has to pay to rent the movie) upfront and asks each branch office to decide on the theaters best-suited for the overall release campaign. The distributor's sales staff will then contact and negotiate with the bookers at those theaters. The minimum playing time and the exact theater or auditorium the movie is

supposed to be shown in are also parts of the negotiation.¹⁸⁶

Neue Constantin maintained offices in all five exchange regions: Düsseldorf, Hamburg, Frankfurt, Munich, and West Berlin. In each office sales executives were in charge of maintaining relations with the managers or film bookers of the local circuits. Head of distribution Karl-Heinz Böllinghaus issued memos to staff instructing them on the rental terms for the release slates of the upcoming theatrical season. The Bernd Eichinger Collection contains memos for the slate of 1980, the interim slate of summer 1980, and the slate of 1981. Comparing them, we can detect a clear shift in both tone and content.

Böllinghaus stipulated the rental terms for the slate of 1980 in a memo from September 13, 1979.¹⁸⁷ The most high-profile title of that slate was the Louis de Funès-vehicle, *L'Avare* (The Miser, J. Girault, 1980), based on the comedy by Molière. That acquisition was the most expensive of the slate, with a minimum guarantee (MG) of DM 1.7 million.¹⁸⁸ Böllinghaus stipulated that this movie had to be rented out at 47.8% in cities of more than 50,000 inhabitants and 40.9% in cities smaller than that – that means that theaters had to return rentals that equaled 47.8% or 40.9% of the box-office gross (minus an entertainment tax of 7%) to the distributors. The same terms applied to *Amityville Horror*. The remainder of the slate was to be rented out at 40.9% for all theaters, regardless of location.¹⁸⁹

These prices were in line with standard industry terms at the time. In 1983 *Variety* estimated that the average distributor's share was 40.9% on first-runs. However, rentals could

186. Anke Hahn, and Anna Schierse. *Filmverleih: zwischen Filmproduktion und Kinoerlebnis*. UVK Verlagsgesellschaft, 2004. pp. 128-130.

187. Karl-Heinz Böllinghaus. "Vermietungsanweisung der Produktion 1980." 13 Sep. 1979. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (5) 2. Teil.

188. The next-highest was the minimum guarantee for *Amityville Horror* with DM 380,000. "Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981."

189. Karl-Heinz Böllinghaus. "Vermietungsanweisung der Produktion 1980." 13 Sep. 1979.

also be 47.8% for “hot films” or up to 55% for blockbusters.¹⁹⁰ Thus *L'Avare* and *Amityville Horror* qualified as “hot films,” but were clearly no “blockbusters” in Neue Constantin’s business estimation.

Neue Constantin’s first increase of rental prices occurred with the interim slate of summer 1980. In a memo to staff from March 4, 1980, Böllinghaus laid out the terms for *Can’t Stop the Music* (to be released on August 8, 1980) and *Cruising* (to be released on August 29, 1980).¹⁹¹ Both movies were to be rented out at 47.8%. Böllinghaus expected the same terms for *Can’t Stop the Music* as for *L'Avare*. In addition, the movie was supposed to run in cinemas with a “first-class” Dolby sound system and large screens “as this movie contains many spectacular show elements.”¹⁹²

On June 4, 1980, a third memo from Böllinghaus announced the program for 1981 and its rental terms.¹⁹³ According to Böllinghaus’ directions, Neue Constantin maintained the rental price of 40.9% for four movies: *Le coup de parapluie*, *Shoo-be-doo-Moon*,¹⁹⁴ *Scanners*, and *The Awakening*. The price for *Escape from New York* was split in the same way as for *L'Avare*: 47.8% for cities of more than 50,000 inhabitants and 42.9% for smaller municipalities.¹⁹⁵

However, the biggest difference was with Neue Constantin’s highest-profile movies. The rental prices for *Conan the Barbarian*,¹⁹⁶ *Excalibur* and *Das Boot* were set at 50% for cities of

190. “German-speaking market at a glance.” *Variety*, 2 Mar 1983, pp. 274, 314.

191. Karl-Heinz Böllinghaus. “Hausmitteilung von Geschäftsführung Karl-Heinz Böllinghaus.” Memo to Distribution Staff. 4 March 1980. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (5) 2 Teil.

192. Karl-Heinz Böllinghaus. “Hausmitteilung von Geschäftsführung Karl-Heinz Böllinghaus.” Memo to Distribution Staff. 4 March 1980.

193. Karl-Heinz Böllinghaus. “Vermietungsanweisung der Produktion 1981.” 4 June 1980. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM 1 (5) 2 Teil.

194. *Shoo-be-doo-Moon* was never released. The entry was dropped from Neue Constantin’s cost report statement of October 30, 1980: “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981.”

195. Karl-Heinz Böllinghaus. “Vermietungsanweisung der Produktion 1981.” 4 June 1980.

196. *Conan the Barbarian* was included in this memo even though the release date was set for September 3, 1982.

more than 50,000 inhabitants and at 45% for smaller cities. For *Conan* and *Excalibur*, Neue Constantin set a third rate of 55.3% for screenings of the 70 mm print. On top of these prices, Böllinghaus added another condition for all three movies: “This movie may only be booked into the biggest and best theaters in each city. The contractual engagement in the key cities consists of 42 days (6 weeks).”¹⁹⁷

Not only did Neue Constantin raise the rental prices to the top margin, effectively designating them as “blockbusters,” but it also stipulated minimum playing time. Böllinghaus’ previous memos had not included such terms. However, a six-week playing time would most likely to be controversial with some exhibitors. If the movie did not perform as expected, the theater could not replace it with a more attractive title. This was especially problematic for a single-screen theater, or for those cases that had contracted the largest auditorium for the entirety of the run.

These directions suggest a more self-confident corporate stance. Evidently, management was convinced of the popular appeal of these three movies and expected to get bookings in the most prominent showcase theaters. In the closing paragraph of his memo Böllinghaus wrote, in all-caps, “1981 is the year of Neue Constantin.”¹⁹⁸ Clearly, expectations were high for the upcoming slate.

But it was not just expectations that were riding high. Neue Constantin was also feeling pressure. In the same memo Böllinghaus reminded his staff that the combined production budget for all films was over DM 200 million — which meant that the minimum guarantees and marketing costs were also very high: “Not least because of this it is impossible for us to rent out

197. Karl-Heinz Böllinghaus. “Vermietungsanweisung der Produktion 1981.” 4 June 1980.

198. Karl-Heinz Böllinghaus. “Vermietungsanweisung der Produktion 1981.” 4 June 1980.

certain movies under normal terms and conditions.”¹⁹⁹

The company was not only feeling confident about its movies, but it was also feeling the financial strains of acquiring and marketing these movies. The minimum guarantees for the three highest-profile movies were exorbitant by Neue Constantin’s usual standards: DM 2.078 million for *Conan the Barbarian*, DM 1.7 million for *Das Boot*, and DM 950,000 for *Excalibur*.²⁰⁰ Neue Constantin Film had to pay these amounts to the producers, regardless of whether or not it ever generated sufficient rentals to cover them. Therefore, the threshold to profitability on each one of these movies was extremely high for the company. For, in addition to the minimum guarantees, Neue Constantin would also have to recoup on its upfront prints and advertising (P&A) expenses. For *Conan*, those came to a combined total of DM 913,000. This means that *Conan the Barbarian* had to generate rentals of at least DM 2.911 million, just to break even. Similarly, *Das Boot* had to generate rentals of at least DM 2.336 million, and *Excalibur* required rentals of DM 1.833 million.²⁰¹

Thus Neue Constantin had to earn some DM 7.080 million on three movies just to stay in the black. On top of that, *Le coup de parapluie* and *Escape from New York* were also very expensive: the combined MG and P&A costs were DM 1.121 million and DM 1.199 million respectively. In comparison, *Scanners*, *The Awakening*, *Prom Night*, and *Mother’s Day* were rather cheap: the combined MG and P&A costs for *Scanners* were DM 542,000; *The Awakening* DM 540,000; *Prom Night* DM 427,000; and *Mother’s Day* DM 543,000.²⁰²

I argue that, with such upfront expenses, the company was under a lot of pressure to

199. Karl-Heinz Böllinghaus. “Vermietungsanweisung der Produktion 1981.” 4 June 1980.

200. Data taken from: “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981.”

201. Prints and advertising costs for *Excalibur* were 883,000 DM and for *Das Boot*, 636,000 DM. Data taken from: “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981.”

202. “Einnahmen- und Ausgabenrechnung NCFV für die Zeit vom 1. Januar bis 30. Juni 1981.”

make good on its investments. Thus the booking terms for the slate of 1981 clearly marked a shift for Neue Constantin on several fronts: first, the expensive acquisitions and marketing costs substantially increased the financial risk the company was facing. Böllinghaus' advise to his staff to "treat each movie like a raw egg" reflects the level of pressure he must have felt.

Secondly, the company felt obligated to pass on at least some of that risk to theaters by tightening the terms on exhibitors. This, in turn, led to a more determined stance vis-a-vis exhibitors in contract negotiations. Böllinghaus instructed staff to specify, in contract negotiations with theater owners, the exact auditorium in which the movie was to play in each multi-screen cinema.²⁰³ Böllinghaus had not included such specifications in previous memos to staff. Evidently, the goal was to lock in the largest screening rooms that could generate the highest rentals. Neue Constantin was clearly attempting to secure the best possible terms for itself. However, that could be at the expense of the exhibitor if the respective title failed to attract enough viewers. As Suzanne Mary Donohue's above quote suggests, these contract negotiations, if skewed too favorably to one side, could substantially hurt the other.

2.6.2. The Exhibitors' Perspective

In this subsection I argue that Neue Constantin's new rental prices and booking tactics mirrored a wider trend in the West German film industry at the time. Other theatrical distributors, most notably the members of America's Motion Picture Export Association (Warner-Columbia, MGM-Fox, UA, CIC), had already started raising rental prices in the mid-1970s, leading to more strained relations with exhibitors. In August 1975 the MPEA companies formed a collection agency ("Konditionen Kartel") to be in charge of collecting outstanding rentals from exhibitors.

203. Karl-Heinz Böllinghaus. "Vermietungsanweisung der Produktion 1981." 4 June 1980.

According to *Variety*, the MPEA companies wanted to put an end to late payments from exhibitors: “some exhibitors pay after nine weeks, some after three months and some do not even send their statements of account.”²⁰⁴

On the other hand, exhibitors were outraged by the move and complained they were being treated like “tramway ticket collectors, forced to empty out their pockets at the end of the day.”²⁰⁵ However, ultimately, they had to accept the new procedures after the cartel was found legal by West German courts.²⁰⁶ Nevertheless, the issue remained a point of contention with exhibitors. An editorial in *Film-Echo/Filmwoche* in August 1975 observed: “The MPEA firms may be proud of the implementation of the cartel. [...] [However,] there is a rude awakening in the offing.” The article complained that a steady rise in rental prices over the preceding five years was eroding the livelihood of theater owners. One theater reported that rental prices had risen from 42.42% in 1969 to 45.75% in the first six months of 1975. The article opined that, with such demands, distributors were cutting down the tree that they sat on.²⁰⁷

The American firms increased rental prices as they reduced output. Over the course of the 1970s the major Hollywood studios released fewer films: in 1970 MPAA companies plus Disney and AIP released a combined total of 198 titles in North America; in 1975 that number had dropped to 140.²⁰⁸ In West Germany, the situation was even more dramatic. In 1970, 117 US movies were released; by 1975 that number had dropped to 84. In 1980 that number went back up to 109.²⁰⁹ But clearly, with fewer, and potentially more popular, titles on hand, the MPEA

204. “MPEA Cos.' 'Cartel' In Germany A Thorny Issue With Exhibitors.” *Variety*, 2 Jul 1975, p. 41.

205. “Das ‘Konditionen-Kartell’ kann zu Zusammenbrüchen führen.” *Film-Echo/Filmwoche*, 10 Jan. 1975, p. 4; my translation.

206. “MPEA W. German 'Cartel' Now Legal.” *Variety*, 13 Aug. 1975, p. 25.

207. “Leben und sterben lassen?” *Film-Echo/Filmwoche*, 29 Aug. 1975, p. 3; my translation.

208. MPAA companies included: Allied Artists, Avco Embassy, Columbia, MGM, Paramount, 20th Century-Fox, UA, Universal, and Warner. David A. Cook. *Lost Illusions*, p. 492.

209. SPIO. *Filmstatistisches Taschenbuch 1980*. Wiesbaden, 1980, p. 4; SPIO. *Filmstatistisches Taschenbuch 1981*. Wiesbaden, 1981, p. 4.

companies in West Germany had the greater bargaining power in negotiations with exhibitors.

The heat between distributors and exhibitors only increased with the 1981 and 1982 theatrical seasons. In its November 13, 1982 edition, *Film-Echo/Filmwoche* published a speech held by Munich-based theater owner Fritz Preßmar at the annual conference of the Bavarian exhibitors' trade group. In the piece Preßmar admonished distributors for risking to put exhibitors out of business. He noted that the average national rental price had risen by 2.74% between 1978 and 1981; however, in his own theaters he had witnessed a rise of more than 6%. He saw three main reasons for this escalation: first, the top rental prices went up to 56%; second, the movies' playing times in the theaters were often too long and were rarely renegotiated when a film performed poorly at the box-office; and finally, distributors listed a growing number of films on their slates at the top rental prices. Since distributors and exhibitors split the box-office grosses between them, they were supposed to share in both the successes and the failures. However, in Preßmar's opinion the rise in rental prices no longer made that a fair and balanced relationship: "They leave us with the failures and take away the big successes—with the exception of the unanticipated surprise hits."²¹⁰

Preßmar's tone in the piece was sharp, bordering on exasperation. For him, the rise in rental prices had reached a level that represented an existential threat for exhibitors. The fact that *Film-Echo/Filmwoche*, the official publication of the national exhibitors' association, felt compelled to print the speech demonstrates how important the issue was to the organization.

2.6.3. The Distributors' Perspective

However, if exhibitors felt put under pressure, the distributors felt equally under attack.

210. Fritz Preßmar. "Ausreizen bis zum Geht-nicht-mehr." *Film-Echo/Filmwoche*, 13 Nov. 1982.

At the annual convention of the distributors' trade group in December 1982, the chairman, Horst von Hartlieb, responded to the criticism of rental prices in his speech, which was reprinted in excerpts in *Film-Echo/Filmwoche*.²¹¹ Von Hartlieb asserted that exhibitors demanded expensive blockbusters with big box-office potential from distributors. But distributors carried such titles at enormous financial risk. This could only work if theater owners were willing to shoulder some of that risk and pay more for rentals and offer prolonged runs in return.²¹²

Thus in von Hartlieb's version of events it was the exhibitors who put pressure on distributors to deliver them the expensive blockbuster titles. In effect, both distributors and exhibitors pointed at the other side for refusing to shoulder their share of the risk. Clearly, the large MGs and expensive wide-release campaigns of the blockbuster business exacerbated the financial pressures that came to bear on the industry.

However, there is a second aspect that made the situation in the early 1980s even more significant. Both distributors and exhibitors were convinced that the other side was consolidating its industrial position. If some exhibitors felt that the distributors were exploiting their position, distributors were equally concerned about the rise of monopoly power in the exhibition sector. *Film-Echo/Filmwoche's* report on the distributors' convention was entitled "Von der Macht und dem Unbehagen" ("Of power, and unease..."); yet, tellingly, the article never explicitly stated whose power was at stake. In his speech Horst von Hartlieb mentioned being called to testify to the anti-trust agency about anti-competitive practices inside the exhibition sector. According to von Hartlieb, such practices were not limited to just one exhibitor,²¹³ but rather endemic to the exhibition sector: "This is not just about one theater owner, even if he is particularly powerful,

211. "Von der Macht und dem Unbehagen." *Film-Echo/Filmwoche*, 17 Dec. 1982, pp. 3, 6-7.

212. "Von der Macht und dem Unbehagen." *Film-Echo/Filmwoche*, 17 Dec. 1982, p. 6; my translation.

213. Von Hartlieb was most likely referring to Heinz Riech, the owner and chief executive of the Riech-Ufa theater chain. I will discuss his practices in more detail in Chapter 4.

but rather about a more general problem — whether it is a consequence of this power position or for other reasons. Certain power constellations have come about in the exhibition sector that pose difficulties even for distributors in exploiting movies properly.”²¹⁴

Relations between distributors and exhibitors were therefore increasingly tempered by a sense of distrust and unease. However, despite these disagreements between the two sectors, the response to Neue Constantin’s 1981 slate by the exhibitors’ trade journal was mostly positive. *Film-Echo/Filmwoche* reviewed Neue Constantin’s June 1980 presentation of the new slate in favorable terms.²¹⁵ Moreover, film reviews of *Das Boot*, *Excalibur* and *Escape from New York* were also positive.²¹⁶ The reviewer of *Das Boot* concluded: “Let’s wish this boat good sailing in theaters, and especially around the world, so that others can replicate its entry into the global market.”²¹⁷ If any exhibitors took exception to Neue Constantin’s tactics, it was not voiced publicly. As long as Neue Constantin could deliver commercially successful films, exhibitors were willing to accept their terms. Popular movies expanded business for all, even if theater owners had to pay higher rental prices.

2.7. Chapter Conclusion: Differentiation and Optimization

In this chapter I have examined the innovations that Bernd Eichinger brought to the distribution and marketing operations at Neue Constantin Film in the lead-up to the release slate

214. “Von der Macht und dem Unbehagen.” *Film-Echo/Filmwoche*, 17 Dec. 1982, pp. 6, 7; my translation.

215. “Neue Constantin präsentiert Programm 1981.” *Film-Echo/Filmwoche*, 20 June 1980, p. 9.

216. I am focusing on reviews in *Film-Echo/Filmwoche* because, as the official publication of the exhibitors’ trade group, it was influential in forming theater managers’ expectations for new releases. Film reviews of NC movies: “‘Excalibur’ und die Tafelrunde.” *Film-Echo/Filmwoche*, 15 May 1981; Hartmut Geister. “Die Klapperschlange” (*Escape from New York*). *Film-Echo/Filmwoche*, 2 Oct. 1981; Reinhard Krüger. “Excalibur.” *Film-Echo/Filmwoche*, 13 Nov. 1981.

217. Georg Herzberg. “Das Boot” film review. *Film-Echo/Filmwoche*, 26 Sep. 1981, p. 8.

of 1981. I have argued that Eichinger shifted the company's operating principle away from functioning as a general wholesaler to being a more targeted marketer of high-profile titles. In doing so, Eichinger assumed that the fundamental function of cinema had changed in German society over the previous decades: going to the movies was no longer a habitual practice, but rather constituted a social event that gathered audiences around an extraordinary, sensory and emotional experience. The slate of 1981 therefore contained high-concept movies that could deliver visual and aural spectacles capable of overwhelming the spectators' sensory faculties. Moreover, because of their reliance on strong imagery and simple narrative premises, these high-concept movies offered easy integration with an image-based marketing campaign.

Eichinger and Weigel derived most of their 1981 films from Anglo-American suppliers. US-based producers had recognized the shifting demands of the moviegoing public in the late 1970s sooner than their European counterparts, and had proven more adept at responding to them. Justin Wyatt has argued that American high-concept cinema emerged from a specific industrial condition in the late 1970s. With the emergence of cable television, pay TV, and home video, the major Hollywood studios saw the potential for new revenue streams from the exhibition of films in these additional "windows." The high-concept movie offered a response to this situation: "The style and marketing hooks of high concept, designed to establish the image of the film clearly, allowed the film to 'play' across all the different release windows."²¹⁸

Similar developments were on the horizon for the German entertainment landscape at the turn of the decade. Purchases of home video recorders were on the rise in West Germany: by 1983 every tenth household owned a VCR, and more than three-quarter of them used it "several times per week" — the highest usage rate in the world, according to news magazine *Der*

218. Justin Wyatt. *High Concept*, p. 81.

Spiegel.²¹⁹ Cable and satellite television was also in its first experimental phases and would officially go online by mid-decade.

It is unlikely that these technological advances were on Eichinger and Weigel's mind when they acquired the 1981 slate. As *Der Spiegel* reports, in 1979, eighty percent of titles available in video rental stores were pornos, and even in late 1981, the video market was still dominated by cheap sex, action and horror films.²²⁰ Weigel told me in our interview that these technologies were not relevant at that time.²²¹ Maybe not. But Neue Constantin still profited from these developments soon thereafter: in 1983 *Escape from New York* and *The Howling* were among the most popular titles in video rental stores.²²²

These developments notwithstanding, it is more likely that another factor was more important in the composition of the 1981 slate. In Wyatt's analysis high-concept filmmaking is a specific type of product differentiation that marks out these movies from other films in the marketplace.²²³ As discussed, the films of the 1981 slate were, for the most part, marked by a strong emphasis on production design, cinematography and music. In that sense, these movies stood out visually (and aurally, in some cases) from other films in the marketplace — and, more importantly, from television. Whereas, I argue, the 'old' Constantin Film—and even the previous management at Neue Constantin—failed to differentiate its movie product in style and presentation from what was on television, Eichinger and Weigel focused on movies that utilized what movie theaters had to offer: the widescreen format (which, in the case of *Conan the Barbarian* and *Excalibur*, could be used to its greatest effect with the 70 mm print format) and

219. "Die Deutschen sind voll auf Video abgefahren." *Der Spiegel*, 9 May 1983, p. 35.

220. "Die Deutschen sind voll auf Video abgefahren." *Der Spiegel*, 9 May 1983, p. 47.

221. Herman Weigel. Personal Interview by Author, 25 July 2015, Munich, Germany;

222. "Die Deutschen sind voll auf Video abgefahren." *Der Spiegel*, 9 May 1983, p. 37.

223. Justin Wyatt. *High Concept*, p. 105.

the Dolby stereo sound system. In this way, not only the movies themselves, but also their presentation style was uniquely different from the ‘homely’ television experience.

Another significant factor of high-concept films was their targeted appeal to specific demographics. As I have argued in this chapter, the majority of 1981 films skewed to a younger and, predominantly, male audience. As it happened, this was also the most active and ardent moviegoing segment. Even though Weigel claimed in our interview that strategic decisions rarely played a role in determining the films he and Eichinger selected, it seems unlikely that they were not aware of these research findings, which had been reported on in the trade papers. Either way, given that Eichinger and Weigel correlated greatly with this demographic in age, gender and taste, their tactic of choosing movies they liked intuitively worked well for the most part.

However, we should not attribute the commercial successes of *Das Boot* and *Conan the Barbarian* simply to an appeal to the core young, male moviegoing audience. These movies were “crossover hits” that pulled in a wider swathe of occasional moviegoers beyond the core frequent moviegoing demographics. Herman Weigel notes that *Das Boot* hardly attracted anybody under 20 years of age.²²⁴ That means that *Das Boot* managed to become relevant to an audience not typically seen at the cinemas, which explains its staying power in theaters.

Of course, a lot of the commercial success of *Das Boot* also had to do with its marketing and release campaign. Eichinger was not the first to introduce wide releasing to the West German marketplace. However, after he succeeded with the saturation releases of *Das Boot* and, particularly, *Conan the Barbarian*, the practice became more widely accepted in the industry. Moreover, the observations he made with the *Conan* campaign convinced him that he did not need a sprawling network of regional exchanges. By mid-decade, Neue Constantin would close

224. Herman Weigel. Personal Interview by Author, 25 July 2015, Munich, Germany;

down its regional offices and operate with a much slimmer distribution system.

In this context I want to recast Hester Baer's critique of neoliberalism in a more nuanced fashion. Eichinger's saturation release practice did not change the underlying logic of the profit-oriented market economy of the distribution and exhibition sectors. As I have argued in the previous chapter, distribution and exhibition had operated on market principles since the postwar era. However, Eichinger's new approach was geared towards optimizing existing market forces for a more efficient, more rational, and less personalized distribution system. This went hand in hand with the underlying logic of high-concept cinema and high-concept marketing. The high-concept picture was geared towards an integration with a high-profile marketing campaign. The marketing campaign, in turn, supported the wide release pattern. In all instances, the goal was to reduce risk and maximize box-office returns in order to generate the most revenue from the system.

The commercial success of the 1981 slate confirmed Eichinger's strategy. After a loss of DM 6,199,129.12 for fiscal year 1980, Neue Constantin posted a profit of DM 6,499,799.79 for fiscal year 1981.²²⁵ That was a difference of over DM 12 million within a single year. For a company that had just teetered on the brink of bankruptcy, this was an amazing turnaround.

However, Eichinger's strategy could only succeed as long as he had access to big-budget movies such as the sequel to *Conan the Barbarian*, *Conan the Destroyer* (R. Fleischer, 1984) or the \$42-million *Dune* (D. Lynch, 1984) from producer Dino De Laurentiis.²²⁶ This access was dependent on a vibrant international production sector that could produce such movies while

225. "Gesellschafterbeschuß vom 13.8.1981." Minutes from the board meeting. 13 Aug. 1981. SDK, BEC. 4.3-201210-2-6 NEUE CONSTANTIN FILM 4 1/2 2; "Niederschrift über eine Gesellschafterversammlung vom 02.06.1982." Minutes from the board meeting. 2 June 1982. SDK, BEC. 4.3-201210-2-6 NEUE CONSTANTIN FILM 4 2/2 2.

226. "Reichsparteitag im Weltall." *Der Spiegel*, 3 Dec. 1982, p. 228.

existing side-by-side with the MPAA studios. However, as the major Hollywood studios discovered the commercial benefits of the international marketplace over the course of the 1980s, this independent sector became increasingly more unstable and less reliable in delivering such blockbuster-style movies. In the next chapter I will discuss the changes in the international production and distribution system and their effects on the German film industry and Neue Constantin in particular.

Part II: The German Film Marketplace

Chapter 3: Changes in the Distribution Business

3.1. Chapter Introduction: The Push and Pull of Americanization

In the following Part II I examine the impact that the expansion of the American film industry in the 1980s and 1990s had on the German film marketplace in four sectors: film financing, domestic distribution, exhibition, and moviegoing. I argue that Bernd Eichinger and Neue Constantin were active facilitators in this expansion. In the following chapter I examine changes in the distribution business, both internationally and domestically in Germany. In chapter 4 I will then examine changes in the exhibition sector and in moviegoing habits.

In the distribution business Neue Constantin Film was part of an international network of independent producers and distributors that were largely unaffiliated with the major Hollywood studios. Within this network Neue Constantin actively contributed to the financing and production of American movies by acquiring distribution rights to those films in the so-called “international presale” market. However, when this system of independent film financing became increasingly precarious, especially after the high-profile collapse of production company Carolco Pictures, Eichinger and Herman Weigel closed so-called “output deals” with US producers who were more closely aligned with major studios, such as Mandalay Entertainment (which was aligned with Sony Pictures), Spyglass Entertainment (Disney), and mini-major New Line Cinema. These output deals committed Neue Constantin to purchasing all movies from those producers typically for a two to three-year cycle.

With arguing that Neue Constantin was implicated in the expansion of the American film industry I want to complicate the traditional view in film studies that often depicts Americanization in terms of the US film industry subduing the German industry. In contrast, I argue that Neue Constantin Film and some of its competitors actively participated and had vital,

economic interest in this proliferation of American movies in the German marketplace. This leads me to argue that parts of the German film industry "self-Americanized" in the 1980s and 1990s. This means that industry players like Neue Constantin either appropriated practices from the American film industry outright or pushed along structural reforms in the German marketplace that mirrored developments in the USA.

I find the term "self-Americanization" very useful in this context because it indicates a proactive stance by German actors. Kaspar Maase introduces the term in his discussion of the changes in West German public broadcasting that occurred without the direct influence of American agents. Initially programming mostly educational and informative shows in the 1950s and 1960s, German public broadcasters realized that the broad audience base preferred popular fiction and entertainment shows. As a result, ARD and ZDF scheduled American series during access prime-time slots, which generated strong ratings. Maase argues that West German radio listeners and television viewers "self-Americanized" by seeking American cultural products that connected the "great democratic, modernist promises of Americanism with special qualities of structure and performance of the popular."¹

"Self-Americanization" does not mean that the German film industry became a carbon-copy of the American industry. Rather, the new practices and reforms appropriated from the USA merged with existing structures and practices and created a new playing field for German producers and distributors. Both the presale deals and the output deals increased Neue Constantin's reliance on US films and helped increase the overall market share of US films in theatrical rentals. Yet these US films also proved to be a double-edged sword: many of the films coming out of the output deals failed to connect with German moviegoers and brought in, on

1. Kaspar Maase. "From Nightmare to Model? Why German Broadcasting Became Americanized." *Americanization and Anti-Americanism*, ed. A. Stephan, Berghahn Books, 2007, p. 97.

average, lower rentals than the domestic productions in Neue Constantin's line-up. In this case Neue Constantin's self-Americanization might have reached its limits.

By the same token, I do not want to deny that the member companies of the Motion Picture Export Association (i.e. the major Hollywood studios) actively pushed along and greatly profited from their own international expansion. Over the course of the 1970s and 1980s the MPEA companies increased their market position in West Germany primarily by banding together: Universal and Paramount merged their international distribution divisions in 1970 to form a new company, Cinema International Corporation (CIC), while Warner Bros. and Columbia Pictures combined their operations, and Fox took over releasing Disney's output after MGM joined CIC in 1973.

But, again, here I want to advance a more nuanced view. These joint ventures were the result of cost-saving measures that the major studios engaged in after they had faced big losses after the crises of the late 1960s and early 1970s. The irony is, of course, that these consolidation efforts turned their international divisions into powerful cartels in the international marketplace. Thus in West Germany only four companies (UA remained a standalone company till 1982) controlled the output of the major Hollywood studios and were therefore able to build up their market power relative to the other major independent distributors, Neue Constantin Film, Tobis Film, Scotia International, and Tivoli.

In the face of such consolidated market power from the MPEA companies Neue Constantin decided to form a joint distribution venture with Tobis Film in 1985, closing down its own regional offices. However, rather than merely aping MPEA structures, Neue Constantin responded more specifically to a whole range of pressures, both external and internal. With its reduced film slates Neue Constantin could no longer afford a costly distribution network.

Moreover, consolidation efforts in the exhibition sector and the emergence of fewer, but more powerful regional theater chains necessitated a more resolute response by distributors. Finally, Eichinger was also pushing along the conversion of Neue Constantin Film from wholesaler to marketer. In this case we have to weigh the practices appropriated from American companies against the specific cultural and economic context in which Neue Constantin was operating.

3.2. Independents Make the World Go ‘Round: The International Presale Market

In this section I examine developments in the international presale market in the 1970s and 1980s. I argue that the independent presale marketplace presaged a trend towards globalization even before the MPEA companies engaged in their own expansion strategies.

A presale is a financing instrument that allows a producer to sell the distribution rights for a movie to a distributor in a certain market in advance of principal photography. Presales to international distributors and to the nascent home-video industry enabled the rise of the independent mini-majors in the USA in the 1980s, such as De Laurentiis Entertainment Group, New Line Films, and Carolco Pictures. Their fortunes were intimately linked to distributors in foreign markets, such as Neue Constantin Film, Tobis Film, and Scotia International in West Germany. These local players were able to access “Hollywood-style” productions by acquiring distribution rights for the West German market.

Moreover, by being sensitive to the demands of this international marketplace, European-born producers such as Dino De Laurentiis and Carolco's Andrew Vajna and Mario Kassar designed a new prototype of American movie culture. What is remarkable about movies such as De Laurentiis' *Conan the Barbarian* series (1982–84) and Carolco's *Rambo* series (1982–88) is that they were stripped off any specific, contemporary American concerns, but often relied on a

stereotyped version of American culture that was easily accessible to international audiences.

3.2.1. The Independent Film Marketplace

In this sub-section I provide a context for the trade in film licenses in the international marketplace. I review the three most common ways to access foreign films in international markets: first, the release through local subsidiaries of foreign distribution firms (such as the MPEA companies); secondly, the acquisition of completed movies by local distributors; or, thirdly, the acquisition of distribution rights for unfinished films in the presale market. I then explain the concept of the international presale as a financing and distribution tool in independent filmmaking.

Very few movie markets around the world rely exclusively on domestic product to fill their theater screens. The Hollywood studios have famously set up offices in most mature markets around the world (as did French companies Gaumont and Pathé in the 1910s)² and regularly supply those outlets with product from their home market. But even independent, local distributors regularly pick up foreign acquisitions to fill their slates. This is one way for the local industries to bring in fresh material and give new impulses to their national cinemas. On the other hand, the US film industry has largely resisted foreign acquisitions for most of its history (with the exception of the specialized arthouse circuit) and absorbed foreign influences into its cinema rather through hiring foreign talent.³

The most common way for German distributors to import movies is through acquiring

2. See Kristin Thompson. *Exporting Entertainment: America in the World Market 1907-1934*. BFI Publishing, 1985.

3. For specific case studies on this strategy, see, e.g., Gerd Gemünden. *A Foreign Affair: Billy Wilder's American Films*. Berghahn Books, 2008; Thomas Elsaesser. "German Cinema Face to Face with Hollywood: Looking into a Two-Way Mirror." *Americanization and Anti-Americanism*, ed. by A. Stephan, Berghahn Books, 2005, pp. 166-185.

distribution licenses for films. The distributor typically convenes with international producers at annual film markets, which, strictly speaking, are business-to-business conventions for the trade in film licenses. During the 1980s the most important film markets were the Cannes Film Marché in May (originally started in 1960), the American Film Market (AFM, first launched in 1981) in March in Los Angeles, and MIFED in Milan in November (which began in 1934).⁴ The film markets are usually connected with screening facilities (or film festivals) to present completed films to potential buyers.

The film producer, usually acting through a sales agent, offers the distribution rights for movies to acquisition executives from theatrical and home-video distributors and television networks from around the world.⁵ The local distributor licenses the movie title for distribution in a specific territory for a specified term. Payment may occur as a flat fee or as a share of rentals. The latter is typically divided into a minimum guarantee (MG) against expected rentals, payable at delivery, and any overages at the completion of the theatrical run.⁶

Films may also be offered before they go into production. This practice is called a presale. In most general terms, presales are “advance sales of distribution rights in various media and territories.”⁷ That means that the film’s producer or sales agent will sell the license rights for theatrical, TV and/or home video releases in specific territories prior to production. At the 1982 American Film Market film sales agency Producers Sales Organization was preselling distribution rights to the James Bond movie, *Never Say Never Again* (I. Kershner, 1983). Unlike

4. “Sell by date.” *Screen International*, 9 May 1997, p. 18.

5. In 1981 West German local distributors attending the newly-launched American Film Market included Bernd Eichinger and Bernd Schaefer from Neue Constantin Film, Horst Wendlandt and Kilian Rebentrost (Tobis), Jürgen Wohlrahe and Erich Steinberg (Jugendfilm), and Sam Waynberg (Scotia International), among others. The two national TV networks ARD and ZDF also sent buyers. “West Germans in array at market.” *Variety*, 18 March 1981, pp. 13, 254.

6. John W. Cones. *43 Ways to Finance Your Feature Film: A Comprehensive Analysis of Film Finance*. Southern Illinois University Press, 1995, pp. 59-74.

7. John W. Cones. *43 Ways to Finance Your Feature Film*, p. 59.

other James Bond-movies, that production was produced by Jack Schwartzman and financed independently through presales. Eichinger licensed the movie for release in West Germany even before the AFM, “sight unseen.”⁸

Independent sales attorney John Cones distinguishes between two types of deals: the fractured-rights deal and the split-rights deal. With a fractured-rights deal, the producer presells the US video rights and all international rights separately, and then recruits a US domestic distributor to release the movie in the US theatrical market for a fee. In certain cases, the producer may also retain all domestic television rights. The presales would typically cover all of the production costs and some or all of the US releasing costs. The producer then earns a profit on his share of the theatrical revenues and the sale of the television rights.⁹

On the other hand, in the split-rights deal the producer presells all US domestic rights to a single distributor and retains international rights. In this scenario the sale of the US rights will contribute to the financing of the movie. Importantly, the producer may limit the distributor’s term of rights in split-rights deals so that the film becomes part of the producer’s library.¹⁰

Cones notes that the fractured-rights deal was more common in the 1980s when independent video companies paid substantial sums for video rights and video had not yet been recognized as a significant revenue source by the major distributors.¹¹ The rise of the home video and cable business in the early 1980s created a boom in the independent film production market and contributed to the emergence of a roster of independent production and distribution companies that operated alongside the MPAA studios. Especially home video and international

8. Mark. B. Silverman. “U.K. buyers: L.A. fare weak; Homevid stressed; buy ‘1st Blood.’” *Variety*, 7 April 1982, pp. 5, 31.

9. John W. Cones. *43 Ways to Finance Your Feature Film*, p. 60.

10. John W. Cones. *43 Ways to Finance Your Feature Film*, pp. 60-61.

11. John W. Cones. *43 Ways to Finance Your Feature Film*, p. 60.

presales were an important financing tool for independent producers. Companies that became prominent in this arena included The Cannon Group (*Death Wish 2-4* [1982-1987]), Vestron Pictures (*Dirty Dancing* [1987]), Carolco Pictures, and De Laurentiis Entertainment Group.¹² I will now focus on the latter two to discuss how they shaped the independent sales business.

3.2.2. The De Laurentiis Model

In this sub-section I examine the presale model that Dino De Laurentiis introduced to the independent marketplace. De Laurentiis was an important influence on Bernd Eichinger. Katja Eichinger reports that in the early 1980s De Laurentiis became a mentor to Eichinger. After De Laurentiis' death in 2010 Eichinger wrote to De Laurentiis' daughter Raffaella: "Dino was unique and without doubt an extraordinary person in film history. Dino taught me everything that I know about producing independent films. He was like a godfather to me. It's a sad thought that he is no longer with us."¹³ Without doubt, Eichinger modeled himself after De Laurentiis. De Laurentiis was known as an unabashed, boisterous figure who reigned like a godfather over an extended familial and professional network. Contemporaries have described Eichinger in similar terms. Eichinger was never shy about self-promotion and liked a certain degree of showmanship, as I discussed in chapter 2. Privately, he was known for hosting rowdy dinner parties at his favorite Italian restaurant, which became the premise for the movie *Rossini* by Helmut Dietl (1997).

However, even more than the personal connection, De Laurentiis was also an important professional role model to Eichinger. De Laurentiis' practice of combining international presales

12. Stephen Prince. *A New Pot of Gold: Hollywood Under the Electronic Rainbow, 1980 to 1989*. University of California Press, 2002, pp. 149—155.

13. Katja Eichinger. *BE*, p. 192; my translation.

with US domestic distribution by a major studio would serve as a model for Eichinger's own international productions. In 1956 De Laurentiis produced a movie adaptation of Leo Tolstoy's novel *War and Peace*. De Laurentiis had gained recognition producing films in Italy, such as *Riso Amaro* (Bitter Rice, G. De Santis, 1949) and *La Strada* (F. Fellini, 1954). He attached to the Tolstoy adaptation director King Vidor and star Audrey Hepburn. Speaking to *Screen International* in 1998, he claims:

“I was a very famous producer in Italy at the time, maybe one of the most important in Europe,” he says, with customary brashness, “so it was easy for me to approach everybody by telephone in Europe and make a deal. The picture at the time was about \$8 million, which would be the equivalent of \$150 million today. Nobody before had sold foreign territories in this way before,” he boasts. “It was a new approach to film financing. We did a deal for domestic [i.e. US distribution] and then I presold. Only later did everybody [else] start doing the same.”¹⁴

The sequence of events that De Laurentiis describes here is important to note. He first struck the deal with a major US studio for North American distribution before he presold international territories. Thus he secured at least half the production budget from a US studio before he sought the remainder from local distributors in different international markets. This would be the model for the split-rights deal. A North American presale would always be key, not only because it covered 50% (or more) of the production budget, but also because US distribution was often a prerequisite for international buyers. Knowing that a major studio was committed to a project was an important seal of approval for many local distributors.

British industry trade magazine *Screen International* dates the beginnings of the presale business to the mid-1970s.¹⁵ By that time De Laurentiis had emigrated to the USA and was

14. Dino De Laurentiis quoted in: “Dino De Laurentiis profile.” *Screen international*, 20 Nov. 1998, pp. 13-4.

15. In addition to De Laurentiis, other producers doing presales included Dimitri de Grunwald, Lew Grade

packaging movies with fairly large budgets. Those productions were typically based on a preexisting property or a very marketable narrative pitch and allowed for big, spectacular set-pieces. De Laurentiis would first set up the package with a major studio for US distribution: *Orca* (M. Anderson, 1977), about a killer whale, was set up at Paramount, as was *King Kong* (J. Guillermin, 1976), which was based on the 1933 RKO movie. *Flash Gordon* (M. Hodges, 1980), *Conan the Barbarian* (1982) and its sequel, *Conan the Destroyer* (R. Fleischer, 1984), were comic book adaptations set up at Universal Pictures while *The Bounty* (R. Donaldson, 1984) and *Dune* (D. Lynch, 1984) were adaptations of bestselling novels, set up at Orion Pictures and Universal respectively. The international distribution rights would then be presold territory-by-territory to local distributors in major markets. *King Kong* is a prime example of this strategy. Paramount was attached as theatrical distributor for USA and Canada. Tobis Film was the distributor in West Germany, EMI Films in the UK, Filmayer in Spain, Filmes Lusomundo in Portugal, S.N. Prodis in France, and Roadshow Film Distributors in Australia.¹⁶

Eichinger emulated this model with his English-language productions: *Die Unendliche Geschichte* (The Never-Ending Story, 1984) was set up with Warner Bros. for North American distribution while sales agency Producers Sales Agency sold rights to many international markets, territory-by-territory. I will discuss that deal in more detail in Chapter 5.

3.2.3. The Carolco Model: Pre-sales and Hyper-stylized Masculinity

In this sub-section I examine the creative and business model of independent production company Carolco Pictures. While De Laurentiis introduced the presales model to the

and John Heyman. Sales agents Michael Ryan and Julia Palau founded J&M Film Sales in 1978 to facilitate presales on behalf of producers. "Sell by date." *Screen International*, 9 May 1997, p. 18.

16. Charles Champlin. "A Ding-Dong King Kong Battle." *Los Angeles Times*, 5 Nov. 1975.

international film industry in the 1950s and 1970s, producers and sales agents Mario Kassari and Andrew Vajna became most closely identified with the practice in the 1980s and 1990s. I argue that Kassari and Vajna demonstrated the significance of the international market for the presales model and helped introduce a new type of "Hollywood" hero: the hyper-masculine, muscle-bound action hero.

Lebanese-born Kassari and Hungarian-born Vajna traversed a trajectory not dissimilar to De Laurentiis' own. Mario Kassari began his film career distributing Italian and French films in the Middle East whereas Vajna sold movies in Hong Kong and Southeast Asia. They met at the Cannes Film Festival in 1975 and decided to start an international sales company, Carolco Pictures. Their company would buy and resell international rights to US movies and invest in low-budget films.¹⁷ After some modest successes, Kassari and Vajna had a commercial hit with the US production *First Blood* (T. Kotcheff, 1982), about a traumatized Vietnam War veteran who must rely on his combat and survival senses to fight off police forces in a small town in the USA. Sylvester Stallone, who had just come off *Rocky I* and *II*, co-wrote the script and starred in the lead role of John Rambo, which would become a defining role for him.¹⁸ The movie grossed \$42 million in the USA and \$78 million internationally on its estimated \$15 million budget.¹⁹ In West Germany the movie was distributed by Scotia International Filmverleih, which, originally launched in 1973, had gone through some difficult times. Scotia acquired the distribution license for *First Blood* for \$1,000,000 (including home video rights) from Carolco after a 50-minute clip

17. Ryan Lambie. "The rise and fall of Carolco." *Den of Geek World Limited*. 11 March 2014. www.denofgeek.com/us/movies/carolco/233689/the-rise-and-fall-of-carolco. Accessed 7 March 2019.

18. Justin Wyatt. "Independents, Packaging, and Inflationary Pressures in 1980s Hollywood." Stephen Prince. *A New Pot of Gold: Hollywood Under the Electronic Rainbow, 1980-1989*, New York: C. Scribner's, 2000, pp. 143-144.

19. Box-office statistics from: "First Blood." *Box Office Mojo*. www.boxofficemojo.com/movies/?id=firstblood.htm. Accessed 7 March 2019. Variety quotes \$24 million in domestic rentals, which matches Box Office Mojo's domestic gross estimates. "Tri-Star To Distribute Next Four Carolco Pics; 'Blood II' First Up." *Variety*, 16 May 1984, pp. 4, 137.

became available at the American Film Market in March 1982.²⁰

Justin Wyatt argues that with the release of *Rambo: First Blood Part II* (G. P. Cosmatos, 1985), Carolco's strategy became set: first, distribution rights in some foreign and ancillary markets (US home video, TV) were pre-sold to offset the initial budget; second, overhead was limited because the company did not require physical studio space or a distribution outlet for a steady stream of product (Carolco focused on a smaller number of features than the major studios); and finally, production centered on action, "event" movies that were driven by star power. Action stars such as Sylvester Stallone and Arnold Schwarzenegger were enticed to work for Carolco with unprecedented salary offers.²¹

The financing deals for *Rambo: First Blood Part II* demonstrated how this model worked. The financing was structured as a fractured-rights deal. Before the release of *Rambo: First Blood II*, the company had struck a four-picture "output deal" with TriStar Pictures for North American theatrical, cable and non-theatrical distribution. The terms included "distribution guarantees only and not financing" for the pictures.²² This meant that TriStar was essentially guaranteeing North American distribution, but did not provide any production financing. In order to secure production financing, Carolco pre-sold international distribution rights territory by territory. According to Andrew Vajna, the movie's \$25-million budget had been fully financed "before the first ad for the picture ran." North American home-video rights were licensed to Thorn EMI.²³ Thus, by arranging theatrical release through a studio in North America, Carolco could guarantee the widest possible releases and the most efficient exploitation in that market.

20. "'Survivor' Scotia feels industry must join together to succeed." *Variety*, 2 March 1983, p. 280; "Advance peeks ups German area price for Stallone film." *Variety*, 12 May 1982, p. 265.

21. Justin Wyatt. "Independents, Packaging, and Inflationary Pressures in 1980s Hollywood," p. 144.

22. "Tri-Star To Distribute Next Four Carolco Pics; 'Blood II' First Up." *Variety*, 16 May 1984, pp. 4, 137.

23. "Tri-Star To Distribute Next Four Carolco Pics; 'Blood II' First Up." *Variety*, 16 May 1984, pp. 4, 137.

However, since Carolco pre-sold international territories and home-video rights separately, it was not dependent on the studio for production financing and could therefore cut a more advantageous distribution deal.

Even though Carolco Pictures produced a number of moderately budgeted thrillers, such as *Extreme Prejudice* (W. Hill, 1987), *Angel Heart* (A. Parker, 1987), and *Basic Instinct* (P. Verhoeven, 1992), it was mostly known for big-budget, star-driven action blockbusters, such as *Red Heat* (W. Hill, 1988), *Rambo III* (P. MacDonald, 1988), *Total Recall* (P. Verhoeven, 1990), *Terminator 2* (J. Cameron, 1991), *Cliffhanger* (R. Harlin, 1993), and *Cutthroat Island* (R. Harlin, 1995). I argue that these action blockbusters often assumed a US-centric vantage point that put the muscle-bound hero at odds with (often non-US) bad guys. Yet, this type of storytelling was engineered by the interplay of these European-born producers and a voracious Western European, Latin American and Asian marketplace.

Rambo III (1988) provides a sense of Carolco's cultural logic. In *Rambo III* Stallone reprises his role of John Rambo, now called upon to rescue a friend from Russian captivity in Afghanistan. Whereas *First Blood* still dealt largely with the effects of a war-induced PTSD, *Rambo: First Blood Part II* and particularly *Rambo III* completely abolished that issue and focused mostly on physical action and big, spectacular set-pieces. The marketing of *Rambo III* showed off Sylvester Stallone's muscled physique. The movie, with an estimated \$60 million production budget, is notable for its onscreen violence, especially against non-American characters. However, despite (or because of) this carnage, the movie fared worse commercially in the USA than its predecessor, grossing \$53,715,611 at the North American box-office (roughly a third of the box-office take of *Rambo: First Blood Part II*, which had earned some \$150 million at North American theaters). However, according to Carolco's president, Peter Hoffman, this was

not a reason for concern for the company. The revenues from international markets would more than compensate the domestic returns: “The US is only half the market for Rambo.”²⁴ And indeed, the movie grossed an astounding \$135,300,000 at international box-offices (or 70% of its worldwide gross).²⁵

The divergence between US-domestic and international markets is noteworthy in this context. Given that the movie’s financing was based almost entirely on international presales, it was clearly constructed with an eye toward the international marketplace. Hoffman cited strong returns from international markets such as Puerto Rico, Virgin Islands, Japan, Thailand, and the Philippines.²⁶ There is no room in this dissertation to delve into the exact reasons why these markets would respond so well to this movie. However, I propose that one reason may be that *Rambo 3* did not engage in specific ‘local’ US concerns (in the way that *First Blood* had), but rather condensed a more general USA versus Soviet Union rhetoric into an accessible storyline and boiled down any moral complexity into a simple us-versus-them stance. The muscular action hero—an updated version of the lone cowboy trope—solved difficult situations solely by virtue of his physical strength and his weapons armory.

Peter Hoffman’s remark that “The US is only half the market for Rambo”²⁷ is also noteworthy because it subverted long-held assumptions in Hollywood at the time. Whereas the foreign box-office was always important for the Hollywood major studios, in the early 1980s it did not (yet) dictate studio production policy. Film industry scholar Nolwenn Mingant argues

24. Richard Gold. “Tri-Star, Carolco Execs Insist RAMBO III won’t die at B.O.” *Variety*, 22 June 1988, p. 24.

25. Box-office statistics from: “Rambo 3.” *Box Office Mojo*. www.boxofficemojo.com/movies/?id=rambo3.htm. Accessed 8 March 2019.

26. Richard Gold. “Tri-Star, Carolco Execs Insist RAMBO III won’t die at B.O.” *Variety*, 22 June 1988, p. 24.

27. Richard Gold. “Tri-Star, Carolco Execs Insist RAMBO III won’t die at B.O.” *Variety*, 22 June 1988, p. 24.

that in the 1970s and 1980s the primary target of the major studios was first and foremost the US domestic market while the international market came second.²⁸ In an interview she further explained to me that the period from 1974 to 1985 was an era of retrenchment for the American studios during which they focused on the US domestic market. While a certain amount of local-language production had occurred in the 1950s and 1960s in France and Italy, those productions were mostly the work of United Artists and depended more on personal relationships between individual filmmakers of the European and American “new waves.” On the other hand, in her analysis of the organizational structures inside the Hollywood studios Mingant found that, prior to the 1990s, international markets did not play a significant role in the internal approval processes at the major studios.²⁹

I argue that the independent producers of the 1980s reversed that thinking. With the phenomenal successes of the *Conan*, *Rambo*, and *Terminator* franchises, these independent producers and their network of local distributors prepared international audiences for American movies—and maybe unwittingly primed the studios to take the international markets seriously. De Laurentiis and Carolco Pictures were at the vanguard of shaping the action-hero genre of the 1980s and were instrumental in building up the star personae of actors Sylvester Stallone and Arnold Schwarzenegger.³⁰ With their knowledge of the international presale marketplace, De Laurentiis, Kassar and Vajna were adept at fashioning narrative concepts and marketing them at a global scale. In effect, they inadvertently trained the international marketplace for the onslaught

28. Nolwenn Mingant. *Hollywood à la conquête du monde; marches, stratégies, influences*. Paris: CNRS Éditions, 2010: 21-24.

29. Nolwenn Mingant. Professor/Film Economy Scholar, University of Nantes, France. Phone Interview by Author, 16 April 2015, Nantes, France/Berlin, Germany.

30. Schwarzenegger became a star with De Laurentiis’ *Conan* series, Hemdale’s *Terminator* (1984) and Carolco’s *Red Heat* (1988), *Total Recall* (1990), and *Terminator 2* (1992). Stallone enhanced his international stature, founded with UA’s *Rocky* franchise, with Carolco’s *Rambo* series (1982, 1985, 1988) and *Cliffhanger* (1993).

of Hollywood studio-produced blockbusters that was to come in the 1990s and 2000s.

3.2.4. Neue Constantin and the Risky Business of the Presale

In order to produce these independent blockbusters, De Laurentiis and Carolco depended on an international network of local, independent distributors that contributed to the financing and marketed the movies to their local audiences. The producers needed the presales to finance their big-budget, blockbuster movies. In this way, Neue Constantin Film, Tobis Film and Scotia International were part of this international financing and distribution network. Scotia International Filmverleih was an important buyer of Carolco's films. The company released *First Blood*, *First Blood: Part II*, *Deep Star Six* (S.S. Cunningham, 1989), *Johnny Handsome* (W. Hill, 1989), *Total Recall* (P. Verhoeven, 1990), and *Basic Instinct* (P. Verhoeven, 1992). Meanwhile, Tobis Film's head Horst Wendlandt had a strong personal relationship with Dino De Laurentiis. They co-produced Ingmar Bergman's *The Serpent's Egg* (1977).³¹ Tobis subsequently released De Laurentiis' *King Kong* (J. Guillermin, 1977), *The White Buffalo* (J.L. Thompson, 1977), and *Ragtime* (M. Forman, 1981) until Eichinger convinced De Laurentiis to let him release *Conan the Barbarian* in 1982.

In this context we should not think of the German independent distributors as passive recipients. In acquiring these American movies, they were acting in their own self-interest. What often gets lost in the Americanization debates is the work of non-American players. Traditional scholarship's focus on the US American film industry has limited our scope and derives from a binary, US-centric perspective that divides the global market into a center (USA) and a periphery (all other markets). Some recent scholarship on other national and transnational film

31. "Horst Wendlandt Emerging As Strong Man Of German Cinema." *Variety*, 19 Jan. 1977, p. 40.

industries has offered a useful corrective to this perspective.³² Pursuant to that research, I argue that it is important to recognize the actions of local agents like Neue Constantin Film, Tobis, and Scotia because they, too, facilitated, sometimes wittingly, sometimes unwittingly, the global expansion of the US film industry during the 1980s and 1990s. I therefore propose that we think about this exchange in terms of overlapping networks of agents. Globalization in the film industry should be conceived of as a push and pull whereby many players, big and small, constantly act out, in concert or opposition with each other, to acquire, distribute, and market movies for moviegoers.

That does not mean that the exchange with US-based producers did not also come at a steep price for the local distributor. Acquiring A-level titles from the American independents did not always go smoothly for Neue Constantin. In 1985 Neue Constantin acquired German distribution rights to *Conan the Destroyer* (R. Fleischer, 1985, the sequel to *Conan the Barbarian*) and *Dune* (D. Lynch, 1985)³³ from De Laurentiis. *Variety* reports that *Dune* had a strong opening for Neue Constantin and held steady for some weeks, but then dropped sharply, with total rentals coming in at DM 6 million (\$2 million). *Conan the Destroyer* collected half of the rentals of *Conan the Barbarian*, which had previously returned over DM 8 million (\$2.7 million). According to Eichinger, this turned into “a problem” with their relationship with De Laurentiis, who refused to lower the advance guarantee that Neue Constantin owed him.³⁴

This instance exposes a basic flaw of the presale system. On releasing a movie, the local distributor has to recoup both the minimum guarantee and the distribution expenses from the

32. See, e.g., Michael Curtin. *Playing to the World's Biggest Audience: The Globalization of Chinese Film and TV*. University of California Press, 2007; Tejaswini Ganti. *Producing Bollywood: Inside the Contemporary Hindi Film Industry*. Duke University Press, 2012; J. Hammett-Jamart, P. Mitric, E. Novrup-Redvall, eds. *European Film and Television Co-Production*. Palgrave Macmillan, 2018.

33. According to Katja Eichinger, Eichinger had turned De Laurentiis on to Lynch for this project. K. Eichinger. *BE*, p. 203.

34. “Returns From De Laurentiis' Pics Draw Differing Distrib Responses.” *Variety*, 13 Feb. 13 1985, p. 60.

rentals before he can make a profit. However, a steep asking price for the minimum guarantee can become a problem for the local distributor when the movie fails to perform at the local box-office. If the producer is then unwilling to renegotiate on the MG, the distributor has to carry the losses. According to Eichinger, *Dune* would have had to attract at least 2 million theatrical admissions before the advertising and publicity expenses could be recouped.³⁵

If the distributor incurs losses with the theatrical release, there is typically another way out for him: "cross-collateralization" in Hollywood speak, i.e., balancing out theatrical losses with revenues from home video and/or television sales. However, as part of his financing deals, De Laurentiis had struck a worldwide video distribution deal for *Dune* with home-video distributor Thorn EMI. That means that Neue Constantin had only acquired theatrical distribution rights from the producer. Moreover, in order to obtain *Dune*, Neue Constantin had to accept two other titles, *The Dead Zone* (D. Cronenberg, 1983) and *The Bounty* (R. Donaldson, 1984) from De Laurentiis as part of a package deal (essentially, a modern version of block-booking). According to Herman Weigel, the package would yield little profit for the company and, as a result of this unfavorable deal, he was not going to accept any new titles from De Laurentiis "for some years."³⁶

This disagreement with De Laurentiis points to another fundamental problem with the presale system: since presale deals were often made before one inch of film had been shot, deal terms were negotiated based on the sheer expectation of how good a movie was going to be and how much it could generate in rentals. The yard sticks by which to make those assessments were

35. "Returns From De Laurentiis' Pics Draw Differing Distrib Responses." *Variety*, 13 Feb. 1985, p. 60.

36. "Returns From De Laurentiis' Pics Draw Differing Distrib Responses." *Variety*, 13 Feb. 1985, p. 60. Neue Constantin would work again with De Laurentiis in 1993, co-producing the thriller *Body of Evidence*, directed by Eichinger's close friend, Uli Edel. Furthermore, Constantin Film released two more Dino De Laurentiis productions, *Bound* (dir. A. & L. Wachowski, 1996) and *U-571* (dir. J. Mostow, 2000).

usually the screenplay, genre, and director and star attachments.³⁷ With so few elements to trade on, it should not come as a surprise that stars and directors gained a lot of leverage in the process.³⁸ In essence, presale deals were struck based on the promise of a successful film—the “sizzle,” so to speak, and not the steak. Far from a business of reason and hard facts, presales financing was a business that traded on emotions—the hopes and expectations of both producers and distributors. Local distributors like Neue Constantin might chafe when producers had little investment in what happened to the movie after delivery. Once the distribution advance was paid in full at delivery, producer and distributor usually went their separate ways. Whatever happened to a movie during release was of little consequence to the producer.

However, this could also be a disadvantage for the producer. After Carolco ran into problems completing a merger with video distributor Live Entertainment in 1992, its stock price plummeted.³⁹ This weakened the company financially, and it had to accept a less-than advantageous distribution deal from TriStar Pictures for its action movie *Cliffhanger* (R. Harlin, 1992), budgeted at \$60 million. In exchange for providing nearly half of the budget TriStar picked up North American TV and home-video distribution rights (in addition to theatrical) as well as many rights for the most lucrative foreign territories: France, Germany, Australia, New Zealand, and Mexico. Even worse for Carolco, under these new deal terms, it would not share in the revenue stream until TriStar had “made back its costs plus a fee.”⁴⁰

I argue that this arrangement reveals the real precariousness of presale deals: the producer

37. International sales agents Nathaniel Bolotin and Mali Kinberg confirmed to me in separate interviews that these were usually the most important elements in a sales talk with buyers. Nathaniel Bolotin, International Sales Agent and Partner, XYZ Films, Los Angeles. Personal Interview by Author, 20 Aug. 2013, Los Angeles, California, USA; Mali Kinberg, Head of International Sales, MRC Capital, LA. Personal Interview by Author, 12 Dec. 2012, Los Angeles, California, USA.

38. Justin Wyatt points out that Carolco’s practices contributed to a big increase in star salaries. Justin Wyatt, “Independents, Packaging, and Inflationary Pressure in 1980s Hollywood,” pp. 144-145.

39. Justin Wyatt, “Independents, Packaging, and Inflationary Pressure in 1980s Hollywood,” p. 145.

40. Suzanne Ayscough. “Steep deal for Carolco ‘Cliff.’” *Variety*, 17 May 1993, pp. 1, 120.

often did not share in rentals in excess of the minimum guarantee (so-called “overages”) because distributors would insist on recouping their expenses first before they paid out any profits to the producer. In fact, “expenses” could be a highly fungible term, if not properly defined upfront, and could include all kinds of marketing and distribution expenses the distributor might charge to a title. Therefore, if all the presales that the producer made went entirely towards the financing of the production (as had been the case with *Cliffhanger*), the producer was unlikely to see any profits in the foreseeable future.

By the turn of the decade the independent film business went into a dramatic shift. The video business was “levelling out,” as attendees at the 1991 AFM remarked.⁴¹ Many leading independent production and sales companies went into decline: Mark Damon’s Producers Sales Organization (PSO), De Laurentiis Entertainment Group, Vestron, Atlantic, Weintraub, and The Cannon Group.⁴² Justin Wyatt argues that their fate must be placed in the context of the increasing globalization of film production at the end of the 1980s. Global conglomerates such as Time Warner, Sony Pictures Entertainment, and MCA-Universal emerged and took over the role of the independent packaging producer like Carolco Pictures. These companies had the resources to create big-budget, high-concept blockbusters “in the Carolco fashion.” In a way, “by minimizing the differences between the films of the majors and the independents,” companies like Carolco and DEG had made themselves redundant over the course of the 1980s and could easily be assimilated into the studio system.⁴³

I conclude that by the early 1990s the independent sales business was changing. The international presale business entered a new phase, and the definition of what constituted an

41. Don Groves, Deborah Young. “Big fish in swim at beachside bazaar.” *Variety*, 11 March 1991, pp. 1, 85.

42. “Survey International Sales 1987—1997: Sell by date.” *Screen International*, 9 May 1997, p. 18.

43. Justin Wyatt, “Independents, Packaging, and Inflationary Pressure in 1980s Hollywood,” p. 159.

“independent producer” changed dramatically.

3.3. Matches (Not) Made in Heaven: Neue Constantin Film and the Output Deal

In this section I examine a second avenue for acquiring foreign movies for German distributors: the output deal. In the mid-1990s presales of individual movies gave way to more structured, long-term sales arrangements between producers and distributors: these so-called output deals committed the local distributor to release a (mostly US) producer’s entire production slate for a certain period of time (usually two to three years).⁴⁴ This type of arrangement was meant to give both sides a more stable relationship: the producer could count on the distributor’s minimum guarantee (MG) for the financing of his/her slate whereas the distributor had a steady supply of movies for his/her distribution pipeline.

After an aborted arrangement with Carolco Pictures, Neue Constantin struck such deals with Mandalay Pictures, New Line Cinema, and Spyglass Entertainment. These deals gave Neue Constantin Film access to American mainstream, “studio-level” movies that rivaled the content of the MPEA companies. However, these output deals did not benefit Neue Constantin Film as the majority of movies failed to perform at the box-office. I argue that many of these movies may have failed to connect with local German audiences because, unlike the European-born independent producers of the 1980s, this new generation of ‘semi-independent’ producers was based at major studios and aimed their product primarily at a US audience, with less regard for international audiences.

44. Media industry analyst Harold Vogel defines the output deal as “agreements with distributors (e.g. foreign theatrical, pay TV) in which the distributor agrees to pay a specific amount for the distribution rights for a specific number of films, with the price sometimes adjusted for box-office performance and production costs.” Harold L Vogel. *Entertainment Industry Economics: A Guide for Financial Analysis*. 7th edition. Cambridge University Press, 2007, p. 550.

3.3.1. The Worst Possible Deal: Neue Constantin Contracts with Carolco

The presale business model became especially precarious for Carolco Pictures in the early 1990s as its production budgets got increasingly bigger. One way out of this cul-de-sac could have been an output deal that would have provided the company a reliable source of financing and a stable distribution outlet. In this sub-section I examine an output deal that Carolco Pictures struck with Neue Constantin Film in 1991. However, I argue that this deal fell victim to the consequences of Carolco's precarious presale business model and did not benefit either side in the end.

The output deal emerged as a strategy to combat the precariousness that the presale business posed to both producers and distributors. In 1985 *Variety* had already noticed the rise of a new kind of arrangement between suppliers and distributors. In those deals, the suppliers shared risk "at the back end of the deal over a whole range of pictures" since the arrangement usually covered a specified number of productions in advance. The distributor paid an upfront minimum guarantee that would then be amortized against the first release. Once that guarantee was recovered, it would be rolled over to the next production. In return, the distributor reduced the distribution fee that was normally charged to the rentals. *Variety* commented: "In other words, instead of getting a fast advance and letting the customer worry about recoupment, selling companies with output deals are now more concerned with the ultimate box-office result." The sales company and the distributor collaborated more closely on release dates, booking tracks, marketing, promotions, talent tours, and music tie-ins.⁴⁵

45. Peter Besas. "Output deals shift Mifed focus away from sales to marketing; aid suppliers in dividing rights." *Variety*, 30 Oct. 1985, p. 5.

Thus the output deal offered a number of advantages to both producer and distributor. The distributor could spread the financial risk posed by an individual production across an entire slate. That means if one production did not perform as well as expected at the box-office, the distributor could still rely on other productions from the same producer to recoup his investment. Moreover, the producer had a higher share of the rentals and therefore had a greater stake in the movies' local performance. In theory, that would make the producer more attentive to the local markets.

In September 1991, Neue Constantin Film bought a 1% stake in Carolco for \$3 million and struck an output deal that would give Neue Constantin theatrical rights to the next twenty Carolco productions and acquisitions for all German-speaking territories. Until then, Carolco's movies had been released in Germany by either Columbia TriStar or Scotia International.⁴⁶ On paper, this deal must have made a lot of sense to Neue Constantin Film. Carolco had produced a number of the big box-office hits that Neue Constantin craved: *Rambo I-III*, *Red Heat* (1988), *Total Recall* (1990), and *Terminator 2* (1991).

However, Neue Constantin could not have chosen a worse time to partner up with Carolco because the company was falling victim to its own business model. First, the output deal with Neue Constantin Film excluded films "previously licensed in that territory."⁴⁷ That means that movies already in production, such as *Basic Instinct*, would not be part of the deal.⁴⁸ Second, Carolco was actually not a profitable company. Justin Wyatt notes that even though *Terminator 2*

46. "Constantin buys Carolco stake." *Screen International*, 20 Sep. 1991, p. 4. Carolco had already closed similar deals with other partners. In 1990 Carolco sold shares in the company to Japan's Pioneer Electric Corporation and to France's Canal Plus, and in 1991 to the UK's Carlton Communications and to RCS Video in Italy. Paul Verna. "LIVE, Carolco make stock-exchange deal." *Billboard*, 28 Sep. 1991, p. 14.

47. Paul Verna. "LIVE, Carolco make stock-exchange deal." *Billboard*, 28 Sep. 1991, p. 14.

48. *Basic Instinct* was released by Scotia International in May 1992 and generated some 4.475 million admissions in Germany. "Top 100 Deutschland 1992." *InsideKino.de*. 22 June 2010. <https://www.insidekino.de/DJahr/D1992.htm>. Accessed 4 July 2020.

grossed some \$500 million worldwide, Carolco earned little money on the movie.⁴⁹ By the end of September 1991 Carolco's stock declined dramatically because, as one analyst claimed, "people are concerned about Carolco's balance sheet."⁵⁰ The implication was that Neue Constantin and the other partners who had purchased stock in the company may have overpaid significantly for their shares.

Carolco's financial woes had an impact on its ability to finance its big-budget blockbusters. In May 1993 *Variety* revealed that Carolco had had to sell off more distribution rights for *Cliffhanger* to TriStar Pictures in order to put together the production financing for the movie. Whereas previously TriStar had only received a distribution fee for releasing Carolco movies theatrically in North America, now, in return for providing nearly half of that film's production budget, TriStar "took all North American rights," but, even more crucially, "it also owns many rights in dozens of key foreign territories like France, Germany, Australia, New Zealand and Mexico."⁵¹

Cliffhanger was supposed to have gone to Neue Constantin as part of the output deal. In a memo from October 1992 Rosanne Korenberg, Constantin's representative in LA, briefed Bernd Eichinger on the subject. She mentioned an exchange she had had with Lynwood Spinks, the lawyer for Carolco: Spinks admitted to her that "technically, Constantin should have the right to distribute *Cliffhanger*, but that he cannot a) get the rights back from TriStar or b) renegotiate with TriStar to allow Constantin to distribute in Germany and Austria for a fee" (emphasis in original). Korenberg noted to Eichinger that Spinks knew that Neue Constantin could "make his life very difficult." However, she conceded that suing Carolco would not do Neue Constantin any

49. Justin Wyatt, "Independents, Packaging, and Inflationary Pressure in 1980s Hollywood," p. 148.

50. Paul Verna. "LIVE, Carolco make stock-exchange deal." *Billboard*, 28 Sep. 1991, p. 14.

51. Suzanne Ayscough. "Steep deal for Carolco 'Cliff.'" *Variety*, 17 May 1993, pp. 1, 120.

good. According to Links, litigation would put Carolco out of business “with no benefit to anyone.”⁵²

Neue Constantin was stuck between a rock and a hard place. Both Carolco and Neue Constantin knew that the producer had acted in bad faith in preselling German rights for *Cliffhanger* to TriStar. But Neue Constantin had no recourse. As a shareholder in the company, Neue Constantin had more to lose by suing and thus putting the company out of business. But what was even more problematic was that Carolco had no other projects Neue Constantin could get in substitution for *Cliffhanger*. Reviewing a list of Carolco projects in development, Korenberg concluded that none would be ready for release for at least another year.⁵³

It is likely that the two companies resolved their differences by way of a settlement. There is no mention of a law-suit between the parties in the trade papers, which were tracking Carolco’s fortunes very closely during this time-period. Neue Constantin ended up releasing only one Carolco movie, *Cutthroat Island* (1995), which also happened to be the company's last production before it declared bankruptcy in November 1995. However, *Cutthroat Island* proved to be an unmitigated box-office failure for Neue Constantin, admitting only 201,239 moviegoers.⁵⁴ On the other hand, *Cliffhanger* earned some 2.26 million admissions at the German box-office for Columbia Tri-Star in 1993.⁵⁵

Thus the expensive output deal that Neue Constantin struck with Carolco did not benefit either party. I argue that the Carolco-Neue Constantin Film output deal occurred at a transition point from presale business to output business. The deal clearly suffered from the legacies of the

52. Rosanne Korenberg. Memo to Bernd Eichinger. 29 Oct. 1992. SDK, BEC. 4.3-201210-0 Geisterhaus (5,1).

53. Rosanne Korenberg. Memo to Bernd Eichinger. 29 Oct. 1992.

54. "Top 100 Deutschland 1996." *InsideKino.de*. 22 June 2010. <https://www.insidekino.de/DJahr/D1996.htm>. Accessed 4 July 2020.

55. "Top 100 Deutschland 1993." *InsideKino.de*. 11 December 2004. <https://www.insidekino.de/DJahr/D1993.htm>. Accessed 4 July 2020.

precarious presale business on which Carolco had built its original business model. Certainly, some of it also had to do with opaque business practices and poor governance at Carolco. Shortly after closing the output deal with Neue Constantin Film, Carolco settled a lawsuit with shareholders over alleged self-dealings by company chairman Mario Kassar.⁵⁶

However, I argue that the bigger question was whether the independent film market was still able to support the type of production budgets that Carolco movies represented. *Cutthroat Island* had reportedly cost nearly \$100 million to produce. Since minimum guarantees are typically calculated as a percentage of the production budget, Neue Constantin must have paid dearly for the movie. After *Cutthroat Island*'s disappointing US opening, *Variety* wondered whether this business model was still warranted.⁵⁷ On the other hand, high-profile, big-budget blockbusters were still important for international distributors. Even if a big-budget movie performed poorly at the box-office, it could generate lucrative sales in home video and television whereas lower-profile movies posed more of a financial risk because "there's no video or TV afterlife for a mid-size pic that goes south."⁵⁸

Of course, that could only happen if the local distributor secured all rights for his/her territory. After the poor theatrical performance of *Cutthroat Island*, Neue Constantin put out a statement that it had limited its financial exposure by licensing only theatrical rights.⁵⁹ Yet without home-video and television rights Neue Constantin could not cross-collateralize and therefore not recoup its theatrical losses from any potential long-term revenues from TV and home video markets. In a way, Neue Constantin Film really had got the worst possible deal from

56. Thomas R. King. "Carolco Will Sell \$41 Million in Stock To Settle Lawsuit." *The Wall Street Journal*, 22 Oct. 1991, p. B6.

57. Adam Dawtrey. "Bye-bye to pre-buy?" *Variety*, 8-14 Jan. 1995, pp. 1, 86.

58. Adam Dawtrey. "Bye-bye to pre-buy?" *Variety*, 8-14 Jan. 1995, pp. 1, 86.

59. "Lost treasure." *Variety*, 22 Jan. 1996, p. 16.

its Carolco adventure.

3.3.2. “A New Breed of Independent Producers”: Constructing the Output Deals of the 1990s

In this sub-section I examine a wider industry trend toward output deals in the early to mid 1990s. I argue that the 1990s output deals represented a new generation of players: semi-independent, studio-based producers who knitted together international distribution networks for their production slates.

In the 1980s output deals were still rare in West Germany. In 1985 *Variety* published a chart illustrating the output deals and exclusive distribution deals between the US and UK independent sales and production companies and distributors in eleven international territories. The independent companies included PSO, CBS Productions, Orion Pictures, The Cannon Group, Embassy Pictures, EMI Films, and Goldcrest. However, *Variety* noted that no output or exclusive distribution deals⁶⁰ existed in Germany and Japan, which together accounted for about 22% of international theatrical revenues for US independent productions.⁶¹

However, Neue Constantin’s Carolco deal heralded a new wave in output deals for the 1990s. In May 1991 *Variety* observed a new string of output deals: “After the video-driven scramble of the ‘80s, in which producers, sales agents and distrib[utor]s flirted with each other in an endless succession of one-shot deals, leading suppliers are now less inclined to play the field. Instead, they’re intent on pairing off with distrib[utor]s and going steady.” The authors noted that

60. *Variety* distinguishes between output deals, which typically carry a minimum guarantee, and exclusive distribution deals, which does not carry an MG. “Global distribution deals.” *Variety*, 30 Oct. 1985, p. 26.

61. Only Orion Pictures and Cannon maintained close connections with local distributors in West Germany: Orion had sold a slate of films to Filmverlag der Autoren while Cannon had purchased a stake in Scotia International and released its catalogue directly. “Global distribution deals.” *Variety*, 30 Oct. 1985, p. 26.

some sales agencies such as J&M Entertainment, Manifesto, and Sovereign Pictures were setting up distribution networks for their clients in major territories that resembled the major studios' own international operations.⁶²

Yet even this wave of output deals still belonged to the legacies of the 1980s independent film market. A new generation of producers was about to emerge that reconstituted the definition of "independence." Whereas the independent suppliers of the mid-1980s and early 1990s maintained few if any ties to the major studios, those lines became more blurred as the 1990s progressed. The first such deal had in fact already been announced in January 1991. Israeli-born producer Arnon Milchan put together an alliance worth some \$900 million in production financing for a 20-picture slate for his newly-formed Regency Enterprises to be based at Warner Bros. Milchan's own, Paris-based production, financing and distribution company, Regency Pictures International, French pay-TV broadcaster Canal Plus, and German media company Scriba & Deyhle contributed some \$600 million in production financing. *Variety* estimated that Warner Bros. committed some \$250 to \$300 million in worldwide marketing and releasing expenditures. Importantly, the producer retained copyright on all films. Milchan essentially rented Warner Bros.' worldwide distribution system for a distribution fee (estimated to be between 15% and 25%) plus reimbursement for prints and advertising expenses.⁶³

But what surprised industry insiders most was that the "Israeli-born Euro-phile who spends much of his time in France" had complete decision-making control over the production process, including final cut. Milchan, who had made a fortune with his family's chemical company in Israel, had previously produced the critically-acclaimed epic *Once Upon a Time in*

62. Terry Ilott, Don Groves. "Cannes no 1-nite stand as output deals get serious." *Variety*, 13 May 1991, pp. 3, 14.

63. Michael Williams. "Warner Bros. pix rise with Euro dough." *Variety*, 14 Jan. 1991, pp. 3, 136-137.

America (S. Leone, 1984) and the commercial hits *The War of the Roses* (D. DeVito, 1989) and *Pretty Woman* (G. Marshall, 1990), among other films. Nevertheless, the *Variety* writer felt compelled to observe: “Conventional wisdom has been that it takes Hollywood managers to make Hollywood blockbusters.”⁶⁴

This statement is very telling of Hollywood culture. Despite the glaring examples of immigrant producers like De Laurentiis, Vajna, Kassar, and Milchan, this statement demonstrates a widely-held belief in Hollywood that only people who had risen through the development ranks of a studio or an agency would know how to produce Hollywood-style movies. As if to prove this point, the *Variety* writer quickly added: “Milchan’s key aide, Steven Reuther, is a former production topper at Vestron and ex-William Morris agent.”⁶⁵ The implication was that as a bonafide Hollywood insider Reuther would help Milchan make the right decisions and assure the Warner Bros. bosses that their investment was in safe hands.

I argue that *Variety*’s concerns over an outsider’s aptitude for Hollywood filmmaking were not accidental, but rather symptomatic of a wider shift occurring in the American film industry at the time. In the 1980s independents like De Laurentiis, Carolco, Cannon, EMI, Embassy, PSO, Goldcrest, Orion, and J&M had forged ties with local distributors in many international territories through either presales or output deals and had thus demonstrated the commercial potential of the international marketplace. However, with the onset of the 1990s we see two decisive shifts: first, as with Carolco Pictures, there is a stronger reliance on the major studios for North American distribution; and second, former studio executives set up their own production companies and forged their own international distribution deals with local distributors.

64. Michael Williams. “Warner Bros. pix rise with Euro dough.” *Variety*, 14 Jan. 1991, p. 136.

65. Michael Williams. “Warner Bros. pix rise with Euro dough.” *Variety*, 14 Jan. 1991, p. 136.

Tino Balio observes that the major studios relied increasingly on horizontal expansion, i.e. acquiring or partnering with other production entities to fill their distribution pipelines: TriStar had its deal with Carolco Pictures, Columbia Pictures forged one with Castle Rock, and Time Warner with Morgan Creek. Balio notes that these partnerships differed from the failed mini-majors of the 1980s, such as Orion Pictures, De Laurentiis Entertainment Group, and The Cannon Group, in several ways: this “new breed of independent producers” ran “lean machines” with few staff and concentrated primarily on only a few high-quality movie productions per year. Moreover, they distributed domestically through the major studios and relied on the international marketplace for raising production financing.⁶⁶

However, I argue that, more crucially, many of these semi-independent companies (given their strong reliance on studio resources) were run by Hollywood insiders.⁶⁷ Former Columbia/TriStar chairman Peter Guber set up Mandalay Pictures at Columbia/TriStar, and struck output deals with independent distributors Entertainment in the UK, Tri Pictures in Spain, Roadshow in Australia, and Neue Constantin. Former TriStar president Mike Medavoy launched Phoenix Pictures, also based at the TriStar, in conjunction with French pay-TV network Canal Plus. And former agent and executive Steven Reuther and actor/producer Michael Douglas set up their eponymous company at Paramount Pictures, with financial backing from German media investor Bodo Scriba, who took German distribution rights on all movies in return for his

66. Tino Balio. "A major presence in all of the world's important markets. The globalization of Hollywood in the 1990's." *Contemporary Hollywood Cinema*, ed. by Steve Neale and Murray Smith, Routledge, 1998, pp. 64-65.

67. Castle Rock was founded by film director Rob Reiner and former Twentieth Century-Fox executives Alan Horn and Martin Shafer, and Morgan Creek was co-founded by Joe Roth, who later became chairman of Twentieth Century-Fox in 1989. Karen Herman. "Interview with Rob Reiner." *Archive of American Television. Academy of Television Arts & Sciences*, 29 Nov. 2004. Accessed 14 March 2019; Elaine Dutka. "Seriously now, Joe..." *Los Angeles Times*, 24 Feb. 1991. <https://www.latimes.com/archives/la-xpm-1991-02-24-ca-2340-story.html>. Accessed 17 Sep. 2019.

investment.⁶⁸

These producers had risen through the studio ranks and were now keen to build a certain level of autonomy. Yet they retained strong relationships to the studio system, which gave their ‘labels’ an added layer of security that other independents lacked: being invested in those companies financially, the studios were more likely to support that producer with access to company resources and offer them more advantageous release slots. Whereas TriStar could afford to have a more combative position vis-à-vis the independently-owned Carolco, Warner Bros. and Sony now owned shares of Regency Enterprises and Mandalay respectively. In turn, studio managers were assured that they received movies from producers whose creative instincts had been molded inside the system.

Thus these arrangements clearly benefited the major studios and the producers aligned with them. But what benefits did the local distributors in the international markets get out of these arrangements?

3.3.3. Going Steady: Neue Constantin Film and Mandalay, New Line and Spyglass

In this sub-section I examine the output deals that Neue Constantin Film struck in the mid to late 1990s. Whereas the Carolco output deal had disintegrated, deals with Mandalay Entertainment, New Line Cinema, and Spyglass Entertainment in the second half of the 1990s yielded more stable relationships.

A) Mandalay Pictures

In November 1995 Neue Constantin struck a three-year output deal with Peter Guber’s

68. “Terms of Investment.” *Screen international*, 3 May 1996, pp. 22, 24.

Mandalay Pictures. According to *Variety*, Neue Constantin committed to license all of Mandalay's films for three years for a fixed percentage of the production budgets for the German-speaking territories (Germany, Austria and German-speaking Switzerland). Eichinger would not reveal the figure to *Variety*, but the writers estimated it to be around 8-10% of the production budgets, which was a typical minimum guarantee for a German distributor to pay in the presale market.⁶⁹ From an internal memo in the Eichinger Collection we can see that the deal with Mandalay included twelve films and that Neue Constantin committed DM 100 million in minimum guarantees and another DM 35 million in prints and advertising.⁷⁰

Constantin released the following Mandalay productions: *The Fan* (T. Scott, originally released in USA on 08/16/1996; released in Germany on 10/3/1996), *Donnie Brasco* (M. Newell, US: 02/28/1997; G: 04/17/1997), *Seven Years in Tibet* (J.J. Annaud, US: 10/10/1997; G: 11/13/1997), *Desperate Measures* (B. Schroeder, US: 01/30/1998; G: 05/14/1998), *I know What You Did Last Summer* (J. Gillespie, US: 10/17/1997; G: 03/19/1998), *Wild Things* (J. McNaughton, US: 03/20/1998; G: 08/20/1998), *Les Misérables* (B. August, US: 05/01/1998; G: 12/24/1998), *Dance with me* (R. Haines, US: 08/21/1998; G: 07/01/1999), *Gloria* (S. Lumet, US: 01/22/1999; G: 08/05/1999), *The Deep End of the Ocean* (U. Grosbard, US: 03/12/1999; G: 08/12/1999), and *Sleepy Hollow* (T. Burton, US: 11/19/1999; G: 02/24/2000).⁷¹ All films except for *Sleepy Hollow* were released through Sony Pictures Entertainment's divisions Columbia Pictures or Tri-Star Pictures in North America (USA and Canada). In March 1998 Peter Guber moved his company to Paramount Pictures, which released *Sleepy Hollow* and all subsequent

69. Don Groves, Rex Weiner. "Cautious buyers find new ways to pact." *Variety*, 4-10 March 1996, pp. 13, 14.

70. "Verleihprogramm Constantin Film." Undated memo. SDK, BEC. 4.3-201210-0 [VAR]

71. Titles and actual release dates cross-checked with *Verleikatalog Online*. Verlag Horst Axtmann GmbH, 2019.

movies produced by his company.⁷² In this way Neue Constantin had the assurance that all Mandalay films had North American distribution through a major studio.

B) New Line Cinema

In fact, the Mandalay deal had been preceded by an arrangement that Neue Constantin Film had struck with New Line Cinema in May 1995. Unlike Mandalay Pictures, New Line Cinema was not a production company, but actually a theatrical distributor with its own North American distribution operation. Formed in 1967, New Line Cinema had started out with cult and genre films such as *Pink Flamingoes* (1972), *The Texas Chainsaw Massacre* (1974), the *A Nightmare on Elm Street* franchise (1984-2010), and *Teenage Mutant Ninja Turtles* (1990).⁷³ In 1993 Turner Broadcasting acquired New Line Cinema and Castle Rock Entertainment in an attempt to become a movie studio.⁷⁴

New Line's international distribution deals have to be viewed in this context. The company struck output deals with Neue Constantin in Germany, Entertainment Film Distributors in the UK, Village Roadshow in Australia, GaGa Communications in Japan, Lider Films in Spain, Cecchi Gori in Italy, and Daewoo Electronics Co. in South Korea. The company structured these partnerships as "straight" distribution pacts. That means that New Line participated in distribution and marketing costs in return for a higher share of rentals.⁷⁵

The deal points for the pact with Neue Constantin Film reflect this. The first seven films

72. Claudia Eller. "On the Road: Mandalay Pictures Moves to Paramount from Sony." *Los Angeles Times*, 10 March 1998.

73. Justin Wyatt, "Independents, Packaging, and Inflationary Pressure in 1980s Hollywood," p. 157.

74. Tino Balio. "A major presence in all of the world's important markets," pp. 66-67.

75. A. M. Bahiana. "New Line gets global cover." *Screen International*, 26 May 1995, p. 1; Dan Cox. "New Line rejigs deals." *Variety*, 29 May—4 June 1995, p. 73; Patricia Dobson. "Cecchi Gori bags New Line, Mandalay." *Screen International*, 24-30 No 1995, p. 1; Rex Weiner. "New Line enters S. Korea with Daewoo." *Variety*, 30 Oct—5 Nov. 1995, p. 30.

were covered by a minimum guarantee of DM 30 million for seven films and some DM 16 million in P&A commitments. A brief note in the memo in the Eichinger Collection, “thereafter, output,” presumably indicated that the “straight distribution deal” set in for all movies that came thereafter.⁷⁶

Neue Constantin released the following films on behalf of New Line Cinema: *Seven* (D. Fincher, US: 09/22/1995; G: 11/23/1995), *Bed of Roses* (M. Goldenberg, US: 01/26/1996; G: 05/23/1996), *Rumble in the Bronx* (S. Tong, US: 02/23/1996; G: 10/17/1996), *Last Man Standing* (W. Hill, US: 09/20/1996; G: 10/31/1996), *The Long Kiss Goodnight* (R. Harlin, US: 10/11/1996; G: 12/12/1996), *The Island of Dr. Moreau* (J. Frankenheimer, US: 08/23/1996; G: 11/14/1996), *Set it Off* (F. Gary Gray, US: 11/06/1996; G: 05/08/1997), *In Love and War* (R. Attenborough, US: 01/24/1997; G: 8/14/1997), *Love! Valor! Compassion!* (J. Mantello, US: 05/16/1997; G: 07/24/1997), *One Night Stand* (M. Figgis, 11/14/1997; G: 09/25/1997), and *Spawn* (M.A.Z. Dippé, US: 08/01/1997; G: 10/30/1997).⁷⁷

By signing up with local distributors in the major international territories, New Line Cinema was essentially setting up an international distribution operation by proxy. Whereas the MPEA studios self-distributed their product through their branch offices or subsidiaries in the key international territories, independent producers had to license their movies to local distributors for a minimum guarantee. In fact, New Line was cutting a third path. Although it contracted with local distributors, it treated those partners as ‘virtual branches’ by taking a more hands-on approach to local marketing and participating in the rentals. Whereas Mandalay Entertainment struck the output deal with Neue Constantin to get a steady supply of production financing for its movies, New Line Cinema was more concerned about building a consistent

76. “Verleihprogramm Constantin Film.” Undated memo. SDK, BEC. 4.3-201210-0 [VAR]

77. Release dates crosschecked on *Verleikatalog Online*. Verlag Horst Axtmann GmbH, 2019; IMDB.com.

international distribution system and getting a larger share of the theatrical rentals.

C) Spyglass Entertainment

The output deal with Spyglass Entertainment did not originate with the Neue Constantin management team. The Kirch Group, which was a partner in Neue Constantin Film with Eichinger, announced a deal in 1998 with Spyglass, a new production company headed by former studio executives Roger Birnbaum and Gary Barber. Spyglass released their movies through The Walt Disney Company's distribution operations in North America, Latin America, Australia and the UK. The Kirch Group took all rights in Germany, Spain, Italy, Poland, and the former Soviet Union.⁷⁸ The Kirch Group, which had taken over Bernd Schaefer's shares in Neue Constantin Film in the late 1980s, subsequently assigned the theatrical distribution rights for German-speaking territories to Neue Constantin Film. Movies that were covered under that deal included: *The Sixth Sense* (M. Night Shyamalan, US: 08/06/1999; G: 12/30/1999), *The Insider* (M. Mann, US: 11/05/2000; G: 04/27/2000), *Mission to Mars* (B. De Palma, US: 03/10/2000; G: 05/11/2000), *Keeping the Faith* (E. Norton, US: 04/14/2000; G: 07/20/2000), *Shanghai Noon* (T. Dey, US: 05/26/2000; G: 10/19/2000), *Out Cold* (Malloy Bros., US: 11/21/2001; G: 01/03/2002), and *The Count of Monte Cristo* (K. Reynolds, US: 01/25/2002; G: 05/09/2002).

For the US partners the output deals were clearly a matter of accessing foreign financing for their productions. But what was in it for Neue Constantin? One may argue that these deals were a coming of age for the company. Neue Constantin Film could get hold of star-driven pictures that stemmed from a wider array of genres—dramas, romances, comedies, thrillers—than the action and fantasy movies that it had previously acquired in the presales market. Neue

78. Mike Goodridge. "Kirch focuses on Spyglass." *Screen International*, 30 Oct-6 Nov. 1998, p. 1.

Constantin finally got studio movies that allowed the distributor to compete directly with the MPEA countries in its own territory. In fact, Rolf Mittweg, New Line's executive in charge of international sales and distribution, told *Screen International*, rather unabashedly: "For the international distributor, however, having this amount of high-profile will enhance their clout in the local market."⁷⁹

But did those movies actually enhance the independent distributor's clout?

3.3.4. A Changing Marketplace

Neue Constantin's output deals resulted from competitive pressures building up in the marketplace. On the one hand, the major Hollywood studios were more reluctant to give up films to local distributors. On the other, the new media and technology-focused stock exchange "Neuer Markt" allowed new licensing companies in Germany to start competing with the established distributors for content from Hollywood.

Having recognized the commercial benefits of the international markets, the major Hollywood studios were less willing to cede rights to their movies in certain key international markets, including Germany. Herman Weigel mentioned to me that he was not a big fan of output deals. He would have preferred picking the films that he wanted on a presale basis: "But some movies you just couldn't get. Those days were gone that you could go to Warners or whomever and say we'd like that movie. That was over. The last one where that worked was *American Pie*. After that it was over once and for all."⁸⁰

Whereas Universal Pictures had let De Laurentiis presell international rights to *Conan the Barbarian* in the early 1980s, by the late 1990s the studio only did so on movies with poor

79. A. M. Bahiana. "New line gets global cover." *Screen International*, 26 May 1995, p. 1

80. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

commercial prospects. Universal Pictures had little confidence in the commercial viability of the movie *American Pie* (P. Weitz, 1999) before it came out and had therefore allowed the producers to presell certain territories through international sales agency Summit International. However, after the first movie became a big commercial hit in Germany, admitting some 6 million moviegoers and grossing €34.8 million at the German box-office, Neue Constantin could not get hold of the sequel because Universal Pictures decided to release *American Pie 2* through its own international operation, United Pictures International in 2001.⁸¹ The output deal therefore became the only way to access “studio movies,” i.e. those with North American distribution through a major Hollywood studio.

But even more significant was the competition for content from other German distributors. By the mid-1990s Neue Constantin was facing increased competition for acquisitions not just from the traditional distributors, but also from new players in the German marketplace. Certain media companies went public, selling shares on the newly-launched “Neuer Markt” stock exchange, and thereby raised capital funds for new acquisitions. Modeled on the American NASDAQ index, the Neuer Markt was launched at the Frankfurt stock exchange in March 1997 and attracted primarily new technology and media companies. By the end of 1999, 201 companies were listed on the exchange.⁸² Investors were particularly keen on the stocks of film and TV licensors such as Intertainment, EM.TV and Kinowelt. These companies acted as middlemen, buying distribution and broadcast licenses for film and television content from producers and resold those licenses to film distributors and broadcasters for a profit.

81. “American Pie” and “American Pie 2.” *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 20 March 2019.

82. Clemens von Frenzt. “Die Chronik einer Kapitalvernichtung.” *Manager Magazin*, 1 June 2003. Listed media companies included: film licensor and production company Intertainment; TV broadcaster Pro Sieben Media; comic book publisher Achterbahn; TV licensor EM.TV; animation production company RTV Family; TV production company Odeon Film AG; film distributor and production company Senator Film; and film licensor and distributor Kinowelt. Roland Karle. “Medien legen den Bullen aufs Parkett.” *Horizont*, 29 July 1999, p. 14.

Trade journal *Screen International* noted that the new “fiercely competitive” buyers pushed up the prices for films at the Cannes film market in May 1999.⁸³ This competitive environment made it increasingly difficult for Neue Constantin Film to acquire films in the presale market. Neue Constantin was therefore under pressure to lock in content any way it could. Weigel says that certain “deadly output decisions,” such as Neue Constantin’s deal with US mini-major USA Films in 2000, have to be viewed in this context.⁸⁴

That deal was for theatrical, free TV and video rights to USA’s output through 2003 for German-speaking markets.⁸⁵ USA Films had come about as a merger of US specialty distributors Gramercy Pictures and October Films.⁸⁶ The initial movies that were released under Neue Constantin’s output deal included *One Night at McCool’s* (H. Zwart, US: 04/27/2001; G: 04/26/2001) and *The Man Who Wasn’t There* (E. Coen/J. Coen, US: 10/31/2001; G: 11/08/2001).⁸⁷ However, shortly thereafter, USA’s parent company, Universal Pictures, merged the unit with New York-based production and sales company Good Machine.⁸⁸ The original output arrangement continued for another year. But now Neue Constantin released a different set of movies: *8 Women* (8 Femmes, F. Ozon, US: 10/04/2002; G: 07/11/2002), *Swimming Pool* (F. Ozon, US: 08/01/2003; G: 08/14/2003), *Lost in Translation* (S. Coppola, US: 10/03/2003; G: 01/08/2004), *21 Grams* (A.J. Iñárritu, US: 01/16/2004; G: 02/26/2004), *Eternal Sunshine of the*

83. Mike Goodridge. “Cash-rich German distribs bankroll Hollywood bonanza.” *Screen International*, 21-27 May 1999, pp. 1, 2. In August 1999 film licensor Kinowelt acquired a film package from Warner Bros. for over DM 500 million. Caspar Busse. “Letzter Vorhang für den Herausforderer Kölmel.” *Handelsblatt*, 26 Nov. 2001.

84. Herman Weigel. Personal Interview by Author, 25 July 2015, Munich, Germany.

85. Karsten Kastalan. “Constantin, USA seal output deal.” *Screen International*, 6 Oct. 2000, p. 4.

86. Dave McNary. “Focus Revives Gramercy Pictures for Genre, Launches with ‘Insidious 3.’” *Variety*, 20 May 2015. Both companies had been prominent distributors of American movies and foreign-language acquisitions. Gramercy had gained both box-office success and critical recognition for its movies *The Usual Suspects* (1995), *Dead Man Walking* (1995), *Fargo* (1996), *Elizabeth* (1998), and *The Big Lebowski* (1998) whereas October Films was widely known for releasing more arthouse titles, such as *The Cement Garden* (1993), *Female Perversions* (1996), *Breaking the Waves* (1996), *High Art* (1998), and *Festen* (Celebration, 1998).

87. Karsten Kastalan. “Constantin, USA seal output deal.” *Screen International*, 6 Oct. 2000, p. 4.

88. Jim Bates. “Universal Adds Division for Specialty Films.” *Los Angeles Times*, 28 Sep. 1999.

Spotless Mind (M. Gondry, US: 03/19/2004; G: 05/20/2004), *Motorcycle Diaries* (Diarios de motocicleta, W. Salles, US: 10/15/2004; G: 10/28/2004), and *House of Flying Daggers* (Y. Zhang, US: 12/03/2004; G: 01/06/2005). With the exception of *Lost in Translation* and *Eternal Sunshine of the Spotless Mind*, the Focus Feature titles were non-English-language productions. In an odd twist, Neue Constantin was now receiving French, Asian, and Latin-American movies from its US output deal.

However, despite Weigel's disillusionment with the latter deal, these output deals were still important to Neue Constantin Film strategically. In 1995 Neue Constantin Film ended a 10-year distribution joint venture with Tobis. In 1985 the two companies had merged their domestic distribution operations in an effort to reduce overhead costs and to "give both companies more clout in competing with the American majors for theatrical bookings."⁸⁹ However, in 1995 Neue Constantin decided to build up a distribution apparatus again. That meant that Neue Constantin also needed product to fill its pipelines and justify its increased overhead. Whereas between 1982 and 1994 Neue Constantin had released, on average, eight movies per year, in the second half of the 1990s it released, on average, 14 movies per year.⁹⁰ In this context, the movies from Mandalay, New Line and Spyglass fulfilled an important role in providing a stable and reliable supply of product. For the 1996/1997 season, ten out of eighteen announced movies came from either Mandalay or New Line; in 1997/1998, nine out of twelve movies were from these output deals; and in 1998/1999, it was six out of twelve.⁹¹ The remainder of the slates were made up of individual acquisitions and in-house productions. In this way, Neue Constantin ensured that it

89. "Neue Constantin, Tobis to set up joint sales force." *Variety*, 13 Feb. 1985, p. 62.

90. All slate details from: *Film Echo Verleihkatalog 1982-2000*. Wiesbaden: Verlag Horst Axtmann GmbH, 1950—2005.

91. All slate sourced from: *Film Echo Verleihkatalog 1982-2000*. Wiesbaden: Verlag Horst Axtmann GmbH, 1950—2005.

had sufficient product on offer for exhibitors.

3.3.5. No Heavenly Successes

By locking in these output deals Neue Constantin was able to secure a steady supply of content for its theatrical distribution pipeline. Crucially, the output deals (with the exception of the USA/Focus Feature deal) also shifted the balance significantly in favor of US titles on Neue Constantin's slates: half if not two-thirds of its slate were US films. It may therefore be argued that Neue Constantin Film was pushing along the Americanization of the German box-office. However, I argue that such a view tells only half the story. Even if Neue Constantin increased the overall number of US films on sale, those films did not "Americanize the German box-office" per se because, for the most part, the US titles coming out of Neue Constantin's output deals performed poorly at the German box-office.

On average, the movies performed well. The Spyglass movies admitted 888,535 moviegoers (or €5.3 million/DM 11.34 million in BO grosses) per film; the Mandalay films had 573,190 admissions (€3.3 million) per film; and the New Line films 435,413 admissions (€2.5 million) per film.⁹² However, those averages were largely due to a few big break-out successes: *Seven* admitted some 2.76 million moviegoers (€15.6 million box-office gross); *Seven Years in Tibet* had 2 million admissions (€11.9 million); *Sleepy Hollow* had 1.8 million admissions (€10.5 million); and *The Sixth Sense* had over 4 admissions (€24 million).⁹³ On the other hand, the majority of movies from those slates fared poorly. Six movies (out of eleven) from the Mandalay

92. All admission and box-office grosses retrieved from: *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 15 March 2019. All Verleihkatalog Online box-office results are listed in Euro, including for films released prior to 1999. The Euro replaced Deutschmarks as Germany's legal currency on January 1, 2002.

93. All admission and box-office grosses retrieved from: *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 15 March 2019.

slate and four movies (out of ten) from New Line admitted less than 250,000 moviegoers.⁹⁴

This is even more surprising if we consider the North American box-office grosses for those movies. The average North American box-office gross per film for Mandalay's slate was around \$33 million; New Line's was \$30 million; and Spyglass's \$77 million. *Donnie Brasco* performed well above-average for Mandalay in North America, with \$41.9 million. But it performed below average in Germany with 212,946 admissions (€1.2 million), compared to Mandalay's German average of 573,190 admissions (€3.3 million). Likewise, comic book adaptation *Spawn* became a breakout success with \$54.9 million at the North American box-office whereas in Germany it admitted only 254,373 (€1.4 million). Coming-of-age drama *Now and Then* grossed \$27 million in North America, but admitted just 24,690 (€134,780) in Germany.⁹⁵

The only movie that a significantly stronger showing in Germany than North American was *Seven Years in Tibet*. Directed by Jean-Jacques Annaud, the movie was a contemporary take on the German mountain film genre, featuring Brad Pitt as Austrian mountain climber Heinrich Harrer, who became friends with the Dalai Lama. With 2 million admissions (€11.9 million), it was the highest-performing title from the Mandalay slate for Neue Constantin. In contrast, the movie performed barely above-average for Sony and Mandalay, with \$38 million at the North American box-office.⁹⁶

Therefore, despite the numerical proliferation of US films on its slate, Neue Constantin had only moderate commercial success with the movies coming from the output deals. The

94. All data from: *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 20 March 2019.

95. All German release data sourced from: *Verleihkatalog Online*. Wiesbaden. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 20 March 2019. All North American box-office grosses sourced from: *Box Office Mojo*. www.boxofficemojo.com. Accessed 16 Sep. 2019.

96. *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de; *Box Office Mojo*. www.boxofficemojo.com. Accessed 16 Sep. 2019.

availability of American movies did not translate into an automatic acceptance by the moviegoing audience. This discrepancy becomes even more pronounced when we compare this to Neue Constantin's German-language productions. Between January 1996 and December 2000, Neue Constantin released nineteen German-language productions. These films averaged 1.338 million admissions (€7.1 million box-office gross) per film. *Werner 2—Das muss kesseln!* (Werner, *Eat my Dust!*, U. Beissel/M. Schaack, 1996) and *Rossini* (H. Dietl, 1997) were blockbuster successes with 4.9 million admissions (€24 million) and 3.2 million admissions (€15 million) respectively. But even the majority of titles did solid business. Eight out of the nineteen crossed the significant threshold of one million admissions, and only three titles fell below 250,000 admissions.⁹⁷ Thus Neue Constantin did much better business with its German-language releases than with the films from the output deals.

Given these numbers, it should not be all that surprising that Weigel has soured on the output deals, even more so when we consider the costs involved. Neue Constantin spent some DM 135 million in minimum guarantee (MG) and prints and advertising (P&A) commitments in the Mandalay deal. However, the combined box-office take for all those movies came to €36 million (or around DM 72 million). Rentals that came back to the distributor must have been well below that figure. Neue Constantin thus lost at least half of its investment, if not more, on the Mandalay deal. The initial outlay for the New Line deal was lower with DM 46 million in MG and P&A commitments for seven movies. Nevertheless, the combined box-office gross for twelve movies was €29.7 million (or DM 58 million); rentals were therefore even lower. Nor do we know what the revenue split was with New Line for the movies not covered under the initial

97. All data sourced from: *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 20 March 2019.

contract. It is very likely that Neue Constantin had significant losses even on that deal.⁹⁸

On the other hand, Neue Constantin's upfront financial investment on the domestic productions were much lower as we shall discuss in chapter 6. Moreover, the financial upside was even bigger on its own productions because Neue Constantin did not have to split the revenues with an outside producer.

How should we then judge this shift to American movies on Neue Constantin's release slates in the late 1990s? From a strategic point of view, the output deals were important because they provided content when the company had to fill its distribution pipelines. However, the deals were ultimately not beneficial because the company was obligated to accept movies that did not appeal to its audience. Eichinger and Weigel had no say over the programming. Even though output deals were originally intended to align the interests of producers and distributors, they had the opposite effect. With so many films in the line-up, the producers had less time to focus on each individual title and make them work for each local distributor. Moreover, the interests of the international distributors must have held less sway when New Line's main base of operations was the North American market and studio-based producers Mandalay and Spyglass were tied to Sony/Paramount and Disney respectively. Mandalay's Peter Guber, New Line's Robert Shaye, and Spyglass' Roger Birnbaum and Gary Barber had spent all their professional lives at Hollywood (or New York) based production companies and/or studios. It therefore stands to reason that they had a strategic interest as well as a cultural affinity to their home markets first before they looked to their international partners. This "new breed" of semi-independent producers delivered American movies that were much more closely aligned with the US market than the ones the independent producers of the 1980s had procured. In fact, in some cases these

⁹⁸. The Spyglass deal was set up by the Kirch Group. I have no documentation on the specifics of that arrangement.

movies were simply “too American” for the German market — the Americanization process might have reached its limits at that point.

At the same time, we must consider that US films had gained significant market shares at the German box-office over the course of the 1980s. In 1980 US films had accounted for 54.9% of rentals whereas German films accounted for 9.3%; in 1990 US films claimed 83.8% of film rentals whereas German films still claimed only 9.7%. Thus, whereas US films had become more popular over the course of the 1980s (and taken market shares from other non-US foreign films), German films had not made any gains in popularity. This did change somewhat over the course of the 1990s: by 1999 German films had inched upward to 14% whereas the market share for US movies fell slightly to 78.6%.⁹⁹ Evidently, German moviegoers were now more willing again to watch German-language movies.

Incidentally, the US films that German moviegoers did watch were the big, tentpole blockbusters from the MPEA companies: *Jurassic Park* (S. Spielberg, UIP, #1 movie in 1993), *The Lion King* (R. Allers, R. Minkoff, Buena Vista, #1 in 1994), *Babe* (C. Noonan, UIP, #1 in 1995), *Independence Day* (R. Emmerich, Fox, #1 in 1996), *Men in Black* (B. Sonnenfeld, Columbia, #1 in 1997), *Titanic* (J. Cameron, Fox, #1 in 1998), and *Star Wars Episode I: The Phantom Menace* (G. Lucas, Fox, #1 in 1999).¹⁰⁰ As I have argued in this and the previous chapter, Neue Constantin and the other independent distributors had played their role in paving the way for American movies in the German marketplace in the late 1970s and 1980s. But they were not the only distributors dealing with American movies. It is therefore now time to examine the activities of the other big players in the market. Even if Neue Constantin and the other

99. SPIO. *Filmstatistisches Taschenbuch 2000*, p. 14.

¹⁰⁰ Box-office rankings for those respective years sourced from: *InsideKino.de*. www.insidekino.de. Accessed 13 July 2020.

independents had helped make American movies more popular with presales and output deals, the increasingly aggressive business strategies of the MPEA companies must not be ignored in this context.

3.4. Competition and Cartelization in the German Distribution Business

In this section I examine Neue Constantin Film in relation to other theatrical distribution companies in Germany in the 1980s and 1990s. I take a political-economic look at the business strategies and distribution practices of the American MPEA companies, which released the majority of US films in Germany. The companies belonging to the Motion Picture Export Association of America (MPEA) were able to consolidate their market position by merging their operations in the 1970s and 1980s: in the early 1970s Universal, Paramount and MGM had pooled their international distribution activities in Cinema International Corporation; Warner and Columbia followed their example and set up a distribution joint venture; and Disney contracted with 20th Century Fox, and later Warner Bros, to distribute its movies in West Germany. I argue that this exerted enormous pressure on the German theatrical distribution market. Neue Constantin, eager to shed overhead expenses, joined forces with Tobis Film to launch a distribution joint venture that closely resembled Warner-Columbia's partnership. The Tobis/Neue Constantin joint venture allowed both companies to stand their ground against the US majors, which, in the 1980s, were increasingly gaining market shares at the box-office.

The growing significance of the international markets also affected the MPEA majors' own internal organizational structures. As the international divisions became more important inside the studios, the majors began to disentangle their co-operations in certain markets or, as in Disney's case, launch an entirely new international distribution division. By 1993 Warner Bros,

Disney, Columbia, and Fox each had set up their own theatrical and home entertainment divisions in Germany. Then, in 1995, Neue Constantin (now rechristened, Constantin Film) and Tobis went their separate ways as well. Flush with cash from *Der bewegte Mann*, Constantin Film saw its future, once more, in a larger distribution portfolio.

3.4.1. The Majors Band Together

In this subsection I discuss the joint-venture activities of the major Hollywood studios in the 1970s and 1980s in the international marketplace. In 1970 conglomerates MCA and Gulf+Western merged the international divisions of their respective studios, Universal and Paramount, into a single, new company, Cinema International Corporation (CIC).¹⁰¹ Warner Bros. and Columbia Pictures quickly followed suit in 1971, agreeing on a joint distribution organization for the European markets.¹⁰² Scholars such as Thomas Guback and Kerry Segrave have suggested that the MPEA companies dominated foreign territories fairly continuously since World War 2.¹⁰³ However, I take a different position. Specifically looking at the joint ventures of the 1970s, I see them as a sign of industrial weakness on the part of MPEA companies and argue that they arose out of a real sense of crisis in the US domestic market.

Between 1969 and 1971 the Hollywood-based film industry experienced a substantial downturn. David Cook notes that the recession of 1969 had produced “more than \$200 million in losses; left MGM, Warner Bros, and United Artists under new management; and brought

101. Abel Green. “Par, Univ. may team overseas.” *Daily Variety*, 11 March 1970; Thomas M. Pryor. “May apply CIC blueprint here.” *Daily Variety*, 25 May 1970.

102. “Warner & Columbia reach accord on joint European distribution.” *The Independent Film Journal*, 22 July 1971, p. 24.

103. Thomas H. Guback, “Hollywood’s International Market.” *The American Film Industry*, ed. Tino Balio, Madison: The University of Wisconsin Press, 1976; Kerry Segrave. *American Films Abroad: Hollywood’s Domination of the World’s Movie Screens from the 1890s to the present*. McFarland & Company, Inc., 1997. See also John Trumbour. *Selling Hollywood to the World: US and European Struggles for Mastery of the Global Film Industry, 1920–1950*. Cambridge University Press, 2002.

Universal and Columbia close to liquidation.”¹⁰⁴ The reasons for the crisis could be traced back to the overproduction boom between 1966 and 1968 and the commercial losses of expensive musicals such as *Doctor Dolittle* (R. Fleischer, 1967), *Camelot* (J. Logan, 1967), *Star!* (R. Wise, 1968), *Chitty Chitty Bang Bang* (K. Hughes, 1968), *Hello, Dolly!* (G. Kelly, 1969), and *Sweet Charity* (B. Fosse, 1969), and big-budget epics such as *The Bible* (J. Huston, 1966), *Casino Royale* (V. Guest, 1967) and *The Battle for Britain* (G. Hamilton, 1969).¹⁰⁵

At the same time a new generation of young filmmakers had come up and produced lower-budgeted movies. Surprise box-office hits such as *The Graduate* (M. Nichols, 1967), *Bonnie and Clyde* (A. Penn, 1967) and *Easy Rider* (D. Hopper, 1969) rang in a period of artistic innovation, the so-called “Hollywood Renaissance.” These films proved the value of the growing baby boomers’ youth market and made the American film industry turn inward and focus on its own domestic market. Conversely, film exports represented a decreasing amount of the American industry’s revenues. By 1973 the international market represented only 33% of the MPAA studios’ worldwide distribution grosses.¹⁰⁶ While *Easy Rider* had made it to the top 3 at the German box-office in 1969, *The Graduate* and *Bonnie and Clyde* failed to connect with German audiences. Only James Bond movies and family movies like *The Jungle Book* (W. Reithermann, 1967, released in West Germany in 1968), *The Love Bug* (R. Stevenson, 1969), *Aristocats* (W. Reithermann, 1971) and *Love Story* (A. Hiller, 1970, released in Germany in 1971) managed to break through at the box-office, which was dominated by German sexploitation comedies and Italian westerns in the late 1960s.¹⁰⁷

104. David A Cook. *Lost Illusions: American cinema in the shadow of Watergate and Vietnam, 1970-1979*. Berkeley: University of California Press, 2002, p. 9.

105. David A Cook. *Lost Illusions*, p. 9.

106. Lee Beaupre. "Foreign Market now only 33% of US Distrib Gross," *Variety*, 21 May 1973.

107. Box-office rankings for those respective years sourced from: *InsideKino.de*. www.insidekino.de. Accessed 13 July 2020; Joseph Garncarz. *Hollywood in Deutschland*, pp. 193-194.

I therefore argue that the subsequent joint venture activities of the Hollywood major studios must be viewed within this context of a contracting international business. The merger of Universal's and Paramount's international divisions was a response to an industry crisis and represented a cost-saving measure. *Variety* estimates that a total of 1,000 positions were cut from a combined total of 2,000 previously employed. Paramount had reportedly discussed a merger with nearly every other studio in town—United Artists, 20th Century-Fox, and Warner Bros.—before coming to an agreement with MCA. In 1973 CIC took over international distribution of MGM's product as well. Set up as a stand-alone company, CIC was incorporated in the Netherlands, albeit run from London, and set its own policies. It was headed by co-presidents Arthur Abeles and Henri (Ricky) Michaud, who came from Universal and Paramount respectively, but had a long working relationship with each other.¹⁰⁸

The other majors had watched the establishment of Cinema International Corporation with interest. Warner Bros. and Columbia Pictures set up a joint venture for the European markets. Similar to the Universal/Paramount alliance, the goal for the studios was to cut costs and to “improve the efficiency and effectiveness” of their operations. However, unlike CIC, the new organization was not an independent company. Each studio continued to set its own sales, advertising and publicity policies and retained its corporate identity on the releases.¹⁰⁹

On the other hand, Disney used studio partners to distribute its product in most international territories. Disney's international distribution division, Buena Vista International, only maintained dedicated branch offices in the United Kingdom, France, Sweden, and Japan. When MGM became a partner in CIC in 1973, Metro dissolved its partnership with Fox in West

108. Thomas M. Pryor. “May apply CIC blueprint here.” *Daily Variety*, 25 May 1970.

109. “Warner & Columbia reach accord on joint European distribution.” *The Independent Film Journal*, 22 July 1971, p. 24.

Germany. Subsequently, Disney moved distribution for its movies to the newly-formed 20th Century Fox of West Germany.¹¹⁰ In 1986 Disney briefly released through UIP before it switched partners yet again in 1987 and moved its product over to Warner Bros. The latter deal was a five-year global distribution deal whereby Warner Bros, for a fee, serviced all Disney movies in all major international territories. This was the first time that Disney had used one distribution partner globally. The agreement stipulated that Disney would retain “full control” of all distribution and marketing decisions on its films, including “basic sales approval.”¹¹¹

The deal with Disney coincided with the dissolution of WB’s joint venture with Columbia. Except for four or five minor territories, both companies agreed to build out their own operations in all other territories, specifically U.K., France, Germany, Austria, Belgium, Netherlands, Sweden, Finland, Argentina, and Brazil.¹¹²

These joint distribution arrangements are significant for a number of reasons. Whereas the major studios appeared as tough competitors in their domestic market, they were more than willing to merge or co-distribute their product internationally. While this type of cartelization would have run into legal issues within the USA, it was perfectly legal under (though not necessarily within the original intent of) the Webb-Pomerene Act (1912), which permitted the foreign cartelization of smaller companies in export-oriented industries.¹¹³

Not surprisingly, then, these joint ventures concentrated the firing power of the major

110. "Disney Sets Distribution Deals for Foreign Markets." *Boxoffice*, 19 November 1973, p. 8.

111. Will Tusher. "Warner Bros. to handle Disney pix internationally; ends similar longtime marriage to Columbia." *Variety*, 6 May 1987, pp. 5, 578.

112. Will Tusher. "Warner Bros. to handle Disney pix internationally; ends similar longtime marriage to Columbia." *Variety*, 6 May 1987, pp. 5, 578.

113. Abel Green. "US distribution economies collide with consent decree; nearly all showmen think big slashing." *Variety*, 29 April 1970. In 1980 the US Department of Justice attempted to repeal the law, but encountered great resistance from Jack Valenti, president of the Motion Picture Association of America (MPAA) and the Motion Picture Export Association of America (MPEA). Will Tusher. "Justice to end Webb-Pomerene (1912) Act?" *Variety*, 27 Feb. 1980, p. 3.

Hollywood studios with a few companies in each international territory. I argue that even though these mergers arose out of a state of crisis, they ultimately benefited the major studios because they managed to pool their resources and create corporate giants in the various international territories, becoming formidable competitors to the indigenous distributors. By 1978 *Variety* was calling CIC “the world’s largest film distributor” with estimated rentals of \$145 million for the fiscal year 1977. The company claimed an estimated 35% of the US majors’ international theatrical market.¹¹⁴

CIC’s market position further increased in 1982 when the company merged with United Artists’ international division to form United International Pictures (UIP). In West Germany the local office was headed by former UA executive Fred Sorg and catapulted to the top of the distributor rankings almost instantly. In 1982 UIP put out a mind-boggling 61 movies for an equally impressive market share of 19.7% of rentals. However, it was closely followed by Warner-Columbia with “only” 34 releases for a market share of 17.1%. Even more remarkably, Neue Constantin put itself in third place for a market share of 13.2% with just 13 releases.¹¹⁵ Thus the MPEA companies tended to carry much bigger release slates than the local distributors; yet, as the relative market strength of Neue Constantin shows, significant market shares could also be had with fewer titles.

Yet UIP’s full firing power became apparent in the following year, 1983, when it towered over the competition with a market share of 31.15%. Warner-Columbia had 15.6% and Fox-Disney 13.46%. In comparison, Neue Constantin managed to hold on to fifth place among

114. A. D. Murphy. “CIC eyes \$145 mil gross in 1978.” *Variety*, 9 Feb. 1978.

115. The other distributors in the ranking were: Fox-Disney (10.5%/33 releases), Jugendfilm (8.7%/20), Scotia (6.3%/14), Tobis (6.2%/17), Ascot (4%/22), Filmverlag der Autoren (3.8%/16), Tivoli (2.2%/10), and Others (8.3%/106). “German-speaking market at a glance.” *Variety*, 2 Mar 1983, pp. 274, 314.

distributors with barely 5.4% (behind Tobis with 6.3%).¹¹⁶ UIP's fortunes were driven mostly by the rentals generated by *E.T.* (S. Spielberg, 1982) with almost 6.7 million admissions in West Germany alone.¹¹⁷ One UIP executive likened it to a "snowball that won't stop rolling."¹¹⁸

Fortunes changed again in 1984 when that snowball landed in Neue Constantin's lap. Neue Constantin had the highest-grossing movie, *The Neverending Story* (W. Petersen, 1984) and managed to secure second place amongst distributors with a 17.5% market share, lapping at the heels of UIP's 20%.¹¹⁹ Again, the number of releases is note-worthy in this context. UIP had put out 57 movies and Neue Constantin only 13. The other independent distributors had similarly slim slates: Tobis had 11 movies, Scotia 17, and Jugendfilm 15. In comparison, Warner-Columbia carried 34 movies and Fox 24.¹²⁰

Neue Constantin and the other independents carried much slimmer slates than the MPEA companies. However, while it was a lot cheaper to release fewer titles, those fewer titles also carried more weight individually. If only a couple of movies did not perform well at the box-office, the company's foundations could be shaken. This was the age-old conundrum that had plagued Eichinger at the transition of 'old' Constantin to Neue Constantin. Scale could insulate against the occasional box-office flops: releasing 30 or more movies per year allowed a company to balance out poor rentals of some movies with good or decent rentals on others. However, whereas 'old' Constantin had tried to achieve scale by simply acquiring more product, the MPEA companies managed to gain scale by banding together.

116. The other distributors in the ranking were Scotia (5.26%), Filmverlag der Autoren (4.4%), Tivoli (3.51%), Jugendfilm (3.35%), and Concorde (2.29%) "German market at a glance." *Screen International*. 18 Feb. 1984.

117. "Top 25 Pics in West Germany." *Variety*, 7 Nov. 1984, p. 52.

118. "UIP Forecasting \$120-Mil Foreign Rentals for 'E.T.'" *Variety*, 2 Feb. 1983, pp. 3, 123.

119. Warner-Columbia came in third (14%), followed by Tobis (9.5%), 20th Century Fox (9%), Scotia (5.8%), and Jugendfilm (5.2%). "Market profile: Germany 1984." *Screen International*, 7 Dec. 1985, p. 21.

120. "Market profile: Germany 1984." *Screen International*, 7 Dec. 1985, p. 21.

On the other hand, the downside to scale was that a large distribution organization was expensive to maintain. West Germany's decentralized structure meant that a major distribution company that wanted to maintain a national reach had to operate a sales and distribution office in each of the five regional markets. Yet the MPEA companies were able to amortize their corporate overheads over a greater number of releases with even fewer personnel. After the merger of CIC and UA, UIP cut staff down from a previously combined total of 140 to 72 people, including 14 part-time employees. Warner-Columbia, based in Munich, maintained 66 employees, and 20th Century Fox had squeezed down its personnel to 30 employees after installing computers in the booking departments at each exchange.¹²¹

3.4.2. Neue Constantin and Tobis Get It On

In this subsection I examine the events that led to the distribution joint venture between Neue Constantin and Tobis. I argue that this action was both a cost-saving measure and a defensive move to insulate both companies from the growing competition from the MPEA companies.

Neue Constantin may have run an efficient operation in terms of ratio of movies to market share. However, its personnel costs were comparable to those of the MPEA companies. A spreadsheet in the Eichinger Collection lists the headcount of Neue Constantin personnel with salary estimates based at both the head office in Munich and at the branch offices in Berlin, Düsseldorf, Frankfurt, and Hamburg.¹²² Except for the office in Berlin, which had only one person, each branch employed at least five people: one manager, two bookers, one salesman, and

121. "Hard Dollar Pushes Big 3 Yank Distributors into Streamlining." *Variety*, 7 March 1984, pp. 337, 366.

122. "Vergleich von Personalkosten zwischen Verleihern." No date. SDK, BEC. Box 81. 4.3-201210-6 Neue Constantin Film (4 1/2-2). The document was most likely prepared sometime during 1984 in anticipation of Neue Constantin's negotiations with Tobis.

one secretary. The head office held another 30 positions in the various administrative departments for a combined total of 50 people across the entire distribution organization, plus the two partners, Eichinger and Bernd Schäfers. All salaries combined amounted to DM 2,190,800 per annum. The spreadsheet suggests that Neue Constantin had already shed some 50 positions of the 105 employees who originally transitioned from old Constantin Film.

Apparently, that was not enough. A second spreadsheet in the same file compares the personnel numbers of Neue Constantin, Jugendfilm and Tobis. This spreadsheet proposed a leaner Neue Constantin whereby each brand office would employ only three people. The total headcount for all offices would then include 41 people. According to the spreadsheet, Jugendfilm and Tobis employed 38 and 41 people respectively. Jugendfilm was drawn up with a similar operational structure as Neue Constantin. On the other hand, Tobis operated with fewer staff in the branch offices: the offices in Düsseldorf and Frankfurt each had two, and Hamburg and Munich had one representative each. Evidently, the company had centralized booking operations at its Berlin-based head offices and maintained only a skeleton staff of sales representatives in the field.¹²³ *Variety* confirmed that Horst Wendlandt worked with only a select number of sales people in the major cities and did not maintain any official branch offices.¹²⁴

Clearly taking its cue from the joint operations of the MPEA companies, Neue Constantin had already held talks with Jugendfilm in August 1980 to discuss merging their distribution operations. Founded in 1934, Jugendfilm was committed to children's films, but by the 1970s it carried a broader variety of genres.¹²⁵ At the meeting at Hotel Bayerischer Hof in Munich, Neue

123. "Vergleich von Personalkosten zwischen Verleihern." No date.

124. "Wendlandt's Tobis film, Berlin, Has Recipe For Distrib Success." *Variety*, 17 May 1978, p. 84; "Horst Wendlandt Emerging as Strong Man of German Cinema." *Variety*, 19 Jan. 1977, p. 40.

125. In 1980 the company reportedly acquired 14-16 acquisitions annually from the USA, UK, Italy, and France, and claimed rentals of \$6 million. Recent releases included *Love at first bite* (S. Dragoti), *Zombie II* (L. Fulci), and the rerelease of *Asterix the Gaul* (R. Goossens). For the 1980/1981 season, it had lined up *The Final Countdown* (D. Taylor) and *The Muppet Movie* (J. Frawley). "Rentals hit \$6-mil for Berlin-based Jugend Film

Constantin was represented by Ludwig Eckes, Sylvio Tabet and Horst Berger, while Jugendfilm's managing director Jürgen Wohlrabe and a second representative arrived from Berlin. Berger later reported on the discussions in a memo to Eichinger.¹²⁶ The two parties discussed merging their distribution operations as a means of gaining more "effective and powerful" exploitation of their respective releases. The two companies would remain separate entities and would handle their respective acquisitions whereas Jugendfilm would handle rentals and bookings, fulfillment, and the design and implementation of marketing campaigns on behalf of the partners. Neue Constantin would have to approve the marketing campaigns. In each branch office, one to two bookers would be assigned to Neue Constantin product. Back office operations such as accounting, collections, and legal affairs would remain with Neue Constantin. In exchange for its services, Jugendfilm would claim a distribution fee of 25% on all Neue Constantin titles until October 31, 1980, and 15% thereafter.¹²⁷

The joint venture with Jugendfilm did not happen. It is not clear for what reasons. However, it is likely that more general disagreements were brewing at Neue Constantin at the time. Shortly before the meeting at Bayerischer Hof, Sylvio Tabet had sold his shares in the company to his father-in-law and stepped down as managing director, as discussed in chapter 2.2. Then, only six months later, Ludwig Eckes sold his shares in the company to Eichinger and Bernd Schäfers. Horst Berger left the company. Thus, the three people who had led the negotiations with Jugendfilm were gone. However, Eichinger must have seen the benefits of a deal because in early 1985 *Variety* announced that, effective May 1, 1985, Neue Constantin

indie." *Variety*, 12 March 1980, p. 52.

126. Horst Berger. "Hausmitteilung: Betr. Büro- und Auswertungsgemeinschaft mit der JUGEND-FILM." Memo to Bernd Eichinger. 27 Aug. 1980. SDK, BEC. 4.3-201210-6 Neue Constantin Film (4 ½-2).

127. Horst Berger. "Hausmitteilung: Betr. Büro- und Auswertungsgemeinschaft mit der JUGEND-FILM." Memo to Bernd Eichinger. 27 Aug. 1980.

would enter a distribution joint venture with Tobis. Thus a marriage did take place, only with a different groom.

The alliance must have been surprising, not least to the staff of both companies. As Herman Weigel told me in an interview, Eichinger always considered Tobis' founder and owner, Horst Wendlandt, his adversary. Yet, by the same token, Eichinger and Weigel also had to acknowledge that Tobis was the best in the business.¹²⁸

Since its founding in 1971, Tobis Film¹²⁹ had been run very efficiently and highly profitably, as *Variety* noted in 1978.¹³⁰ Wendlandt, once postwar Germany's most prolific producer with the Edgar Wallace and Karl May franchises for Constantin Film, focused primarily on foreign acquisitions. By 1980 Tobis topped the distributor rankings, outpacing the MPEA companies, with movies such as *Caligula* (T. Brass, 1979), *Hardly Working* (J. Lewis, 1980) and *Apocalypse Now* (F. F. Coppola, 1979) generating strong returns.¹³¹

Tobis' success also came from the fact that the company was willing to experiment with new releasing strategies. Even though Neue Constantin got bragging rights for releasing *Conan the Barbarian* with 300 copies in 1982, Tobis had already paved the way for wide releases with *King Kong* (J. Guillermin) in 1977 and the Spencer-Hill-vehicle, *Io sto con gli ippopotami* (I'm with the hippo, I. Zingarelli) in 1979, as previously discussed in 2.5.

Another innovation that Tobis introduced in the German market was live appearances by movie stars on TV shows. At that time, the talk show *Heut' Abend* (ARD, 1980-1991) could reach up to 10 million viewers per episode. According to Herman Weigel, a movie star such as

128. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

129. Wendlandt's company had no legal connection to Tobis Filmkunst GmbH, which became part of the UFI trust during the Nazi regime. Wendlandt acquired the name after it became available in the late 1960s.

130. "Wendlandt's Tobis film, Berlin, Mas Recipe For Distrib Success." *Variety*, 17 May 1978, p. 84;

131. "Tobis leads German distribs; 'Caligula,' J. Lewis opus factors." *Variety*, 25 June 1980, p. 42.

Jean-Paul Belmondo appearing on the show to promote Neue Constantin's release *Der Profi* (Le Professionnel, G. Lautner, 1981) had an immediate impact on the box-office numbers for the following weekend.¹³²

Thus Tobis' knowhow impressed both Eichinger and Weigel. Moreover, according to Weigel, the two young men got along well with Tobis' managing director Kilian Rebentrost, who was of a similar age as they were and another 'young turk' in the European distribution scene.¹³³ Their alliance was most likely made more tenable after Wendlandt retreated from the distribution division and transferred control in Tobis to Rebentrost in early 1984.¹³⁴

Hence the two companies agreed to join their distribution operations. Despite the many similarities with the proposed Jugendfilm alliance, the main difference was that the new joint venture did not maintain official branch offices, but operated primarily out of Tobis' Berlin-based office. Neue Constantin's offices in West Berlin, Frankfurt, Hamburg and Düsseldorf got dismantled, leading to the lay-off of some twenty sales staff. Of those, two people remained, among them the head of the Düsseldorf branch, Michael Marbach. Marbach joined Tobis' sales force, but remained based in Düsseldorf. The costs of running the joint venture were to be split "according to each distributor's billings at year's end." Outside the sales division, both companies would continue to acquire, market and operate as separate companies.¹³⁵

No doubt, the US majors' own activities in West Germany served as a model here. The Neue Constantin -Tobis joint venture bears striking similarities with Warner-Columbia's organization, which shared back office services but had separated out acquisition and marketing

132. However, such appearances were not cheap. When Neue Constantin asked Jean-Paul Belmondo to promote the movie, Weigel was surprised to learn that the star expected a salary of DM 1 million in return for his appearance, plus travel on a private jet. Neue Constantin quietly paid up. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

133. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

134. "Tobis chief gives workers 50%." *Variety*, 7 March 1984, p. 355.

135. "Neue Constantin, Tobis to set up joint sales force." *Variety*, 13 Feb. 1985, p. 62.

activities. The Neue Constantin-Tobis joint venture was supposed to fulfill a similar purpose as the MPEA's own alliances. Eichinger was clearly keen on reducing Neue Constantin's overhead. The once-mighty Constantin distribution machine that had, in its heyday, employed over 200 people was simply too expensive. Nor was it needed. With a smaller release slate, there was simply less product to turn over.

But even more so, I argue that structural changes were prompting this contraction. As the exhibition business was consolidating into fewer but larger chains, there was less need for a large sales staff. A few sales people could service a much larger number of screens. Negotiations could now largely be conducted on the phone with the bookers from the major theater chains, which often covered a whole region or major metropolitan areas.

Finally, the declared goal of the joint venture was to furnish the two companies with "more clout in competing with the American majors for theatrical bookings."¹³⁶ This was possibly the most significant feature of the joint venture. As the headwinds were picking up, the two major independent distributors stood closer together.

3.4.3. The Benefits of Cartelization

I argue that Tobis and Neue Constantin's combined efforts not only reduced overhead expenses, but also insulated both companies from the vagaries of the marketplace and furnished it with more clout vis-à-vis other distributors and the exhibition sector.

How precarious Eichinger's strategy for reducing distribution output was can be seen from the annual distributor rankings in the second half of the 1980s. In 1986 Neue Constantin had two movies among the top 20 box-office grossers—its own production *Der Name der Rose*

136. "Neue Constantin, Tobis to set up joint sales force." *Variety*, 13 Feb. 1985, p. 62.

(The Name of the Rose, J. J. Annaud) and domestic acquisition *Feuer und Eis* (Fire and Ice, W. Bogner)—and ranked fifth in market shares behind UIP, Fox, Warner-Columbia, and the newly-merged Futura-Filmverlag.¹³⁷ However, the following year, Neue Constantin did not have a single movie among the ten highest-grossing releases whereas Tobis had the top box-office hit, *Otto—Der neue Film* (Otto, the sequel, X. Schwarzenberger, 1987).¹³⁸ Then, in 1988, Neue Constantin bounced back with three hit movies: its own English-language production *Ich und er* (Me and Him, D. Dörrie, 1988), German-language comedy *Man spricht deutsch* (German spoken, H. C. Müller, 1988) and domestic acquisition *Die Katze* (The Cat, D. Graf, 1988). Tobis had the second-highest grossing movie of the year, *Ödipussi* (V. von Bülow, 1988).¹³⁹ For that year the combined Tobis/Neue Constantin distribution operation came in second in the distributors' rankings, with a market share of 24.9% with 12 releases, right behind UIP, which had a share of 27.5% with 20 releases.¹⁴⁰ Finally, for 1989 fortunes changed yet again. UIP dominated the market with 36.8% of the market share, followed by Warner Bros. with 14% and Fox with 7.7%. Neue Constantin and Tobis each had only 6% and 5.9%, respectively; however, together they came to 11.9% and thus third place in the distributors' rankings.¹⁴¹

As these wild swings show, distributor rankings for Neue Constantin and Tobis depended heavily on whether they carried a hit movie or not. Yet distributor rankings were more than a parlor game for these companies. The ranking and concomitant market share determined their relative clout vis-a-vis the exhibitors. If a distributor could consistently deliver box-office hits, theater bookers were more willing to afford the distributor's sales staff favorable time slots and

137. "Market profile: Germany 1986." *Screen International*, 15 Feb. 1987, p. 32.

138. "Market profile: West Germany 1987." *Screen International*, 13 Feb. 1988, p. 40.

139. "Market Profile: Germany (Federal Republic of)." *Screen International*, 6 May 1989, p. 25.

140. "Top 100 Deutschland 1988." *InsideKino.de*. 11 December 2004.

<https://www.insidekino.de/DJahr/D1988.htm>. Accessed 13 July 2020.

141. "Euroscope Germany: Distrib/Exhib." *Screen international*, 29 Sep. 1990, p. 26.

rental terms. Jack Kindred of *Variety* noted in 1989 that West German independent distributors had difficulties in finding slots: “Some companies even lose money on promising pick-ups simply because they cannot obtain playdates.”¹⁴² On the other hand, a steady and reliable distribution output could secure exhibitors’ confidence and thus guarantee stable relations. The occasional misfire would be forgiven by an exhibitor and could be balanced out in the books if another promising title was coming up in the line-up. The Neue Constantin/Tobis joint venture could assure theater owners that the combined output of the two companies would feed the pipelines in regular intervals with enough hits to keep the moviegoers coming back. And finally, Neue Constantin and Tobis could coordinate their release schedules and avoid direct competition between their movies.

Clearly, joining forces had its obvious benefits to the partners. Yet, given this competitive environment, it is surprising that so few other companies followed suit. In fact, Joseph Garncarz observes that mergers or alliances such as Neue Constantin and Tobis were a rarity in postwar German film history.¹⁴³ The only other merger to occur at that time was between Filmverlag der Autoren und Futura in 1985. However, that move was linked more specifically to Futura’s owner, Theo Hinz, who was hired to be Filmverlag’s managing director and then brought his own company into the fold.¹⁴⁴ It was not until 1989 that another distribution joint venture occurred, this time between Tivoli and Concorde. Owned by producer Karl Spiehs (who had founded and then sold C-Film to Ludwig Eckes in 1977), Tivoli released its own productions, such as comedy *Zärtliche Chaoten 2* (Three Wild Jerks, H. Dressler, 1988) as well as American acquisitions, such as *Mystic Pizza* (D. Petrie, 1988) and *Bill and Ted’s Excellent Adventure* (S. Herek, 1989),

142. Jack Kindred. “Yank majors push smaller Teuton distribs to brink.” *Variety*, 18 Oct. 1989, p. 341.

143. Joseph Garncarz. *Hollywood in Deutschland*, p. 27.

144. “Munich Profiles: Theo Hinz, head of Futura/Filmverlag der Autoren.” *Screen International*, 25 June 1988, pp. 12, 14.

whereas Concorde focused on arthouse acquisitions such as *Pelle the Conqueror* (B. August, 1987) and *Das Spinnennetz* (Spider's Web, B. Wicki, 1989). The two companies were still responsible for their own acquisitions, but would release films through the joint operation.¹⁴⁵

Evidently, after four years, Tobis/Neue Constantin joint venture had demonstrated its usefulness to other independent companies and invited imitation. Nevertheless, the distribution joint venture among the non-MPEA companies remained a rarity in Germany. In 1990 *Film-Echo Verleihkatalog* listed sixteen film distributors with nationwide distribution operations.¹⁴⁶ Four of them were MPEA companies: Columbia-TriStar, Twentieth Century-Fox, UIP, and Warner Bros, whose combined market share was over 58%.¹⁴⁷ The other twelve major companies, along with the regional and specialized distributors, had to divvy up the remaining 42% among them.

But the days of cartelization were counted. Increased competition was about to come to the distribution sector once again.

3.4.4. Splitting Up Together

Whereas in the 1970s the MPEA companies had built powerful distribution cartels in times of retrenchment and financial insecurity, the companies had reaped the benefits of that consolidation and built out their market power in the international markets. In the 1990s, that consolidation was now giving way to renewed competition as the MPEA companies were keen on reaping the most rewards from a growing international marketplace.

That market was growing especially in Germany after the introduction of Deutschmark in the German Democratic Republic in June 1990 and the subsequent unification of West and East

145. Jack Kindred." Concorde and Tivoli enter pact to co-release pix in Germany; other operations remain separate." *Variety*, 10 May 1989, p. A7.

146. *Film Echo Verleihkatalog 1990/1991*. Wiesbaden: Verlag Horst Axtmann GmbH, 1990.

147. "Euroscope Germany: Round-Up." *Screen International*, 29 Sep. 1990, p. 34.

Germany in October 1990. In September 1990 *Screen International* noticed that the American major studios and West German distributors were already moving into eastern German states, “helping to revamp its unprofitable and outdated entertainment infrastructure along Western lines.”¹⁴⁸

The “revamp,” at least initially, turned into an economic decline in the five, so-called “neue Bundesländer” (new federal states): Berlin, Brandenburg, Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt, and Thuringia. Sabine Hake points out that after unification ticket sales in eastern Germany dropped significantly—in some areas by 40%—due to higher admission prices and lower discretionary incomes. This led to many movie theater closings.¹⁴⁹

Many single-screen theaters did indeed close down in eastern Germany. In 1990 there were 504 theaters: 477 of those had one screen, 26 two screens and one had three screens.¹⁵⁰ By 1994 only 368 theaters remained. However, the overall number of screens had dipped only slightly, with 473 for the entire region, because many single-screen theaters had been replaced with multiplexes of two to eight or more screens.¹⁵¹

Nevertheless, overall theater admissions rose significantly for the entire country. Whereas in 1990 admissions in the “old” Bundesländer had been around 102.5 million, by 1993 admissions for the whole Federal Republic of Germany had risen to 130.5 million.¹⁵² And those admissions were heavily skewed in favor of the MPEA companies. In 1993 market share for German movies had dropped to a historic low of 7.2%. In contrast, US movies accounted for a staggering 87.8% of rentals. Italian and French movies had completely disappeared from the

148. Tom Porteous. “Unification excites trade.” *Screen International*, 29 Sep. 1990, p. 17.

149. Sabine Hake. *German National Cinema*, 2nd edition. New York: Routledge, 2008, p. 196.

150. SPIO. *Filmstatistisches Taschenbuch 1992*, p. 21.

151. SPIO. *Filmstatistisches Taschenbuch 1995*, p. 21.

152. SPIO. *Filmstatistisches Taschenbuch 1991*, p. 32; SPIO. *Filmstatistisches Taschenbuch 1995*, p. 33.

box-office charts — no more Jean-Paul Belmondo, Bud Spencer or Terence Hill. The ten highest-grossing movies were released by the MPEA companies. Warner Bros. benefited the most from this uptick. With 19 releases, it managed to gain a market share of 23%. Its highest-grossing movies were *The Bodyguard* (M. Jackson, 1992), *Beauty and the Beast* (G. Trousdale, 1991), and *Sister Act* (E. Arolino, 1992) — the latter two released on behalf of Disney. UIP was not far behind with 21.3%, powered by the overriding box-office success of *Jurassic Park* (S. Spielberg, 1993). Columbia Pictures commanded a share of 16%. German independent distributors came to a combined total of only 18.4% market share in their own territory.¹⁵³

Disney was also represented in the top ten, for the first time as a solo distributor with the re-release of *The Jungle Book* (1967). Buena Vista International had just launched its own international distribution network over the course of the previous year. BVI Germany was set up in early 1992, headed by a former exhibitor at UCI, Wolfgang Braun.¹⁵⁴ The expansion of its international distribution network came on the heels of a likewise expansion of its production slates. In the late 1980s Disney had launched two new labels, Touchstone Pictures and Hollywood Pictures, for more adult-skewed movies outside of its traditional family movies. In 1993 Disney anticipated releasing some 20 to 25 films.¹⁵⁵

I argue that BVI's move is instructive as to the potential limitations of the MPEA companies' distribution partnerships. BVI's president of foreign theatrical distribution, Bill Mechanic, pointed out the disadvantages of having released Disney product through Warner Bros. previously: "In the past we set our strategies but we did not have the ability to execute them. In some [territories] the execution was very good, in others it was less than very good.

153. "US scenes still fill German screens." *Screen International*, 14 Jan. 1994, p. 68; "1993 International Box Office: Germany." *Screen International*, 28 Jan. 1994, p. 12.

154. Don Groves. "UCI's Braun to head BV Intl. in Germany." *Variety Europe*, 30 March 1992, p. 43.

155. Don Groves. "Mouse not meek in distrib jungle." *Variety*, 2 Nov. 1992, pp. 33, 40.

There's a difference between people who work for you, and people who work for someone else. Now, if we mess up it's our fault and it's in our grasp to fix it."¹⁵⁶

Thus, despite the apparent alignment of interests in such deals, Disney clearly felt at the mercy of Warner Bros.'s staff in the territories it served. Therefore, opening its own international branch offices and employing staff who was directly accountable to Disney/BVI headquarters in Burbank would give the company more control over the execution of its marketing and release campaigns.

But there is another element to Disney's decision to set up a branch office in Germany right after unification. Film industry scholar Nolwenn Mingant observes that the US studios have traditionally paired up with local partners or with other majors to open a new market. However, once the political and economic situation is deemed stable and the respective market yields enough potential revenue, each major will go it alone.¹⁵⁷ Therefore the decision for the US major studios to pair up in West Germany in the 1970s and 1980s had been a sign that they did not deem the theatrical market "mature" enough, i.e. financially lucrative. However, by the 1990s that sentiment had changed. Disney's decision to 'go solo' was therefore an expression of its increased confidence in the German market.

Disney was not the only major Hollywood studio to go it alone. After its divorce from Warner Bros. in 1986 Columbia-Tristar had set up its own subsidiary in Germany, as had 20th Century Fox. In 1994 yet another distributor took its cue from Warners' and Disney's moves. In January 1995 Neue Constantin and Tobis Film announced the dissolution of their partnership. Following the commercial success of its production *Der Bewegte Mann* (Maybe, Maybe Not, S.

156. Don Groves. "Mouse not meek in distrib jungle." *Variety*, 2 Nov. 1992, pp. 33, 40.

157. Nolwenn Mingant. "A peripheral market? Hollywood majors and the Middle East / North Africa market." *The Velvet Light Trap*, #75, Spring 2015, pp. 74-75.

Wortmann, 1994), Neue Constantin decided in July 1994 to end the joint venture and set up its own distribution system.¹⁵⁸ Evidently, Neue Constantin Film, which would be rechristened Constantin Film, was following the example of the MPEA companies and felt emboldened to release movies on its own again.

But it was not just a matter of simple imitation. The distribution business as such had changed since 1985. *The Hollywood Reporter* quoted Tobis head Kilian Rebstroff as saying, “There has been a big change in the theaters with computer technology etc., which makes distribution easier.”¹⁵⁹ It was not just computer technology that made distribution easier. As Michael Marbach, Neue Constantin’s former head of distribution, told me in a phone interview, in 1995 he could now set up a distribution apparatus with only four sales people based in Munich. They were in charge of the distribution regions in Munich, Frankfurt, northern Germany, western Germany and eastern Germany. Marbach, who operated from his base in Düsseldorf, was in charge of the key cities and the major chains. Consolidation in the movie theater business had made a large salesforce redundant. Marbach no longer needed branch offices with a dedicated salesforce working out in the field. Marbach explains: “It got easier [...] because you no longer had to drive out to the clients and sell them on the movie. Every movie got played now.”¹⁶⁰

In this way structural changes in the exhibition sector affected distribution practices and made Marbach’s work much easier, by his own account. Moreover, the rise of the multiplexes with their eight to thirteen screens had broken up the “first-run bottleneck” and increased the number of playdates available for distributors. Now theaters took the movies without much

158. Jack Kindred. “Neue Constantin, Tobis split.” *The Hollywood Reporter*, 17 Jan. 1995.

159. Jack Kindred. “Neue Constantin, Tobis split.” *The Hollywood Reporter*, 17 Jan. 1995.

160. Michael Marbach. Former Head of Distribution. Phone Interview by Author, 18 Aug. 2015, Essen/Berlin, Germany; my translation.

convincing by the distributor's sales staff. I will discuss those changes in the next chapter.

3.5. Chapter Conclusion

In film studies globalization and Americanization are often used to denote the same phenomenon—the international expansion of the American film industry—but from two different perspectives. Whereas the Hollywood perspective prefers globalization to denote a more detached, economic position, European policymakers and filmmakers like to speak of Americanization to suggest that these processes represent an imposition of cultural values and practices.

In this chapter I have tried to negotiate between these two perspectives. I have suggested that the traditional big-picture approach of political economy misses the "push-and-pull" efforts by local players such as Neue Constantin Film that blur the lines between American and European film industries. The expansion of the US film industry cannot be studied in terms of big-picture policy quarrels alone, but must also be examined "from the ground up," so to speak, by looking at the actions of local actors on both sides of the Atlantic. This allows us to view Americanization not as an abstract, inexorable force—or even as the Machiavellian tactics of big government and large, multinational corporations—but rather as specific practices by individual players: producers like Dino De Laurentiis, Mario Kassar and Andy Vajna and distributors like Bernd Eichinger and Herman Weigel of Neue Constantin or Horst Wendlandt and Kilian Riebetrob of Tobis. In fact, in terms of the German industry professionals we can speak of "self-Americanization" because these agents sought out American films and appropriated certain practices from the American film industry by their own accord.

That is not to say that the MPEA companies did not play a significant role. But some of

their actions are precluded by the work of independent producers, distributors and exhibitors that had set up a busy trade in international productions and had rung in the age of globalization in the film trade long before it became a rallying cry for national interests on either side.

This happened for Neue Constantin Film because Bernd Eichinger realized that his greatest challenge was getting access to product. Deciding that his domestic production market did not supply the type of product he wanted, he turned to the import market, and specifically the independent presales market. This market was geared towards supplying local distributors with a type of product that had traditionally only been available from the MPEA companies: glossy, big-budget “American” movies with star attachments and high production values. These independent productions were often steered by European-born producers, most prominently by Dino De Laurentiis and Mario Kassar & Andrew Vajna, who had an insight into the demands of the international markets and, through their base in the USA, could access Hollywood talent and North American distribution.

However, as the financial risks of these big-budget productions exposed the precarious nature of the presale business, independent producers like Carolco and De Laurentiis got caught up in bankruptcies while the major Hollywood studios expanded their control over this side of the business. By the mid-1990s local distributors like Neue Constantin Film could only access high-profile titles from Hollywood by contracting directly with studio-based producers through output deals. But although such deals were intended to align the interests of US producers and international distributors more closely than the one-off presale deals, they also tied the local distributors to one particular type of product with little control over or input into its conception or production. In consequence, Neue Constantin found only little commercial value in the three output deals it struck with suppliers Mandalay Entertainment, New Line Cinema and Spyglass

Entertainment. I have argued that the movies from these studio-based producers were in fact “too American” for the German market. For Neue Constantin, the “self-Americanization” process might have reached its limits at that point. The company would focus more on domestic productions, as I shall discuss in chapter 6.

Yet the international expansion of the American film industry propelled by the independent producers of the 1980s and the semi-independent producers of the 1990s ultimately benefited the major Hollywood studios. Their strategic efforts at dominating international markets is probably best expressed by this quote from Tino Balio: “As described by Time Warner, globalization dictated that the top players in the business develop long-term strategies to build on a strong base of operations at home while achieving ‘a major presence in all of the world’s important markets.’ In practice, this meant that companies upgraded international operations to a privileged position by expanding ‘horizontally’ to tap emerging markets worldwide, by expanding ‘vertically’ to form alliances with independent producers to enlarge their rosters,’ and by ‘partnering’ with foreign investors to secure new sources of financing.”¹⁶¹

After the crises of the early 1970s in their home market many Hollywood major studios had joined up to merge their international distribution operations or consolidated them into joint ventures. These cost-saving measures, in turn, created powerful cartels in the different international markets. The three MPEA members—UIP, Warner-Columbia, Fox-Disney—slowly rose to dominance in the West German distribution market over the course of the 1980s. In an effort to compete with the MPEA joint ventures, Neue Constantin and Tobis merged their own distribution operations. Using Tobis’ more streamlined distribution network allowed Neue Constantin to disband its own regional sales offices and reduce its overhead expenses. However,

161. Tino Balio. "A major presence in all of the world's important markets. The globalization of Hollywood in the 1990's." *Contemporary Hollywood Cinema*, ed. by S. Neale, M. Smith, Routledge, 1998, p. 58.

with the expansion of the German theatrical market after reunification, the MPEA companies as well as Tobis and Neue Constantin disbanded their joint ventures and rebuilt their respective distribution operations.

Yet Neue Constantin's rebuilding of its distribution business was not merely another act of "self-Americanization." The company was responding to some fundamental changes that had occurred in the exhibition sector. I will now turn to the German exhibition business in the 1980s and 1990s, a story of Americanization in two stages.

Chapter 4: Changes in the Exhibition Business

4.1. Chapter Introduction

In this chapter I examine two more sectors in terms of the Americanization processes of the 1980s and 1990s: exhibition and moviegoing. Here, again, I want to differentiate between processes that were initiated by German actors and those imposed on them by American players. In this chapter I argue that the West German exhibition sector experienced Americanization efforts in two successive waves. In the first phase exhibitor Heinz Riech appropriated the multi-screen theater concept from the USA for his West German circuit. Exhibitors in the American Midwest first developed this concept and built theaters with multiple screening rooms that could play different films concurrently. Riech applied this concept to his own circuit, which became known in West Germany as the "Kinocenter" concept. Riech's efforts represent a case of selective appropriation since he subdivided the vast auditoriums of the showcase theaters he had purchased into smaller screening rooms. Unlike the USA where moviegoing had migrated mostly to the suburban mall areas, the West German metropolitan downtown areas remained the centers for moviegoing. I argue that the "Kinocenter" concept, albeit reviled by many critics, in fact saved the exhibition sector by making the individual theaters more efficient at a time when many were still struggling with declining admissions numbers.

However, Riech's subsequent expansion efforts led to a wave of consolidations in the exhibition market. Riech-Ufa's ruthless exertion of monopoly power and the lack of modernization in its theaters by the late 1980s prompted both Neue Constantin and the US theater chains United Cinemas International (UCI, Paramount and Universal's international theater division), American Multi-Cinemas (AMC) and Warner Bros. International Theaters

(WBIT) to introduce the modern multiplex concept to Germany. In this second wave of Americanization the initiative for change came from both American players and domestic players. Eichinger partnered with WBIT in conceiving and building the first 13-screen multiplex, the Cinedom, in Cologne in 1991. This exhibition concept exemplified Eichinger's vision of cinema as both an immersive sensory and emotional experience and as a social gathering site. I contend that in this case Eichinger and the American concerns showed a better understanding of the needs and demands of moviegoers than the traditional theater chains including Riech-Ufa had exhibited previously.

This leads me to the final sector, moviegoing, which was both affected by the expanding availability of American movies and, in turn, further propelled that expansion. I proceed from the assumption that moviegoers are active, cognizant agents whose decisions and actions impact and influence the decisions made in the other sectors. Over the course of the 1980s moviegoers developed a clear liking for American films and thus prompted distributors to acquire, and exhibitors to schedule, more such movies. With this argument I counter the view of much traditional film scholarship that the MPEA companies simply overpowered audiences and the marketplace in general with sheer leverage and distribution prowess. Finally, I argue that we must consider all four sectors—film financing, domestic distribution, exhibition and moviegoing—in a constant push-and-pull interaction with each other. Decisions and actions taken in one sector will impact all other sectors in one way or another. Moviegoers are therefore just as much an industrial factor as financing, distribution and exhibition in a thorough understanding of the film marketplace.

4.2. The Age of the “Schachtelkino”

For most of the postwar period the West German exhibition sector had depended on a system of “runs” and “zoning.” Similar to the USA, this system divided theatrical exhibition into first-run, showcase theaters in the downtown areas of large cities (“Erstaufführungstheater”) and second and third-run theaters in the outskirts of the cities and in smaller and rural communities (“Nachaufführungstheater”). The zoning practice disallowed theaters in the same geographic area to show the same movie in the same time frame, and thus protected a first-run theater’s exclusive access to the movie product. However, the rise of multi-screen theaters (so-called “Kinocenters”) in the downtown areas of large cities over the course of the 1970s and 1980s contributed to the erosion of the former showcase theaters’ privileged status.

The multi-screen theater concept was based on the idea of subdividing former single-screen, showcase theaters into multiple auditoriums. Theater owner Heinz Riech had imported the idea from the USA and applied it to his own theaters in northern and western Germany in early 1970. Derisively called “Schachtelkinos,” these theaters garnered much protest from industry critics. However, I argue that the multi-screen concept saved the West German exhibition sector as an industry because it increased efficiencies in a sector dealing with a rapid customer decline.

In addition, the subdivision of existing theater spaces increased the number of available screens in the downtown centers. This broke the bottleneck of the showcase theaters and made distributors’ “saturation” release campaigns feasible: distributors like Neue Constantin could open a movie in several theaters in the same zone simultaneously and thereby “saturate” that particular market with film prints. This put pressure on the traditional showcase theaters that saw their once-privileged status erode.

However, these industrial changes did little to alleviate anti-competitive practices inside the exhibition sector. I argue that the multi-screen operators fell prey to the same monopolistic instincts that had previously plagued the showcase system: the most lucrative multi-screen locations were consolidated into a few large chains that dominated the downtown areas of the major cities and threatened other theater operators with anti-competitive practices.

4.2.1. The “First-Run Bottleneck” Under Attack

In 1981 Neue Constantin rang in the age of wide releasing at movie theaters. So far, we have only looked at the distributors’ perspective in promoting such practices. In this subsection I examine the effects such distribution strategies had on exhibitors. I argue that “saturation releasing”—i.e. renting a movie to multiple theaters in the same exhibition area or “zone” for the initial run—laid open deep divisions between first-run theaters and second-run theaters that had been simmering for over a decade.

In September 1989 theater owner Fritz Preßmar, Jr. sent a letter to Bernd Eichinger and other distributors with this alarming subject line: “The continuing excesses of saturation releasing [“Mehrfachvermietung”] that benefit rich theater chains and multi-screen cinemas will lead, if nothing is done, to the financial ruin of the last big, prestigious and family-owned first-run houses.”¹

First erected in 1913, the Sendlinger Tor movie theater was built as Munich’s first “movie palace,” strategically erected at the southern tip of the downtown area where several main thoroughfares intersect.² In 1946 Fritz Preßmar senior took over operations of the theater from

1. Fritz Preßmar, Jr. Letter to Bernd Eichinger. 5 Sep. 1989. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM - 2 (2 2/2); my translation.

2. “Filmtheater Sendlinger Tor.” *Filmtheater Sendlinger Tor GmbH*. www.filmtheatersendlingertor.de/infos-und-historie/historie. Accessed 25 Aug. 2019.

the occupation government. As his son, Fritz Preßmar, Jr., told me, in those postwar years the theater counted nearly one million admissions per year. At that time the business could rely solely on ticket sales for its profits. Sales from concessions did not matter much to the bottom line. However, nowadays the theater counts approximately 100,000-120,000 admissions per year, and even with higher ticket prices the theater only survives with concession sales and “four-walling,” i.e. renting out the theater for special events. Of the 36 first-run, single-screen theaters that existed in Munich’s inner city in the 1950s, only two, the Sendlinger Tor and Gloria cinemas, were still in operation in 2015.³

Preßmar’s letter to distributors specifically called out saturation releasing as the main culprit in undermining the business model of first-run, single-screen theaters like his. He acknowledged that certain blockbuster titles such as a James Bond movie, an *Otto* film or a Walt Disney movie could justifiably be started in several theaters at the same time. However, even in those cases, in a city like Munich the movie should not run in more than three to four theaters simultaneously. But for Preßmar the real problem lay with movies that were not blockbusters but were distributed in a similar saturation pattern. In Preßmar’s view distributors had succumbed to a form of one-upmanship, racing to see which distributor could secure the most theaters for their release campaigns.⁴

I assert that Preßmar’s reproach to distributors revealed a very important economic question at the heart of distributor-exhibitor relationship: who gets access to the film prints, and when? In this context it is easy to misconstrue zoning as the expression of a distributor’s leverage. In fact, certain exhibitors had a strong interest in maintaining that practice. In West

3. Fritz Preßmar, Jr. Theater Owner, Sendlinger Tor Theater, Munich. Phone Interview by Author, 19 Aug. 2015, Munich/Berlin, Germany.

4. Fritz Preßmar, Jr. Letter to Bernd Eichinger. 5 Sep. 1989.

Germany the traditional, postwar exhibition era was marked by the strict division between glitzy, first-run movie palaces in the downtown areas of large cities (“Erstaufführungstheater”) and more mundane, second-run theaters in the outskirts of the cities and in smaller and rural communities (“Nachaufführungstheater”). The distributors’ zoning practice, which disallowed theaters in the same geographic area to show the same movie in the same time frame, effectively protected a first-run theater’s premiere status and its exclusive access to this product. The “Erstaufführungstheater” would show the movies for a certain period of time before the prints were then passed on to the “Nachaufführungstheater.”

In West Germany the practice continued even after the rapid decline of admissions and the closures of theaters in the 1960s. The overall number of theaters plummeted from its peak of 6,950 in 1960 to just above half that number, 3,446, only ten years later. By 1989 there were only 3,216 theaters nationwide left.⁵ However, according to my calculations, many of the closings had occurred in communities of 10,000 inhabitants or less and in the big cities of 100,000 and more. In those places the numbers shrank by up to three quarters. On the other hand, in mid-sized cities between 10,000 and 100,000 inhabitants the overall theater numbers dropped only marginally or even rose in some instances.⁶

Moreover, the decline in theatrical admissions did not decimate the number of downtown theaters in West Germany in the way it did in the USA. On the contrary, with rising mobility, German moviegoers in the suburbs and small towns abandoned their local “Nachaufführungskinos” and drove straight into the city centers to watch new releases in the first-run theaters. Unlike the USA, West German city centers remained vibrant commercial and

5. SPIO. *Filmstatistisches Taschenbuch 1961*, p. 26; SPIO. *Filmstatistisches Taschenbuch 1970*, p. 10; SPIO. *Filmstatistisches Taschenbuch 1990*, p. 18.

6. Data sourced from: SPIO. *Filmstatistisches Taschenbuch 1960*, p. 23; SPIO. *Filmstatistisches Taschenbuch 1971*, p. 10; SPIO. *Filmstatistisches Taschenbuch 1990*, p. 20

social meeting spaces. The downtown areas of major cities like Hamburg, Frankfurt, Cologne, and West Berlin, which were largely bombed out during the war, benefited from the massive urban redevelopment that occurred in the post-war period. Hamburg's inner-city "Mönckebergstraße" and "Jungfernstieg" and West Berlin's famous "Kurfürstendamm" were able to regain the status as posh shopping and entertainment centers that they had held before the war. Neither did the other major metropolises—Düsseldorf, Stuttgart, Hanover, and Munich, which survived the war largely intact—experience the type of "urban flight" that many US cities experienced in the 1950s and 1960s. However, this appeal of the downtown locations led to a bifurcation of the theater business. As the significance of the first-run theaters in the big city metropolises rose, the theatrical business became dominated by about 300 first-run theaters in the early 1970s. According to film industry scholar Hans Strobel, those theaters exerted pressure on distributors to grant them the exclusive runs in their districts. This allowed first-run exhibitors in West Germany to play a movie without competition from another theater in their district for as long as they wanted.⁷

What effect this had on the "Nachaufführungstheater" can be seen from an article by theater owner Ingo Haug published in *Film-Echo/Filmwoche* in November 1975. Haug claimed that because of the run-zone practice, second-run theaters like his could not get access to popular movies and were being pushed to the brink of bankruptcy. First-run theaters kept "hit movies" for months on their schedules and prevented second-run theaters from participating in the runs. At the same time, distributors allegedly kept the supply of those movies artificially low by

7. Hans Strobel. "Die Krise der Filmwirtschaft; Ursachen und Reformvorschläge." *epd/Kirche und Film*, Nr. 4, 1971, p. 7. First-run, single-screen theaters like the Sendlinger Tor theater or the Tivoli theater (which the Preßmar Family had built in 1954 in Munich's downtown shopping area) could generate solid business well into the early 1980s. Preßmar told me that he played the movie *Amadeus* (1984) for 64 straight weeks at the Tivoli exclusively in the Munich region. Fritz Preßmar, Jr. Phone Interview by Author, 19 Aug. 2015, Munich/Berlin, Germany.

striking too few copies.⁸

What is remarkable here is that Haug was not asking for a different type of movies. He requested the same blockbuster movies to which the first-run theaters got privileged access. An editorial that followed Haug's article a couple of weeks later in *Film-Echo/Filmwoche* argued in favor of second-run theaters, but had to concede that first-run exhibitors had little incentive to let go of their first-run status: "any appeal to dispense with their right to first run is equivalent to the request that they relinquish profits for the benefit of a third party." The editor concluded that hence the responsibility lay with the distributor to strike more copies.⁹

As the official publication of the exhibitors' trade group, editorials in *Film-Echo/Filmwoche* allow a window onto the exhibitors' internal debates. What we are witnessing here is a power struggle inside the exhibition sector that saw second-run theaters rear up against the domination of a small group of first-run theaters. In this context, then, Preßmar's letter illustrates the gradual erosion of the traditional run-zone system that had, so far, effectively granted his theaters a virtual monopoly on running certain films in their opening run.

However, the controversy between first-run and second-run houses was only one layer of the conflict simmering at the time. By the late 1980s the industrial landscape had become even more complex. In fact, Preßmar's letter was not directed against the intrusion of second-run theaters onto his first-run monopoly. He argued that the distributors' saturation strategies actually benefited multi-screen theaters and a few large exhibition chains.¹⁰ The more serious threat that single-screen showcase theaters like Preßmar's Sendlinger Tor and Tivoli theaters experienced therefore came from a second development: the rise of the multi-screen cinema centers. These

8. Ingo Haug. "Das hartnäckigste Problem der Filmwirtschaft." *Film-Echo/Filmwoche*, 21 Nov. 1975.

9. "Die Quadratur der Spielfolge." *Film-Echo/Filmwoche*, 17 Dec. 1975, p. 3; my translation.

10. Fritz Preßmar, Jr. Letter to Bernd Eichinger. 5 Sep. 1989.

“Kinocenters,” as they were known in German, remodeled existing single-screen theater locations into two to six screening rooms, thus multiplying the available number of screens at each site. This exhibition format quickly spread across Germany and became the dominant model for much of the 1980s. And dominance is the key word here. Because certain cinema chains became so powerful in their respective regions that they made even distributors cower. And the undisputed “Kino-König” was Heinz Riech of the Riech-Ufa chain.

4.2.2. The Age of the “Kinocenter”

In this subsection I argue that the adoption of the multi-screen theater concept in West Germany in the 1970s reformed the ailing exhibitor sector.

The man most closely associated with the rise of multi-screen theaters is Heinz Riech. Born in 1922 in East Prussia, after World War 2 Riech built a chain of thirteen theaters in North Rhine-Westphalia. However, anticipating the decline of the provincial theaters, between 1959 and 1966 he sold off his small-town venues and focused on leasing downtown theater sites in Munster, Brunswick, Düsseldorf, and Hamburg.¹¹ Then, in 1971, Riech opened the first multi-screen cinema center in Germany with the Kino-Center complex in Hamburg. Riech’s Kino-Center movie theater was located right next to the Central Station and Mönckebergstraße, the main shopping area. Riech’s cinema converted the space of three former restaurants into four screenings rooms that shared the lobby, ticket booth, projection booth, and concession stall.

Riech appropriated the multi-screen cinema concept from the USA. Kansas-based exhibitor Stanley Durwood had opened the first “twin theaters” in a Kansas City shopping mall in 1963. The theaters shared a common lobby, box-office, projection booth, and concession

11. Gunhild Freese. “Riechs richtiger Richer.” *Die Zeit*, 3 March 1972.

stand. Durwood's American Multi-Cinema (AMC) corporation followed with four and six-theater complexes in 1966 and 1969. The multi-screen concept spread quickly throughout the USA with approximately one hundred new theaters built between 1965 and 1970.¹² I argue that by adopting the American model Riech introduced a first wave of Americanization to the West German exhibition sector. Riech took the basic architectural design and operating procedures from Durwood's multi-screen format and applied them to a specific West German context. Whereas AMC's theaters were concentrated on the suburban outskirts of the metropolitan areas, and more specifically linked to shopping malls, the "kinocenter" concept, as it came to be known in Germany, stuck close to the downtown areas with their easy access to public transportation and shopping and dining venues.

However, the real innovation that Riech introduced with the multi-screen concept was the way it wrought efficiencies from the existing exhibition system. With staggered screening times the same theater staff who had previously serviced one auditorium—cashier, usher, projectionist, and concession stand worker—could now support up to four screening rooms at the same time. A theater's lease and overhead would be amortized across four movies rather than one. Moreover, with up to four films on offer at the same time, an exhibitor had better chances that one of them might be a box-office hit.

But even more importantly, each individual movie could be exploited longer and more efficiently. In 1972 Riech acquired the Ufa theater chain from the Bertelsmann concern.¹³ At the time of the acquisition Riech controlled 17 theater sites. With the Ufa chain, he added another 35

12. Suzanne Mary Donahue. *American Film Distribution: The Changing Marketplace*. Ann Arbor, MI: University of Michigan Press, 1987, p. 106.

13. Gunhild Freese. "Riechs richtiger Richer." *Die Zeit*, 3 March 1972. The theaters had been part of the Ufa package that Bertelsmann acquired in 1962. But the music and print publishing company wanted to relinquish its Ufa assets in the late 1960s along with its Constantin Film shares (see chapter 1.5).

regular theaters and five drive-in theaters. Most significantly, the majority of the Ufa theaters were downtown movie palaces in some of the largest West German cities, among them the prestigious Marmorhaus in Berlin and the Ufa Palast in Hamburg.¹⁴ In 1974 Riech had the latter's 988-seat auditorium turned into seven smaller screening rooms.¹⁵ The multi-screen set-up allowed Riech more flexibility with the auditorium sizes. For, when the audience for one title dwindled over time, that same print could be moved to a smaller screening room and thus continue playing at the same location. When a distributor like Neue Constantin insisted on a six-week minimum engagement the exhibitor could then play the movie in the screening room that matched the actual audience size.

Critics called the kinocenter screening rooms derisively "Schachtelkinos" (shoe-box theaters). However, I argue that by showing this type of flexibility the multi-screen principle saved the West German exhibition sector. With declining overall theatrical admissions few cinemas could fill screening halls of 900 or more seats. In 1974 only 136.2 million moviegoers entered West German theaters annually, compared to 320 million ten years earlier; by 1989 West German movie theaters counted 101.6 million annual admissions.¹⁶ Having the flexibility to move prints between auditoria of various sizes allowed the kinocenter operator to ensure the most efficient occupancy rate for his theater. In a sense the movie theaters were 'shrunk' down to match the size of the actual audience attending the cinemas.

Yet there were also exhibitors who lost out in the competition with the kinocenters. With his letter from November 1989 Preßmar attached an earlier letter he had sent to distributors two

14. Fritz Rumler. "Ich habe Film nie als Kunst betrachtet." *Der Spiegel*, 18 Sep. 1972, p. 150; "Es wird weiter fusioniert." *Die Zeit*, 12 May 1972.

15. "Ufa Lichtspiele Lessing Theater." *Filmmuseum Hamburg*. www.filmmuseum-hamburg.de/index.php?id=57&ds_id=454. Accessed 15 Jan. 2016.

16. SPIO. *Filmstatistisches Taschenbuch 1970*, p. 14; SPIO; *Filmstatistisches Taschenbuch 1980*, p. 10; SPIO. *Filmstatistisches Taschenbuch 1990*, p. 28.

years earlier. In that letter he had already decried the practice of letting a four-screen cinema play the same movie next to a single-screen showcase theater. According to Preßmar, a single-screen theater was much more dependent on the returns of that one movie whereas the multi-screen complex could rely on revenue from three additional screening rooms: “A four-screen kinocenter that has a combined total capacity of 600 seats and an estimated average weekly revenue of DM 15,000 per screen comes to a total revenue of DM 60,000. On the other hand, the single-screen showcase theater with 600 seats that plays the same movie earns only DM 15,000 and still has to cover its only marginally lower costs from those same revenues. This leads to substantial deficits.”¹⁷ In Preßmar’s view the playing field was tipped in favor of the multi-screen theaters.

However, it was not just the showcase theaters that were under threat. Moving a film print from one screening room to another led to extended runs inside the kinocenter. This could also siphon potential customers away from the “Nachaufführungstheater.” Rather than wait for a movie to arrive at their neighborhood theater, moviegoers would drive to the downtown kinocenter. This contributed to the closures and declining numbers of second-run theaters.¹⁸

Finally, the converted kinocenters attracted much criticism for their often shoddy construction. Patrons complained of bad projection, uncomfortable seating and sound seeping in from neighboring screening rooms in Ufa’s Stachus cinema in Munich.¹⁹ The Kino-Center in Hamburg had long, narrow corridors that gave the impression of an underground bunker and was therefore nicknamed the “Führerbunker” by theater staff (especially since Riech often resided in the building).²⁰ Growing up in Hamburg in the 1980s and the 1990s, I avoided going to the Kino-

17. Fritz Preßmar, Jr. “Das Einzeltheater im bedrohlichen Sog der heutigen Vermietungspraxis - oder hat das Filmtheater Sendlinger Tor noch eine Chance?” Letter to Eichinger and other distributors. Summer 1987. SDK, BEC. 4.3-201210-6 NEUE CONSTANTIN FILM - 2 (2 2/2); my translation.

18. “Despite some powerful exhibs, most theaters served by indies; salesmen hit road with prints.” *Variety*, 2 March 1983, pp. 279, 298.

19. “Nackte Wand.” *Der Spiegel*, 25 Sep. 1978, p. 95.

20. Volker Reißmann. “Kino-Center.” *Filmmuseum Hamburg*. www.filmmuseum-

Center because of its run-down appearance and the shady audience that those dank and narrow premises seemed to attract.

4.2.3. Abuses of Power

In this subsection I examine the growing consolidation in the West German exhibition sector in the 1980s. I argue that specific large theater chains, including Riech's, strove towards monopoly power in certain regions at the expense of both competitors and distributors.

A 1983 *Variety* article observed that the eight key cities—Berlin, Düsseldorf, Cologne, Frankfurt, Stuttgart, Hamburg, Hanover, and Munich—accounted for merely a quarter of annual rentals (about 30 million out of 120 million admissions nationwide). This suggests a fairly even balance between rural and urban areas. However, that picture was already shifting because multi-screen cinemas were taking business away from second-run theaters. Especially “some provincial spots are hurting” since young people reportedly drove to the “big city to catch the latest release.”²¹

The exhibition business was undergoing a rapid consolidation process that had begun in the 1970s, but was picking up steam in the 1980s. Bigger theater chains were creating multi-screen cinemas in the metropolitan centers, which pulled audiences away from the theaters in the outskirts. By 1983 Riech operated some 288 screens throughout West Germany. Through a booking arrangement with the Rolf Theile group he controlled another 37 screens. The nearest competitors were the Goldermann group with 38 screens, the Reiss company with 37, the Liselotte Jaeger corporation with 24, the Spickert and Saarfilmunion chains with 19 theaters

hamburg.de/ufakinos_kinocenter.html. Accessed January 15, 2016.

21. “Despite some powerful exhibs, most theaters served by indies; salesmen hit road with prints.” *Variety*, 2 March 1983, pp. 279, 298.

each, and the Krueger group and the Bochumer Filmtheaterbetriebe with 17 theaters each.²² Compared with the total 3,664 theater sites counted in 1983 nationwide,²³ Riech's theater chain looks fairly small. However, in some metropolitan areas like Hamburg, Hanover, Frankfurt, and Wolfsburg, Riech controlled over 50% of the market. In West Berlin, his 15 theaters coordinated bookings with competitor Knapp's nine theaters and thus controlled virtually the entire market.²⁴

Such levels of concentration could not go without some impact on free-market operations. In a 1987 op-ed piece in the weekly newspaper *Die Zeit*, Werner Grassmann, owner of the Abaton arthouse cinema in Hamburg, claimed that the kinocenter operators demanded from distributors exclusive first-run status for their locations and put pressure on the major distributors to boycott smaller theaters in the same or nearby districts. According to Grassmann, the trade group representing arthouse cinemas had appealed to the film industry's umbrella organization, Spitzenorganisation der Filmindustrie (SPIO) for arbitration. However, SPIO referred the matter back to the exhibition sector, judging the matter to be an "internal" matter. SPIO requested, though, that older movie titles not be blocked. According to Grassmann, this request was an inadvertent admission that a boycott had in fact occurred, which called the anti-trust agencies in several Bundesländer into action.²⁵

Smaller theaters now felt emboldened to talk to the anti-trust agencies and bear witness to the alleged abuses. Hamburg's Landeskartellamt, the city-state's anti-trust agency, completed a report in December 1988, alleging preferential treatment of Riech's Ufa theaters by all the major distributors, including UIP, Warner, Columbia, Jugendfilm, and Tobis/Neue Constantin.²⁶

22. "Despite some powerful exhibits, most theaters served by indies; salesmen hit road with prints." *Variety*, 2 March 1983, pp. 279, 298.

23. SPIO. *Filmstatistisches Taschenbuch 1984*, p. 18.

24. "Nackte Wand." *Der Spiegel*, 25 Sep. 1978, pp. 94-98.

25. Werner Grassmann. "Grüße aus der Gruft." *Die Zeit*, 7 Aug. 1987.

26. Florian Hassel. "Kartell im Kino." *Die Zeit*, 6 April 1990.

One of the cases investigated by the agency includes a complaint leveled by the owner of the Hansa theater in Bergedorf, on the outskirts of Hamburg, against Tobis/Neue Constantin's distribution operation. The Bernd Eichinger Collection contains a series of letters between Hansa's owner Mr. Tontarra and the distribution executive at Tobis/Neue Constantin, Peter Sundarp. Tontarra complained to Sundarp that the nearby Gloria theater received first-run prints for *Otto—Der neue Film* (*Otto—The sequel*, X. Schwarzenberger, 1987). Tontarra suspected underhand dealings. And he was not off the mark. Defending preferential treatment of the Gloria theater, Sundarp revealed a telling detail in his letter to Tontarra: "The reason why the contracts were made for *Otto—Der neue Film* at the time are self-evident to you as well the rest of the industry. Mr. Riech has accepted Gloria's first-run status because he participates financially."²⁷

This detail was later confirmed by the report of the Hamburg's Landeskartellamt. The owners of the Gloria theater in Bergedorf had made a deal with Heinz Riech's chain in 1984 whereby the latter would get a 5% commission on box-office returns in exchange for helping the second-run theater gain access to first-run product. The agency observed that the industry had terms for such arrangements: "mafia dealings" and "protection money." The agency further observed that a theater's first-run status was not determined based on the site's profitability or facilities, but simply on who operated them: three second-run houses in Hamburg had attained first-run status the moment they became part of Riech's chain.²⁸

Even though zoning was a practice used by distributors, certain exhibitors appropriated it very strategically for their own purposes. At first glance that meant that traditional first-run single-screen theaters like Sendlinger Tor and Tivoli lost their exclusivity and were forced to

27. Peter Sundarp. Letter to Mr. Tontarra. 5 August 1987. SDK, BEC. 4.3-201210-6 Neue Constantin Film 2 (2 1/2).

28. Florian Hassel. "Kartell im Kino." *Die Zeit*, 6 April 1990.

accept competitors running the same title concurrently with them. From the distributor's point of view, this practice meant breaking open the stranglehold that the traditional first-run theaters had held on to 'their' respective run zones. However, the expansion of downtown kinocenters, and the concurrent ownership concentration, had created powerful oligopsonies²⁹ that put pressure on distributors to grant them first-run status and give them new releases first. By 1993 the Riech-Ufa chain operated some 180 theaters with over 500 screens.³⁰ That was a formidable power base that no distributor, whether it belonged to an MPEA or independent company, could ignore or avoid. The "first-run bottleneck" that the single-screen, showcase theaters had created in the postwar era had in fact not been eroded, but had been replaced by the kinocenter chains.

There is another element to the concentration of kinocenters in the downtown areas. The increased screen count in the downtown areas now needed more product. In this way saturation releasing was also a response on the part of the distributor to keep up with demand. If the overall number of new releases did not rise substantially, existing new releases had to ship in ever greater print numbers to satisfy the growing appetite of ever more multi-screen cinemas. Saturation releasing was thus, in a way, the logical outcome of the rising number of screens in the downtown areas. Instead of being forced upon them, saturation releasing was therefore just as much a product of the exhibition sector's own structural changes as it was a distribution innovation.

Heinz Riech had figured out how to adopt the "box cinema" concept from the USA, and thereby irrevocably changed the exhibition sector in West Germany in the 1970s and 1980s. To his detractors, he ruined the interiors of some of the most beautiful cinema houses in the country

29. An oligopsony denotes a state of the market in which only a small number of buyers exists for a product.

30. "Riech-Ufa group dominates cinema business in Germany." *Frankfurter Allgemeine Zeitung*, 17 August 1993.

by carving them into smaller, utilitarian “Schachtelkinos.” He built rigid oligopsonies in certain regions, eradicated smaller theaters, and kept both distributors and fellow theater owners in check with ruthlessly anti-competitive behavior. Yet, I argue, he also brought a sense of efficiency to a sector that had not innovated since the postwar era. During the 1970s his Riech-Ufa theater chain used electronic data management to keep track of theater sales while his closest rival, the Olympic circuit, had not shared a profit-and-loss statement with its American parents, Pacific Theaters and MCA, in years.³¹

However, what Heinz Riech did not understand, and what, I argue, led to the ultimate demise of his company, was that movie-going itself could be a sensuous and aesthetic experience for the moviegoer. Fritz Preßmar told me that he had resisted the conversion of his movie palace because, in his mind, his theater’s unique architecture and its history created an “aura” that embellished the aesthetic experience of watching a movie.³²

Finally, the intervention by the anti-trust agencies and the courts must have come as a double-edged sword for the distribution companies. On the one hand, they resented the interference into their business practices. The lawyer for Warner-Columbia and 20th Century-Fox, Martin Hirsch, polemically accused the Landeskartellamt in Hamburg of operating like the “Reichsverleihkammer,” the central booking office during the Nazi era.³³ On the other hand, the anti-trust agencies were also breaking open the grip that Riech and other large theater chains had on the market. For, once the run-zones had been effectively eliminated by the anti-trust proceedings, the door was open for the American studio-owned multiplex operators to move into the market.

31. “Nackte Wand.” *Der Spiegel*, 25 Sep. 1978, pp. 94-98.

32. Fritz Preßmar, Jr. Phone Interview by Author, 19 Aug. 2015, Munich/Berlin, Germany.

33. Florian Hassel. “Kartell im Kino.” *Die Zeit*, 6 April 1990.

4.3. The Multiplexing of Germany

This concentration of market power on a few key players—primarily Heinz Riech’s chain—and the lack of modernization inside the “Schachtelkinos” prompted the theatrical divisions of the MPEA companies into action. I argue that this initiated a second wave of Americanization efforts in the West German exhibition sector. In the early 1990s Paramount and Universal’s joint theater chain United Cinema International (UCI), American exhibition giant American Multi-Cinema (AMC), and Warner Bros. International Theaters (WBIT) entered the German market and began constructing and operating modern multiplex cinemas.

These efforts by American companies coincided with efforts by domestic companies to push into this space. In fact, WBIT struck a joint venture with Bernd Eichinger’s Neue Constantin Film to construct the 13-screen Cinedom complex in Cologne. The Cinedom was the logical extension of the multi-screen concept and combined stadium seating, state-of-the-art projection facilities with retail spaces, cocktail bars, restaurants and a bowling alley. In this way, I argue, the Cinedom (and other modern multiplexes like it) had acknowledged and incorporated moviegoers’ evolving habits, which combined moviegoing with dining out and other leisure-time activities as part of an expanded social ritual.

4.3.1. Raising the Multiplex

It is a convenient quirk of history that the second revolution in the German exhibition business should coincide with the start of a new decade. In 1990 the first 14-screen multiplex opened in West Germany near Hürth, quickly followed by another nine-screen theater in

Gelsenkirchen, both in the populous Ruhr Valley.³⁴ But as with all things in history (and building construction), this revolution took a while to build up.

In 1985 the US theater chain AMC built the first modern multiplex in Great Britain. Other operators, including Paramount and MCA's joint chain, CIC Theaters (later to be rechristened United Cinemas International [UCI]), National Amusements, Warner Bros. International Theaters, U.S.-Canadian chain Cineplex-Odeon, and the British Odeon chain, soon followed. Within a decade, admissions had more than doubled, from 54 million moviegoers in 1984 to 123.53 million in 1994.³⁵ The multiplex boom spread to Belgium. There, French operators UGC and Gaumont and Belgian operator Decatron/Kinepolis became the dominant forces in pushing along this exhibition innovation. In both the U.K. and Belgium, the numbers of multiplexes rose steadily, especially in relation to other forms of exhibition. Between 1990 and 1997 the multiplex cinema rose from 31.3% to 57.5% of all screens in the U.K.; in Belgium, from 25.3% to 37.7%; and in Ireland, from 12.9% to 43.7% within the same period.³⁶

It should therefore not come as a surprise that the US exhibitors felt emboldened to move into the German market, a much bigger theatrical market than Great Britain. In August 1986 CIC Theaters first revealed plans for building five to eight multiplex theaters in West Germany. The announcement came even though admissions had hit an all-time low of 101 million in 1985.³⁷ Clearly, CIC anticipated a strong impulse from these new theaters. CIC's plans became more concrete in December 1988 when it reached an agreement with a shopping mall in the town of Hürth, just outside Cologne, to build a 14-screen multiplex with 3,000 seats.³⁸ A second

34. Don Groves. "Warners, UCI move multiplex battle to German front." *Variety*, 10 June 1991, pp. 37, 43.

35. Nolwenn Mingant. *Hollywood à la conquête du monde; marchés, stratégies, influences*. Paris: CNRS Éditions, 2010, p. 24.

36. "Market profile: European multiplex cinemas." *Film Journal International*, 1 July 1996, pp. 75-76, 78, 80.

37. "CIC Plans to Build German Multiplexes." *Variety*, 20 Aug. 1986, p. 27.

38. "British CIC/UACI Plans 14-Plex in W. Germany." *Variety*, 21 Dec. 1988, p. 21.

multiplex was to follow shortly in the city of Bochum while Warner Bros. International Theaters was planning a site with nine screens in Gelsenkirchen.³⁹

Plans for those sites went ahead even while the republic was experiencing massive social and political upheaval at the turn of the decade. In November 1989 the Berlin Wall fell. Barely a year later, on October 3, 1990, what had been previously the territory of the German Democratic Republic became part of the Federal Republic of Germany. The MPEA companies and West German distributors and exhibitors had gained, literally overnight, another 17 million potential customers. German reunification brought together some 80 million Germans and created the single-largest market in Europe. Moreover, theater sites were now available at bargain-base prices as the agency charged with divesting former GDR state-owned property was keen to promote private ownership and to liberalize the markets. UCI and the West German theater chains streamed into the new territories. Many houses were “razed” and others rebuilt “from the group up.”⁴⁰ By 1997 UCI had opened multiplex theaters in Leipzig, Dresden and Berlin; Riech-Ufa in Chemnitz, Dresden and Gera; Kieft & Kieft in Berlin, Chemnitz and Rostock; and Flebbe/Deyle in Berlin.⁴¹

In a way, the European multiplex was the logical extension of the kinocenter concept. Yet the multiplexes of the 1990s were, for the most part, new, purpose-built sites instead of converted single-screen theaters. *Film Journal International* defines a multiplex according to five specific features: it should have five screens or more, superior technological features for sound and projection, dedicated car parking, computerized ticketing, and direct access to shopping and

39. Jack Kindred. “Warner Theaters, UCI proceeding on multiplexes in West Germany.” *Variety*, 6 Dec. 1989, p. 18.

40. Rebecca Lieb. “West to rebuild crumbling East German cinemas.” *Variety*, 1 Oct. 1990, pp. 1, 107.

41. “Market Profile: European Multiplex Cinemas.” *Film Journal International*, 1 Jul 1996, pp. 82, 84.

restaurant facilities.⁴²

For the US exhibition chains, this meant building multiplexes adjacent to suburban shopping malls. This policy was certainly based on the US experience where theater attendance had shifted, along with the middle-class audiences, from the city centers to the suburbs. However, for German chains the focus was on the downtown areas where the former movie palaces and kinocenters had remained the focal point of the exhibition business. Riech-Ufa, Flebbe/Deyle (Cinemaxx) and Kieft & Kieft (Cinestar) chains focused on sites in the downtown areas that offered access to public transportation.⁴³ The first ten-screen Cinemaxx multiplex was built right in the center of Hanover, next to the central station. Flebbe/Deyle's Cinemaxx theaters targeted "young, upwardly mobile professionals who like to see classy movies in a state-of-the-art cinema."⁴⁴

Thus we see a clear divergence in the strategies between the American chains and the German chains. Nowhere was this more apparent than in the joint venture set up by Eichinger's Neue Constantin and Warner Bros. International Theaters for the construction and operation of multiplexes in West Germany. The joint company—Constantin-Warner Kino GmbH—would develop, build and run about 15 multiplexes in Germany and Austria. Warner Bros. brought the nine-screen multiplex it was building in Gelsenkirchen, due to open in March 1991, into the partnership; Constantin contributed the 13-screen Cinedom multiplex in Cologne. Consequently, Warners would be responsible for suburban complexes, Constantin for urban sites.⁴⁵

42. "Market profile: European multiplex cinemas." *Film Journal International*, 1 July 1996, p. 76.

43. Eberhard Gebauer. "Kräftemessen der Kino-Giganten." *Lebensmittel Zeitung*, 31 Jan. 1997.

44. "Before the Flood." *Screen International*, 9 Dec. 1989, p. 38

45. Martin Blaney. "Constantin, Warner plan multis." *Screen International*, 18 Jan. 1991, p. 6; Paikert, Charles. "US exhibits eye Germany, U.K." *Variety*, 28 Jan. 1991, pp. 55, 60.

4.3.2. Eichinger's Cinedom: Moviegoing as Event

In this subsection I discuss the construction of Neue Constantin's multiplex Cinedom in Cologne. I argue that the Cinedom incorporated Eichinger's vision of moviegoing as "event."

The Cinedom was an ambitious project by any measure. Building costs were estimated at some DM 100 million. The cinema was to house 13 different screening rooms with the "most modern projection technology and comfortable seating."⁴⁶ The screen in the largest auditorium measured 22 x 10 meters (66 x 30 feet). The THX sound system was equipped with forty loudspeakers.⁴⁷ I contend that for the movie aesthete Eichinger, the Cinedom was more than just a quick way to turn a buck. For well over a decade Eichinger had been preaching that going to the movies was an "event" that took the moviegoer out of the ordinary and habitual. Now he was giving that concept a physical form. In a *Spiegel* article profiling the opening of the Cinedom, Eichinger was quoted as saying that the traditional kinocenters made his "stomach turn" whereas the Cinedom, with its wide arm-chairs and legroom, was for Eichinger "the most beautiful space in the world."⁴⁸

In Eichinger's thinking movie-going was not just watching a film, but also included the sensuous experience of the physical space of the movie theater. The Cinedom featured a lobby that reached up four stories and was crowned by a glass dome. 3,200 lights inside the dome simulated a night sky. Escalators of various lengths transported moviegoers to the various levels. The walls were covered with paintings recalling scenes from classic movies. Engaging with the space of the theater recalled the experience that moviegoers must have had in the 1920s. The

46. "Constantin-Warner's Cologne 'Cinedom' should be open at the end of 1991." *Süddeutsche Zeitung*, 30 Aug. 1991.

47. "Genuß und Gewinn." *Der Spiegel*, 23 Dec. 1991, p. 197.

48. "Genuß und Gewinn." *Der Spiegel*, 23 Dec. 1991, p. 197; my translation.

Spiegel article, tellingly entitled “Pleasure and profit” (“Genuß und Gewinn”), recalled the movie palaces of the 1920s. Citing Siegfried Kracauer’s phrase, “palaces of distraction,” the article noted that cinema back then was “a little like the opera”⁴⁹ and suggested that the new multiplexes might provide this sensation again.

The “event” of moviegoing extended beyond the physical space of the screening room. Cinedom’s movie theater was going to be integrated with other entertainment venues. According to a marketing brochure for potential investors, the complex was to include book stores, record stores, a “film café” in the cinema lobby, an American-style pool bar, an Italian gourmet restaurant, and a Planet Hollywood-themed restaurant for younger people. A black box theater was supposed to attract plays, readings and classical music performances.⁵⁰

The brochure also included an interview with Eichinger. The interview is surprising because it eschews soft-ball questions typically seen in press materials. The first question by the interviewer asked if multiplexes were not more alike to “temples of consumption” rather than places for culture. Eichinger responded: “The Cinedom is a meeting place for people who don’t just want 90 minutes of cinema and fast food, but want to enjoy an evening out, hanging out and communicating.” The interviewer continued with this critical line of questioning: “For many critics, multiplexes are nothing more than pit stops for commercial movies and won’t give the time of day to more sophisticated movies.” Eichinger snapped back: “I am fed up with discussing what’s commercial and what’s sophisticated.” He then continued that the goal was to attract older audiences who did not frequent the movies anymore. The theater must therefore offer a wide range and variety of different movies, without sacrificing quality: “Film is an important part of

49. “Genuß und Gewinn.” *Der Spiegel*, 23 Dec. 1991, pp. 197.

50. “Geschäftsbroschüre Neue Constantin.” February 1991. SDK, BEC. 4.3-201210-6 Cinedom Köln
VAR.

our culture, and as a global cultural ambassador, film is even more important than the stage or the fine arts. We have to create the awareness that film is something special.”⁵¹

The Cinedom was thus meant to level the distinction between the arts. The black box theater represented Eichinger’s full-entertainment concept in which divisions between high and lowbrow culture disappeared. Literary readings, classical music performances and movies could converge in the same physical space—and within the same commercial, profit-oriented framework. The Cinedom would sell tickets for the black box in the same ways as for all other theaters on site.

A 1997 article in the advertising trade paper *Horizont* on the architecture and design of the new multiplex cinemas offers an interesting counterpoint to Eichinger’s thinking. Even though the multiplexes turned moviegoing into an event again, there were significant differences to Kracauer’s “palaces of distraction.” According to the article, the moviegoer no longer just visited the cinema, but became immersed in a “universe of consumption.” In the 1920s and 1950s, the auditorium was the focus of attention. No matter how beautifully adorned, the lobby was a simple passageway from the outside into the screening room. In the multiplexes of the 1990s, this relation was inverted. The lobby and the adjacent commercial spaces were now the central meeting space where moviegoers would meet, mingle, eat, and drink. In contrast, the auditorium became just one of several entertainment venues.⁵²

Published in a trade paper, the article was certainly not meant as a critical interrogation of the multiplex concept, but rather celebrated how effectively the new building constructions had realized the idea of “universal consumption.” Yet I argue that we must not fail to observe the

51. “Geschäftsbroschüre Neue Constantin.” February 1991. SDK, BEC. Box 75. 4.3-201210-6 Cinedom Köln VAR; my translation.

52. Alfons Arns. “Fenster zur Welt.” *Horizont*, 4 Sep. 1997.

thorough commercialization of the moviegoing event and the physical space connected to it. The moviegoer no longer just bought a ticket at the box-office — the commercial transaction had expanded to the concession stand, the restaurant and café next door, the pool bar, the discotheque, the record store, and the book store. In fact, in this space the profit driver for the exhibitor was no longer the ticket sale as such, but all the consumption surrounding it. Eichinger's full-entertainment concept was also an all-round moneymaking pitch.

4.3.3. The Albatross Around His Neck

Given these commercial interests, it should therefore come as a surprise that the exhibition joint venture with Warner Bros. was dissolved barely a year later. In a joint statement, Neue Constantin's managing director Edwin Leicht and Warner Bros. International Theaters president Salah M. Hassanein said: "Despite our mutual respect for our companies and our management teams, we think it is best for us to go our separate ways in the development, construction and operation of cinemas."⁵³

Six months after its opening the Cinedom was far from a success story. Even though the Cinedom theater counted some 1.2 million admissions in 1992, the Cinedom complex was facing problems.⁵⁴ In February 1993, Neue Constantin's managing director Edwin Leicht admitted to the national newspaper *Süddeutsche Zeitung* that the company was having trouble with leasing out the commercial spaces on the site. Construction around the Cinedom, which had been intended as part of a major development, "Mediapark Köln," to house multiple, media-related companies and institutions together, was progressing more slowly than anticipated. There was

53. Martin Blaney. "Constantin-Warner part company." *Screen International*, 24 July 1992, p. 4.

54. "Cologne cinema complex 'Cinedom' has 1.2m spectators in 1992." *Frankfurter Allgemeine Zeitung*, 19 July 1993.

just not enough foot traffic to warrant commercial tenants inside the Cinedom facility.⁵⁵

In retrospect, it seems strange that Warner Bros. elected to partner with Neue Constantin for this venture in the first place. Warners' business strategy was almost diametrically opposed to the concept espoused by Eichinger. In 1991 Warners' Hassanein had expressed his preference to lease the theater venues, instead of constructing and owning real estate. He estimated that constructing a fully-owned cinema could cost \$15 million to \$20 million whereas he calculated \$3 million to \$5 million for a leased building.⁵⁶ Therefore, if Warners saw itself primarily as a theater operator, rather than a real estate owner, the Cinedom was clearly the wrong investment.

Being left on its own with the massive Cinedom investment was creating substantial financial problems for Neue Constantin. The company was forced to sell off its shares in Constantin Film-Holding, the Constantin-branded distributor and exhibitor in Austria with a chain of 70 cinemas, to the Kirch Group, Eichinger's partner in Neue Constantin. Eichinger explained this move as a temporary "parking" of assets to increase his company's cash-flow for current productions.⁵⁷ In July 1992 Leo Kirch warned Eichinger of escalating costs at the Cinedom. Construction costs for the whole Cinedom venture were now closing in on DM 120 million. Leo Kirch, who held 46.5% in Neue Constantin Film GmbH und Co. Verleih KG, was also invested in the Constantin Kino Cinedom GmbH, along with Eichinger. With Warners' exit from the joint venture, Kirch expressed his concerns over Neue Constantin's financial exposure in the commercial spaces. He urged Eichinger not to expand into business areas in which neither of them had any experience.⁵⁸

The financial troubles continued into June 1993. Neue Constantin was forced to sell

55. "Neue Constantin verkauft 70 österreichische Kinos." *Süddeutsche Zeitung*, 13 1993.

56. Don Groves. "Warners, UCI move multiplex battle to German front." *Variety*, 10 June 1991, pp. 37, 43.

57. "Neue Constantin verkauft 70 österreichische Kinos." *Süddeutsche Zeitung*, 13 1993.

58. Leo Kirch. Letter to Bernd Eichinger. 13 July 1992. SDK, BEC. 4.3-2012210-2 KIRCH, LEO.

another eleven cinemas in the new Bundesländer to the Kieft & Kieft theater chain.⁵⁹ Those were largely single-screen cinemas that Eichinger had purchased after reunification from the Treuhandgesellschaft, the agency handling the sale of the former GDR's state-owned assets.⁶⁰

This was not an easy time for Eichinger and his staff. At the company's 1992 Christmas party Eichinger held a speech, saying that the last two years, filled with financial troubles, had been very tough and reminded him of the 1979/80 season. Back then, the company was teetering on the brink of bankruptcy. However, fortunes turned around with the 1981 season. He now had similar confidence in the productions they had lined up. Referring to the Cinedom, he said that it was Germany's most attended cinema: "Thus Constantin lives up to its reputation once more: being the most successful, but always with empty pockets."⁶¹

The company bounced back with the release of *Das Geisterhaus* (The House of the Spirits, B. August) in October 1993. The movie did brisk business for Neue Constantin and improved cash-flow. The following year Neue Constantin released *Der bewegte Mann*, which lifted the company out of its woes for good. Yet the Cinedom adventure raises the question of why Neue Constantin wanted to invest in exhibition in the first place. In the immediate aftermath of the war German film companies had been prohibited from integrating vertically by the Allied occupation forces. Later, with the meltdown in the theatrical business in the 1960s, the prospect of owning theaters must have receded from any distributor's mind. But once admissions stabilized over the course of the 1980s and the Riech-Ufa chain demonstrated the economic potential that existed in controlling theaters, exhibition became an attractive business model

59. Martin Blaney. "Production leads Neue to sell cinemas." *Screen International*, 4 June 1993, p. 6.

60. Among the theaters sold to Kieft & Kieft was also the Schauburg cinema, built in 1927 in Dresden's city center. Ernst W. Raymund. "Das «etwas andere Kino» wird 75 Jahre alt." *DDP Wirtschaftsdienst*, 9 Oct. 2002.

61. Bernd Eichinger. "Rede Constantin Weihnachtsfeier 1992." Notes for Christmas speech. No date. SDK, BEC. 4.3-201210-3 Persönliche Schriften Eichinger; my translation.

again. By owning theaters, Neue Constantin could retain the other half the of box-office sales. Moreover, it could benefit from the receipts generated by hit movies that other distributors put out, especially the US blockbusters from the MPEA companies.

However, exhibition, as Kirch pointed out correctly, was also uncharted territory for Neue Constantin and required an expertise that Eichinger's staff did not have. Unlike the US majors, which had held on to their international theaters even after the divorcement of their US theater chains in the 1950s, Neue Constantin lacked an operational infrastructure for the planning and construction of theaters. Moreover, the Cinedom remained the most expensive and ambitious multiplex theater in Germany in this entire period. More experienced exhibitors like UCI, Warners, Riech-Ufa, and Flebbe stayed well below that price point. They focused on constructing and operating cinemas, and left restaurant and commercial space operations to traditional real estate developers.

I conclude that in many ways the Cinedom construction was emblematic of the way that Eichinger operated. He usually had the right business instincts and a strategic vision that rivaled those of the major studios. Yet he was essentially operating out of a medium-sized company. This dissonance created a level of risk that was unsustainable for Neue Constantin. Luckily for Eichinger, over the following years the Cinedom stopped being an albatross for the company. Construction on the "Media Park" progressed and more businesses moved in. The commercial spaces at the Cinedom were leased out, and the venture stabilized.⁶² However, Neue Constantin would not expand into exhibition again.

62. Guido M. Hartmann. "Im Liegesitz vor der Leinwand; Streamingdienste sind neue Konkurrenten für Kinobetreiber." *Welt am Sonntag*, 7 April 2019, p. 5.

4.3.4. The Multiplexing of Germany

Even if Neue Constantin remained on the sidelines, the spread of multiplexes in Germany continued unabated. In 1999 the FFA counted some 957 screens in multiplex theaters in Germany. Even though this number represented only 21.6% of available screens, the multiplexes accounted for 34.4% of admissions.⁶³ Within only ten years of the first multiplex's opening, this format had become a major driver of the exhibition business.

The multiplex was not so much different from the kinocenter. Both worked with economies of scale by streamlining theater operations and by bundling screens in one location, and thus offering a bigger variety of filmic products to moviegoers. Yet the multiplex foregrounded "moviegoing" itself as the primary piece of entertainment. The multiplex was intended to overwhelm the senses. Superior projection and sound technology and comfortable seats were supposed to make the experience of watching the movie more pleasurable. And the architecture of the theater, with its big, open lobby, lavish concession stands and adjoining food and entertainment venues, was intended to both stimulate the senses and stimulate the moviegoer's pocketbooks.

The showman and aesthete Eichinger understood this principle much better than the efficiency experts at Riech-Ufa. Who knows what would have happened if he had run their chain? We will never know the answer to that question. However, we do know the impact that the multiplex revolution had on distribution. When the newly-rechristened Constantin Film took up its own distribution operations again in 1995, only four bookers were needed to cover the new distribution areas, as previously discussed. At that point, the multiplex chains had so fundamentally restructured the exhibition business that a sales force of just five people was

63. SPIO. *Filmstatistisches Taschenbuch 2000*, p. 23. Neither SPIO nor FFA provide a definition for "multiplex," but seem to refer to theaters with eight or more screens.

sufficient to cover the entire republic, even with the addition of five new federal states. By consolidating the exhibition business, the multiplex operators had also streamlined the distribution business.

How did the rise of the multiplexes impact German cinema overall? In 1990 *Variety's* Lawrence Cohn claimed that the proliferation of multiplexes in the USA had heightened the emphasis on "mass market pictures at the expense of specialty films."⁶⁴ I argue that in Germany this development toward wide-release movies had already commenced with the kinocenters, but the multiplexes accelerated this trend. The multiplexes' eight to thirteen screens surpassed the kinocenters' voracious appetite for product. Saturation releasing prioritized "marketability" over "playability" (i.e. a movie's staying power in the marketplace). That meant that a movie had to rise to the attention of the moviegoers instantly among the overabundance of product at display at the theater's box-office. This situation privileged high-concept movies that could easily be pitched and marketed to moviegoers. Review-driven, low-concept movies that needed positive word-of-mouth to build over time had less of a chance to succeed in this marketplace. With the ability to move pictures to smaller auditoria with ebbing demand, playability became less of a factor to exhibitors and distributors.

Yet that is one side of the story. Because of their voracious appetite, multiplexes also had become wholesalers of cinema, making all releases available at any time. In their desperate fight for audiences, multiplexes started offering mainstream and specialty movies side by side. Dissolving the distinction between first and second run, by the 2000s multiplexes started offering movie premieres and rereleases, live-event screenings of football matches and opera showings, and foreign-language movies such as Bollywood and Chinese cinema. Exhibition was no longer

64. Lawrence Cohn. "Fewer plexes but more multi." *Variety*, 29 Oct. 1990, pp. 1, 76.

a bottleneck, but rather the beast that had to be fed constantly.

4.4. Moviegoing in West Germany in the 1980s and 1990s

In the following section I argue that moviegoers' evolving behaviors and preferences exerted a certain pull over the other sectors in the film industry. The rapid rise in multiplexes in Germany could not have occurred if this type of construction had not met up with an existing, pent-up demand in the marketplace. Audience research studies in the late 1980s show that young people were already combining the visit to the movie theater with other leisure-time activities such as dining, bars and discotheques.

However, a second trend emerged over the course of the 1990s. Moviegoers were "aging up," i.e. the core group of moviegoers shifted from the familiar 14 to 19-year-old demographic to 20 to 29-year-olds. I argue that the generation of youngsters that had grown up with movies in the 1980s were now coming of age, but still remained loyal to their favorite pastime.

Finally, the moviegoing audiences in the 1980s displayed a strong preference for action, adventure, and spy films, which were supplied primarily by American producers. This trend continued well into the 1990s, but by the middle of the decades a new set of categories started showing up: comedies and new German films. This movie-savvy, older audience had also started to diversify its tastes in movies.

4.4.1. The Active Moviegoer

We must examine moviegoers' behaviors and preferences in order to evaluate the evolution of German popular cinema in the 1980s and 1990s. Of course, there are certain trappings that come with the territory of audience research. The authors of *Global Hollywood 2*

remind us that all theoretical and methodological tools available to us make certain assumptions about “the audience”: “Our starting point is the provocation that the audience is artificial, a creature of the industry, the state and academia, which proceed to act upon their creation.”⁶⁵

Any qualitative and quantitative audience research study can only make certain extrapolations about actual audience behaviors. Even interview data from audience surveys must take into account the interview situation and the possibility that subjects may supply incomplete or factually wrong information for very personal reasons.

But the authors of *Global Hollywood 2* make a second point here. Miller et al. critique the dominant audience models used in communication studies for assuming a mostly passive spectator. In these models the audience is treated as “dupes,” without free will or agency, on whom various industrial, social or political agents exercise their influence. For this reason, the *Global Hollywood 2* authors warn us to be wary of the intrinsically political agenda of audience research, which says as much about the researcher as it does about the subject.⁶⁶

Audience studies scholar Monika Lerch-Stumpf offers a potential path forward. She conducted empirical research of Bavarian moviegoers in the late 1980s. In her study she proceeds from a number of assumptions about her research subjects: first, the audience is proactive and purposeful; second, each potential moviegoer decides for herself/himself whether s/he wants to engage with the cinema or not; third, cinema competes with other leisure-time activities; and fourth, interview subjects can articulate their own needs and motivations with regard to media consumption.⁶⁷

By postulating these assumptions Lerch-Stumpf not only assigns agency and a certain

65. Toby Miller et al. *Global Hollywood 2*. BFI Publishing, 2005, p. 32.

66. Toby Miller et al. *Global Hollywood 2*, p. 35.

67. Monika Lerch-Stumpf. *Kinogänger und solche, die es werden könnten!: eine empirische Situations- und Motivationsanalyse*. Hochschule für Fernsehen und Film, München, 1993, pp. 17-18.

level of rational decision-making to her research subjects, but also agency and cognition to moviegoers in general. Political economists will quickly object to this position by arguing that the overwhelming power of industrial and political institutions circumscribes and curtails that agency by the individual moviegoer. Film historian Joseph Garncarz has a useful retort. He acknowledges the existence of such “elites” (i.e. industry and political decision-makers), but he assumes an interdependent rather than strictly hierarchical relationship between them and the moviegoing audiences. Garncarz observes that the film industry is directly dependent on the audience’s purchasing power at the box-office whereas political elites are more indirectly dependent on their voters' buy-in during elections. In his perception exhibitors and distributors are very aware of the power that audiences wield over them whereas film scholars and critics tend to ignore this fact.⁶⁸

I want to incorporate this concept of an active, cognizant and self-aware audience into our understanding of the German marketplace. This helps us conceptualize the film industry as the interplay of interdependent force fields that push and pull at each other. In economists’ terms the moviegoing audience represents the “market” that exerts an influence across the entire product-supply line. Of course, this does not mean that distributors and exhibitors do not try to influence the attitudes and behaviors of the audience through marketing ploys. Yet even if we consider the work of distributors and exhibitors as one of salesmen, this still assumes a certain level of resistance and agency among the audience that the sales pitch is trying to overcome.

I now turn to a more in-depth discussion of moviegoing demographics in the 1980s and 1990s. I am particularly interested in potential shifts in the composition of core moviegoers in this time period and their evolving tastes and preferences in movie selections.

68. Joseph Garncarz. *Hollywood in Deutschland*, p. 57.

4.3.2. The Teen Moviegoers in the 1980s

In this subsection I examine the behaviors of teenage moviegoers in the late 1980s and early 1990s. In chapter 1.6. I already observed that 14 to 19-year-olds emerged as core moviegoers in the 1970s. This trend continued into the 1980s. In 1981 *Media-Analyse* estimated an average of 1.97 million moviegoers per week. Of those, 14 to 19-year-olds constituted the largest share with 830,000 ticket buyers, followed by 20 to 29-year-olds with 750,000.⁶⁹ For 1987 we get a similar distribution: of 2.14 million averaged weekly moviegoers, 14 to 19-year-olds constituted 860,000 and 20-29-year-olds 780,000.⁷⁰

In a research study conducted in 1987 by sociologists Dieter Baacke, Horst Schäfer and Ralf Vollbrecht, they surveyed 1,679 schoolchildren between the ages of 13 and 19. The scholars concluded that 81% of youths were moviegoers (at least once per year), with boys going to the movies, on average, 13.1 times per year and girls going 9.9 times. Most of them went in groups; only 4% of young moviegoers reported going to the movies by themselves. The authors concluded that the movie theater was both a site for entertainment and a communal experience. Moreover, the visit to the movies was generally combined with other activities. Especially in the major cities teenage moviegoers usually visited a McDonald's restaurant or a bar with their friends or partners before or after the movie visit.⁷¹

Thus young moviegoers had already developed the habit of combining moviegoing with dining or "going out" before the advent of multiplex theaters. I argue that Bernd Eichinger's

69. Other age groups were well below those numbers: 30 to 39-year-olds: 0.20 million; 40-49: 0.11 million; 50-59: 50,000; 60-69: 20,000; and 70 and older: 10,000. Arbeitsgemeinschaft Media-Analyse. *Media-Analyse 1981*. Media-Micro-Census GmbH, Frankfurt, Main, 1981, p. 155.

70. 30 to 39-year-olds: 0.24 million; 40-49: 0.17; 50-59: 0.06; 60-69: 0.02; and 70 and older: 0.01. Arbeitsgemeinschaft Media-Analyse. *Media-Analyse 1986*. Frankfurt/Main: Media-Micro-Census GmbH, 1988, p. 155.

71. The results of the 1987 study were reported in: Dieter Baacke, Horst Schäfer, Ralf Vollbrecht. *Treffpunkt Kino. Daten und Materialien zum Verhältnis von Jugend und Kino*. Juventa, 1994, pp. 106-107.

Cinema complex was therefore responding to a reality in the marketplace. Rather than imposing a behavior onto moviegoers, Eichinger capitalized on existing habits that moviegoers had developed on their own.

Baacke et al.'s study offers another insight. The authors observe that media-watching habits are formed early in life with frequent moviegoers being the most consistent in pursuing that habit.⁷² In a 1999 study audience researcher Elizabeth Prommer comes to a similar conclusion. She conducted qualitative interviews with 96 subjects in Munich and Leipzig about their moviegoing habits.⁷³ Prommer's "media-biographical" interview approach proposes to gain a more thorough understanding of moviegoers' (and non-moviegoers') evolving habits throughout their lives by placing them in the context of other biographical events. She observes that moviegoing habits evolve over a lifetime, but are most consistently shaped early in their lives. Prommer differentiates among three moviegoer types: regular moviegoers, cineastes and "late bloomers." The majority of interview subjects could be categorized as regular moviegoers for whom cinema plays a subordinate role in life. The regular moviegoer occasionally went to the movies as a child. During the "intensive phase" of moviegoing, i.e. teenage years, moviegoing served mostly as a social ritual with friends, alongside other leisure-time activities. The end of the "intensive" phase coincided with other life events, such as jobs, marriage and child-bearing. On the other hand, cineastes formed their moviegoing habit early in life, visiting the cinema as a child. Here Prommer argues that moviegoing often acts as a compensatory measure for lack of parental attention. Cineastes intensify their habit during the teenage years, searching for guidance and life lessons in the movies. Likewise, "late bloomers," even though

72. Baacke et al. *Treffpunkt Kino*, p. 97.

73. Elizabeth Prommer. *Kinobesuch im Lebenslauf: eine historische und medienbiographische Studie*. Konstanz: UVK Medien, 1999. Prommer does not indicate the dates during which the interviews were conducted; however, given the date of her publication, they were most likely at some point during the second half of the 1990s.

they missed out on cinema during their childhood, arrive at the movies in their later teenage years or early adulthood with a vengeance. In this case moviegoing represents the freedom that they may have lacked during a fairly strict upbringing.⁷⁴

Prommer's analysis demonstrates not only the significance that moviegoing holds for children and youths, but also how important those early experiences are in shaping their later habits and relationship to cinema in general. Hence the early exposure and positive experience with theatrical movies may shape and reinforce viewers' later predilection for visiting the cinema. I argue that this becomes significant once the core moviegoer demographic "ages up."

4.4.3. Moviegoers Age Up

Whereas in the 1980s teens represented the largest share of moviegoers, this started to change in the early 1990s. In 1991 the FFA counted 30.2 million tickets sold to teens (10 to 19-year-olds) and 47.1 million tickets sold to "twens" (20 to 29-year-olds). Moreover, twenty-somethings constituted the most frequent moviegoers (more than 10 visits per year) in the period from 1991 to 1995. However, the overall trend was regressive for both age groups for that period: 20% fewer teens and 14% fewer twenty-somethings bought tickets in 1995 than 1991. The FFA's researcher Gerhard Neckermann traces this back to a decline in the number of people in their twenties overall in the population⁷⁵ whereas teenagers were most likely affected by higher ticket prices at the box-office.⁷⁶

74. Elizabeth Prommer. *Kinobesuch im Lebenslauf*, pp. 271-273.

75. After 1970 we see a sharp decline in the birthrate: between 1970 to 1980 the number of newborns dropped from 1.047 million to 0.865 million. By 2000, only 767,000 new babies were born. "Zusammenfassende Übersichten, Eheschließungen, Geborene und Gestorbene, Deutschland." *Bevölkerung und Erwerbstätigkeit: Zusammenfassende Übersichten - Eheschließungen, Geborene und Gestorbene 1946-2015*. Wiesbaden: Statistisches Bundesamt, 2016.

76. Gerhard Neckermann. "Kinobesuch: Demographisch bedingte Rückgänge und neue Zuschauergruppen." *Media Perspektiven*, 3/1997, pp. 124-126.

But whereas the trends for younger viewers were regressive, the number of older moviegoers kept rising. Between 1991 and 1995 the group of 30 to 39-year-old moviegoers grew by 47%, from 9.9 million annual admissions to 14.6 million. Similarly, those moviegoers aged 50 to 59 grew by 45%, from 3.6 to 5.4 million and those 60 to 69 by 44%, from 2 to 2.9 million. Neckermann notes that the growth among those 30 and up is partly due to “demographic changes” (i.e. they belong to the nominally larger babyboom generations). But another reason according to Neckermann may also be that they “were won back over” to the cinema, partly because of better-furnished movie theaters and partly because of a wider availability of family movies.⁷⁷

Thus we see an impact that changes in production and exhibition policies had on audience development. However, I want to offer another potential explanation for these demographic changes. Combining the empirical data from the FFA survey with Prommer’s media-biographical approach allows us to view these demographic trends in light of moviegoers’ own biographies. Rather than isolate the demographic statistics into momentary snapshots, I propose that we integrate them into a broader historical view. If we follow Prommer’s thesis that moviegoing habits are formed during childhood and teenage years, then we can assume for the 20 to 29 and 30 to 39-year-olds that their moviegoing habits were shaped in their “intensive” moviegoing phase during their teenage years and early adulthood. For many of those age groups that time would coincide with the onset of the 1980s. This leads me to the following conclusion: the core teenage moviegoers of the late 1970s and early 1980s remained the core moviegoers of the 1990s. In this way the moviegoer who was 20 years old in 1994 had previously experienced *The Neverending Story* as a ten-year-old in 1984. Or, the other way around, the 20-year-old who

77. Gerhard Neckermann. “Kinobesuch: Demographisch bedingte Rückgänge und neue Zuschauergruppen,” pp. 124-126.

had watched *Conan the Barbarian* in 1982 was now most likely to remain an ardent moviegoer in his/her thirties.

Now if moviegoing habits were formed during adolescence and early adulthood, does the same hold true for the tastes and preferences in movies and genres? I now want to turn this discussion to moviegoers' preferences for certain movie genres.

4.4.4. Genres and Hollywood

In this subsection I examine moviegoers' tastes and preferences in movie selections in the 1980s and 1990s. Returning to Monika Lerch-Stumpf's empirical research of Bavarian moviegoers in the late 1980s, it becomes clear that the availability of certain genres at the movie theater is an important factor in a moviegoer's decision to attend the cinema. Lerch-Stumpf observes that moviegoers "go to the movies because they like the type of movies that are being shown there" whereas non-moviegoers are interested in genres that "are under-represented in theaters and forego a visit for those reasons, among others."⁷⁸

Lerch-Stumpf's research also asked questions about interview subjects' specific preferences in movie genres. The most popular genres with West German moviegoers were: 1. Adventure, 2. Action- and spy films, 3. Science-fiction and crime, 5. Western and animation. Conversely, with non-moviegoers, the most popular genres were: 1. Comedy, 2. Adventure, 3. Nature / animal films, 4. Crime, 5. Historical / Period films, 6. Animation.⁷⁹ Lerch-Stumpf concludes that moviegoers generally prefer "hard genres," i.e. action films, western and science-fiction.⁸⁰ These predilections are even more pronounced among frequent moviegoers. Here the

78. Monika Lerch-Stumpf. *Kinogänger und solche, die es werden könnten!*, p. 111; my translation.

79. Monika Lerch-Stumpf. *Kinogänger und solche, die es werden könnten!*, p. 112.

80. Monika Lerch-Stumpf. *Kinogänger und solche, die es werden könnten!*, p. 112.

preferences are clearly in favor of action/spy films, science-fiction, kung fu, war and horror movies.⁸¹

Now if we examine the ten highest-grossing films at the box-office by genre association in 1987, we find that five of them belonged to the “hard” genres of action (*The Living Daylights* [J. Glen, UK/USA, 1987], *Platoon* [O. Stone, USA, 1986], *Beverly Hills Cop II* [T. Scott, USA, 1987], *The Name of the Rose* [J.J. Annaud, Ger/Italy/France, 1987], *Full Metal Jacket* [S. Kubrick, USA, 1987]). The other films belonged to the “softer” genres: three comedies (*Otto—der neue Film* [Otto—the sequel, X. Scharzenberger, West Germany, 1987], *Crocodile Dundee* [P. Faiman, Australia, 1987], *The Golden Child* [M. Ritchie, USA, 1986]), one animated film (*The Great Mouse Detective* [R. Clements, USA, 1986]), and one drama (*The Last Emperor* [B. Bertolucci, UK/Italy/China/France, 1988]). Thus, even though the “softer genres” such as comedy and drama did not rank highly among Lerch-Stumpf’s moviegoing interview subjects, they seem to have emerged as strong drivers at the West German box-office.⁸²

Thus we find a discrepancy between the genre preferences expressed by Lerch-Stumpf’s interview subjects and actual box-office rankings. Comedy is clearly a much more popular genre with moviegoers than the interviews suggest. Clearly, market research studies about genre

81. Monika Lerch-Stumpf. *Kinogänger und solche, die es werden könnten!*, 1993, p. 125.

82. Box-office rankings sourced from: Joseph Garncarz. *Hollywood in Deutschland*, pp. 199-200. This trend becomes even more pronounced for the box-office hits of 1988 and 1989. Among the ten highest-grossing movies of 1988 we find one musical film (*Dirty Dancing* [E. Ardolino, USA, 1987]), two animation films (*The Jungle Book* [1967], *Who Framed Roger Rabbit?* [R. Zemeckis, USA, 1988]), and now six comedies (*Ödipussi* [V. von Bülow, Germany, 1988], *Ich und Er* [Me and Him, D. Dörrie, Germany, 1988], *Coming to America* [J. Landis, USA, 1988], *Crocodile Dundee II* [J. Cornell, USA/Australia, 1988], *Innerspace* [J. Dante, USA, 1987], and *Man spricht Deutsch* [German spoken, H. C. Müller, Germany/Italy, 1988]). Similarly, in 1989 in the top ten were: one drama (*Rain Man* [B. Levinson, USA, 1988]), three comedies (*A Fish Called Wanda* [C. Crichton, UK, 1988], *Otto-der Außerfriesische* [Otto 3, M. Vajda, Germany, 1989], *The Naked Gun* [D. Zucker, USA, 1988]), two animation films (*Asterix—Operation Hinkelstein* [Asterix and the Big Fight, P. Grimond, France/West Germany, 1989], *The Land Before Time* [D. Bluth, USA, 1988]), and one animal drama (*L’Ours* [J. J. Annaud, The Bear, France, 1988]). On the other hand, the “hard” genres are less well-represented. In 1988 we find one thriller (*Fatal Attraction* [A. Lyne, USA, 1987]), and in 1989 one action/adventure (*Indiana Jones and the Last Crusade* [S. Spielberg, USA, 1989]) and one James Bond action/thriller (*License to Kill* [J. Glen, UK/USA, 1989]).

preferences are a blunt tool and leave much room for interpretation. There is also the possibility that comedies became more popular since Lerch-Stumpf had conducted her original interviews.

Despite these discrepancies, Lerch-Stumpf's study offers us a window on another important trend. What both moviegoers and non-moviegoers could agree on was their preference for "American films." Accordingly, Lerch-Stumpf entitles that section of her report, "Hollywood, Hollywood und nochmal Hollywood" ("Hollywood, Hollywood and once more Hollywood"). She notes that all demographics—moviegoers/non-moviegoers, frequent/occasional moviegoers, male/female, those with advanced and lower education—showed a clear preference for American films, even if some of those groups also showed interests in other genres.⁸³

I contend that this result is noteworthy, and even more so because Lerch-Stumpf fails to define what constitutes an "American film" (presumably those produced in the USA with American stars). This is all the more remarkable since all foreign films were dubbed into German. Yet the unequivocal response by Lerch-Stumpf's subjects indicates a common understanding between both researchers and interview subjects that demonstrates a broad acceptance of "American films." We see that played out among the top-grossing films for 1987-1989 cited above. The majority of those films were from the USA. By 1987 US movies had reached a market share of 58.3% of rentals.⁸⁴ That means that well over half of movie tickets sold were for US films.

In the previous chapter I examined the expansion of the American film industry in terms of distribution. As I have discussed, both West German independent distributors and the MPEA companies played a role in bringing those films to the West German public. However, the availability of US movies does not fully explain the unequivocal preference expressed by Lerch-

83. Monika Lerch-Stumpf. *Kinogänger und solche, die es werden könnten!*, p. 145.

84. SPIO. *Filmstatistisches Taschenbuch 1988*, p. 15.

Stumpf's interview subjects. As mentioned in Chapter 1, US films had been available throughout the postwar period, but did not become popular until the mid-1970s. Rather than assume that moviegoers were simply "duped" into liking American movies, I proceed from the assumption that West German moviegoers made a deliberate choice in buying tickets for US movies in the theater. But why?

4.4.5. The Rise of American Cinema

Joseph Garncarz argues that American movies became more popular after 1970 because of a growing cultural affinity between the USA and West Germany. Following sociologist Helmut Klage, Garncarz posits that the value system in West German society had evolved: whereas in the 1920s through 1950s a person's sense of duty and responsibility towards a social group (school, church, military, state) was regarded more highly in German society, the 1960s and 1970s saw a stronger focus on personal values such as individual self-fulfillment and emancipation. Garncarz asserts that for this reason Hollywood movies that promoted a stronger sense of individualism became more popular with West German youth audiences.⁸⁵

I find the generalizing aspect of Garncarz' thesis problematic. Many Hollywood movies—and certainly some of its most iconic genres, such as western, crime, romance, and war films—often deal explicitly with the conflict between the individual and the community. Moreover, his movie references from the silent and early sound era feel rather dated for such a global statement.⁸⁶ Nevertheless, I concede that we can observe the rise in prominence of the

85. Joseph Garncarz. *Hollywood in Deutschland*, pp. 154-156.

86. As examples for US films, Garncarz cites the Douglas-Fairbanks vehicles *The Mark of Zorro* (1920) and *The Thief of Bagdad* (1924). For German films, he cites *Das Cabinet des Dr. Caligari* (The Cabinet of Dr. Caligari, 1919), *Der letzte Mann* (The Last Man, 1924), *Der Blaue Engel* (The Blue Angel, 1931), and *Der Kongress tanzt* (Congress dances, 1931). Joseph Garncarz. *Hollywood in Deutschland*, pp. 154-156.

action-hero archetype that Garnarcz alludes to in the early 1980s, in movies such as *Escape from New York* (1981), *Conan the Barbarian* (1982), or *James Bond: Octopussy* (J. Glen, 1983).

Moreover, as I have argued in chapter 3.3., independent producers like Dino de Laurentiis and Carolco Pictures actively promoted the muscle-bound action-hero trope in the international marketplace.

There is a second element worth considering about the textual developments in Hollywood cinema of that period. Schatz notes that *Star Wars*' (G. Lucas, 1977) emphasis on plot over character development distinguishes it markedly from classical Hollywood cinema, which relied on clear and consistent character motivation. According to Schatz, *Star Wars* relies on fast-paced kinetic action and genre pastiche that "'opens' the film to different readings (and readers), allowing for multiple interpretive strategies and thus broadening the potential audience appeal."⁸⁷ In this sense the Hollywood blockbuster of the 1970s and 1980s becomes a polymorphous text that allows for multiple points of entry for a broad variety of moviegoing demographics.

Yet what makes these Hollywood blockbusters acceptable to West German audiences? German film scholar Werner Barg offers one possible explanation. He focuses on the mythological narrative structures of American blockbusters such as *The Matrix* (1999), *The Lord of the Rings* (2001), *Spider-Man* (2002) and *The Hunger Games* (2012). Even though his references are somewhat outside the period under investigation in this dissertation, I believe that some of his conclusions are still applicable. Barg asserts that in many ways these movies are coming-of-age stories repackaged as superhero fables or hero's journeys. In their adventures the youthful protagonists encounter challenges recognizable to teenagers at the brink of puberty:

87. Thomas Schatz. "The New Hollywood." *Film theory goes to the movies*, ed. by J. Collins, H. Radner, and A. Collins, Routledge, 1993, p. 23.

adapting to a new body, building new relationships outside the immediate family, finding one's place in the world, and determining one's identity. By the same token, the archetypal quest structure of *The Lord of the Rings* or *The Matrix* incorporates a socialization process in which the uninitiated hero must learn from his mentors in order to reach his full potential. Barg argues that in this way these movies offer teenagers specific tools in the formation of their personal and social identities.⁸⁸

We can apply those insights to 1980s Hollywood blockbusters, such as *E.T.* (1982), *The Return of the Jedi* (R. Marquard, 1983), or *Back to the Future* (R. Zemeckis, 1985). But what makes these films so commercially successful is not just their intrinsic appeal to youth audiences but to adult viewers as well. Thomas Elsaesser argues that films made by the Disney Company and by directors Tim Burton, Robert Zemeckis and Steven Spielberg competently harness childhood fantasies that remain with viewers throughout their lives. Elsaesser notes: "What America has learnt from the European fairy-tale is not only insights into the world of the childhood fears and longings. It has also appreciated the fact that if you get children used to things early, they'll stick with it all their lives. What we do in our formative years will always remain a utopia, a backward utopia — we'll always want to go 'home' to our childhood."⁸⁹ What children and teenagers adopt in their "cinema-intensive" phase then is not just the habit of moviegoing itself, but also the movies themselves—their narrative structures, aesthetics and emotive appeal—which stay with them for the rest of their lives.

This leads me to conclude that American producers, acting as "first responders" and targeting the emerging youth audience in the 1970s, also successfully captured the imaginations

88. Werner C Barg. *Blockbuster Culture: Warum Jugendliche das Mainstream-Kino fasziniert*. Bertz & Fischer Verlag, 2019, pp. 105-108.

89. Thomas Elsaesser. "The Blockbuster Time Machine." *The Persistence of Hollywood*. New York: Routledge, 2012, p. 277.

of West German teenagers and thus shaped their cinema-viewing habits for a whole generation. The youthful heroes of *Star Wars*, *E.T.*, *Back to the Future* and *The Goonies* (R. Donner, 1985) prepared those moviegoers for the narrative and aesthetic structures of *Batman* (T. Burton, 1989), *Jurassic Park* (S. Spielberg, 1993), *Independence Day* (R. Emmerich, 1996), or *Men in Black* (B. Sonnenfeld, 1997). I argue that by appealing to the “hearts and minds” of children and teenagers, American cinema was able to create a permanent longing with German moviegoers for that “backward utopia” of experiencing those early movies over and over again, preferably inside a movie theater.

Not surprisingly then, the commercial success of US movies remained unabated through the 1990s. In 1993 US films claimed a market share of 87.8% of theatrical rentals, which was a historic high mark. However, by 1997 the share of US films dropped to 70.5%, the lowest for that decade. Still, seven out of ten were US productions or co-productions, confirming the dominant position of American cinema at the time. But two films were German productions.⁹⁰ And while the occasional German-language comedy had always ranked highly in the box-office charts throughout the 1980s, something new was happening in the second half of the 1990s.

In 1997 the Institut für Demoskopie Allensbach conducted a market research study on behalf of magazine publisher Verlagsgruppe Milchstraße, which published movie fan magazine *Cinema*, among other publications.⁹¹ 6,000 interview subjects over 14 years of age were asked

90. The ten highest-grossing movies for 1997 were: 1. *Men in Black* (B. Sonnenfeld, USA), 2. *Bean* (M. Smith, UK/USA), 3. *The Lost World* (S. Spielberg, USA), 4. *Tomorrow Never Dies* (R. Spottiswoode, UK/USA), 5. *My Best Friend's Wedding* (P.J. Hogan, USA), 6. *Knockin' on Heavens' Door* (T. Jahn, Germany), 7. *The English Patient* (A. Minghella, USA/UK, 1996), 8. *The Fifth Element* (L. Besson, France), 9. Rossini—Oder die mörderische Frage, wer mit wem schlief (Rossini, H. Dietl, Germany), and 10. *Hercules* (R. Clements, USA). "Top 100 Deutschland." *InsideKino.de*. 11 December 2004. <https://www.insidekino.de/DJahr/D1997.htm>. Accessed 8 July 2020.

91. Verlagsgruppe Milchstraße, ed. *FAME 1997/1998 — Medien, Marken, Images. Die Imagestudie der Verlagsgruppe Milchstraße*. Hamburg, 1998. I have not been able to access a copy of the original *FAME 1997/1998* study, but Caroline Beer cites the results of the study in her book, Caroline Beer. *Die Kinogeher; Eine Untersuchung des Kinopublikums in Deutschland*. Berlin: Vistas Verlag, 2000, pp. 99-103.

about their favorite movie genres. The study resulted in the following ranked preferences: 1. Action, adventure and disaster films; 2. comedies and satires; 3. crime and thriller; 4. science-fiction and fantasy; 5. new German films; 6. romances; 8. melodramas and tragic comedies; 8. music films and musicals; 9. youth, children and animation films; 10. war and anti-war films; 11. erotic films.⁹²

The classification of genres makes it difficult to compare with Lerch-Stumpf's study. Nevertheless, we can witness a new trend: "new German films" now scored fairly highly. As genre category "new German films" is just as confusing as "American films." It is most likely that the latter category encompassed all types of recent German releases rather than the more scholarly category of 1970s New German Cinema. Nevertheless, the ready acceptance by interviewees of the category again suggests a common understanding. The commercial success of films such as *Knockin' on Heaven's Door* and *Rossini* suggest that German films were gaining ground. Had the Americanization of the German box-office reached its limits? I will return to that discussion in chapter 6.

4.5. Chapter Conclusion

In this chapter I have continued my analysis of the influence of the American film industry on the German film marketplace by studying its effect on exhibition and moviegoing. I have argued that the German exhibition sector went through two waves of Americanization: first, the multi-screen theater, or "kinocenter" revolution, of the 1970s and 1980s, and then the rise of the multiplexes in the 1990s. Modeled after the multi-screen theaters that had emerged in the USA in the 1960s, four to six-screen kinocenters started appearing in West German downtown

92. Caroline Beer. *Die Kinogeher*, p. 100.

areas by the mid 1970s. Theater owner Heinz Riech used the concept to grow his chain of theaters and become a powerhouse in the exhibition sector. Turning many of Ufa's single-screen movie palaces into kinocenters, Riech replaced the exclusive run zones of the traditional showcase theaters with his own oligopsony, using his leverage with distributors to give him exclusive access to new releases, and thus forced a second wave of theater closings, especially of second-run, single-screen theaters.

I have further argued that the increased availability of first-run theater screens in the downtown areas of large and medium-sized cities offered distributors, in turn, the opportunity to release their movies with ever higher print numbers and "saturate" entire cities with their "event" movies. The structural transformations at the exhibition level therefore coincided with the changes occurring at the production and distribution level to fuel the rising blockbuster trend that was propelled by both the MPEA companies as well as the German independent distributors, Neue Constantin, Tobis, and Scotia International.

Yet the anti-competitive practices of the large exhibition chains and the lack of modernization inside Riech's movie theaters initiated a second wave of Americanization in the sector. American exhibition chains UCI and WBIT entered the German market and initiated construction of modern multiplex theaters. Bernd Eichinger, too, saw a business opportunity and directed Neue Constantin Film into developing and constructing the Cinedom multiplex in Cologne. The venture was initially set up as a joint venture with Warner Bros. International Theaters. But after WBIT pulled out, Neue Constantin Film had to finish the project on its own at substantial financial risk to the company.

For Eichinger, the project was the logical extension of "cinema as event" concept: not only did the Cinedom theater feature comfortable seating and state-of-the-art projection and

sound systems, but the facility also included gastronomic and other leisure-time activities. Eichinger had built the physical space wherein moviegoing became embedded in a host of commercial activities that moviegoers could engage in during a “night out.”

By doing so Eichinger was responding to a reality that young moviegoers were already living out in the late 1980s. Since the late 1970s teenagers had been using the movie theater as a social gathering place. Audience surveys from the late 1980s show that young people paired the theater visit with a stop-over at McDonald’s or a bar afterwards. Thus, far from insinuating new habits to moviegoers, Neue Constantin and the other multiplex operators redirected existing behavioral patterns by providing them a physical, commercial space. The demand for the multiplex as a concept had already preexisted in the marketplace before the first multiplexes were ever constructed.

And this is where we must take into account the actions and demands of actual moviegoers. Viewing moviegoers as active participants, rather than mere “dupes,” in the overall film-industrial apparatus allows us a new perspective. I argue that we must view the various sectors of the film industry—financing, distribution, exhibition, and moviegoing—as interdependent, dynamic blocks that influence and impact decisions and actions taken in the other. Eichinger and Weigel’s successful marketing and distribution of Anglo-American movies in 1981 certainly made those movies more appealing to West German moviegoers. In this way the independent distributors and the MPEA companies helped redirect demand from European films to US films. But this was a two-way street. The positive response from moviegoers, especially from the young, teenage core, in turn, shaped corporate acquisition policies in subsequent years. Moviegoers’ interests and preferences in certain movies over others created a pull in the product-supply line that forced foreign producers, distributors and exhibitors to

respond. Any one sector of the industry must therefore always be viewed in relation to the others. A critical industry studies approach should address the interplay of these fields of activity and weigh them against and in relation to each other.

Finally, I have argued in this chapter that moviegoers' habits were formed early in life, during childhood and teenage years. Therefore, the emergence of teenagers as core moviegoers in the late 1970s and 1980s had an impact on moviegoing statistics and habits in the following decade: those same moviegoers continued to constitute the core cinema aficionados, carrying with them both an affinity for the movie theater and, more significantly, for American cinema. In the 1970s and 1980s American producers had been the "first responders" that supplied those teenage core viewers with the mythical stories that appealed to them. This predilection for spectacle and sensory and emotional stimulation would remain with those fans for their later moviegoing careers.

In my discussions so far I have left out domestic production within this industrial complex. I will now examine the role of Neue Constantin's own production operations in light of this dynamic interplay of international financing, distribution, exhibition and moviegoing. This is the arena in which Bernd Eichinger left his most indelible mark.

Part III: Production

Chapter 5: Making the Transnational Blockbuster

5.1. Chapter Introduction: The Risky Business of Filmmaking in a Market-Based System

In Part I of this dissertation I examined the film-industrial context and distribution practices in which Bernd Eichinger took over and revived Neue Constantin Film as a domestic distribution company in the 1980s and 1990s. I have argued that the West German film industry shifted from a purely market-based industry model to a dual economy of market-based distribution and exhibition sectors and a subsidy-based production sector. In Part III I discussed the impact that the expansion of the American film industry had on the German marketplace in the 1980s and 1990s, arguing that this evolution was based on an active interplay between American film companies and local players like Neue Constantin Film in the West German market.

In the following Part III I now examine the effects of these developments on the German domestic production sector in the 1980s and 1990s. In particular, I want to understand how Eichinger responded to these developments in his own production practices. Hester Baer and Tim Bergfelder have observed that throughout the 1980s and 1990s Eichinger pursued a deliberate two-pronged production strategy of big-budget films for international markets and lower-budget comedies for the domestic market.¹ Baer summarizes the strategy thus: "An innovator in the sphere of international coproductions and transnational financing deals, Eichinger founded his success as a producer on a combination of big-budget, star-studded movies shot in English, such as Wolfgang Petersen's *Die unendliche Geschichte* (The Never-Ending Story, 1984) and Jean-

1. Hester Baer. "Producing Adaptations: Bernd Eichinger, Christiane F., and German Film History." *Generic Histories of German Cinema: Genre and Its Deviations*, 2013, p. 174; Tim Bergfelder. *International Adventures*. Berghahn Books, 2005, p. 243-244.

Jacques Annaud's *Der Name der Rose* (The Name of the Rose, 1986), and small, non-exportable German-language films tailored to the domestic market, such as Niki List's *Werner—Beinhart* (Werner—Hard to the Bone, 1990) and Sönke Wortmann's *Das Superweib* (The Superwoman, 1996)."²

I agree with this analysis of Eichinger's two-pronged strategy in principle. For this reason, I examine his international, English-language productions and German-language productions in two separate chapters. However, I argue that we must read this two-pronged strategy also within the framework of the dual film economy that I have outlined so far. Eichinger aimed to replace what he considered a flawed, subsidized production model with his own, market-based production operation that could exist outside the influence of film subsidy agencies and television networks. In his 1978 letter to Ludwig Eckes Bernd Eichinger had proposed to establish an "autonomous, self-enclosed industrial system." He argued that for that purpose Neue Constantin Film should become an integrated studio that produced, distributed and marketed its own movies with no assist from film subsidy agencies or broadcasters.³

However, what Eichinger failed to acknowledge was that a subsidized production sector also represented a form of risk mitigation. By offering grants and non-recourse production loans, the FFA and state governments insulated producers from financial catastrophe. We must therefore consider Eichinger's productions within the context of this dual economy: on the one hand, a market-based system and the associated economic risks, and on the other, a subsidized production system that shielded producers from disaster but also, potentially, prevented the

2. She continues that the two strategies increasingly merged in the 2000s with the production of big-budget, German-language films that were aimed at both the German domestic and international markets, such as *Der Untergang* (Downfall, 2004) and *Der Baader Meinhof Komplex* (The Baader Meinhof Complex, 2008). Hester Baer. "Producing Adaptations," p. 174.

3. Bernd Eichinger. Letter to Ludwig Eckes. 26 May 1978, p. 20.

emergence of a market-based, popular cinema.

The Neverending Story as Case Study

In the following chapter I therefore examine the packaging and financing practices that Bernd Eichinger employed on his international productions, using *Die Unendliche Geschichte* (The Neverending Story, W. Petersen, 1984) as a case study.⁴ In 1999 I already examined *The Neverending Story* as part of my master's thesis.⁵ There, I argued that Eichinger brought a more diversified financing strategy to domestic West German film production by combining international presales, a North American distribution deal, public subsidies from West German sources, and private investment from his own company. This type of financing plan was unprecedented in West Germany at the level of *The Neverending Story*: at DM 66 million (\$26 million) the movie's production budget was (at least nominally) the highest ever for a German production at that time. In this dissertation I am able to expand and substantiate that earlier research with personal interviews with practitioners as well as archival documents from the Bernd Eichinger Collection, including internal memos and correspondences, budgetary information, financing plans, and account statements on theatrical rentals.

I am also now able to consider this production within the larger historical context that I have laid out in the previous four chapters. Tim Bergfelder has noted that Eichinger's business

4. Eichinger's other English-language productions included *Der Name der Rose* (The Name of the Rose, J.J. Annaud, 1986), *Ich und Er* (Me and Him, D. Dörrie, 1988), *Letzte Ausfahrt Brooklyn* (Last Exit to Brooklyn, U. Edel, 1989), *Salz auf unserer Haut* (Desire, A. Birkin, 1992), *Der Zementgarten* (The Cement Garden, A. Birkin, 1993), *Das Geisterhaus* (The House of the Spirits, B. August, 1993), *Fräulein Smillas Gespür für Schnee* (Smilla's Sense of Snow, B. August, 1997), *Prinz Eisenherz* (Valiant, A. Hickox, 1997), *Resident Evil* (P.W.S. Anderson, 2002), *Resident Evil: Apocalypse* (P.W.S. Anderson, 2004), *Fantastic Four* (2004, T. Story, 2004), *Das Parfum — Die Geschichte eines Mörders* (Perfume, T. Tykwer, 2006), *Fantastic Four: Rise of the Silver Surfer* (T. Story, 2007), *Resident Evil: Extinction* (P.W.S. Anderson, 2007), and *Resident Evil: Afterlife* (P.W.S. Anderson, 2010).

5. Benjamin Uwe Harris. "From a Director's Cinema to a Producer's Cinema: The German Film Industry in the Late Twentieth Century." MA thesis. University of Texas at Austin, 1999.

strategies with his productions were remarkably similar to the ones employed by his predecessors at Constantin Film in the 1950s and 1960s.⁶ The international co-production structure set up for *Der Schatz im Silbersee* (1962) was a forerunner to the financing structures that Eichinger pursued for his international productions. However, whereas that movie relied primarily on the West German market for its majority financing and recoupment, Eichinger looked to North America as his primary market. The American market had both become an important financing resource and distribution outlet and exerted a pull over the flow of production capital.

Moreover, the incursion of American high-concept filmmaking in the German marketplace made domestic audiences more accepting, and even expectant, of similar aesthetic and marketing strategies from domestic producers. In this way I argue that Eichinger both promulgated (as distributor) and responded (as producer) to an expectation of high-concept filmmaking among West German moviegoers. This is another reason I consider *The Neverending Story* an apt case study. I argue that Eichinger's first international production quickly incorporated certain aesthetic and marketing strategies from American high-concept filmmaking.

Is *The Neverending Story* therefore an example of "self-Americanization" on the part of Eichinger and the filmmakers? One of the chief critics of this strategy was the book's author, Michael Ende. He, very publicly, objected to the creation of, in his words, a "spectacular, perfectly-made, but ultimately soulless fantasy film [made] according to familiar American templates."⁷ It is fortuitous for my research that this controversy between Ende and Eichinger

6. Tim Bergfelder. *International Adventures*, p. 243.

7. Michael Ende. Press release from 11 March 1983. Reprinted in Ulli Pfau. *Phantásien in Halle 4/5: Michael Endes Unendliche Geschichte und ihre Verfilmung*. Deutscher Taschenbuch Verlag, 1984, p. 161; my translation.

and his production team produced a lot of primary source material.⁸ However, the Ende controversy also throws up an important question about the film's national and cultural identity. Can we really speak of a "German" or an "American" film in this context? In 1999 I concluded that the movie was clearly an "American" picture. Now I argue that this question cannot be answered that easily but has to be viewed more discursively in the context of the movie's distribution and reception contexts as well as its textual characteristics. I now argue that the movie *The Neverending Story* illustrates most dramatically the interdependent exchange of economic and cultural influences between the German and American national cinemas, which Thomas Elsaesser has termed a "two-way mirror." In that sense, the movie may be described as both a German and American movie, given how readily audiences in both markets have accepted and absorbed the movie into their respective cultural frames of references.

Finally, the production process of *The Neverending Story* also illustrates an important lesson. As scholars we must be careful not to impose a 20/20 hindsight on what is in actuality a complicated and, at times, contradictory process with an unknown outcome. I argue that a close inspection of the specific production history reveals a less-than consistent strategy on Eichinger's part. Even if he may have formulated a general direction for the company to engage in big-budget, English-language productions, the specifics of each project had to be negotiated out among many creative partners. I therefore argue that Eichinger's production practice was

8. Two separate production accounts were published in conjunction with the release of the movie in 1984: Ulli Pfau. *Phantásien in Halle 4/5: Michael Endes Unendliche Geschichte und ihre Verfilmung*. Deutscher Taschenbuch Verlag, 1984; Remy Eyssen. *Der Film Die Unendliche Geschichte; Story, Dreharbeiten, Hintergrundbericht*. Wilhelm Heyne Verlag, 1984. Both books are very detailed production accounts and provide a useful timeline of the entire production process. More significantly, they offer different viewpoints on the events leading up to the release. Eyssen's book is a fairly straightforward production history with useful information on the financing and production process. On the other hand, Pfau was a researcher for a television documentary on the making of the film. Coming from a literary background, his book focuses more explicitly on the controversy between the novelist and the producers and the divergent practices and assumptions of the publishing and movie industries, especially with regard to the notion of authorship.

primarily driven by opportunistic tactics in response to very specific production challenges and circumstances and may only be read in hindsight as a consistent "strategy."

5.2. Packaging the Blockbuster

In this section I discuss the packaging process for *The Neverending Story*. I argue that packaging represented one way of mitigating risk in a market-based production system. However, tracing it over time we find that packaging *The Neverending Story* was a process rather than a definitive action and evolved along with the strategic and creative assumptions about the movie itself: initially, Eichinger took over the option to author Michael Ende's bestselling novel *Die Unendliche Geschichte* with plans to commission George Lucas' special-effects studio Industrial Light and Magic (ILM) to produce the special effects in California. However, when that studio turned out to be too expensive, Eichinger decided to produce the movie entirely in Munich and recruited a British special-effects team led by special-effects supervisor Brian Johnson (*Alien* [R. Scott, 1979], *The Empire Strikes Back* [I. Kershner, 1980]). Johnson's attachment prompted international film financiers to take the project more seriously. Finally, with the addition of Wolfgang Petersen, the Oscar-nominated director of *Das Boot* (1981), the project gained its final creative and organizational shape.

5.2.1. What is a "Package"?

In this subsection I explain the process of packaging as development practice in Hollywood. In general Hollywood practice packaging denotes the combination of two or more high-profile "elements" for the purposes of attracting production financing. Those elements usually consist of the rights to a pre-sold property (such as a bestselling or award-winning book

or play), which are typically optioned against a purchase agreement, and the attachment of star talent (such as a well-known director and/or star actor), which is often based on verbal agreements. In addition to (or in lieu of) star talent, attachments may also include below-the-line heads of department with a proven track record, such as composers, production designers, or special-effects supervisors, if the project requires an expertise in those areas.

Packaging should be thought of as both a creative and a sales practice. Based on their proven track record and levels of expertise, the individual elements are expected to contribute to a creatively well-executed movie. In this way the package is intended to signal to outside parties—especially financiers, distributors, and other potential hires—the "promise of success."

But there is another factor to the elements of the package. The star attachment also brings a level of brand equity to the sales proposition. As Geoff King points out, star power is a commodity in Hollywood that can be measured in its marketability at the box-office: "Stars offer that one ingredient deemed so important by Hollywood today: the audience recognition factor, the ability to 'open' a film, to give it a presence in the marketplace on the opening weekend, all neatly packaged into the body of the individual performer."⁹ In this way the star attachment extends beyond the sales pitch to buyers at film markets and extends all the way to the cineplex: the star becomes part of the marketing pitch to moviegoers and is intended to bring them out on opening night.

Eichinger would have been familiar with the practice from his visits to the film markets in Cannes, Milan and Los Angeles. Many of the films that Eichinger acquired for distribution were sold at the packaging stage. Eichinger was therefore following precedent when he packaged *The Neverending Story*. Yet it was a new practice for him, too. The films that he had previously

9. Geoff King. *New Hollywood Cinema: An Introduction*. New York: Columbia University Press, 2002, p. 160.

produced as an independent producer were, for the most part, filmmaker-driven projects. In such a filmmaker-centric production system, there was no need for packaging since the primary financiers—the TV networks and the FFA—relied entirely on the filmmakers' vision for the project. Nor was the expectation of commercial success a motivating factor for those institutions. This was different in a market-based film economy.

5.2.2. The Novel *Die Unendliche Geschichte*

In this subsection I discuss the initial strategic thinking that led to Eichinger and Weigel to consider the novel *Die Unendliche Geschichte* as a potential movie project.

Herman Weigel admitted to me that *The Neverending Story* was one of the few instances in which he and Eichinger approached a project strategically. Most other business decisions at Neue Constantin Film came out of “gut instinct.” But with *Christiane F.* (U. Edel, 1981) and *Das Boot* (W. Petersen, 1981) he and Eichinger had noticed a “curious phenomenon”: “*Christiane F.*, which had about 4.5 million viewers, only young people watched that, all under 16. *Das Boot*, you didn’t see anybody under 16, or even 18 or 20, they were all older. It had just about 4 million [admissions].”¹⁰

In modern Hollywood parlance, the moviegoing population is subdivided into different quadrants: men under 25, women under 25, men over 25, and women over 25. *Christiane F.* and *Das Boot* had essentially worked as two-quadrant movies. Weigel and Eichinger were eager to find a project that could bring out all four quadrants at once—the sign of a true blockbuster—and appeal to younger and older, male and female demographics to the same extent. Weigel felt that the book property, *Die Unendliche Geschichte*, could be that project. He told Eichinger that a

10. Herman Weigel. Producer, former Managing Director, Neue Constantin Film. Personal Interview by Author, 21 July 2015, Munich, Germany.

movie based on the book could capture older and younger viewers together: "That's how I tried to sell it to him."¹¹

Written by children's book author Michael Ende, the book was never expected to reach broad circulation and received scant marketing support from the publisher when it came out in 1979. But the novel caught the attention of some well-known literary critics, who reviewed it favorably.¹² This helped the novel break out of the children's market and capture a wider literary market. By the end of 1981 when Weigel and Eichinger took notice of the novel, it had sold some 100,000 copies, an almost unprecedented sales record for a contemporary West German title.¹³

The novel is as much an engrossing fantasy fable as it is a philosophical discourse on the act of reading itself. In the framing story 10-year-old school boy Bastian reads the story of the young warrior Atréju, who must prevent the disappearance of the fantastical world of Fantasia ("Phantásien" in German). The country is being destroyed by the Nothing, an unstoppable force that (as we learn later) sweeps across the land because humans have stopped using their imagination. Through the process of reading and imagining Fantasia and its inhabitants, Bastian becomes implicated in their fate until he is literally sucked into this world inside his imagination. The book posits that, just like Bastian, each reader of the book is implicated in the story anew through the reading and imaginative process, creating an endless loop—a truly never-ending story.

However, in the fall of 1981 Weigel was already too late. West German producer Dieter

11. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

12. Jürgen Lodermann. "Meisterstück phantastischer Literatur: Träume vom Nachtwald Perelin." *Die Zeit*, 16 Nov. 1979; Wolf Donner. "Krankes Mondkind." *Der Spiegel*, 23 June 1980.

13. Ulli Pfau. *Phantásien in Halle 4/5*, p. 42. By the time of the movie's release in 1984, the book had sold over one million copies in West Germany alone and had been translated into 23 languages. Ulli Pfau. *Phantásien in Halle 4/5*, p. 21.

Geissler had optioned the movie rights from the author in May of 1980. But after researching special-effects technology Geissler realized that he could not shoot the movie for under DM 10 million as he had hoped. According to Weigel, it was therefore just a matter of time before Geissler would return to Neue Constantin to discuss a potential collaboration.¹⁴ This happened, and by late 1981 Eichinger and Geissler had come to an agreement to co-produce the project.

5.2.3. The First Package

In January 1982 Neue Constantin announced *The Neverending Story* for release on December 16, 1983, in the trade paper *Film-Echo/Filmwoche*. The announcement briefly pitched the story of Bastian's adventures in "Fantasien" before it focused on the book's phenomenal success: "The most successful German novel of the postwar period [...] will be produced with a budget of DM 30 million."¹⁵

We cannot yet speak of a package since Neue Constantin only had that one element—the book property—without commitments from anybody else. That would change when *Variety* reported on the project in a short article on Neue Constantin's upcoming production slate in early February 1982. The article noted that the project was based on Ende's book that had, up to that moment, sold some 800,000 hardback copies and had been "translated into some 80 languages" (an erroneous statement). The paper continued: "Presently sans a director but in pre-production, 'The Neverending Story,' is described as a mythical cross between 'Alice in Wonderland' and 'Lord of the Rings.' The live-animation special effects will be handled by George Lucas's studio near San Francisco next spring, though principal photography is expected to be completed before

14. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

15. "Neue Constantin 82/83." Advertising supplement in *Film-Echo/Filmwoche*, 15 January 1982.

that. It will be shot in English."¹⁶

Now the project was an official package with George Lucas' studio as the principal attachment to the book property. The involvement of Lucas' Industrial Light & Magic (ILM) signaled to other industry professionals (and potential financiers) that the special effects would be executed to the highest-possible standards. In this way the mention of the project in an industry trade paper became an important part of the packaging process. The purpose of industry papers is generally to relay announcements from production companies, but in this case there was more: *Variety's* reporting legitimized the project. Moreover, because the paper was based in Los Angeles, Neue Constantin was able to get its message out to an American, and potentially international, readership. In this way the *Variety* article was as much an ad to attract potential financiers and buyers as a piece of journalistic reporting.

Hence by February 1982 the primary elements that became part of Neue Constantin's marketing pitch were the bestselling book property, references to the fantasy genre (including the Anglo-Saxon titles *Lord of the Rings* and *Alice in Wonderland*), the promise of a high production budget, and the attachment of a well-respected special-effects company. But was that really enough?

5.2.4. The Second Package

Conspicuously absent from the package was the name of the director. Eichinger hired writer-director Helmut Dietl to adapt the novel. Even though Dietl was known in the Munich film industry for two well-received TV series, his name did not carry any weight with

16. "Pickup scramble forces Constantin to boost output." *Variety*, 10 Feb. 1982, pp. 65, 77. *Film-Echo/Filmwoche* did not report on the production until almost six months later. "30 Million Mark für die 'Unendliche Geschichte.'" *Film-Echo/Filmwoche*, 21 Aug. 1982, p. 5.

international distributors. But he was a director whose work appealed to novelist Michael Ende.

Ende had retained approval rights for the screenplay and the director when he negotiated the initial contract with producer Dieter Geissler. Geissler had managed to option the rights by promising the author not to follow traditional US fantasy film models. According to Pfau, Geissler and Ende had agreed to create a "European film."¹⁷

When Eichinger came on board, he promised to do the same.¹⁸ However, according to Herman Weigel, Eichinger wanted to make a "Hollywood movie" from the start. Weigel told me that there was never any doubt that they would shoot the movie in English. He and Eichinger always envisioned the movie as a "Hollywood movie": "You would never have called the movie 'an international film' at the time. Nobody said that *Jaws* was an 'international film.' It was a movie from Hollywood. We were going to make a Hollywood movie, that was the idea. And this film would be shown everywhere."¹⁹

Eichinger still planned to complete principal photography in West Germany and then shoot the special effects at ILM's studios in San Francisco. But when a contract with Industrial Light and Magic did not come to pass Eichinger had to change his strategy.²⁰ He decided to produce the entire movie in Munich. However, without a significant special-effects industry to speak of in West Germany at the time, Eichinger had to bring in knowhow from abroad. He convinced British special-effects supervisor Brian Johnson, who had worked on the effects for *Alien* (R. Scott, 1979) and *The Empire Strikes Back* (I. Kershner, 1980), to join the production. Eyssen notes that with Johnson's hiring Eichinger not only got the special-effect expertise that

17. Ulli Pfau. *Phantásien in Halle 4/5*, p. 43.

18. Remy Eyssen. *Der Film Die Unendliche Geschichte*, p. 26; my translation.

19. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

20. Eyssen notes that the company was simply too expensive for Neue Constantin, charging some \$1 million per month in fees plus labor. Remy Eyssen. *Der Film Die Unendliche Geschichte*, pp. 29-30.

was lacking in West Germany at the time, but, even more significantly, brand equity: "Brian Johnson's brand provided the project with international recognition. At the mention of Brian Johnson's name the Americans listened up: clearly, the 'Germans' were serious about making a movie that could keep up with American standards. In an instant *Die Unendliche Geschichte* became *The Neverending Story* and was regarded as one of the most significant productions of 1983 worldwide."²¹

Johnson provided the project with his own personal "stamp of approval" and could therefore signal to other industry professionals that this was a worthwhile endeavor. However, what Eichinger was still missing in order to make this a truly "Hollywood movie" was any interest from Hollywood.

5.2.5. Pitching for Hollywood

In this subsection I discuss Eichinger and Weigel's encounter with studio executives in Los Angeles, which became an important stage in recasting the narrative frame for the project.

According to Eyssen, Eichinger knew from the start that the project would be more expensive than anything previously done in Germany and could therefore not be refinanced with revenues from the German market alone. Eichinger therefore counted on 40% of the sales to be generated by the USA and Canada.²² Nevertheless, Eichinger wanted to remain in charge of the production. For this reason, he did not simply resell the property to one of the Hollywood major studios. Rather, by preselling the North American rights to a US distributor, he wanted to retain all other territories and thus remain in control of the project, following, in essence, the De Laurentiis model.

21. Remy Eyssen. *Der Film Die Unendliche Geschichte*, pp. 32-33; my translation.

22. Remy Eyssen. *Der Film Die Unendliche Geschichte*, p. 14.

Consequently, Eichinger and Weigel sent the screenplay written by writer-director Helmut Dietl to a number of studios in Hollywood. As Weigel told me, Dietl wrote his drafts in German, which were then translated into English for American readers.²³ But when Weigel and Eichinger had their first meeting in Hollywood with Robert Rehme, the President of Universal Pictures, he told them that the screenplay had received poor coverage. Consequently, he had no interest in pursuing the project any further. The three men chit-chatted for a while before Eichinger returned the conversation to the project. This time Weigel pitched the story to Rehme in the room. Weigel told certain scenes from the book in colorful detail. Afterwards Rehme was willing to read a revised draft of the screenplay. At all subsequent meetings in Hollywood Eichinger told the executives not to pay attention to the screenplay at hand, and asked Weigel to pitch the story anew.²⁴

I argue that this scene demonstrates the crucial function of the verbal pitch in Hollywood's executive suites. By reframing the project Eichinger and Weigel managed to convince the Hollywood executives they were meeting to give their project a second chance. John Caldwell has described the significance of the pitch both in terms of a piece of performance art and in terms of its narrative reductionism. As Caldwell notes, "pitching describes the interpersonal ways that both are enacted and performed among individual creators within the production/development chain."²⁵ This enactment starts with the producer who has to frame the narrative and its creative direction for the potential buyer and "sell" the buyer on the project. Of course, an investment as the one sought for *The Neverending Story* would not be made without a final screenplay. However, the pitching session inside the executive's office allowed Eichinger

23. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

24. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

25. John T. Caldwell, *Production Culture: Industrial Reflexivity and Critical Practice in Film and Television*. Duke University Press, 2008, p. 81.

and Weigel to play both on the personal relationships they had already established with each person and to frame that person's perception of the project before reading the script. This is accomplished because the pitch reduces the narrative of the script to a bare minimum and focuses on the most salient parts of the story. In doing so, Caldwell says, the pitcher relies on a generic "just-like-but-different" premise: "Pitches work by hooking the buyer with a short but recognizable convention of some sort, then glomming, spinning, or aggregating it with some other unconventional element in order to create a 'just like X, but with Y' variant."²⁶

In this way the pitcher relies on familiar story archetypes, preferably from commercially and/or critically successful projects that the listener would know, and then reframes them with a new narrative element. Weigel told me that he imagined one of the creatures from the book, the Rock Biter, to sound like Fossie Bear from *The Muppet Show*. This allowed him to imagine and pitch the character's dialogues in the same voice and intonation as Fossie Bear.²⁷ In essence, Weigel relied on the sense of familiarity that this beloved Muppet character induced in his listener and then reframed the character for the new story at hand.

However, I argue that there is a third component implied in Caldwell's notion of pitch as performance art. Like a stand-up comedian, the pitcher can observe his interlocutor's reaction during the "performance." If the listener seems lost or confused, the pitcher can respond to questions and go into more detail when needed. More importantly, the pitcher gathers instant feedback. The pitcher will know right away which pieces appeal to his audience in the room and which may not. For his next "gig" the pitcher can then pivot and update his pitch as needed by adding in new information and scenes and leave out the less successful parts — the pitcher is rewriting the story 'on the fly' to suit his audience.

26. John T. Caldwell, *Production Culture*, p. 83.

27. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

Hence the trip to Los Angeles was potentially the most important moment for Eichinger and Weigel to rethink their narrative approach to the movie. Pitching the premise of *Die Unendliche Geschichte* over and over again gave them insights into what Hollywood studio executives responded to. In this way the pitch became a fundamental part of the development process.

5.2.6. The Final Package

In this subsection I discuss the third and final stage in the packaging process. The attachment of Wolfgang Petersen's brand as director made the project more marketable to foreign distributors.

After the successful pitching round Eichinger commissioned Weigel to write the screenplay.²⁸ Katja Eichinger reports that Weigel's draft was soon done and well-received by the production team. However, Dietl, the director, did not like it. Eichinger had to make the decision to let Dietl go.²⁹ According to Weigel, he and Eichinger had to think fast. They sent Weigel's screenplay to Wolfgang Petersen, the director of *Das Boot*, who had been fielding offers from Hollywood studios, but was allegedly unhappy with the scripts sent to him. Eichinger sent him Weigel's draft on the morning of October 9, 1982, and asked him for an answer by the end of the day. When Petersen arrived that night for dinner with Eichinger and Weigel, they could tell that he was on board, and felt relieved.³⁰

The reason for their relief was that with Petersen, who had previously steered the DM 30-

28. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

29. Katja Eichinger. *BE: Bernd Eichinger*, p. 210. Eyssen surmises that Dietl quit on his own accord because he could no longer handle the responsibility of running a major film production. Remy Eyssen. *Der Film Die Unendliche Geschichte*, p. 38

30. Herman Weigel. Personal Interview by Author, 21 July 2015, Munich, Germany.

million production *Das Boot*, they now had a director with the proven competency of heading a big-budget production. But more than that, Petersen had the cachet and critical recognition to confer on their project. He thus represented the final piece to the "package." Therefore, by mid-October 1982 the package was finally assembled with the movie rights to a bestselling novel, an internationally-renown (and soon-to-be Oscar-nominated) director, an Oscar-winning special-effects supervisor, and a budget commitment of now \$25 million (DM 60 million).³¹

However, it had taken nearly a year to put these elements together. Throughout the development and pre-production process Eichinger and Weigel had had to change course several times and amend both the business strategy and the narrative framing for the project. I argue that this shows just how circuitous and dynamic the process of packaging can be. We must think of the business and narrative strategies as interlocking parts that have to move in tandem with each other. If one changes, this will affect the other in turn and determine the course of the entire production.

5.3. Putting Together the Financing

In his entry on *The Neverending Story* in *Geschichte des deutschen Films* Eric Rentschler writes that Bernd Eichinger achieved "substantial profits" with a "clever financing strategy."³² This statement suggests that the financing process was an easy, straightforward affair. However, the financing process for *The Neverending Story* turned out to be neither easy nor straightforward. I argue that examining the financing process for *The Neverending Story* reveals

31. Quentin Falk. "Lifting the lid on a \$25 million 'blockbuster'..." *Screen International*, 25 Dec. 1982, p. 15.

32. Eric Rentschler. "Film der achtziger Jahre: Endzeitspiele und Zeitgeistszenarien." *Geschichte des deutschen Films*, ed. by W. Jacobsen, A. Kaes, H. H. Prinzler, Stuttgart: J.B. Metzler Verlag, 2004, p. 292.

the precariousness and unpredictability of international film financing as well as the leverage that the US major studios maintain in the international film business.

5.3.1. A High-Stakes Gamble

In this subsection I examine the early financing process. Eichinger engaged in a high-stakes gamble by starting pre-production on the Bavaria Studios soundstages without having secured all the financing elements.

Eichinger asked Günter Rohrbach, the former commissioning editor at WDR and now general manager of Bavaria Studios and producer of *Das Boot*, to become a co-production partner on the movie. Brian Johnson had made it a condition of his employment that Bavaria Studios would be refitted according to his needs and specifications. As part of the co-production arrangement, Rohrbach committed DM 5 million to the production in deferred payments for the use of his studio facilities and invested another DM 2 million to construct a blue-screen operation on Bavaria's largest soundstage, Stage 4/5.³³ In addition, Rohrbach secured, in his words, a "good deal" with broadcaster WDR for the domestic television rights.³⁴

For Rohrbach this was an investment in the future of the studio as a service-provider to foreign producers. Through its association with this production, Bavaria Studios wanted to gain the cachet to promote itself in the international marketplace. Moreover, by upgrading facilities for *The Neverending Story* Rohrbach hoped that Bavaria Studios would obtain the necessary expertise in dealing with such large-scale productions.³⁵

33. Katja Eichinger. *BE: Bernd Eichinger*, pp. 210-213; "Finanzierungsplan Unendliche Geschichte Status per 15.8.84." Financing plan as of 15 Aug. 1984. SDK, BEC. 4.3 201210-0 UNENDLICHE GESCHICHTE 2.

34. Günter Rohrbach. Producer, former CEO, Bavaria Film Studios. Personal Interview by Author, 26 March 2014, Los Angeles, CA, USA.

35. Remy Eyssen. *Der Film Die Unendliche Geschichte*, p. 32; Ulli Pfau. *Phantásien in Halle 4/5*, p. 41.

But fronting the money for this production was also an enormous risk. Rohrbach told me in an interview that the level of stress he experienced with *Das Boot* paled in comparison to the sleepless nights he had on *The Neverending Story*.³⁶ For the movie was not fully financed when Eichinger launched into pre-production. Eichinger floated much of the pre-production with private funds from Neue Constantin. But it was not enough. Rohrbach told me that Eichinger had to ask Rohrbach for a loan of DM 1 million. Eichinger had run out of money and could no longer pay salaries for the production personnel. Rohrbach gave him the loan without running it past his board of directors. Rohrbach deliberately kept the owners of Bavaria Studios—the regional public broadcasters WDR and SDR—in the dark on the exact circumstances of the production. Rohrbach says that if the network heads had known that the soundstages were filled with sets for a production that could collapse at any moment, they would immediately have shut down the entire operation. The whole production was only made possible as a "collective conspiracy" in the hopes that all would turn out well in the end.³⁷

The majority of financing therefore came from private-commercial funds. However, some funding also came from public funds. The project fund of the FFA had granted DM 700,000 for the film.³⁸ The State of Bavaria pledged another DM 4 million. Eyssen notes that this loan caused some uproar among German filmmakers, which, in his view, was unfounded since the money did not derive from "official subsidy funds." Moreover, the production employed 150 film-related workers for two years in the region and would ultimately help strengthen the industry.³⁹

36. Günter Rohrbach. Personal Interview by Author, 26 March 2014, Los Angeles, CA, USA.

37. Günter Rohrbach. Personal Interview by Author, 26 March 2014, Los Angeles, CA, USA.

38. See entry for "Die Unendliche Geschichte" in: Filmförderungsanstalt. "Gesamt-Titelübersicht der Filmprojekte mit Projektfilmförderungsmitteln und/oder Genehmigung nach dem FFA-ARD-ZDF-Film/Fernsehabkommen." *FFA Direkt*, Berlin, 31 Dec. 1996.

39. Remy Eyssen. *Der Film Die Unendliche Geschichte*, pp. 86.

It is hard to verify Eyssen's claim that other filmmakers did not lose out on state funds because of this production. For many smaller-sized productions it must have looked as if the state government was giving away money to one big production that did not need it. But I agree with Eyssen that *The Neverending Story* provided jobs and training to German film workers in special-effects technology and operating large-scale film productions. In that sense, the public funds were an investment in the continuing training and specialization of local film workers.

Nevertheless, Katja Eichinger reports that at some point the funding commission reconsidered its decision. Eichinger had a panic attack when he found out. He called up the head of the commission and told him that if they did not give him the money, Neue Constantin Film would be ruined. The agency reconvened another board meeting and reinstated the funding.⁴⁰

This episode demonstrates how precarious the financial situation was for Eichinger at the time. He was operating close to the edge because by the time principal photography commenced on March 13, 1983, the largest piece of financing was still missing: North America.

5.3.2. Negotiating with the Majors

Katja Eichinger reports that on their first trip to the Hollywood studios in summer 1982 Eichinger and Weigel had secured a commitment from international sales agency Producers Sales Organization (PSO).⁴¹ The company would act as a producer's representative in the USA, representing the production formally vis-a-vis the major studios, and as an international sales agent to international distributors. PSO paid Eichinger a minimum guarantee of DM 10 million.⁴²

40. Katja Eichinger. *BE: Bernd Eichinger*, pp. 214. It is not clear from K. Eichinger's report whether this episode concerned the FFA or the Bavarian funding. I have not found another source to corroborate these events.

41. Katja Eichinger. *BE: Bernd Eichinger*, p. 209. *Variety* confirmed this deal in October. "PSO Takes Global Sales For Costliest German Pic Ever." *Variety*, 27 Oct. 1982, p. 5.

42. Katja Eichinger. *BE: Bernd Eichinger*, p. 209.

When principal photography started with Wolfgang Petersen in charge, the production budget had climbed to an estimated \$25 million (DM 60 million).⁴³ At the time, presales for North America were expected to contribute around 50% of the production budget. Eyssen reports that Warner Bros. had made an offer early on, but this was about 50% below what Eichinger needed.⁴⁴ In April 1983 Eichinger had his editor, Jane Seitz, cut together a ten-minute trailer for *The Neverending Story*. Together with his American production executive Anna Gross he went from one studio to the next and showed the trailer: first to HBO in New York, then in Los Angeles to Paramount Pictures, Warner Bros, Columbia TriStar, and Orion Pictures. Paramount and Warner Bros. were ready to enter negotiations. Over the course of five days Eichinger shuttled back and forth between the two studios to play them against each other and up the ante.⁴⁵

However, Rohrbach told me that it was the studios who were playing for time and holding out on making a commitment to Eichinger. They knew that the German producer needed them more than they needed him.⁴⁶ According to both Rohrbach and Katja Eichinger, the entire production would have collapsed had one of the studios not come on board at this moment. Finally, Warner Bros. agreed to Eichinger's terms.⁴⁷

I have provided this narrative account of the production's financing history in order to demonstrate just how complex and precarious the financing process turned out to be for *The Neverending Story*. The financing plan in the Bernd Eichinger Collection does not reflect the complexity of the negotiations and the emotional toll that those negotiations must have exacted

43. "'Never Ending Story' Marks Big Gamble for Germany, But Film Has All Elements For Solid Hit." *Variety*, 2 March 1983, pp. 277, 299.

44. Remy Eyssen. *Der Film Die Unendliche Geschichte*, pp. 85.

45. Katja Eichinger. *BE: Bernd Eichinger*, p. 227.

46. Günter Rohrbach. Personal Interview by Author, 26 March 014, Los Angeles, CA, USA.

47. Katja Eichinger. *BE: Bernd Eichinger*, pp. 227.

on the producers. Even if Eichinger had initially devised the strategy of targeting North America as the primary market for the movie, it ended up being a high-risk gamble since he was dependent on partners in a much stronger negotiating position, which became even stronger the longer it took Eichinger to complete the deal.

5.3.3. Warners' Leverage

In this subsection I examine the level of leverage that Warner Bros. maintained vis-a-vis Eichinger. I argue that this becomes particularly evident in the profit-share agreement that the studio struck with Neue Constantin.

Starting pre-production without the major pieces of financing in place had certainly been folly on Eichinger's part, mostly attributable to a lack of experience. He would not make that same mistake again on future productions. Nor would he put up so much of his company's own capital upfront. According to the final financing plan of August 15, 1984, the final production budget came to DM 66,540,487.80. Neue Constantin was invested in the movie with DM 14,062,508,34. That included DM 2 million in theatrical distribution advances and DM 500,000 in video sale advances. Bavaria Studios was invested with another DM 5 million in deferments.⁴⁸

Those were unusually high amounts of at-risk capital for any movie production. However, whereas Bavaria Studios might have survived a collapse of the production with its highly-capitalized public television co-owners in tow (although certainly not without repercussions for the management team), Neue Constantin Film, as a privately-held company, certainly would not. Eichinger was therefore under pressure to close a deal with a North American studio.

⁴⁸. "Finanzierungsplan Status per 15.8.84." Financing plan. 15 Aug. 1984. SDK, BEC. 4.3 201210-0 UNENDLICHE GESCHICHTE 2.

Warner Bros. provided the single-largest piece of financing with DM 37,972,382.42.⁴⁹ WB's participation therefore represented more than 50% of the production financing in return for distribution rights in all English-speaking territories. As part of its investment, it took over worldwide merchandising rights on behalf of the movie through its subsidiary, Licensing Corporation of America (LCA).⁵⁰

But more significantly, Eichinger was also dealing with a very sophisticated deal-maker in Warner Bros. Herman Weigel points out that the contract terms for revenues were skewed in Warners' favor. Weigel explains that in the independent film business the distributor typically first deducted a 35% distribution fee from the rentals. From the remaining 65% the distributor would then recoup his minimum guarantee and all his prints and advertising expenses (P&A). Once breakeven was reached—i.e. the distributor had recouped both MG and P&A expenses—distributor and producer would share in the remaining rentals with a 50/50 split. However, in the contract with Neue Constantin Film, Warners had set a 35% distribution fee "off the top" on all rentals. That means that Warner Bros. always took off 35% of the rentals even after it had recouped the MG and P&A expenses. Therefore, rather than splitting all rentals 50/50 with the studio after breakeven, the producers only received 50% of 65% of the rentals.⁵¹

It is hard to estimate how much this oversight must have cost Neue Constantin in potential profits from the North American market. However, even if Eichinger and Weigel had caught this contract term before closing the contract, it is unlikely that they would have been able to affect any changes to it. *The Neverending Story* is certainly a case of uneven power-relations between the producers and the studio. However, this is not that different from any other producer

49. As a result of Warners' participation, PSO's contribution for international sales outside Warners' territories was reduced to DM 4,805,627.04. "Finanzierungsplan Unendliche Geschichte Status per 15.8.84."

50. "'Never-Ending' Spin-Off." *Variety*, 5 Oct. 1983, p. 7.

51. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

who would have collaborated with any one of the major Hollywood studios. The *Art Buchwald v. Paramount* court case revealed the studios' manipulative accounting practices in the late 1980s. That case has become a widely-cited example of Hollywood's unfair accounting practices and the effective leverage that studios maintain over individual film workers.⁵²

5.3.4. The Benefits of Distribution

Eichinger's situation with Warner Bros. on *The Neverending Story* was in many ways analogous to Carolco's situation with TriStar Pictures on *Cliffhanger* (see chapter 3.3.). In that case Carolco was also exposed to the strong-arm tactics of a major Hollywood studio, trying to complete the financing for its blockbuster budget. That deal cost Carolco a lot of money in lost revenues from the North American market and exposed the precariousness of the presale market. However, I argue that there is one significant difference between the two cases: whereas Carolco was exclusively a producer and therefore dependent on the deals struck with distributors, Neue Constantin could rely on its own distribution networks in West Germany and Austria for profits.

The account statement issued by the distributor, Neue Constantin Film GmbH and Co Verleih KG, to the film producer, Neue Constantin Filmproduktion, illustrates this point. By March 1985 *The Neverending Story* had brought in theatrical rentals of DM 16,021,409.46 in West Germany.⁵³ Of those rentals, the distributor collected 40% (or DM 6,052,892.87) as a distribution fee. Another DM 578,894.09 were then factored in for rentals from Austria. But

52. In that case writer Art Buchwald won a law-suit against the studio for breach of contract. However, when determining the damages that he was due, the studio claimed that the movie had made no profit, despite earning nearly \$288 million in box-office receipts. See Pierce O'Donnell, Dennis McDougal. *Fatal Subtraction: How Hollywood Really Does Business. The Inside Story of Buchwald V. Paramount*. New York: Doubleday, 1992.

53. "Agentur-/Lizenabrechnung von Neue Constantin Film GmbH & Co Verleih KG and NCFP vom 25.4.85." Account statement. 25 April 1985. SDK, BEC. 4.3 201210-0 UNENDLICHE GESCHICHTE 2.

before the license-holder could collect any profits, outstanding expenses and debts had to be repaid. That means that out of the remaining DM 7,923,688.73, DM 2 million went towards paying down Neue Constantin's minimum guarantee and another DM 2,623,721.95 for P&A expenses. Finally, another DM 5,842,930.22 went towards repaying the loan from the Bavarian government (including interest) and the loans and deferments granted by Bavaria Studios. According to the account statement, Neue Constantin Filmproduktion thus received a producer's share of DM 80,758.51.⁵⁴

Evidently, Neue Constantin Filmproduktion made very little money on the movie. I conclude that while Eichinger's financing strategy may have looked clever on the surface, it turned out to be highly risky and far from profitable. Neue Constantin Film had invested some DM 11.6 million of its own capital in the production, according to the financing plan of 15 August 1984. But it received far less than that in profits. Katja Eichinger notes that it would take many more years before Neue Constantin had fully recovered from this enormous investment.⁵⁵

5.4. The Transnational Blockbuster in the "Global Mainstream"

In this section I discuss the controversy that erupted between the author Michael Ende and the producers Dieter Geissler and Bernd Eichinger over the movie's cultural identity. Ende felt that the producers had compromised the book's artistic integrity by hewing too closely to American fantasy genre models whereas he had favored a "European film" from the start. I argue that this debate lays open the fundamental difficulty in determining a film's cultural provenance and national affiliation. A film production like *The Neverending Story*, which depends on

54. "Agentur-/Lizenabrechnung von Neue Constantin Film GmbH & Co Verleih KG and NCFP vom 25.4.85."

55. Katja Eichinger. *BE: Bernd Eichinger*, p. 235.

international capital for its production financing and employs an international production crew, challenges established notions of national cinema.

5.4.1. An American or a European Film?

On March 11, 1983, the book's author Michael Ende held a press conference to publicly voice his displeasure with the script version of February 15, 1983, written by Herman Weigel. Ende refused to endorse the project.⁵⁶ Ende's judgment carried a lot of weight for the production because the author had right of approval for the screenplay and the final cut of the movie. For Eichinger, Ende's public utterances were therefore not just potentially bad publicity but could also decide over the fate of the production. The relationship between the author and the producers only deteriorated thereafter.

Eyssen suggests that much of Ende's rancor derived from the way he felt neglected by the producers.⁵⁷ But I believe that part of the dissension was also over the movie's supposed cultural affiliation. At the press conference Michael Ende explained to the assembled journalists that he had permitted the movie adaptation only under the proviso that it would become a "European film." In his view the adaptation had to be "a film that was based on European culture, that was different from American science-fiction spectacles; in fact, that it would be the exact opposite of American fantasy films."⁵⁸ However, the script as written by Herman Weigel suggested to Ende that the movie would become exactly that: in Ende's words, "a spectacular, well-crafted but

56. Michael Ende. Press release, 11 March 1983. Reproduced in full in Ulli Pfau. *Phantásien in Halle 4/5*, pp. 161-163.

57. Eyssen suggests that Ende had been incensed when he learned that Geissler had earned three times more money than Ende from assigning the movie rights to Eichinger. Remy Eyssen. *Der Film Die Unendliche Geschichte*, p. 28. *Screen International* reports that the producers disputed that claim. They asserted to have paid Ende \$154,000 and 10% of the film's worldwide profits. Billy Kocian. "'Never Ending Story' draws one million admissions." *Screen International*, 21 April 1984, p. 16.

58. Ende quoted in: Ulli Pfau. *Phantásien in Halle 4/5*, p. 117; my translation.

unsubstantial fantasy film according to all-too familiar American templates."⁵⁹

According to Pfau's account, Geissler had had the best of intentions when he agreed to Ende's dictum to make a "European film." However, once Geissler and Eichinger realized that the adaptation of the novel's fantastical worlds would require a substantial financial investment, they were forced to follow prevailing market conditions and produce a movie that would be appealing to millions of people.⁶⁰

In practice, this meant that the filmmakers had to appeal to the North American market and shape the movie accordingly. As I discussed above, Weigel's pitching sessions at the Hollywood studios had already shaped specific elements of the narrative to conform with the expectations of the executives in attendance. In addition, the roles of Bastian, Atreyu and the Childlike Empress were played by young, professional American actors, and the dialogues were shot in English.⁶¹ The framing story of Bastian's life was filmed on location in Vancouver, Canada. The supporting characters were primarily cast with British actors. Katja Eichinger reports that Eichinger and Petersen even showed a fine cut to American director Steven Spielberg, who gave them extensive notes.⁶²

Yet did this necessarily make it an "American movie"? Pfau raises that question by noting that Eichinger had a hard time coming to terms with the phrase "European film." Pfau quotes Eichinger as saying: "Of course we take the book very seriously, the story of Bastian's dream journey. If somebody now says, 'That is very American'—I don't know. The main creative forces of this production are from the European hemisphere, and particularly from German-speaking

59. Michael Ende. Press release, 11 March 1983. Reproduced in full in Ulli Pfau. *Phantásien in Halle 4/5*, p. 161; my translation.

60. Ulli Pfau. *Phantásien in Halle 4/5*, p. 124.

61. The dialogue tracks were later dubbed into German for the German release version.

62. Katja Eichinger. *BE: Bernd Eichinger*, pp. 229-230.

territories. And the story itself was written from the European cultural background, even if it incorporates much eastern mysticism. And that will be reflected in the movie."⁶³

I argue that Eichinger's statement hints at the inherent contradictoriness of attaching a national affiliation to a movie. What factors determine this type of affiliation: its site of production, its financing sources, the nationality of its crew and talent, or the language used during filming?

5.4.2. Hollywood and the "Global Mainstream"

The Neverending Story was Eichinger and Weigel's attempt to join a "global mainstream" in filmmaking. At that time, much of this "global mainstream" was determined by Hollywood. But, as film scholar Randall Halle notes, "Hollywood" ceases to be a location in California and becomes "an economic and narrative organizing principle": "Each Hollywood film organizes productive forces, exhibiting the ability to assemble transnationally American and British actors, production sites in Europe, postproduction in Canada, and so on."⁶⁴

In many ways Halle's definition of "Hollywood" mirrors the one offered by Miller et al. in *Global Hollywood 2*. The authors coin the term "New International Division of Cultural Labor" (NICL) to denote the division of labor for Hollywood productions around the globe. According to this conceptualization, Hollywood's movies are shot in foreign locales to take advantage of beneficial local tax and labor legislations. European public film subsidies and cheap production crews help finance the major studios' blockbuster productions. Similar to automobiles, Hollywood films are "assembled" in production chains that span the globe.⁶⁵

63. Bernd Eichinger quoted in: Ulli Pfau. *Phantásien in Halle 4/5*, pp. 124-125.

64. Randall Halle. *German film after Germany*, p. 37.

65. Toby Miller et al. *Global Hollywood 2*. BFI Publishing, 2005, pp. 120-121.

Yet there is an important difference between Halle's and Miller et al.'s definitions. In the latter's version of "Global Hollywood" the political and economic power remains concentrated in Hollywood (or Burbank or New York). Ownership of the crucial intellectual property of the movie remains in the hands of the US major studios. On the other hand, Halle imagines "Hollywood" as a truly dispersed phenomenon. Hollywood as "economic and narrative organizing principle" is an inherently transferable principle that allows a Bavarian company like Neue Constantin Film to organize its production like a major studio production, but ultimately retain the copyright—and thus the control—over the final product.

Halle's definition of Hollywood allows us to reframe Weigel's own conceptualization of the term. According to Weigel, he and Eichinger wanted to make a "Hollywood film" that would be "shown everywhere." In this context "Hollywood" is neither the site of production nor production expertise, but rather becomes a question of accessibility and sheer ubiquity. In fact, the American major studio becomes an accessory to this strategy. Warner Bros.' international distribution prowess can help deliver the movie into many remote corners of the globe.

But there is another element that does not have to do with studio involvement at all. Eichinger and Weigel's attempt at creating a four-quadrant blockbuster also makes this ubiquity and accessibility possible at an aesthetic level. Halle asserts that the blockbuster, with its emphasis on action, visuality and spectacle, downplays national-linguistic barriers to consumption and draws its audiences into a "global mainstream."⁶⁶ Eichinger and Weigel were targeting this global mainstream with their assertion that the movie should be "shown everywhere." In this sense the blockbuster becomes a truly transnational cultural product—in its mode of production, aesthetic composition, and distribution and reception contexts—that is

66. Randall Halle. *German film after Germany*, p. 39.

unmoored from its traditional berth in California and moves freely about the globe.

But how should we conceptualize this "global mainstream"? Implicit in Halle's argument is the acknowledgment that this global mainstream is largely influenced by American popular culture. According to American studies scholar Winfried Fluck, the global influence of American popular culture is not without coincidence. He argues that American popular culture benefited from a variety of multiethnic influences as a largely immigrant nation. Moreover, "because of the multiethnic composition of its audiences, American popular culture faced a market that resembled today's global market in its diversity and multi-linguistic nature, so that a need emerged early on to find a common language that would be able to overcome the heterogeneity of audiences."⁶⁷ Fluck argues that American popular culture responded to these conditions with simplification and reduction that allow for increasing stages of access and accessibility for a less well-off and less literary audience.

The concept of simplification and reduction in popular culture is not new. It is a critique that high-culture proponents have often leveled against popular culture, such as Max Horkheimer and Theodor Adorno's concerns over "The Culture Industry."⁶⁸ However, for Fluck, simplification does not mean reducing everything to the lowest common denominator. He connects simplification and reduction with cultural transformation. He observes that silent movie directors such as D.W. Griffith sought to develop a new filmic language that could open up new avenues for artistic expression: "The reduction to which I refer here is, in other words, primarily the result of a transformation of cultural expression by technological developments like printing,

67. Winfried Fluck. "California Blue: Americanization as Self-Americanization." *Americanization and Anti-Americanism: The German Encounter with American culture after 1945*, ed. A. Stephan, Berghahn Books, 2007, p. 225.

68. See Max Horkheimer and Theodor W. Adorno. "The culture industry: Enlightenment as mass deception." *Media and Cultural Studies: Key Works*, edited by M. G. Durham & D. Kellner, Blackwell, 2006, pp. 41-72.

film, amplified music, and so on—developments that facilitate accessibility but, at the same time, also create new possibilities of expression and aesthetic experience."⁶⁹

It is perhaps this simplification and reduction—the drive towards accessibility—that Michael Ende objected to the most. What he did not recognize was the filmmakers' attempt at finding their own visual language, which considered spectacle as a legitimate form of cultural expression. When Ende saw the final cut, he publicly called the movie "a giant melodrama made of kitsch, commerce, plush and plastic."⁷⁰

Ende wanted to impose an injunction to bar the release of *The Neverending Story*. Eichinger, who saw his sheer survival as a distributor and producer at risk, threatened to countersue Ende for the entire DM 60 million that Eichinger had invested in the movie. Michael Ende dropped the injunction but pulled his name from the movie. But Eichinger had already anticipated that move and had left Ende's name off all the marketing materials. Neue Constantin opened the movie as planned on April 6, 1984.⁷¹

5.5. The Distribution Context

The production context of a movie is only one factor in determining its cultural affiliation. Bernd Eichinger and Herman Weigel wanted the movie to be "shown everywhere." This means that the distribution context also becomes relevant. In this case the distributor plays a vital role in making a film available to audiences and shaping its presence in the marketplace. In the following section I examine the ways in which both Neue Constantin Film and Warner Bros.

69. Winfried Fluck. "California Blue: Americanization as Self-Americanization," p. 226.

70. Katja Eichinger. *BE: Bernd Eichinger*, p. 232.

71. Katja Eichinger. *BE: Bernd Eichinger*, pp. 232-234; Detlef Dreßlein, and Anne Lehwald. *Bernd Eichinger: Die Biografie*. Munich: Wilhelm Heyne Verlag, 2011, pp. 120-121.

released and marketed the movie in West Germany and North America respectively. I argue that both distributors were keen to position the movie as a "domestic" release within their respective territories.

5.5.1. A Neue Constantin Film Release

In this subsection I examine Neue Constantin's release campaign for *The Neverending Story*. Neue Constantin Film must have felt very bullish about the movie's commercial prospects because it launched *The Neverending Story* right in the lucrative Easter season on April 6, 1984. That date was the start of spring break for schoolchildren in many Bundesländer, leading up to the Easter holiday on April 22.⁷² West German distributors typically reserved their most promising releases for either the Easter or Christmas breaks. *The Neverending Story* was released with an opening run of 255 prints, to be extended to 300 prints by Easter.⁷³ Thus, even though the initial launch was just short of the 300-print run for *Conan the Barbarian*, Neue Constantin Film was clearly in saturation release mode for *The Neverending Story*.

I now examine the poster design and the trailer design for the movie. Despite Michael Ende's official distancing from the movie, I argue that the marketing materials for the release presupposed its target audience's familiarity with the underlying property.

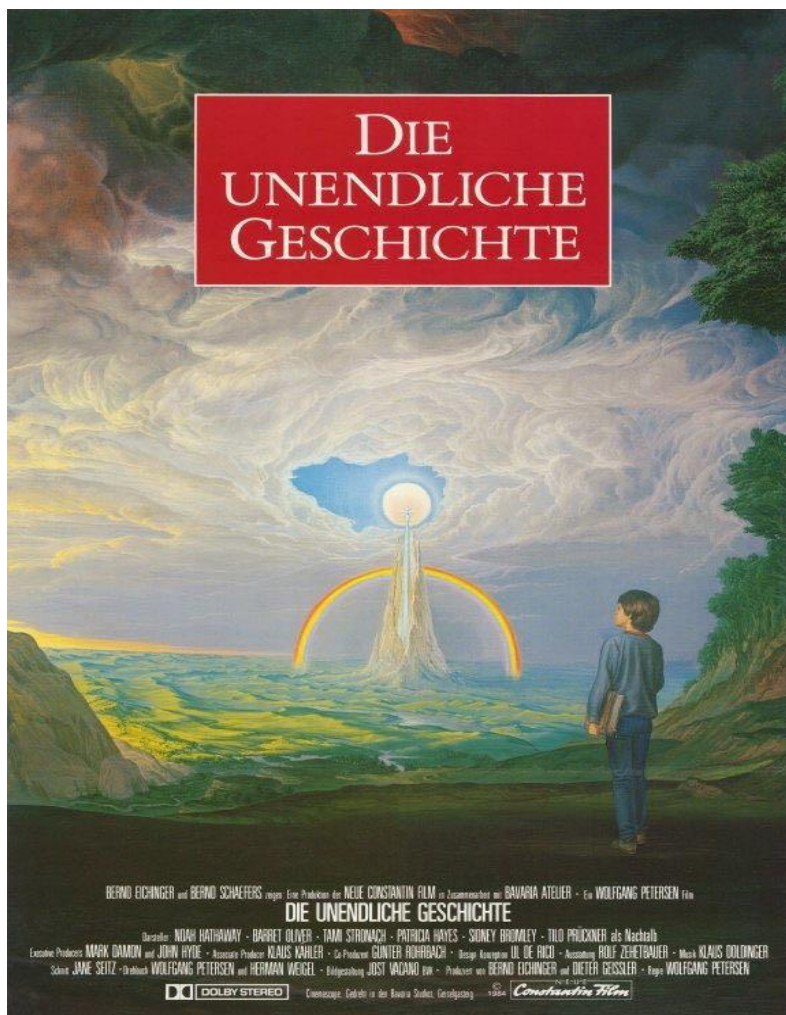
Poster Design

The poster design for the movie gives little indication of the fantasy spectacle at hand. In fact, the poster looks more like a book cover. Based on one of production designer Ul de Rico's

72. The Bundesländer have staggered school holidays to avoid traffic jams and a crush on vacation resorts.

73. "'Never Ending Story' draws one million admissions." *Screen International*, 21 April 1984, p. 16; "German 'Story' Opens To Record \$2-Mil (First 3 Days); Tops 'E.T.'" *Variety*, 11 April 1984, p. 6.

drawings, the poster shows Bastian holding the book and looking out over a plain dominated by the Ivory Tower, the Childlike Empress's castle.⁷⁴ The dream-like quality of the drawing suggests a more pensive mood than the "giant melodrama of kitsch, commerce, plush and plastic" that Michael Ende had identified in the movie. Clearly, Neue Constantin was trying to emphasize the movie's kinship with the bestselling novel, with or without the author's blessing, and make that its primary selling argument.



West German release poster for *The Neverending Story* (1984)

74. "Die Unendliche Geschichte Filmplakat (1983/84)." *Filmportal.de*. DFF-Deutsches Filminstitut & Filmmuseum e.V. www.filmportal.de/node/37981/material/620556. Accessed 27 March 2020.

Movie Trailer

The movie trailer stands in surprising contrast to the visual strategy employed by the poster design. Whereas the latter transmits a more pensive mood, I argue that the trailer focuses on the movie's spectacle moments with Neue Constantin's customary move towards narrative reductionism.⁷⁵ The trailer showcases the various creatures from the movie—the flying luck dragon Falkor, the Racing Snail, the Nighthob, and the Rock Biter—in a series of shots. In a voice-over the evil Wolf Gmork explains that the "Nothing" is destroying Fantasia. Yet the trailer provides no expository information on Atreyu's quest, which covers the majority of the plot of the movie.

This lack of narrative exposition recalls Neue Constantin's *Conan der Barbar* trailer. Clearly, Neue Constantin wanted to highlight the spectacle scenes from the movie. But more than that, I argue that the trailer assumed an informed audience. The trailer concludes with the big reveal that Bastian is implicated in the story he is reading. This suggests that Neue Constantin Film presupposed an audience already familiar with the major plot revelations of the novel. The function of the trailer was therefore to reinforce the main conceit of the book—humans create Fantasia through their imagination—in order to appeal to the book's readership of youths and adults, and to show off the creatures and the impressive special effects of the movie.

Finally, Neue Constantin's marketing materials clearly branded the movie as a Neue Constantin release in West Germany. Neue Constantin's logo is featured prominently at the head of the German-language trailer and in the credit block on the Neue Constantin poster. The entire credit block is written in German while the trailer features the German dubbing voices. Neue

75. "Die unendliche Geschichte - Trailer." *YouTube.com*, 6 June 2012. Provided by Constantin Film VOD. www.youtube.com/watch?v=wRQ_ts5opdE. Accessed 27 March 2020.

Constantin Film made it very clear that this was a German production.

5.5.2. A Warner Bros. Picture

In an article for the film journal *Sight & Sound* film critic William Fisher writes that "*The Neverending Story* is not a German film or a New [sic] Constantin film but, first and foremost, a Warner picture." This, in Fisher's view, explains Warners' interest in promoting and distributing the film widely in the States. Fisher asserts that the German producers "Americanized" the film in such a way that the American studio did not have to do anything to make it accessible for their audience.⁷⁶

It is hard to verify this claim. After all, as I have demonstrated in the previous section, negotiations with Warner Bros. extended over a long period of time. It is hard to believe that Warner Bros. would have had no creative input at all during that time. However, I agree with Fisher that Warner Bros. did market and release the movie as a "Warner picture." For all intents and purposes, it "owned" the movie stateside and released it as such. Moreover, it was in the producers' best interest if Warner Bros. decided to "own" the movie in North America and release it as a "Warner Bros. picture." That way, the movie would be positioned in the North American marketplace with the full might of a major studio, rather than being assigned to the smaller and less profitable art-house circuits that ran most foreign films.

Counting on Genre

I argue that Warner Bros. relied on a genre-based marketing strategy to position the movie as a "domestic" movie while downplaying the movie's non-US progeny. Since Michael

76. William Fisher. "Germany: a neverending story." *Sight and Sound* v. 54 (Summer 1985), pp. 174-9.

Ende's novel was not widely read in the USA at the time, the studio could not rely on its target audience's familiarity with the underlying property. But it also meant that it could not rely on a pre-existing adult literary audience. For this reason, it positioned the movie primarily as a children's film.

The release pattern already shows the movie's positioning as a children's or "family" movie. The movie was rated PG ("Parental Guidance Suggested") by the MPAA, which made the film suitable for most children aged 6 and above in the eyes of the ratings board. The studio's positioning of the movie as a family film can also be seen from its release date. Warner Bros. opened the movie on July 20, 1984, at the height of the summer season when most schoolchildren were on break and available to go to the cinemas. The date was also six weeks after Warner Bros' other big family release, *Gremlins*, which came out on June 8, 1984. Giving both releases a wide enough berth in the marketplace would prevent either film from cannibalizing the audiences of the other.⁷⁷

Warners gave the movie a wide release and started it in 950 theaters.⁷⁸ This was in line with other PG-rated family movies at the time: Columbia Pictures opened *The Karate Kid* on 931 screens on June 22 and *Ghostbusters* on 1,339 screens on June 8; Universal Pictures' *The Last Starfighter* opened in 1,287 theaters.⁷⁹ Warner Bros. therefore clearly had strong expectations for the commercial potential of *The Neverending Story*.

77. Release information sourced from "Domestic Release Schedules." *Boxofficemojo.com*. www.boxofficemojo.com/calendar/1984-06-01/. Accessed 27 March 2020.

78. "The NeverEnding Story." *BoxOfficeMojo.com*. www.boxofficemojo.com/release/rl3865347585/weekend/. Accessed 31 Oct. 2019.

79. "E.T.-The Extraterrestrial." *Boxofficemojo.com*. www.boxofficemojo.com/release/rl995132929/?ref=bo_gr_rls; "The Karate Kid." *Boxofficemojo.com*. www.boxofficemojo.com/release/rl3378349569/weekend/; "Ghostbusters." *Boxofficemojo.com*. www.boxofficemojo.com/release/rl3696592385/?ref=bo_rs_table_6; "The Last Starfighter." *BoxOfficeMojo.com*. www.boxofficemojo.com/release/rl2506065409/weekend/. All accessed 31 Oct. 2019.

Poster Design

Warner Bros. did not flag the movie as either "foreign" or "European" in the marketing materials, but rather emphasized the movie's fantasy genre elements. The credit block is held vanishingly small in both the US one-sheet and the theatrical trailer.⁸⁰ The poster design relies on specific genre cues and is composed of visual elements that denote the fantasy genre.⁸¹ Atreyu is seen flying atop the Luck Dragon Fuchur (named Falkor in the English version), which is one of the key spectacle moments in the movie. Smaller pictures of the other fantastical creatures—the Nighthob, the Racing Snail, the Rock Biter and the Gnome—are featured below. The poster's tagline — "A boy who needs a friend finds a world that needs a hero" — suggests a youth-centric tale of adventure and optimism.

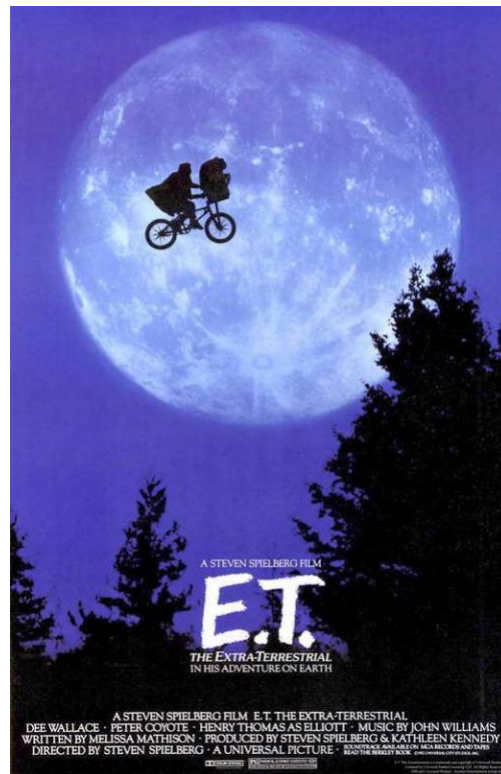


US release poster for *The Neverending Story* (1984)

80. The US release trailer is included in the *The NeverEnding Story/The NeverEnding Story II* double-feature DVD released by Warner Bros. Home Video in the USA/Canada in 2006.

81. US release poster image sourced from: "The Neverending Story." *Studiosystem.com*. my.studiosystem.com/p/the-neverending-story/galleries#prettyPhoto. Accessed 1 Nov. 2019; "The NeverEnding Story." *BoxOfficeMojo.com*. www.boxofficemojo.com/release/r13865347585/weekend/.

The poster's visual elements thus tie into familiar design elements from other American family movies. In fact, the bluish color palette, night sky and flying motif used for the *The Neverending Story* recalls one of the poster designs used for the US release of *E.T.* (1982).⁸² That poster depicts main character Elliott taking off on his bike with E.T., flying in front of an oversized moon.



US release poster for *E.T.* (1982)

Evidently, Warner Bros. intended to cue the audience visually that *The Neverending Story* would follow in a similar genre tradition as *E.T.*

82. US release poster image sourced from: "E.T.—The Extraterrestrial." *Studiosystem.com*. my.studiosystem.com/p/e-t-the-extra-terrestrial; "E.T.—The Extraterrestrial." *BoxOfficeMojo.com*. www.boxofficemojo.com/title/tt0083866/?ref=bo_se_r_1

US Trailer

This genre-based strategy was continued in the trailer campaign. Moreover, since the studio could not rely on its audience's familiarity with the underlying property, the US trailer provided far more expository information than *Neue Constantin's*. The US trailer is careful to lay out the narrative conceit of the framing story and establishes the narrative juxtaposition of Bastian as the reader and Atreyu as the warrior in the book. A male, sonorous voice-over asks what the secrets of "this enchanted book" are before it names the various supporting characters over their respective close-ups: "Atreyu and Artax, the Rock Biter, and the good and kind Gnome." The voice-over continues with cues for the fantasy and fairy-tale genres: "this is a movie for anybody who's ever made a wish, believed in a fantasy or had a dream."

Thus, similar to the poster, the US trailer plays up familiar key words and images from the fantasy and adventure genres. On the other hand, what is missing from the US trailer is any allusion to the Nothing, the antagonistic force that is featured so prominently in *Neue Constantin's* trailer. Instead, Warners' trailer foregrounds the various characters in the movie and their friendly relations to each other. Thus, by leaving out the dark, antagonistic themes, Warner Bros. strategically focused on a kids' demographic and ignored adults, effectively conceiving of the movie as a two-quadrant film whereas *Neue Constantin* had cast a much wider net. Knowing that the novel had appealed to both adults and children, *Neue Constantin* conceived of the movie as a four-quadrant picture and marketed it therefore more broadly.

5.5.3. Musical Soundtrack

The musical soundtrack represents probably the most significant difference between the American and German release versions of the film. The German print was released with an

orchestral score composed by Klaus Doldinger, who had previously composed the score for *Das Boot*. However, after watching preview screenings in Southern California in April 1984 Eichinger decided to replace the music for the American release print. At the time he realized that the American youth market might require "trendier music."⁸³ It is likely that this decision was made in conjunction with Warner Bros. The movie had already launched in West Germany on April 6. The soundtrack was therefore replaced in time for the North American release on June 22, 1984.

In the North American release version Doldinger's orchestral score was replaced with a synthesizer soundtrack composed by Italian composer Giorgio Moroder. Moroder had written the songs for *Flashdance* (A. Lyne, 1983) and the score for *Superman III* (R. Lester, 1983). Moroder also wrote the theme song, "The Never Ending Story," sung by artist Limahl, which is played over the movie's closing credits.

The Limahl song was released as a single in many countries. A music video was released concurrently.⁸⁴ In this way the theme song supported the movie's promotion on the radio and on MTV, which, at the time, regularly played music videos for its teen target audience. In West Germany the song was released in the week of September 2, 1984, after the movie had already concluded its theatrical release.⁸⁵

"The Never Ending Story" song has possibly had the most lasting impact on American popular culture. In 2019 the Netflix TV series *Stranger Things* paid unexpected homage to the movie and its music. In the show's third season, set in the summer of 1985, two characters break

83. Gundolf S Freyermuth. "Unser Mann in Hollywood." *Stern*, 20/1984, pp. 218-222.

84. "Limahl - Never Ending Story (Official Music Video)." *YouTube.com*, uploaded 11 July 2019 by Rhino. www.youtube.com/watch?v=2WN0T-Ee3q4. Accessed 8 Nov. 2019. The DVD of *The Neverending Story*, released in Germany by Constantin Film in 2012, also contains the music video.

85. The song stayed in the top ten of bestselling singles for ten weeks. "Never Ending Story by Limahl." *Deutsche Single-Charts ab 1956*. www.charts-surfer.de/musiksuche.php. Accessed 3 April 2020.

into song, singing the movie's theme song as a duet in the climactic final episode. The scene attracted much attention on the Internet and from popular news media.⁸⁶ The inclusion of the song suggests that the series producers were familiar with *The Neverending Story* and, more crucially, assumed that parts of its audience would be as well. Moreover, this reference sews the movie further into the fabric of American popular culture, making it relevant once more to a new generation of potential viewers. An article in teen magazine *Seventeen* recommends the movie to their teen audience, duly explaining that it was made in West Germany and once the most expensive film ever produced outside the USA or the Soviet Union.⁸⁷

In this way the theme song is both a cultural product in its own right and an integral part of the movie. As a single it followed its own economic logic as a product of the music industry. But it also points back to the movie, creating yet another loop, and inviting its listeners to check out this never-ending story from which it derived.

5.5.4. Commercial Results

In West Germany *The Neverending Story* became a big box-office hit. In its first seven days the movie drew some 1,050,000 admissions, thereby "grossing 50% more than 'ET' did in its first week."⁸⁸ By the end of 1984, *The Neverending Story* had reportedly earned some DM

86. See, e.g., Tamara Fuentes. "What is 'The NeverEnding Story' From the 'Stranger Things' Season 3 Finale?" *Seventeen*, 10 July 2019. www.seventeen.com/celebrity/movies-tv/a28339858/neverending-story-stranger-things-3/; Estelle Tang. "Twitter Loved and Hated That Neverending Story Scene in Stranger Things 3." *Elle.com*, 13 July 2019. www.elle.com/culture/movies-tv/a28381779/stranger-things-3-never-ending-story-best-twitter-reactions/; Josh Wigler. "How 'Stranger Things' Pulled Off Its Most Ambitious Music Moment Yet." *The Hollywood Reporter*, 6 July 2019. www.hollywoodreporter.com/live-feed/stranger-things-season-3-finale-neverending-story-song-explained-1222689. All accessed 7 November 2019. At the time of writing, the YouTube video from that scene has garnered over 20 million views. "The Full Dustin and Suzie NeverEnding Story Scene | Stranger Things S3." *YouTube.com*, uploaded 9 July 2019 by Netflix. www.youtube.com/watch?v=O5HQ1sZseKg. Accessed 7 November 2019.

87. Tamara Fuentes. "What is 'The NeverEnding Story' From the 'Stranger Things' Season 3 Finale?" *Seventeen*, 10 July 2019. www.seventeen.com/celebrity/movies-tv/a28339858/neverending-story-stranger-things-3/. Accessed 7 Nov. 2019.

88. "'Story' opens to big box office in Germany." *Screen International*, 21-28 April 1984, p. 1. However,

16,500,000 (\$5,500,000) in rentals,⁸⁹ placing the movie at the top of the box-office rankings for the year.⁹⁰

On the other hand, the commercial success in North America was not quite as decisive. The movie grossed \$4,325,823 on its opening weekend. It was in release for 29 days and collected a total box-office gross of \$20,158,808 in North America.⁹¹ In sum, it only earned twice as much in box-office grosses as in West Germany even though North America was a much bigger market.

It is hard to tell whether this box-office result should count as a success or not. *The Neverending Story* was released in a crowded marketplace. Moreover, Warner Bros. had purposefully positioned it as a two-quadrant movie. Only the week prior, two films aimed at the same children's and youth audience had been released, *The Last Starfighter* (N. Castle, 1984) and *The Muppets Take Manhattan* (F. Oz, 1984). Crucially, those movies performed similarly to *The Neverending Story*: *The Last Starfighter* grossed \$28,733,290 while *The Muppets Take Manhattan* grossed \$25,534,703. In fact, compared to other kids-targeted fantasy films from that period, *The Neverending Story* may have performed within expectations.⁹²

It is therefore likely that *The Neverending Story* performed well for the demographic it

E.T. still earned more money overall, with some \$14.6 million in rentals in West Germany and some 6.7 million tickets sold. "UIP Forecasting \$120-Mil Foreign Rentals for 'E.T.'" *Variety*, 2 Feb. 1983, p 3; "Top 25 Pics in West Germany." *Variety*, 7 Nov. 1984, p. 52.

89. "All-Time German Rental Champs in 1984." *Variety*, 13 Feb. 1985, p. 60. This figure corresponds roughly with the internal account statements discussed in 4.3.4. See "Agentur-/Lizenabrechnung von Neue Constantin Film GmbH & Co Verleih KG and NCFP vom 25.4.85." Account statement. 25 April 1985. SDK, BEC. 4.3 201210-0 UNENDLICHE GESCHICHTE 2.

90. "Market profile: Germany." *Screen International*, 7 Dec. 1985, p. 21. Katja Eichinger reports that the movie admitted 4.8 million viewers; Dreßlein and Lehwald report 5.3 million admissions; however, neither set of authors reveals their sources. Katja Eichinger. *BE: Bernd Eichinger*, p. 235; Detlef Dreßlein and Anne Lehwald. *Bernd Eichinger: Die Biografie*, p. 122.

91. "The Neverending Story." *BoxOfficeMojo.com*.
www.boxofficemojo.com/release/rl3865347585/weekend/. Accessed 1 Nov. 2019.

92. *Supergirl* (1984) grossed \$14,296,438; *Legend* (1985) \$15,502,112; *The Princess Bride* \$30,857,814; and *Labyrinth* (1986) \$13,723,25. All data sourced from: *BoxOfficeMojo.com*. www.boxofficemojo.com. Accessed 1 Nov. 2019.

had targeted—kids’ audiences—but did not manage to cross over and attract older demographic in the way that *E.T.* or *Gremlins* had done previously. In any case, Warner Bros. must have been satisfied with the movie’s performance because it commissioned a sequel from producer Dieter Geissler.⁹³ However, Eichinger decided not to be part of those movies anymore. According to Weigel, Eichinger declined to exercise his option for a sequel after the ordeal with Ende.⁹⁴

5.6. The Reception Context

Did audiences read the movie as either "European" or "American"? Of course, it is hard to gauge the response of a general moviegoing audience without access to audience data from the period in question. Lacking access to such sources, I am therefore using film reviews from the initial run and online user ratings and comments in order to approximate viewers’ likely responses to the film.

There are limitations to such a method. Film reviews provide a very subjective viewpoint. Moreover, film critics tend to be older and more film-literate than the intended audience of *The Neverending Story*. Online user reviews, while covering a broader swathe of the population, are often done in hindsight, based on flawed memories and tinged by nostalgia.

But even those responses can be useful because they can give us insights into how viewers respond to a filmic text’s perceived "foreignness" (or lack thereof), especially at a young age. I argue that "initiated" audiences, such as film journalists and critics, were more inclined to

93. "The Neverending continuation." *Screen International*, 27 May 1989, p. 12.

94. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany. Dieter Geissler produced the sequel and released the movie through Warner Bros. worldwide in 1990. It is not clear if Michael Ende was involved in that production. Ende died in 1995. *The Neverending Story 2* did not follow the book, but simply adopted characters and certain motifs for an entirely new storyline. A second sequel was released the USA in 1994 through Miramax. Source: "The Neverending Story III." *Studiosystem.com*. my.studiosystem.com/p/the-neverending-story-iii. Accessed 7 April 2020.

view and discuss *The Neverending Story* as a German movie whereas online user comments from "ordinary" moviegoers tended to view the movie as a "domestic" release in their respective country of reception.

5.6.1. US Critical Reception

I assert that the question of cultural affiliation was more relevant to film reviewers because they had access to press books provided by the distributor and were therefore aware of the movie's production context. Thus we find among American film reviewers a greater awareness of the movie's German origins, mostly because of their familiarity with director Wolfgang Petersen. The reviewer for the *San Diego Union-Tribune* notes that the movie was made by "the German director and writer Wolfgang Petersen, whose submarine drama 'Das Boot' became the most successful foreign film ever released in this country." Drawing on this parallel, the reviewer asserts that the film style of *The Never-ending Story* is "well, Teutonic. It seeks to bludgeon kids into a state of wonder. Maybe it will, but I suspect some parents will be more excited by it than their children. The movie isn't just a fantasy. It's also 'about fantasy,' which is one sure way to bore young imaginations."⁹⁵

In this way the movie's German production context mattered, especially when the reviewer did not like the movie. Gene Siskel of *Chicago Tribune* writes: "A child reading a book? That would be rare for an American movie, and, sure enough, 'The Neverending Story' isn't a Hollywood film. It's Germanmade, and that accounts for some of its Old World, even Grimmlike qualities. This picture looks foreign and cheap like one of those ripoff Saturday matinee shows that pop into town every so often."⁹⁶

95. David Elliott. "Clobbering the kids with fantasy." *The San Diego Union-Tribune*, 20 July 1984, p. A25.

96. Gene Siskel. "The Neverending Story." *Chicago Tribune*, 20 July 1984, p. E3.

But there were also those American reviewers who liked the movie and even appreciated its endorsement of reading. The *Los Angeles Times* reviewer briefly acknowledges Michael Ende's book as source material and references Petersen's other German credits (*Das Boot* and *The Consequence* [1977]), but does not mention the movie's German production context in any other way.⁹⁷ In fact, most of those who reviewed the movie favorably were more inclined to focus on the filmic text and mentioned Petersen and his production team only in passing. In those cases the movie was compared to other fantasy films or pieces of literature: the *LA Times*' Sheila Benson compares the film to the work of writers E. Nesbit, J.R.R. Tolkien as well as *The Wizard of Oz* (V. Fleming, 1939); the *New Statesmen*'s John Coleman relates the creature design to Lewis Carroll's *Alice in Wonderland*; and the *Newsday* reviewer draws parallels to Carroll and *The Wizard of Oz* as well as to *Star Wars* (G. Lucas, 1977).⁹⁸

5.6.2. West German Critical Reception

In contrast, West German film critics tended to compare the film to the novel. Given the novel's immense popularity in Germany at the time, it should not be that surprising that reviewers would reference the source material. Moreover, Ende's very public dispute with the producers had preceded the launch of the movie. In the end, for many reviewers, the film comes up short in the comparison with the book. Klaus Kreimeier, the reviewer of the Evangelical Church's film journal, finds that whereas the book is deep and introspective and lets the reader imagine all the details of the world, the film is superficial and overladen with special effects.⁹⁹

97. Sheila Benson. "The Neverending Joy of Reading." Film review. *Los Angeles Times*, 20 July 1984, Calendar, p. 1.

98. Sheila Benson. "The Neverending Joy of Reading." Film review. *Los Angeles Times*, 20 July 1984, Calendar, p. 1; John Coleman. "The Neverending Story." Film review. *New Statesmen*, 5 April 1985, p. 36; Caroline Miller. "The Neverending Story." Film review. *Newsday*, 20 July 1984, Part II, p. 3.

99. Klaus Kreimeier. "Die unendliche Geschichte." Film review. *EPD Film*, April/May 1984, p. 23; my translation.

The movie's high production budget and expensive production design are a recurring motif in most film reviews. Whereas Volker Hage of *Frankfurter Allgemeine Zeitung* finds the results rather wanting,¹⁰⁰ Doris Blum of *Die Welt* is enchanted by them. Blum observes that Brian Johnson, "special-effects master from the sorcerer's kitchen of George Lucas' Industrial Light and Magic," is responsible for the creature designs, some of which remind her of those in Johnson's earlier, Oscar-winning movies.¹⁰¹

This is also the most overt reference to the American film workers employed on set. Volker Hage alludes to the North American setting of the framing story and observes in parenthesis that the producers felt it necessary to include it in order to appeal to the US market.¹⁰² But otherwise reviewers largely refrain from commenting on any explicit American influences. Some only mention specific instances in passing. The reviewer of *Film-Dienst* finds the movie entertaining. However, the ending in which Bastian wishes for a ride on Falkor to take revenge on his classmates betrays the magic of the rest and "correlates to the lie of so many Hollywood happy-endings."¹⁰³

This leads me to argue that whereas American reviewers usually judged the movie based on its filmic qualities against other American movies of its genre, West German reviewers were more inclined to judge the movie in relation to its source material. This may have partly to do with the book's prominence in the German market. But it may also have had to do with the lack of comparable movies in German cinema. German reviewers simply lacked the relevant domestic references (other than American movies). Nevertheless, for most reviewers, both

100. Volker Hage. "Phantásien im Studio; Die Verfilmung von Michael Endes Kultbuch 'Die Unendliche Geschichte.'" *Frankfurter Allgemeine Zeitung*, 6 April 1984, p. 25.

101. Doris Blum. "Ein kleiner Junge erlöst die Phantasie." *Die Welt*, 6 April 1984.

102. Volker Hage. "Phantásien im Studio; Die Verfilmung von Michael Endes Kultbuch 'Die Unendliche Geschichte.'" *Frankfurter Allgemeine Zeitung*, 6 April 1984, p. 25.

103. Horst Peter Koll. "Die unendliche Geschichte." Film review. *Film-Dienst*, #8, 17 April 1984; my translation.

German and American, the movie remained a German production even if it made certain overtures to an American cinematic tradition.

5.6.3. American Viewers' Comments

How did "ordinary" moviegoers respond to the movie? In the following two subsections I analyze user ratings and comments on two online film review sites, *Rotten Tomatoes* for the US market and *Moviepilot.de* for the German market. These sites aggregate critical reviews and user comments.

At the time of this writing *The Neverending Story* had received 374,161 user ratings on *Rotten Tomatoes*. Many users also left comments with their point ratings. There is not enough space in this dissertation for an in-depth analysis of all user comments. However, even a cursory review allows for some useful insights. *Rotten Tomatoes* calculated the average rating across all submitted responses as 4 stars out of 5. That means that the majority of users had a favorable opinion of the movie.¹⁰⁴

I have reviewed user comments submitted between 2008 and 2020. Within this time-frame it is noticeable that many comments are from users who remember the movie from their childhood. Many commentators watched the movie when they were children and are now often aware that they attach a strong sense of nostalgia to it. The ratings and comments are therefore often submitted in hindsight and based on the viewers' memories of seeing the movie. This commentator acknowledges this when he explains his 3.5/5 rating thus: "In rating this I've gone for a kind of tepid halfway house between how it makes me FEEL and the actual quality of the movie. I'll never be able to lose the feeling of seeing this as a bookish nine year old, and that's

104. "The Neverending Story Reviews." *Rottentomatoes.com*.
https://www.rottentomatoes.com/m/the_neverending_story_1984. Accessed 30 March 2020.

why I still love it even despite its many cinematic shortcomings."¹⁰⁵

Few users reviewed in my sample question the movie's perceived Hollywood pedigree. In fact, one commentator is rather surprised to learn of its German origins: "This is the first time I have watched it as an adult. All I can say is I can't wait for the announced remake, because I feel there are certain themes the movie touched on that could make the story so much stronger. Also, I didn't know this was a German film?"¹⁰⁶

This user's realization that the movie is German is not picked up or referred to by another user. Nor have I found any indication that other users have thought about the issue of its cultural belonging in any substantial way. Most users seem to have accepted the movie as American. Most likely, viewers connected any perceived "foreignness" in the filmic text to its fantasy setting.

Still, my analysis has only covered a small sampling of the overall pool of available responses. A more systematic and thorough analysis of all user comments on this site would undoubtedly produce a more robust understanding of these users' views on the film.

5.6.5. German Viewers' Comments

In the final part of this section I examine user comments on the German-language site *Moviepilot.de*. The site was launched in 2007 and is based in Berlin, Germany.¹⁰⁷ At the time of writing, *The Neverending Story* had received an average rating of 7.1 (out of 10) from 11,210

105. Matthew T. Comment on "The Neverending Story Reviews." *Rottentomatoes.com*, 28 April 2008, www.rottentomatoes.com/m/the_neverending_story_1984/reviews?type=user. Accessed 30 March 2020.

106. Travis S. Comment on "The Neverending Story Reviews." *Rottentomatoes.com*, 16 June 2009, www.rottentomatoes.com/m/the_neverending_story_1984/reviews?type=user. Accessed 30 March 2020.

107. The site aggregates user ratings and reviews of movies, TV series, and podcasts. Users can set up profiles and, based on their submitted ratings, receive recommendations for films, series and podcasts they might enjoy. "Moviepilot Unzensiert! | Faktenflut." *YouTube*, uploaded by Moviepilot, 21 Feb. 2014. www.youtube.com/watch?v=RTUFzhtCXDo. Accessed 1 April 2020.

users. 227 users submitted online comments, which I have reviewed in full.¹⁰⁸

Similar to their American counterparts, many German users based their ratings on fond childhood memories. But whereas many comments on *Rotten Tomatoes* seemed to come from casual users, the majority of users on *Moviepilot.de* seem to be more serious film fans. As a result, comments tend to be longer and discuss the movie in more detail. Many more *Moviepilot* users than *Rotten Tomatoes* users (from my 2008-2020 sample) profess to having read the book. Some feel that the book is far superior, but still appreciate the movie. User SledgeNE writes: "The True adaptation and at the same time the best adaption of a novel from Germany. As a child I was very afraid of the movie, but at the same time it also enchanted me. I was little in the 80s and could not see the movie in the cinemas. But I watched it often and with great pleasure on videocassette."¹⁰⁹

User Wertenbach shows a certain awareness of the movie's production history when s/he refers to the "US financiers."¹¹⁰ However, most users accept the movie as a German production without reservations. User Pakarof writes: "The Neverending Story, sure, it's one of my favorite movies from childhood. It's still a movie that can easily measure up to any Hollywood production. A legend of German fantasy cinema."¹¹¹

Just like the user comments on *Rotten Tomatoes*, the user comments on *Moviepilot.de* can only provide a snapshot of viewer impressions, at best. Yet they allow us at least a partial insight

108. "Die unendliche Geschichte." *Moviepilot.de*. www.moviepilot.de/movies/die-unendliche-geschichte. Accessed 7 April 2020.

109. SledgeNE. Comment on "Die Unendliche Geschichte." *Moviepilot.de*, 23 Feb. 2016, www.moviepilot.de/movies/die-unendliche-geschichte/kritik. Accessed 31 March 2020. My translation.

110. User Wertenbach writes: "Today I watched the film again after a long time and was disappointed by the ending, especially the last three minutes. I did not remember it this way. Those last minutes, probably a concession to the US financiers, are a big disappointment, especially if you've read the book." Wertenbach. Comment on "Die Unendliche Geschichte." *Moviepilot.de*, 27 Oct. 2019, www.moviepilot.de/movies/die-unendliche-geschichte/kritik. Accessed 31 March 2020. My translation.

111. Pakarof. Comment on "Die Unendliche Geschichte." *Moviepilot.de*, 18 Nov. 2010, www.moviepilot.de/movies/die-unendliche-geschichte/kritik. Accessed 31 March 2020. My translation.

into how moviegoers may have responded—and still respond—to the film. Those who saw it as children when it came out still remember it fondly. But what is most remarkable is that none of the German users reviewed regarded it as a Hollywood production. They saw it as a German movie, even if it made certain concessions to its "Hollywood financiers."

This leads me to conclude that the distribution context, more so than the production context, matters to the ordinary moviegoers. If the distributor markets and positions the movie as a "domestic" release, moviegoers are inclined to accept the movie as such. Elements that film critics perceive as "foreign" may be read as mere stylistic flourishes that make a movie stand out within its genre. For this reason, the "uninitiated" moviegoer is much more willing to accept and absorb "foreign" influences within the filmic text than more sophisticated viewers, who are aware of a movie's production context.

5.7. The Aesthetic Experience of *The Neverending Story*

How should we read the filmic text of *The Neverending Story*? Apart from the film reviews there has been remarkably little critical or scholarly engagement with *The Neverending Story* from a textual point of view.¹¹² Eric Rentschler simply states that the movie was an "ambitious endeavor for a large-scale German neofilm that was to compete with *Stars Wars* and *Close Encounter of the Third Kind*" and notes that critics found the movie "unoriginal and lacking in imagination" without citing any sources.¹¹³

I agree with Rentschler that *The Neverending Story* was an attempt at incorporating high-

112. Two monographs were published: Eric Mbarga. *Die unendliche Geschichte - (K)ein Buch für den Film?* Grin Verlag für akademische Texte, 2012; Patricia Resiyan. *Mythen und Symbole in der "Unendlichen Geschichte."* Grin Verlag für akademische Texte, 2004. However, both are self-published student papers and lack serious, academic rigor.

113. Eric Rentschler. "Film der achtziger Jahre: Endzeitspiele und Zeitgeistszenerien," p. 292; my translation.

concept filmmaking elements in West German filmmaking. The book's narrative structure was greatly simplified in the movie to follow more generic patterns. However, I argue that it is exactly this simplified narrative structure that ties especially young viewers into the filmic text. The archetypal narrative structure allowed the filmmakers to focus more on visual design and spectacle that would engage the viewer's senses. I contend that these spectacle moments provide the strongest emotional moments in the film and are therefore crucial elements of the aesthetic experience of the movie.

5.7.1. Narrative Structure

In this subsection I compare the movie's narrative structure to the novel. The book starts with the framing story of the lonely, slightly stocky Bastian stealing the book, *The Neverending Story*, from a bookstore. He installs himself in the attic of his school and reads the story in which the kid-warrior Atreyu searches for a cure for the Childlike Empress's sickness, which will save Fantasia from the Nothing, a silent force eating up the land and its inhabitants. This section of the novel culminates with Bastian's realization that only he can provide the cure by giving the Empress a new name. He now has the power to rebuild Fantasia with his wishes. The second half of the book then commences with Bastian in Fantasia. This part follows the literary tradition of the "Bildungsroman": seduced by the immense power invested in him as the savior of the new Fantasia, Bastian devolves into a tyrannical antihero. But then he realizes that with every wish he utters in Fantasia, he loses a memory of his previous life. Seeking love and affection, he desires to return home. With the help of Atreyu he finds the fountain of life, which restores to him his previous, stocky self and takes him back to the "real world" where he is happily reunited with his father.

The movie adapts only the first half of the book. The main portion of the plot follows Atreyu's (Noah Hathaway) storyline and cuts away at times to Bastian's (Barrett Oliver) reactions in the attic as he is reading Atreyu's story. In this way the narrative is organized primarily as a quest structure. Atreyu, in his search for a cure for the Empress, encounters a number of challenges that test his resolve and lead him step-by-step closer to the answer: first, he loses his horse in the Swamps of Sadness; then he coaxes a clue out of the giant turtle Morla; he must prove his sense of self-worth before the Southern Oracle; and finally, he faces off with the evil Wolf Gmork in combat.

I argue that by following this archetypal narrative structure, the movie provides its audience with a familiar generic pattern that works on a constant variation of build-up and release. Werner Barg notes that the quest structure is a common narrative structure in blockbuster films and goes back to the classical narrative traditions of the Odyssey and the Arthurian legends.¹¹⁴ Prior to *The Neverending Story*, *Star Wars* (1977), *Raiders of the Lost Ark* (1981), and *Conan the Barbarian* (1982), had followed this narrative paradigm. It therefore stands to reason that Eichinger, Weigel and Petersen were aware of those models and followed them in designing the narrative structure of their movie.

But there is another element to the quest structure. Barg argues that blockbuster movies that follow the narrative structure of the quest and the "hero's journey"¹¹⁵ offer youth audiences an important mode of identification. These movies feature "young heroes who invite viewers to identify with them through their problems, coping mechanisms, conflicts and their solutions; stories that touch and move youths emotionally." The challenges of the quest structure thus

114. Werner C. Barg. *Blockbuster Culture: Warum Jugendliche das Mainstream-Kino fasziniert*. Bertz & Fischer Verlag, 2019, p. 34.

115. The "hero's journey" was a term popularized by myth researcher Joseph Campbell in his book *The Hero with a Thousand Faces*, originally published in 1949.

represent a series of initiation rites that mark the youth's progression into adulthood. Barg argues that Hollywood's blockbuster films use these narrative structures very deliberately to appeal to their primary target of youth audiences.¹¹⁶

Following on Barg's thesis, I argue that *The Neverending Story* invites this mode of identification. Atreyu, played in the movie by the pubescent Noah Hathaway, invites this "hero" identification as defined by Barg. Atreyu is the young hero, whose resolve and character are constantly being tested by the tasks he encounters. Yet there is a second level of identification at play in this movie. Bastian, as the second main character, also invites identification, precisely through his lack of heroic qualities. As the reader of Atreyu's adventures, he represents the "regular kid" and stands in for the viewer. However, along with the presumed moviegoer, Bastian experiences and identifies with Atreyu and, through that process of identification, grows with him. Bastian therefore allows for a double identification: he is both the representative of the viewer identifying with the young hero-warrior and the actual hero of the story who, in turn, also invites identification from the viewer.

Of course, this double identification is already built into the novel. However, by retaining this element and following it through to the climax, the filmmakers were able to build a robust emotional connection between the text and its youth audience. Yet this connection was not just limited to youth audiences. Following Thomas Elsaesser, Barg notes that with such coming-of-age stories blockbuster films appeal to adults' nostalgia for their own childhood.¹¹⁷ Applying this concept to *The Neverending Story* allows me to consider the appeal that the movie may have had

116. Werner C. Barg. *Blockbuster Culture*, p. 32; my translation.

117. Barg notes: "The recourse to emotional worlds that people experience growing up evidently belongs to one of the basic narrative features of popular books and films and creates even for adult audiences 'cultural capital' in the form of symbolic play-doh. In this way people can recognize their own experiences from those periods during which they had to overcome those hefty emotions that were caused by the body's evolution and one's evolving role within the family, the peer group and society during puberty." Werner C. Barg. *Blockbuster Culture*, p. 33; my translation.

for adult audiences. The movie thus speaks to adult audiences precisely because it invites the identification with its youth characters. Adult viewers recognize the experiences of both Bastian and Atreyu as part of growing up and may be reminded of their own experiences at that time in their lives. This may explain the sense of pleasure and nostalgia that some users on *Rotten Tomatoes* and *Moviepilot.de* have recorded upon rewatching the movie.

By reducing the book's narrative complexity, the filmmakers could thereby focus the story on the archetypal quest structure. Rather than craft a complex character arc, the movie thus becomes a series of emotionally impactful scenes that depict the stages of the two main characters' coming-of-age process. But this narrative scaffolding also allows for the movie to focus its audience's attention on something other than the narrative: namely, its visual and aural spectacle.

5.7.2. Visual Design

In this subsection I examine the visual design of the movie. I argue that many scenes in *The Neverending Story* display an excess of style in relation to their narrative function. We see this excess of style already in the movie's first scene set in Fantasia. This scene is one of the most elaborate and impressively staged in the movie. In this nighttime forest setting we find the garishly costumed Nighthob (Tilo Prückner) and Teeny Weeny (Deep Roy) along with two (animatronic) creatures, the human-sized Racing Snail and Bat.¹¹⁸ These creatures are woken from their late-night slumber by a loud rumble reverberating through the forest. Their panic-stricken reactions are intercut with point of view shots and brief cutaways that suggest the

118. *The Neverending Story* was produced before the film industry's switch to digitally-created visual effects, so all the creatures in the movie were built physically as animatronic puppets or played by actors in costume and make-up. Both Pfau and Eyssen spend several chapters detailing the design and production processes.

approach of the giant Rock Biter on his bike. When the Rock Biter finally shares the same frame with Nighthob and Teeny Weeny, it is an impressive sight. The visual spectacle is accomplished with scale: sitting in the background, only the Rock Biter's giant feet and lower body are visible with the smaller creatures reacting in the foreground.



Screenshot from *The Neverending Story* (1984): Rock Biter meets Nighthob and Teeny Weeny

There is an overabundance of art design in this single shot. With all there is to see, the spectator is almost overwhelmed with visual detail. However, in terms of narrative function, this scene is fairly rudimentary. The three characters Nighthob, Teeny Weeny and Rock Biter merely discuss the threat posed by the Nothing in their respective parts of Fantasia. In this way the scene serves mostly to amaze and overwhelm the spectator with visual richness in the production design and its sheer scale.

Commenting on the excessive nature of Hollywood historical epics such as *Quo Vadis* (M. LeRoy, 1951) and *Cleopatra* (J. L. Mankiewicz, 1963), Vivian Sobchak notes that this genre "gives us 'more' to look at and 'more' material evidence" than the less elaborated historical film.

The genre presents "History" as literally and materially spectacular, as something "emphatically 'to be looked at' in its excessive and expansive physical presence."¹¹⁹ In a way, *The Neverending Story* pursues a similar strategy. What is fantastical in the novel is made physical reality in the mise-en-scène. Thus we are not only dealing with an excess of style, but with a *calculated* excess that invites to gorge ourselves on the visual feast before our eyes.

The sense of excess is further enhanced by the widescreen format. I assert that the 2.35:1 aspect ratio of the VistaVision format further enhanced the visual spectacle inside the theater. Few West German productions were shot in widescreen at the time. Even *Das Boot* was shot in 1.66:1 ratio. In this way *The Neverending Story* followed the model of *Conan the Barbarian*, also shot in 2.39:1.

Yet do these spectacle scenes really serve no narrative function?

5.7.3. The Emotional Spectacle

Do the spectacle scenes in *The Neverending Story* really "freeze" the narrative, as Justin Wyatt suggests? Geoff King questions this hypothesis. He notes that spectacle does not necessarily force us out of the narrative flow of a movie. Spectacle scenes are interwoven with a developing series of narrative questions, partial answers and further questions to keep the viewer guessing. They are often moments of intense characterization that display the hero's strength under pressure and push along the relationship with other lead characters onscreen.¹²⁰

I argue that what the spectacle scenes in *The Neverending Story* lack in specific plot function, they make up for in emotional value. Spectacle often represents pivotal moments in the

119. Vivian Sobchack. "'Surge and Splendor': A Phenomenology of the Hollywood Historical Epic." *Representations*, no. 29, 1990, p. 37. JSTOR, www.jstor.org/stable/2928417. Accessed 8 April 2020.

120. Geoff King. *New Hollywood Cinema: An Introduction*. New York: Columbia University Press, 2002, p. 207.

main character's emotional journey that tie the spectator closer to the character and thus promote the processes of identification outlined by Barg above. According to user comments on *Rotten Tomatoes* and *Moviepilot.de*, one of the scenes that elicited the greatest emotional response from young viewers, and has stayed with many of them into adulthood, is the horse Artax' death in the Swamps of Sadness.

On their quest to find a cure for the Childlike Empress' illness Atreyu and his horse Artax have to cross through the Swamps of Sadness. However, whoever wades into the swamp is befallen by a paralyzing depression. The horse catches the sadness and sinks into the boggy marshes while Atreyu stands by helpless. This moment is described very briefly in the novel. However, the filmmakers decided to make it a key scene in the movie. The largest soundstage at Bavaria Studio was covered in peat, morass and water to simulate the swamps. The three-minute scene reportedly took four days of shooting.¹²¹



Screenshot from *The Neverending Story* (1984): Artax' death in the Swamps of Sadness

121. Ulli Pfau. *Phantásien in Halle 4/5*, p. 129.

In terms of cause-and-effect the scene does not contribute much to the story, except that Atreyu will have to travel by foot from now on. However, the scene stands on its own because of its overpowering emotional impact. Bridget McGovern, an editor at the online fan site *Tor.com*, claims that the scene became a defining moment for her generation.¹²²

According to Winfried Fluck, it is this type of emotional identification with the characters and the text that make up the aesthetic experience. He notes that in the act of reception the text comes to represent two things at the same time: "the world of the text and imaginary elements added to it by the reader in the act of actualizing the words on the page." He argues that it is exactly this "doubleness" that can be seen as a source of aesthetic experience because it allows the reader (or viewer) to articulate imaginary elements and to look at them from the outside. Fluck sums it up thus: "Aesthetic experience is a state 'in-between' in which, as result of the doubling structure of fictionality, we are, in the words of Wolfgang Iser, 'both ourselves and someone else at the same time.'"¹²³

Fluck's argument allows us to view spectacle as an important element in this aesthetic experience. He notes that cinema combines the emotional involvement (and psychological grip) of the novel with the direct physical involvement of the culture of performance. In fact, the "hyperactive quality and sensory overload" of recent Hollywood movies presents "a new stage in

122. McGovern writes in her online column: "Oh, Artax. Other generations had Old Yeller or Bambi's Mom or saintly Charlotte (of the titular Web) as their Spirit Animals of childhood trauma, ushering them gently into a precocious awareness of the harsh realities of mortality and loss. For better or worse, children of the 80s got the spectacle of a depressed horse sinking into the ghastly black depths of the Swamps of Despair, as his tearful, panicked human companion sobs and screams at him to fight against the sadness crushing in on him. It's...pretty messed up." Bridget McGovern. "Traumatic SFF Movie Moments (That I Loved and Watched Repeatedly)." *Tor.com*, 5 Aug. 2015, www.tor.com/2015/08/05/traumatic-sff-movie-moments-that-i-loved-and-watched-repeatedly/. Accessed 2 April 2020.

123. Winfried Fluck. "California Blue: Americanization as Self-Americanization." *Americanization and Anti-Americanism: The German Encounter with American culture after 1945*, ed. by A. Stephan, Berghahn Books, 2007, p. 228.

the creation of an immediate somatic experience." The modern blockbuster's fast cutting, the sensorial overload of the visual and aural spectacle and the action on-screen contribute to a somatic experience of the cultural object — in effect, the spectator experiences the movie through and with her/his body.¹²⁴

I conclude that the skeletal quest structure of *The Neverending Story* is ideally suited to furnish these moments of visual and aural spectacle and intense emotional identification. The quest leads the characters and viewers from one spectacle set-piece to another. Like pearls on a string, these spectacle moments overwhelm sensorially while they stitch the viewer emotionally into the story. The aesthetic experience of the movie therefore occurs in the emotional rollercoaster of experiencing the spectacle rather than in following the cause-and-effect plotline intellectually.

5.8. Chapter Conclusion: A *Neverending* Mirror

In this chapter I have examined the development, financing and distribution campaigns of the production *The Neverending Story*. I have argued that this type of blockbuster production serves as a way of mitigating the risk of financial failure in a market-based production and distribution system. Even though the risks were substantial with a production budget of over DM 60 million, the practice of packaging elements with "brand equity," such as the rights to a bestselling novel, an internationally-renown director and an award-winning special-effects supervisor, allowed the producers to limit those risks through the preselling of international distribution rights.

I have further argued that the filmmakers of *The Neverending Story* incorporated certain

124. Winfried Fluck. "California Blue: Americanization as Self-Americanization," p. 229.

principles of American high-concept filmmaking. Those principles include a stronger emphasis on visual style over narrative function. The book's complex narrative was reduced and simplified into a quest structure in the movie. The movie's narrative structure and visual design thereby allowed the filmmakers to sew the movie's target youth audience emotionally into the text. In this context spectacle set-pieces often visualize moments of intense emotional crisis in the narrative and allow for a deeper identification of the viewer with the characters' journey.

With *The Neverending Story* Eichinger and Weigel always intended to make a "Hollywood film." Shot in English with an American and British cast, the movie set a template for later Eichinger productions, such as *The Name of the Rose* (J.J. Annaud, 1984) and *Resident Evil* (P.W.S. Anderson, 2002), which were shot entirely in Europe but marketed as "domestic" studio pictures in the USA. These movies challenge our notion not only of what makes a "German" movie, but also of what makes an "American" movie. For this reason, I argue that *The Neverending Story* is an example of what Thomas Elsaesser has termed the "two-way mirror." Elsaesser uses the metaphor to describe the interdependent relationship between American and German film industries since 1945. He argues that Eichinger epitomizes "the economic equivalent of the two-way mirror, and of the various mutual interdependencies that come with Hollywood hegemony." For Elsaesser Eichinger embodies "the principle of strategic 'inward investment' in the United States, where what is invested is not only capital but cultural capital, and not only manpower but brainpower and talent."¹²⁵

Thus Elsaesser's "two-way mirror" metaphor lets us consider Eichinger's artistic contributions in a more differentiated fashion that moves away from an "essentialist" notion of

125. Thomas Elsaesser. "German Cinema Face to Face with Hollywood: Looking into a Two-Way Mirror." *Americanization and Anti-Americanism: The German Encounter with American culture after 1945*, ed. by A. Stephan, Berghahn Books, 2005, pp. 181-182.

culture whereby one dominant culture is merely copied or, worse, superimposed on and potentially extinguishes another, subaltern culture. Eichinger brought to Hollywood the "cultural capital" of a European literary tradition and the "brainpower and talent" of directors such as Wolfgang Petersen and Jean-Jacques Annaud, the director of *The Name of the Rose*. Elsaesser's "two-way mirror" acknowledges the permeable and communicative nature of cultural products that are changed by, but also exact change in, the hegemonic culture. In this way I conclude that *The Neverending Story* is both an American and a German film: it belongs to both national cinemas at the same time without jeopardizing any part of this identity—a truly transnational movie.

Yet there are also those Eichinger productions that do not quite fit into the same paradigm. Bernd Eichinger produced *The House of the Spirits* (1993), based on the bestselling novel by Isabel Allende. Danish writer-director Bille August, who had won a Foreign Language Academy Award for his movie *Pelle the Conqueror* (1987), adapted the novel for the screen and directed the movie. August and Eichinger cast a powerhouse of Hollywood stars: Meryl Streep, Glenn Close, Winona Ryder, Jeremy Irons, and Antonio Banderas. However, while Neue Constantin Film released the movie with a wide-release campaign in Germany with 219 prints, the US distributor Miramax Films started the movie as a limited release in 474 theaters.¹²⁶ Miramax ended the US release after four weeks. Despite the star cast, the movie had not much appealed to American audiences. Similarly, Eichinger's production *Perfume: The Story of a Murderer* (2006) was based on Patrick Süskind's bestselling novel and directed by Tom Tykwer (*Lola Rennt/Run, Lola, Run*, 1999). The movie starred Ben Whishaw, Dustin Hoffman and Alan

126. "Top 100 Deutschland 1993." *InsideKino.de*. www.insidekino.de/DJahr/D1993.htm; "The House of the Spirits - Domestic Weekly." *Boxofficemojo.com*. www.boxofficemojo.com/release/r11381533185/weekly/?ref=bo_rl_tab#tabs. Accessed 10 April 2020.

Rickman. Constantin Film released the film again in full saturation mode with 700 prints in Germany whereas US distributor DreamWorks SKG opened the movie as a platform release in North American theaters.¹²⁷

Even though both movies followed a similar packaging model as *The Neverending Story*, their treatment by the US distributors was very different. No longer considered mainstream films for a broad, general audience, those movies were essentially treated like foreign-language releases in North America. I argue that this treatment had largely to do with changes in distribution strategies in North America and a growing bifurcation of the market between blockbuster tentpole releases and the specialty, arthouse market. The so-called middle-ground of star-driven genre movies, once the mainstay of 'classical' Hollywood, were increasingly squeezed out. Both *The House of the Spirits* and *Perfume* invite further study because their production and distribution histories can tell us a lot about the state of American cinema in the 2000s as it does about German cinema.

127. The movie opened in North America in 3 theaters on December 27, 2006, before it expanded to 260 theaters in its second week. The studio scaled back the release to 69 theaters in the fifth week of release. See "Perfume: The Story of a Murderer — Domestic Weekly." *Boxoffice Mojo*, www.boxofficemojo.com/release/r11936229889/weekly/?ref_=bo_rl_tab#tabs. Accessed 6 April 2020.

Chapter 6: Domesticating German Cinema

6.1. Chapter Introduction

Whereas in the previous chapter I examined Eichinger's production and distribution strategies with international, English-language productions, I now turn to Eichinger's German-language production strategy in the 1990s. With the rise of the "New German Comedy" in the first half of the 1990s German moviegoers again showed an interest in German-language movies. In the mid-1990s market shares for German-produced, German-language films rose again vis-a-vis American films for the first time in over a decade. Moviegoers' renewed appetite for German films made producing domestic films a commercial proposition for Eichinger and Neue Constantin Film.

Yet there remained certain risk factors. The market for German films was still fairly limited and uncertain. The returns for German films were in no way comparable to those for American films. Moreover, without access to foreign presales, producers of domestic productions had only a limited number of options available for film financing. Low-budget comedies—especially those made with a TV co-production partner—became one way to manage financial risks. Then the phenomenal commercial success of Neue Constantin's *Der bewegte Mann* (Maybe, Maybe Not, Sönke Wortmann, 1994) ushered in a new squad of star actors who proved their marquee value on subsequent films. Eichinger deftly exploited this emerging star system and started applying his packaging methods to domestic productions. The high-concept movie with star attachments thus became a second way of minimizing risk in a market-driven film economy.

Among German film scholars the "New German Comedy" wave became known as the

"Cinema of Consensus." Eric Rentschler, who coined the term, argues that these comedies emanated from a new generation of filmmakers' desire to appease their audiences and confirm an ideological status quo.¹ However, I argue that two developments complicate this argument. First, the public funding system itself underwent its own evolution. Certain Bundesländer—specifically North-Rhine Westphalia, Berlin, Brandenburg, and Bavaria—began investing more public monies in German-language film productions in order to boost their regional film industries. These public film funders became more intent on promoting projects with market appeal. Most prominently, Filmboard Berlin-Brandenburg—led by a former producer, Klaus Keil—began requiring producers to include a theatrical distribution presale with their funding applications. These presales were seen as evidence that a theatrical distributor had "vetted" the project and recognized its market potential.

However, I argue that with ever more public funding available, film producers became ever more reliant on public funding for their movies. This led to a paradoxical situation: even as public funders focused more on promoting films with market potential, their increasing involvement in film financing inhibited free market operations. This had the unintended consequence that theatrical distributors, once the preeminent film financiers, receded from film financing. Two films that Neue Constantin produced in the second half of the 1990s, *Bin ich schön?* (Am I Beautiful?, D. Dörrie, 1998) and *Der Campus* (The Campus, S. Wortmann, 1998), were financed largely with public funds. Even if Eichinger had not managed to reform the German film industry's dual economy, he and his production staff had found a convenient way to exploit the film subsidy system.

Yet we should not dismiss these films as merely clever financing stratagems. This brings

1. Eric Rentschler. "From New German Cinema to the post-Wall Cinema of Consensus." *Cinema & Nation*, ed. Mette Hjort and Scott Mackenzie, Routledge, 2000, pp. 260-277.

me to my second point in response to Rentschler's "Cinema of Consensus" essay. I argue that both movies represent a transition phase from the low-budget, New German Comedy wave to the more somber and dramatically layered dramas that the authors of the *New Directions in German Cinema* anthology have identified for the post-2000 cinema. As Cooke and Homewood explain, by the late 1990s the New German Comedy wave was very much on the wane, giving way to another mode of filmmaking:

"In turn, it was now possible to find evidence of a form of filmmaking that was, once again, discovering an ability more obviously 'to take risks,' as the New German Cinema had before it, and thus to challenge the banal yuppie-lifestyle film that dominated the 1990s, the party of the *Spaßgesellschaft* ["fun society"] having now given way to the hangover of a post-9/11 world of global terrorism and economic recession."²

We see early signs of this evolution in *Bin ich schön?* and *Der Campus*. Both films are exemplars of the careful calibrations that a market-driven cinema undertakes in making its movies both accessible and relevant to mainstream audiences. Eichinger's concerns as a producer and distributor can be seen in the fact that both movies were made with a view towards market appeal and a clear marketing angle. In many ways the films fit Eric Rentschler's "Cinema of Consensus" designation. Production values are high on both movies. Both *Bin ich schön?* and *Der Campus* are set in well-lit and (in Rentschler's terms) "trendy hangouts and peopled by ... flashy movers and shakers."³ Yet, at the same time, both films exhibit their respective directors' artistic concerns. The storylines of *Bin ich schön?* revolve around the themes of death, love and mourning that become more resonant when considered in conjunction with director Doris

2. Paul Cooke, Chris Homewood. "Introduction." *New Directions in German Cinema*. London: I.B. Tauris, 2011, pp. 3-4.

3. Eric Rentschler. "From New German Cinema to the post-wall Cinema of Consensus," p. 271.

Dörrie's own loss just prior to filming. Sönke Wortmann's *Der Campus* is a mild-mannered satire about the mobbing structures in higher education that also have to be read in the context of Wortmann's personal experiences in film school. The films are therefore careful attempts in balancing out the distributor's concerns for marketing-ready high concepts and the directors' desire for artistic self-expression.

6.2. German Film Production in the Age of "Consensus"

In this section I discuss the rise of the New German Comedy wave. I examine the films specifically in light of financial risk to producers and distributors. The escalating production budget of *Werner—Beinhart!* (*Werner—Hard to the Bone!*, G. Hahn/N. List/M. Schaack, 1990) shows the risks inherent in film production. Subsequent productions thus became various attempts at containing risk: *Der bewegte Mann* was intended as a low-budget comedy that followed in the wake of similar romantic comedies. However, its unexpected box-office success turned its lead actors—Til Schweiger, Katja Riemann, and Joachim Król—into stars. The emerging star system now allowed Eichinger to apply his packaging principles to German-language productions: *Das Superweib* (*The Superwoman*, Sönke Wortmann, 1996) became an exemplar of packaging star attachments with a high-concept novel. The commercial success of these comedies represented to both supporters and critics a generational shift away from the critical voices of the New German Cinema to the allegedly consensus-seeking address to audiences by the new directors.

6.2.1. The Risks of Domestic Production

In this subsection I discuss the risks inherent in producing German films for the domestic

market. I examine the financing and production process of Eichinger's production, *Werner—Beinhart!*. The movie's escalating production budget became a serious threat to Neue Constantin Film.

Over the course of the 1980s Bernd Eichinger had developed a financing system that allowed him to produce big-budget international productions with little recourse to public subsidies. The funds provided by the FFA and the Bavarian state government for *The Neverending Story* were large in nominal terms; however, as a share of the overall production budget, they constituted only a small portion. The majority of production financing for that movie and other international productions derived from distribution presales to various international territories.

As the market for German-language films matured in Germany in the early 1990s, so did Eichinger's interest in that market. A major catalyst was certainly the box-office success of Eichinger's own production, *Werner—Beinhart!* The movie was based on the *Werner* comic book series by cartoonist Rötger Feldmann. The movie was going to be the first German-made, fully-animated feature. The production was supported by the FFA's automatic-aid fund with DM 802,812.82 and the FFA's project fund with DM 1 million.⁴ Neue Constantin Filmproduktion, the film production entity, had secured a coproduction agreement with private-commercial broadcaster RTL Plus for DM 1.1 million and a minimum guarantee for the home-video rights with video distributor VCL/Carolco for DM 1.5 million.⁵ Neue Constantin Verleih, the

4. Filmförderungsanstalt. "Anlage zum Auszahlungsbescheid der FFA vom 31.08.1989 zu fördernder Film WERNER BEINHART GF-Nr. 17/89." Letter to Neue Constantin, 31 Aug. 1989. SDK, BEC. 4.3-201210-0 WERNER BEINHART 5,1; Filmförderungsanstalt. "Gesamt-Titelübersicht der Filmprojekte mit Projektfilmförderungsmitteln und/oder Genehmigung nach dem FFA-ARD-ZDF-Film/Fernsehabkommen." *FFA Direkt*, Berlin, 31 Dec. 1996.

5. "Rechnung von NCFP an RTL Plus Deutschland." Not dated. SDK, BEC. 4.3-201210-0 WERNER BEINHART 5,2; "Videovertrag VCL / Constantin 8 Titel (Werner, Bogner, etc.) vom 18.06.1990." 18 June 1990. SDK, BEC. 4.3-201210-0 WERNER BEINHART 5,2.

distribution entity, provided a theatrical distribution MG of DM 1.5 million.⁶ These commitments of nearly DM 5.9 million were based on an estimated production budget of DM 6.512 million.

However, complications in the animation process led to production delays. A ballooning production budget necessitated the insertion of live-action sequences as a cost-saving measure. The final production budget rose to DM 9.697 million. Neue Constantin Filmproduktion had to absorb the cost overruns. Fortunately for the company, it was able to recoup with very good theatrical returns. The movie counted some 3.2 million admissions at the German box-office. Theatrical rentals for Germany were around DM 16.2 million. After Neue Constantin Verleih deducted distribution fees and P&A expenses, Neue Constantin Filmproduktion received a share of DM 4.5 million, according to internal memos.⁷

However, the company could not rely on such exceptional box-office successes to balance out any potential losses on future productions. The box-office potential of the German theatrical market for German-language movies was still very limited. Rentals such as those generated by *Werner—Beinhart!* were the exception. Between January and June of 1991 only three German-language movies crossed the 1-million-admissions mark: *Pappa Ante Portas* (V. von Bülow/R. Westphal-Lorenz, 1991; 3.4 million admissions), *Go Trabi Go* (G. Timm, 1991; 1.4 million admissions), and *Werner—Beinhart* (1.4 million admissions).⁸ That is not to say that moviegoers did not go to the cinemas. But it was primarily American movies that generated high rentals. During that same six-month span, no less than nine US movies had crossed that same threshold.⁹

6. Filmförderungsanstalt. "Bewilligungsbescheid von FFA vom 4.09.1989." Memo to Neue Constantin Film, 4 Sep. 1989. SDK, BEC. 4.3-201210-0 WERNER BEINHART 5,1.

7. Neue Constantin Verleih. "Lizenzabrechnung vom 08.05.1991." Internal memo to Neue Constantin Filmproduktion, 8 May 1991. SDK, BEC. 4.3-201210-0 WERNER BEINHART 5,2.

8. "German top 10 domestic films, Jan-June 1991." *Screen International*, 10 Jan. 1992, p. 12.

9. Those movies were: *Home Alone* (C. Columbus, 1990), *Dances With Wolves* (K. Costner, 1990), *Not Without My Daughter* (B. Gilbert, 1991), *The Silence of the Lambs* (J. Demme, 1991), *Look Who's Talking Too* (A.

Producing and releasing German-language movies was therefore a risky proposition for Neue Constantin, especially with so much of its own capital at stake. After all, Neue Constantin had been close to collapsing under the weight of the ballooning deficits incurred by the Cinedom construction in the early 1990s (see 3.6.5). If the company wanted to compete in the domestic production terrain, it had to find another way.

6.2.2. The Return of the Star System

One way to manage financial risk in domestic production was to produce German-language movies cheaply. Herman Weigel told me in an interview that he and Bernd Eichinger recruited young film director Sönke Wortmann because they viewed him as someone who could shoot movies with commercial potential for a reasonable budget.¹⁰ After graduating from the Munich film school Wortmann had started his professional career with a surprise commercial hit, *Allein unter Frauen* (1991), a TV movie that received a theatrical release after a well-received premiere at the Munich film festival. Wortmann's follow-up movie, *Kleine Haie* (Little Sharks, 1992), was well-received critically, but remained below expectations commercially.¹¹

Wortmann's movies were part of a string of German comedies that appealed to a growing number of domestic moviegoers: Detlev Buck's *Karniggels* (Little Rabbits, 1991), Peter Timm's *Ein Mann für jede Tonart* (A Man For Every Situation, 1992), and, most notably, Katja von Garnier's *Abgeschminkt* (Makin' Up, 1993), the director's 55-minute student film at the Munich film school, which received a theatrical release and became a surprise hit with some 950,000

Heckerling, 1990), *Sleeping With the Enemy* (J. Ruben, 1991), *Green Card* (P. Weir, 1990), *Kindergarten Cop* (I. Reitman, 1990), and *Pretty Woman* (G. Marshall, 1990). "German top 10 films, 1991 Jan-June." *Screen International*, 10 Jan. 1992, p. 12.

10. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

11. Eric Hansen. "Exporting Helmers: Germany." *Variety*, 15-21 May 1991, p. C 14.

admissions.¹²

According to Martin Moszkowicz, who joined Neue Constantin Film as a producer in 1990, the company was keen on releasing German films. The company proceeded from the assumption that German moviegoers would always prefer domestic productions as long as they were not "boring or dull."¹³

Evidently, Eichinger and Weigel thought that Wortmann's films were neither boring nor dull. They offered him a three-picture directing deal.¹⁴ As Martin Moszkowicz explained to me, Wortmann was initially set to direct an adaptation of an English children's book, *Hello, Mr, God, Here is Anna* for the international market. However, when development on that project stalled, Wortmann suggested *Der bewegte Mann*, a project he had started developing in film school in 1989.¹⁵ That project was an adaptation of a graphic novel by gay cult author and illustrator Ralf König. The story concerns a straight, attractive ladies' man, who becomes roommates with a shy gay man in Cologne's colorful queer community. According to Moszkowicz, the production was supposed to be a "small movie" on a low budget.¹⁶ The movie turned out to be a surprise hit with over 6.5 million theatrical admissions.

Der bewegte Mann became a watershed moment, both for Neue Constantin and the German industry. The movie's success prompted a corporate restructuring inside the company (see 3.5.4). But more significantly, it made bona fide stars out of its two leads, Til Schweiger and Katja Riemann, and the director, Sönke Wortmann. *Der bewegte Mann* precipitated a string of domestic comedies, many of them starring either Schweiger or Riemann. Buena Vista

12. "1993 International Box Office: Germany." *Screen International*, 28 Jan. 1994, p. 12.

13. Martin Moszkowicz. Former producer under Eichinger, now CEO, Constantin Film, Munich. Phone Interview by Author, 28 July 2015, Munich/Berlin, Germany.

14. Martin Blaney. "Neue film deal for Wortmann." *Screen International*, 31 Jan. 1992, p. 4.

15. Martin Moszkowicz. Phone Interview by Author, 28 July 2015, Munich/Berlin, Germany. See also: Axel Schock. "Bewegender Mann." *taz, die Tageszeitung*, 18 June 1994, p. 21.

16. Martin Moszkowicz. Phone Interview by Author, 28 July 2015, Munich/Berlin, Germany.

International Germany released *Stadtgespräch* (Talk of the Town, R. Kaufmann, 1995), a TV movie starring Riemann, as a theatrical feature. A few months earlier BVI had already encountered box-office success with *Keiner liebt mich* (Nobody loves me, D. Dörrie, 1995), which had garnered some 1.27 million admissions.¹⁷ *Stadtgespräch* attracted some 1.6 million admissions, proving Riemann's marquee value.¹⁸

But the real test of a star's commercial marquee value came with independent distributor Delphi's release of the comedy *Männerpension* (Jailbirds, D. Buck, 1996). Starring Schweiger and garnering some 3.2 million admissions, that movie proved the actor's star power and rang in the return of a star system in the domestic industry.¹⁹ Schweiger subsequently starred in *Knockin' on Heaven's Door* (T. Jahn, 1997), which he also produced. The movie admitted some 3.4 million moviegoers, making it the second-highest-grossing German film of 1997.²⁰

6.3.2. German High-Concept Cinema

The emerging star system allowed producers and distributors to package and market movies based on star attachments. This laid the groundwork for a different type of filmmaking in the second half of the 1990s. Bernd Eichinger found a second way of making movies: appropriating the rules of high-concept filmmaking for the purposes of the German film production market.

Das Superweib (The Superwoman, S. Wortmann, 1996) became an exemplar of high-

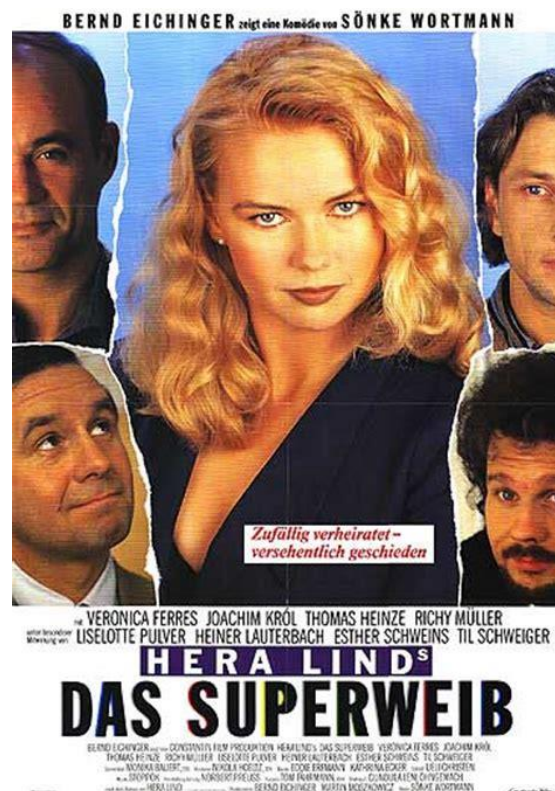
17. "Keiner liebt mich." *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 17 Jan. 2020.

18. "Stadtgespräch." *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 17 Jan. 2020.

19. "Männerpension." *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 17 Jan. 2020.

20. "Knockin' on Heaven's Door." *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 29 June 2020.

concept filmmaking. Eichinger was eager to ride the wave of moviegoers' enthusiasm for romantic comedies and commissioned Wortmann to direct the adaptation of the bestselling novel *Das Superweib* (Fischer Taschenbuch, 1994). Herman Weigel told me that the book was based on a "genius" narrative pitch while the movie's casting was pursued with one eye on the poster design.²¹ Eichinger cast a relative unknown, Veronica Ferres, in the lead and surrounded her with a cast of stars: Heiner Lauterbach (the star of Doris Dörrie's 1985 movie, *Männer*), Til Schweiger, Liselotte Pulver (star of 1950s screwball comedies), Joachim Król (Schweiger's male co-lead in *Der bewegte Mann*), and Thomas Heinze (the lead of *Allein unter Frauen*). The official Constantin movie poster shows Ferres surrounded by her male stars: Lauterbach, Król, Richy Müller (TV series *Die Stadtindianer*, 1994-1996), and Heinze.



Neue Constantin Film's release poster for *Das Superweib* (1996)

21. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

The movie's storyline largely delivers on the visual pitch: when jilted housewife Franziska Herr-Gross (Veronica Ferres) is divorced from her philandering movie-director husband (Heinze) due to a misunderstanding with her attorney (Król), she embarks on a career as a bestselling author and becomes the object of desire to a host of men: the shy attorney, her former literature, macho professor (Lauterbach), and sensitive TV personality Papai (Müller).

Leni Ohngemach, the screenwriter who adapted the book, notes that Wortmann was never fully invested in the project. He had not been keen on making yet another comedy. Nor did he agree with Eichinger's casting of Veronica Ferres for the lead role.²² But the movie's commercial success proved Eichinger right. Even though the movie received mixed reviews, it admitted some 2.3 million moviegoers, proving the successful workings of a star system in action.²³ Ferres' own story was not dissimilar to that of the main character.²⁴ Cast into the sudden spotlight, she was able to turn the role into a career-defining move and launch a successful acting career. Nevertheless, Ferres and Wortmann remained at odds with each other long after that movie's release.²⁵

Thus the high-concept marketing principles that Eichinger and Weigel had first adopted

22. Leni Ohngemach. Screenwriter, *Das Superweib* (1996) and *Opernball* (1998). Personal Interview by Author, 5 May 2015, Berlin, Germany.

23. See, e.g., H.G. Pflaum. "Opas Kino lebt. Das Superweib macht sich ueber andere Filme lustig - aber sonst gibt es nichts zu lachen." *Süddeutsche Zeitung*, 7 March 1996; "Neuer deutscher Problemfilm?" *Focus*, 4 March 1996, p. 212. Admissions numbers sourced from: "Das Superweib." *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 17 Jan. 2020.

24. Film critic Hellmuth Karasek noted at the time that Veronica Ferres was indeed a good match: "The blonde, blithe, energetic actress who looks curvaceous but is slim, who seems overpowering but who manages to calm men's fear of dominant women, Veronica Ferres just 'sits on' the role of Franziska Herr-Gross (the Superwoman) like the tie on the collar or the jeans on the butt." Hellmuth Karasek. "Veronica Ferres und ihre Rolle als 'Superweib' - Frauen sind bessere Männer." *Der Spiegel*, 4 March 1996; my translation.

25. During an interview Ferres had said that the movie was "not good" and only saved by her charisma and personality. This led Wortmann to comment publicly that it was remarkable for "someone with only average talent to make it this far." Wortmann later regretted making that statement. Sven Michaelson. "Sönke Wortmann ist Deutschlands erfolgreichster Regisseur und der Watschenmann der Feuilletons." *Stern*, 2 Sep. 1999, p. 64.

for the 1981 slate and later incorporated into the conception of their international productions had filtered down to German-language productions: Constantin Film was now producing German-language, high-concept cinema.

6.2.2. The New Comedy Wave under Attack

This commercial boom pushed the market share of German films at the domestic box-office up to 17% for 1996 and led some observers to speak of "the emergence of an authentically German popular movie culture."²⁶ In their anthology *Der bewegte Film*, published in 1997, co-editors Heike Amend and Michael Bütow unabashedly celebrate the "return" of the entertainment film. To make their case they marshal an impressive array of box-office statistics and television ratings that speak of an audience desirous of genre entertainment.²⁷

Even representatives of the 'old guard' of auteur filmmakers expressed their confidence in this upswing of German movies. In an interview with *Der Spiegel* filmmaker Hark Bohm expressed some guarded enthusiasm for the new generation of filmmakers, who was now more willing to make comedies for a broad, mainstream audience. Bohm, who had co-founded the filmmaker-driven distribution company Filmverlag der Autoren in the 1970s, observed that his generation of New German filmmakers had been too elitist in its pursuit of art cinema, refusing to acknowledge that cinema was primarily a mass medium, whereas younger filmmakers like Dörrie, Buck, and Wortmann were more willing to serve up populist fare.²⁸

However, not everyone shared Bohm's enthusiasm. In his now-seminal essay film scholar

26. Micaela Bracamonte. "The Serious Business of German comedy." *The Wall Street Journal Europe*, 21 Feb. 1997, p. 11.

27. Heike Amend and Michael Bütow, eds. *Der bewegte Film: Aufbruch zu neuen deutschen Erfolgen*. Berlin: Vistas, 1997.

28. "Das Gepäck abgeworfen; Interview mit Hark Bohm über die neue deutsche Lachlust." *Der Spiegel*, 19 Feb. 1996, p. 182.

Eric Rentschler critiques the cycle of comedies that emerged in the first half of the 1990s. In his analysis those movies were defined by a lack of engagement on the part of the filmmakers with significant issues of post-1989 Germany—unemployment, right-wing extremism, the uneasy integration of former East Germany into West Germany—and by an excess of style: always the same stars, chic loft apartments, careful lighting and photography, and seamless editing.²⁹

I argue that both sides—Amend/Bütow and Rentschler—frame the transition from the New German Cinema to the "Cinema of Consensus" in terms of a generational conflict between older "Autorenfilmer" (i.e. auteur writer-directors like Volker Schlöndorff, Wim Wenders, Rainer Maria Fassbinder, and Werner Herzog) and the new comedy directors (Wortmann, von Garnier, Dörrie, Buck, and *Stadtgespräch*'s Rainer Kaufmann). Michael Bütow highlights the role that television, and primarily private-commercial broadcasters, had played in professionalizing the aesthetics and the craftsmanship of directors. Many of the under-40 generation of filmmakers were often trained on making well-crafted TV movies and attuned to the sensibilities of a broad, mainstream audience.³⁰ On the other hand, Rentschler argues that this "Cinema of Consensus" represented a break with the era of filmmaking that had preceded it: whereas the New German Cinema of the 1960s and 1970s had "militated against collective forgetting" and "turning against mindless escapism and crude commercialism," the new comedy wave of the 1990s did not want to challenge the political status quo. Accordingly, the comedies of the 1990s lacked "oppositional energies and critical voices" and emanated from "an overdetermined German desire for normalcy."³¹

29. Eric Rentschler. "From New German Cinema to the post-Wall Cinema of Consensus." *Cinema & Nation*, edited by Mette Hjort and Scott Mackenzie, Routledge, 2000, pp. 260-277.

30. Michael Bütow. "Großer Bruder Fernsehen." *Der Bewegte Film*, eds. M. Bütow, H. Amend, Vistas Verlag, 1997, pp. 49-56.

31. Eric Rentschler. "From New German Cinema to the post-wall Cinema of Consensus," p. 263.

Rentschler makes a forceful argument that still resonates today. Rentschler's essay has remained a key critical text for reading and thinking about contemporary German cinema.³² However, I argue that the major planks of the debate between Rentschler and Amend/Bütow and their respective followers remain locked in a binary framework that too easily ignores the complexity of the structural changes that took place in this period. This is not simply a matter of pitting state-sponsored arthouse directors against commercially-funded entertainment directors. While I agree that the majority of "consensus films" stuck to a rather conventional mode of filmmaking and storytelling, it cannot be denied that they struck a chord with moviegoers, and not just because they reinforced existing social morays. David Coury has argued that the comedy wave "represents a larger paradigmatic shift induced in part by the desire of artists and audiences alike to reintroduce structure and meaning into the cinema. Although many factors have contributed to this change, audience taste and the desire for narrative have played a dominant role, and both have led to a transformation and revitalization of the German Film industry."³³

This statement challenges us to view the changes taking place in the film industry more closely. In the following section I am going to argue that a shift did occur—however, it was not the replacement of a state-sponsored with a market-based production model. Rather, the shift occurred *inside* the subsidy system. Eric Rentschler recognizes this in his article. However, whereas he asserts that subsidy agencies prioritized questions of "Wirtschaftlichkeit" (which he translates as "commercial potential") over art, I argue that the role and function of film subsidy agencies changed more fundamentally: from merely providing funding to filmmakers they were

32. In a testament to the continuing relevance of Rentschler's essay, Paul Cooke and Chris Homewood refer explicitly to the 1990s cinema as a "Cinema of Consensus" in their 2011 anthology. They and their contributors take it largely for granted that the mid-1990s "consensus films" represent a (mostly) negative counterpoint to the emergence of a more aesthetically and thematically varied and innovative cinema in the 2000s. Paul Cooke, Chris Homewood. "Introduction." *New Directions in German Cinema*. London: I.B. Tauris, 2011, p. 3.

33. David N. Coury. "From aesthetics to commercialism: narration and the new German comedy." *Seminar: A Journal of Germanic Studies*. Vol. 33. No. 4. University of Toronto Press, 1997, pp. 356-73.

reimagined as economic development agencies that should stimulate economic growth and as clearing houses for film financing that shaped film production practice at a very granular level. In effect, film subsidy agencies became the cornerstone of the entire domestic film production system.

6.3. The Disparate Meanings of "Wirtschaftlichkeit": Changes in the Film Subsidy Sector

In this section I discuss the developments in the film subsidy system in West Germany in the 1980s and 1990s. I argue that this period was marked by structural changes that had significant impact on the types of movies produced in Germany. Eric Rentschler argues that central to those changes was a prioritization of "Wirtschaftlichkeit" (which he translates as commercial potential) over art by public film funders. However, "Wirtschaftlichkeit" actually has several, overlapping meanings in German. I contend that understanding the different meaning of the term helps explain the various changes occurring inside the film subsidy system: market operation, economic development, and market potential. But even more significantly, as public funders made their funding decisions more dependent on the movies' perceived market potential, film producers became ever more dependent on film production subsidies, thereby further undermining the potential for industrial self-reliance.

6.3.1. Debating the Effectiveness of Film Subsidies

In this subsection I examine the debate over the effectiveness of film subsidies that emerged in the 1980s. I argue that what started as a critique espoused mostly by free-market conservatives in the early to mid 1980s became part of a broader press and political discourse by the early 1990s.

The first meaning of "Wirtschaftlichkeit" as market operation is a crucial element in the debates over film subsidy. The term becomes relevant with regard to public criticism of the operations of the Filmförderungsanstalt (FFA), which emerged in the 1980s. As discussed in chapter 1, the FFG was initially passed as an economic stimulus and was intended as a "self-help" vehicle for the film industry to rebuild itself. However, this aspect of the film subsidy system came under scrutiny in the early 1980s. In spring 1984 the Munich film school organized a two-day symposium on the state of film subsidy in West Germany.³⁴ In a paper presented at the symposium Robert Backheuer, a member of the board of governors of the FFA, noted that lawmakers had failed to specify in the original film subsidy law what an "improved" film industry structure should actually look like. In Backheuer's reading the film subsidy law had effectively failed to rebuild the film industry. As an indicator of the industry's poor health, Backheuer cited the market share of German films at the domestic box office: in 1968 the market share for German films was nearly 40% at the domestic box-office whereas in 1982 that share had dropped to 10%.³⁵

The symposium at the Munich film school had been occasioned by a public controversy that had taken place in the previous year. In 1983 a coalition government of the conservative CDU/CSU parties and the free-market FDP took over from the previous coalition of SPD and FDP. The new interior minister Friedrich Zimmermann, a member of the Bavarian CSU, became a vociferous opponent of the existing film subsidy system. Zimmermann changed the rules governing the film funding processes at his own ministry, the BMI. Zimmermann's outspoken

34. The conference proceedings were subsequently edited and published as Kurt Hentschel, Karl Friedrich Reimers, eds. *Filmförderung: Entwicklungen, Modelle, Materialien*. Munich: Verlag Ölschläger, 1985.

35. Robert Backheuer. "Die Möglichkeiten des Filmförderungsgesetzes (FFG)." *Filmförderung: Entwicklungen, Modelle, Materialien*, pp. 31-37. Robert Backheuer. "Die Möglichkeiten des Filmförderungsgesetzes (FFG)," p. 34.

goal was to decrease support for auteur cinema in favor of a more market-based cinema.³⁶

The practical, immediate impact of those changes was rather marginal as the BMI's available funding budget merely consisted of some DM 5 million per year.³⁷ However, in terms of political discourse Zimmermann's rhetoric from the bully pulpit was significant. Over time the questions over the efficacy of the film subsidy system resonated more widely. By the early 1990s even more left-leaning papers began to question the existing system. In 1992 news magazine *Der Spiegel*, once a fierce critic of Zimmermann, raised its own concerns. The magazine noted that only 18 out of the 434 films that had received interest-free loans from the FFA's project fund since 1974 had ever repaid those loans.³⁸ Two years later the criticism became more outspoken, and the newspaper posed the rather polemical question: "Are the DM 200 million that the federal government and the states spend annually on film subsidies simply wasted?" The magazine observed that two of the six films nominated for the Federal Film Prize had never been screened in theaters. And of the 19 films that had received funding from the FFA's project fund, twelve had been "total flops," attracting less than 25,000 theater admissions.³⁹

Thus by the 1990s theatrical admissions and market shares had become a widely-accepted indicator by which to measure the success of German filmmaking and the effectiveness of public subsidies. Taking commercial success as a purported aim of film subsidy had moved out of the niche of conference papers and into the mainstream of popular opinion.

36. In a speech reprinted in trade paper *Blickpunkt:Film* Zimmermann demanded that German filmmakers be more cognizant of their intended audience: "Should tax payers finance film productions as well as distribution and exhibition without asking whether these people actually want to see these movies? That, with all due respect, is a completely disrespectful and anti-democratic position. [...] Cinema needs its audience — however small and interested — but the general purpose always has to be the viewer." Friedrich Zimmermann. "Gedanken zur kulturellen Filmförderung." *Blickpunkt:Film*, 30 Jan. 1984, pp. 8-9; my translation. *Blickpunkt:Film* had previously endorsed Zimmermann's new film promotion guidelines and reprinted his preamble in full. "Zu Unrecht angegriffen: Zimmermanns neue Filmförderung-Richtlinien." *Blickpunkt:Film*, 10 Aug. 1983 pp. 7-8.

37. "Viel Lärm um wenig." *Blickpunkt:Film*, 30 Jan. 1984, pp. 6-7.

38. "Schrott oder nicht Schrott." *Der Spiegel*, 25 May 1992, p. 212.

39. "Jammer statt Glamour." *Der Spiegel*, 22 Aug. 1994, p. 154; my translation.

6.3.2. Film Subsidy as Industrial Developmental Tool

In 1991 North Rhine-Westphalia launched a new film subsidy agency, Filmstiftung Nordrhein-Westfalen GmbH (Filmstiftung NRW). Media scholar and producer Sebastian Storm argues that the establishment of the Filmstiftung NRW, as it became known, rang in a new "modern era" of film subsidy.⁴⁰ Filmstiftung NRW was the first public-private corporation to merge state-government funding with funding from regional television networks. However, I contend that the establishment of the Filmboard Berlin-Brandenburg, the joint film subsidy agency of the states of Berlin and Brandenburg in 1994, was even more significant. This new agency highlighted a new understanding by public officials of the role that public policy and public spending should play in promoting local film industries: whereas in the 1980s West Berlin's city government had provided incentives to stimulate economic growth, by the mid 1990s film subsidy administrators were engaged at a much more granular level in organizing and shaping film production practices.

West Berlin had experienced a series of bankruptcies of film-related businesses and an exodus of film workers over the course of the 1970s. In response the city government launched a new loan-guarantee program, which ran from 1978 to 1986. This scheme was intended to draw West German and foreign film producers to the city and hire West Berlin-based personnel, studios, film labs and other vendors for film productions.⁴¹ Unlike previous loan guarantees of the 1950s and 1960s, the new program offered non-recourse, interest-free loans that obligated producers to repay the loans solely from the proceeds generated from the movie's release. If the

40. Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*. Verlag für Berlin-Brandenburg, 2000, p. 29.

41. Hubert Ortkemper. "Filmförderung in Berlin." *Filmförderung: Entwicklungen, Modelle, Materialien*, ed. by K. Hentschel, K.F. Reimers, Munich: Verlag Ölschläger, 1985, p. 79.

movie did not generate sufficient profits over a five-year period, the state treasurer would repay the loan on behalf of the producer. However, the program was deemed only marginally successful. In May 1982 *Variety* observed that even though the subsidy program had attracted a number of producers to the city—including Bernd Eichinger for the production of *Christiane F.—Wir Kinder vom Bahnhof Zoo* and Frank Seitz for *Die Blechtrommel* (The Tin Drum, 1982)—the majority of production activity remained in the Munich region.⁴²

After the expiration of that program, the city-state of West Berlin was largely without a consistent film subsidy program. Berlin was at the epicenter of the political turmoil that emerged after the fall of the Berlin Wall. However, the political and social upheavals left little room for film production activity. In the state of Brandenburg, which surrounds Berlin, the situation was even worse. The state capital Potsdam, previously the center of the GDR's film and TV industry, experienced massive layoffs. Therefore, following the model of North Rhine-Westphalia, the two states decided to merge their film funding operations and launch a joint agency with the mandate to promote the film industry of the entire region. Filmboard Berlin-Brandenburg (FBB) was incorporated in 1994 as a limited-liability corporation. The state-owned investment banks of Berlin and Brandenburg served as shareholders on behalf of their respective state governments. FBB's explicit mandate was to promote "the film culture industry" and to secure and strengthen "the media-industry infrastructure in the region of Berlin-Brandenburg under the considerations of artistic, technical and economic aspects."⁴³

In this case "Wirtschaftlichkeit" should be viewed as economic development. However, whereas previously the film industry had been seen as a concern of the federal government, now

42. "Neue Constantin Cheered By Recent German Pic Success." *Variety*, 12 May 1982, p. 265.

43. From Filmboard Berlin-Brandenburg Partnership Agreement, quoted in Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland.*, p. 31.

it was a matter of the individual Bundesland. Film-industrial structures were now conceived of in terms of the regional clustering of businesses, workers and institutions concerned with the development, production, and dissemination of filmic products.⁴⁴ In this context public policy and film subsidies became vehicles for investments in local infrastructure projects. As John Hartley notes, the term "creative industries" arose in the 1990s in countries "where creativity caught the imagination of politicians and policymakers who wanted to promote 'jobs and GDP' (as the economic development mantra has it)."⁴⁵

I argue that with these objectives German state legislatures and public officials assumed a much more activist role than at the time of the first film subsidy law in 1967. As mentioned previously, the FFG was seen as a "self-help vehicle" for the film industry to prop itself up again. Crucially, the funds that financed the Filmförderungsanstalt (FFA) came from levies placed on movie ticket sales (and later video store sales and rentals). Monies thus lost to the industry were to be returned to it in form of financial support for film productions, theater renovations, and film prints. In contrast, regional film subsidy agencies were funded from the respective Bundesland's general tax fund. In this way the subsidy agency had a fiduciary obligation to the state government and, by extension, to the region's taxpayers. The state government thus had an explicit stake in the outcome of the agency's operations.

The establishment of the Filmboard Berlin-Brandenburg, and particularly the appointment of veteran film producer Klaus Keil as its inaugural managing director, represented a much more interventionist stance by lawmakers. Klaus Keil had been a production manager

44. Scholarship on creative industries has begun to examine these relationships more closely. See, e.g., Alan J. Scott. *On Hollywood: The Place, the Industry*. Princeton University Press, 2005; John Hartley, ed. *Creative Industries*. Blackwell Publishing, 2005; Michael Curtin. *Playing to the World's Biggest Audience: The Globalization of Chinese Film and TV*. University of California Press, 2007.

45. John Hartley. "Creative Industries." *Creative Industries*, ed. J. Hartley, Blackwell Publishing, 2005, p. 5.

and producer at Bavaria Studios before managing Neue Constantin's industrial film division in 1986 and later transitioning to its film production division. In 1989 he became professor of production at the Munich film school.⁴⁶

This experience came to bear on the way he approached the job at FBB. As managing director, Keil was invested with an unusual amount of authority: whereas FFA, Filmstiftung NRW and Bavaria's film subsidy agency devolved the approval process to external selection commissions, Keil had ultimate green-light authority for all funding decisions. Keil argued that this system made the decision-making process more transparent. Keil told me in an interview that he made a point of calling those producers whose applications were declined to explain his reasoning. He notes that this process required a certain level of tact but also a solid understanding of script dramaturgy and creative development.⁴⁷

Moreover, I argue that this approach represented a much more granular level of engagement in the funding process. By providing such detailed creative feedback to producers, Keil effectively inserted himself into the development process, behaving more like a studio production head than a public official. But more than that, Keil's aim was to train independent producers in what he considered proper development and packaging processes. By educating individual film workers, Keil, in effect, attempted to build industrial structures at a micro-level.

6.3.3. "Wirtschaftlichkeit" as Market Potential

In this subsection I discuss Filmboard Berlin-Brandenburg's new requirement for producers to submit a distribution presale as part of their application package. I argue that the

46. "Executive Suite: Klaus Keil." *Screen International*, 6 Jan. 1995, p. 24.

47. Klaus Keil. Former managing director, Filmboard Berlin-Brandenburg, Potsdam. Personal Interview by Author, 1 Sep. 2015, Berlin, Germany.

distribution presale was thereby intended to function as a vetting tool and as evidence that a theatrical distributor had "pre-approved" the project's market potential.

Keil's desire to educate producers can be seen in the expectations he set for them. At Filmboard Berlin-Brandenburg Keil promoted an agenda he called "no more scattergun, no more shelf huggers." This means that he wanted to focus only on those film projects that had a reasonable chance of getting released and seen by moviegoers.⁴⁸ Keil put this agenda into practice by demanding a new way of thinking from producers. After five months on the job Keil explained his position in an interview thus:

"We [i.e. Filmboard Berlin-Brandenburg] are ready to talk, but the Filmboard has to be persuaded that you can sell this thing and you have to show evidence that it can be sold. What we have to learn is what the Americans call 'packaging': a marketing concept, a financing plan, 30% producer's contribution, distribution contract. Not a guarantee, but a contract. This is new, because in Berlin people were used to getting subsidies in all sectors."⁴⁹

More than a decade after Bernd Eichinger packaged *The Neverending Story*, film subsidy agencies adopted the concept too. However, Keil's definition of packaging differs in significant ways from the way Eichinger and De Laurentiis had used it. Rather than talent attachments, Keil was looking specifically for a distribution presale. Whereas Eichinger had assembled the creative elements in order to gain a distribution presale in international markets, Keil presupposed the distribution presale as a condition for granting production funding from his agency.

Keil was effectively looking for evidence that a theatrical distributor had vetted and approved the project before it reached FBB. In a paper presented at the film subsidy symposium at HFF Munich in 1984 Maximilian von Andr nyi, an official in the Bavarian state government,

48. Christiane Peitz. "Im Jahr des Produzenten." *taz, die Tageszeitung*, 9 Feb. 1995, pp. 16-17.

49. Klaus Keil quoted in: Christiane Peitz. "Im Jahr des Produzenten." *taz, die tageszeitung*, 9 Feb. 1995, pp. 16-17; my translation.

had asserted that the various film subsidy programs had led to an overproduction of feature films in the West German marketplace. Too many movies without viable chances in the marketplace took away exhibition slots from other movies with more commercial potential. He therefore felt that it was "incumbent upon the funding committees to review those submitted projects more critically in terms of their market potential ["Wirtschaftlichkeit"; my emphasis]. It can no longer be justified that movies that won't find a distributor or will run in only a few theaters receive public funding."⁵⁰

Here we find a third definition of "Wirtschaftlichkeit" as market potential. In this context market potential refers to a movie's potential appeal to a certain sector of the moviegoing audience. Both Keil and von Andrényi assumed that the theatrical distributor was best equipped to assess this appeal. The distribution presale is therefore a vehicle to confirm the project's market potential.

However, I argue that there is an important differentiation to be made between "Wirtschaftlichkeit" as market potential and "Wirtschaftlichkeit" as market operation. Even if theatrical distributors had vetted a film project, in the package requested by FBB the distribution presale was only one small part of the financing plan. Filmboard Berlin-Brandenburg (and other public film funders) provided the majority of film production financing. As much as Klaus Keil might have behaved like a producer, he ultimately represented a publicly-funded state agency whose funding did not have to follow the market rules of supply and demand.

6.3.4. The Public Funder as Market Distorter

In this subsection I examine the increasing significance of public film subsidy agencies to

50. Maximilian von Andrényi. "Aspekte wirtschaftlicher Filmförderung." *Filmförderung: Entwicklungen, Modelle, Materialien*, p. 40; my translation.

film financing. I argue that the 1990s saw a trend towards greater reliance on public funding in domestic film production even as public funders made their funding decisions more dependent on market-oriented production practices by producers.

In his examination of the film financing system in Germany, Sebastian Storm argues that the share of film financing provided by private sources—i.e. producers, distributors, and private investors—decreased between 1970 and 2000 while the share provided by institutional public funders (i.e. FFA, BMI and regional film subsidy agencies) and television networks rose conversely.⁵¹ According to Storm's data, in 1960 the distribution and production sectors contributed DM 111.74 million out of a total film production investment of DM 112.8 million, thus representing a share of 99.06%. On the other hand, film subsidies (i.e. the loan-guarantee programs) amounted to merely DM 1.06 million (or 0.94% of the total).⁵² However, by 1980 the distribution and production sectors made up 41.7% of total investments (or DM 70.05 million out of DM 168 million) whereas public subsidies represented 40.45% and public broadcasters another 17.86% of the total financing for German films. In 1998, the last year for which data is available in Storm's table, total investments in film production were an estimated DM 300 million with DM 218.15 million (72.72%) coming from public subsidy agencies. Public broadcasting contributed another DM 37 million (12.33%) and private broadcasting DM 18 million (6%). Conversely, the contributions of the production and distribution sectors to film production financing had shrunk to only DM 26.85 million, or just 8.95% of the total film production financing for German films.⁵³

51. For his study Storm calculated the combined overall investment in all domestic film productions for the years from 1947 to 1999 and then determined the relative contributions from four major sources of film financing: distribution/production, public film subsidy, public broadcasters, and private broadcasters. Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*. Verlag für Berlin-Brandenburg, 2000.

52. All data sourced from table "Gegenüberstellung der Investitionen in dt. Spielfilme." Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*, p. 123.

53. All data sourced from table "Gegenüberstellung der Investitionen in dt. Spielfilme." Sebastian Storm.

We have to take into account that Storm's calculations are averages that he calculated based on a variety of sources.⁵⁴ However, I argue that, despite some inexactitudes, Storm's data describes a general trend towards a greater reliance on public funding in domestic film production. Oliver Castendyk's research largely confirms Storm's observations. Castendyk acknowledges that the single most important source of production financing for German films nowadays is public funding: "Without public subsidies it is almost impossible to assemble the financing for a movie aimed primarily at the German-language market."⁵⁵ He analyzed the financing plans for 80% of the German movies released between 2002 and 2004. Based on that data, he estimates that the share of the financing sources in a typical film production for those years breaks down as follows: federal film subsidies (i.e. BMI, FFA) constitute 26% of film production financing, regional subsidies 27%, TV presales/co-production deals 23%, distribution presales/minimum guarantees 9%, and "other financing" procured by the producer 15%.⁵⁶ In 2001 the European Commission released rules that restricted the share of public funding on any given film production in the EU to 50% of the total financing.⁵⁷

Strukturen der Filmfinanzierung in Deutschland, p. 123.

54. Storm's data sources are Filmförderungsanstalt, SPIO (the film industry's main business association), Statistisches Bundesamt (Federal Agency of Statistics), and Deutsches Institut für Wirtschaftsforschung (Institute for Economic Research). Storm admits that his calculations are further complicated by the fact that in 1976 SPIO changed its methodology: whereas throughout the postwar period the organization had counted all films produced in West Germany to establish total film production volume per year, after 1976 it no longer included those films that were produced but not released theatrically. For this reason Storm proceeds from an estimate of all released German films + 10% in order to calculate the number of all produced films for the years 1976 through 1998. For a full discussion of his methodology, see Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*, pp. 18-21.

55. Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*. Konstanz: UVK Verlagsgesellschaft, 2008, p. 56; my translation.

56. Oliver Castendyk. *Die deutsche Filmförderung*, p. 62. "Other financing by producers" usually consists of deferred payments to cast and/or production personnel and in-kind payments from vendors or production service providers.

57. Film subsidies are regulated by article 87.3(d) of the EU contract. The French CNC developed a set of guidelines in 1998 that were later adopted and implemented by the European Commission in 2001: 1) Subsidies may only benefit a "cultural product"; 2) the producer must be able to expend at least 20% of the film production budget in another member country without incurring cuts to his/her national subsidies; 3) no more than 50% of the production budget may be derived from public sources (an exception exists for "small and difficult" productions that may claim up to 80% of its budget in public subsidies); and 4) additional subsidies for post-production are not allowed. See Oliver Castendyk. *Die deutsche Filmförderung*, pp. 82-83.

I therefore conclude that even as film subsidy agencies implemented mechanisms for supporting more "market-oriented" films, film subsidy agencies provided the lion share of financing for film production in Germany. Moreover, not only did public funding increase as a share of film financing commitments, but the overall level of public funding increased as well. Between 1979 and 1990 public funding more than doubled, rising from DM 39.99 million to DM 91.2 million. By 1998 total public funding had reached DM 218.15 million.⁵⁸

This leads Storm to conclude that the German film industry is a "subsidy economy" that is entirely dependent on public monies to function. He argues that, instead of providing stimulus to the film industry, public subsidies have become the primary driver of market demand and have therefore disconnected production from audience demand. He notes that as long as there are public monies available, producers will claim them.⁵⁹ Yet even more disconcerting for Storm is the competition among regional film subsidy agencies. Agencies that had operated on the margins of the film industry in the 1980s began using millions of state and broadcast funds in the early 1990s to encourage producers to shoot in their respective regions. In this "arms race" of increasing film subsidies regional subsidy agencies had to upgrade or build entirely new and expensive studio facilities to attract film productions to their states, only to see those facilities later lie fallow when film productions moved on to another locale.⁶⁰

Storm's position echoes Bernd Eichinger's objections to film subsidies. However, there is a significant difference between the two. For when Eichinger voiced those objections in 1978, the majority of "public" funding still derived from the revenues of the FFA and the "Film-Fersehabkommen" (Film/TV Agreement, see chapter 1.7.3). Thus the public film subsidy that

58. All data sourced from table "Gegenüberstellung der Investitionen in dt. Spielfilme." Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*, p. 123.

59. Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*, p. 111.

60. Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*, pp. 81-82.

Eichinger objected to were funds largely provided for by the film and broadcast industries. On the other hand, at the time of Storm's writing in 1999 the majority of public spending on film production was, in fact, direct subsidies from the individual states' general tax funds.

Integrating these findings into the film-scholarly debates, I want to return to Hester Baer's argument that the early 1980s saw a "neoliberal turn" with a "mandate toward privatization." Similar to Rentschler, she sees a shift to market concerns and a prioritization of private-commercial concerns in film financing and production, which would then make the emergence of the "Cinema of Consensus" possible in the 1990s.⁶¹ Baer is correct to point out that the rise to power of Chancellor Helmut Kohl's conservative coalition in 1981—and particularly his minister for the interior, Friedrich Zimmermann—sparked a public debate on the purpose of cultural film subsidies. What emerged from those debates was a greater awareness that the funding system as it existed at the time was not fulfilling its promise of making the film industry self-sustaining. This led to a rethinking inside those public agencies. However, I argue that this rethinking did not result in a retreat from film financing, but rather, on the contrary, to an increased commitment by public agencies. This increase in funding commitments accelerated just as public funders pursued more market-oriented funding practices. Even if film subsidy agencies displayed a greater emphasis on "Wirtschaftlichkeit" in terms of market potential, there was less emphasis on "Wirtschaftlichkeit" in terms of market operation.

In this way the film subsidy system in Germany, which was originally introduced as a 'quick fix' to stimulate an ailing industry in the 1960s, has since proliferated and become institutionalized in a way that there is no longer, in Michel Foucault's term, an "outside of the system." Every single movie developed, produced, distributed and exhibited receives some form

61. Hester Baer. "Producing Adaptations: Bernd Eichinger, Christiane F., and German Film History," p. 175.

of public support. I conclude that the "failure" of the system has turned into its *raison d'être*: to organize and control the entire process of film production, distribution and exhibition in the name of preserving "German cinema."

Now how does this system affect the film producer? In 1978 Bernd Eichinger proposed to set Neue Constantin Film apart from this system of public funding and return the company to a purely market-based industrial system. However, I argue that by the 1990s he had decided not to fight the system, but rather to make it work for him.

6.4. Financing German-Language Productions in the 1990s: *Bin ich schön?* (1998) and *Der Campus* (1998)

In this section I discuss the effects of the changes in the film subsidy system in the 1990s by examining two Eichinger productions from the second half of the 1990s. I argue that Constantin Film was able to offset its financial risks associated with German-language productions by increasingly relying on public funding for film production financing. In the following section I examine the financing plans for two Eichinger productions, *Bin ich schön?* (Am I Beautiful?, D. Dörrie, 1998) and *Der Campus* (The Campus, S. Wortmann, 1998), in more detail and put them in dialogue with common arguments in support of film subsidies. Finally, I consider the accounting practices inside the company and the internal relations between the distribution operation and the production arm. I conclude that its corporate structure as an integrated producer-distributor gave unfair advantages to Neue Constantin (or as it was known after 1995, Constantin Film) within the existing film subsidy system over other independent producers.

6.4.1. *Bin ich schön?*: Production Elements.

Eichinger's production *Bin ich schön?* continued the high-concept principle of packaging pre-existing properties with star castings. In many ways the film exhibits the usual markings of high-concept filmmaking. The film was based on pre-existing literary material and directed by director Doris Dörrie. The movie was Dörrie's twentieth directing project. She had had a major box-office success with her movie *Männer* (Men, 1986), which became the top-grossing movie of that year with some 4.8 million theatrical admissions.⁶² Dörrie subsequently collaborated with Bernd Eichinger on the English-language movie, *Ich und Er* (Me and Him, 1988). That production was fraught with tensions between Eichinger and Dörrie, which Katja Eichinger details in her book.⁶³ Nevertheless, the movie became commercially quite successful with some 3.4 million admissions.⁶⁴ Even though her subsequent films, *Geld* (Money, 1989), *Happy Birthday, Türke!* (1992), and *Keiner liebt mich* (Nobody loves me, 1994), did not achieve that same level of commercial success, Dörrie was a well-known director in Germany in the mid-1990s.

Dörrie started shooting *Bin ich schön?* in Spain in 1996. But then her partner and cameraman, Helge Weindler, died unexpectedly during the shoot. Dörrie aborted the project and, according to her own statement, was not sure if she would ever direct another movie again. Eichinger convinced her to take the project up again. Eichinger's engagement was all the more surprising, given how fractious their relationship had been after the completion of *Me and Him*. However, in an interview with *Süddeutsche Zeitung* both asserted that they had grown to respect and appreciate each other since that time.⁶⁵

62. "Market profile: Germany 1986." *Screen International*, 14 Feb. 1987, p. 32.

63. Katja Eichinger. *BE: Bernd Eichinger*, pp. 304-316.

64. "Market Profile: Germany (Federal Republic of)." *Screen International*, 6 May 1989, p. 25.

65. Michael Althen. "Spuren aus dem schwarzen Loch; Die Regisseurin Doris Dorrie und ihr Produzent

The script was based on stories from two short-story collections written by Dörrie, *Für immer und ewig—Eine Art Reigen* (1993) and *Bin ich schön?* (1995), both published by Diogenes Verlag. The movie is structured as an omnibus film, stitching together eleven storylines with sixteen characters that deal with themes of death, separation and mourning. The narrative shuttles back and forth between settings in Spain and Germany. In the final act many of the characters cross paths again during a religious procession in Seville.

The main parts were cast with some of the most prominent acting talents available at the time in Germany. As Margaret McCarthy points out, the casting combined talent from both popular films and television series with stars of the New German Cinema: Senta Berger, a star of German, Italian and American productions of the 1960s, TV star Iris Berben, Uwe Ochsenknecht (Lauterbach's co-star in *Männer*), and rising star Franka Potente (*Nach Fünf im Urwald/It's a Jungle Out There*, H.C. Schmid, 1998) starred next to New German Cinema stalwarts like Otto Sander (*Der Himmel über Berlin/Wings of Desire*, W. Wenders, 1987) and Gottfried John, a regular of many Rainer Maria Fassbinder films. McCarthy contends that the ensemble of *Bin ich schön?* challenges the traditional periodization of German cinema and underscores the continuity from one era of filmmaking to the next.⁶⁶

The movie was shot in two blocks. The first block was shot from March 23 to 29, 1997, in Seville, most likely to film the Semana Santa procession that is featured in the final reel of the movie. The main shoot occurred from September 30 to December 5, 1997 in Spain and Germany. The production used some 46 locations. The final running time of the movie was 120 minutes.⁶⁷

Bernd Eichinger reden über 'Bin ich schön?'" *Süddeutsche Zeitung*, 17 Sep. 1998.

66. Margaret McCarthy. "Angst takes a holiday in Doris Dörrie's 'Am I beautiful?'" *Light Motives: Popular German Film in Perspective*, ed by. R. Halle, M. McCarthy, Detroit: Wayne State University Press, 2003, p. 382.

67. *Bin ich schön?* "Vor- und Nachkalkulation vom 28.01.1997." Internal Memo, 28 Jan. 1997. SDK, BEC.

This large cast and the many original locations did not come without a price. With DM 9,132,171.16, *Bin ich schön?*'s production budget was approaching the levels previously only seen by *Werner-Beinhart*. How, then, did Constantin Film come up with the money to finance this production?

6.4.2. Two Financing Plans for One Movie

A movie's financing plan details the sources of financing that contribute the funds for the production budget. The financing plan for *Bin ich schön?* offers some surprising revelations. The first surprise is that the Bernd Eichinger Collection actually contains two financing plans for the movie. One financing plan is entitled "Financing plan—bank financing" while the other is simply called "Financing plan."⁶⁸ These headings lead me to presume that each was intended for a different audience: most likely, the first was intended for Constantin's banks, Berliner Bank AG and Bayerische Hypotheken- und Wechselbank AG, whereas the second was intended for submission to the film subsidy agencies.

The existence of two financing plans is unusual in itself — the fact that they are directed at two different recipients is even more revealing. For the most parts both plans contain the same information. In both the production costs for the movie are calculated at DM 9,132,171.16. Both financing plans anticipate contributions from three separate film subsidy agencies: DM 2 million from the FFA's project fund, DM 3.5 million from FilmFernsehFonds Bayern, the newly-established Bavarian regional subsidy agency,⁶⁹ and DM 500,000 from the Federal Ministry of

4.3-201210-6 Constantin Development Inc.-5.

68. "Bin ich schön - Bankfinanzierung." SDK, BEC. 4.3-201210-6 Constantin Development Inc.-5; "Bin ich schön - Finanzierungsplan." SDK, BEC. 4.3-201210-6 Constantin Development Inc.-5.

69. FilmFernsehFonds Bayern was launched in 1996 as a GmbH (limited-liability corporation) with shares owned by the state of Bavaria and regional public broadcaster Bayerischer Rundfunk (BR) as well as commercial-private broadcasters ProSieben, RTL2, TM3, and media company Taurus Film as partners. RTL and ZDF later joined the pool of investors. Sebastian Storm. *Strukturen der Filmfinanzierung in Deutschland*. Verlag für Berlin-

the Interior (BMI). Collectively, the contributions from these public funds amount to 65.71% of the production costs.⁷⁰

The difference lies in the distribution MG that Constantin pledged. In the financing plan ostensibly intended for the subsidy agencies Constantin Film guaranteed a distribution MG of DM 3 million (or 32.85% of the production costs) and a cash contribution of DM 132,171 (or 1.45%).⁷¹ However, the bank financing plan shows a different picture. There, the distribution MG is significantly smaller: DM 332,171.16. In addition, the financing plan now lists contributions from a TV presale (DM 2 million) and a video presale (DM 800,000).⁷² Thus Constantin Film had secured domestic presales from two outside entities—the private-commercial network SAT1 and the video distributor VCL Film und Medien AG⁷³—which represented the lion share of the distribution guarantee (or 30.66% of the production budget). As a result, Constantin Film's own distribution guarantee was now greatly reduced—now a mere 3.64% of the production budget.⁷⁴

Why this divergence between the two financing plans? Constantin Filmproduktion had to show evidence of a distribution commitment in order to qualify for the FFA's project fund. However, its banks required another form of "Wirtschaftlichkeit": namely, that Constantin Film could demonstrate evidence of responsible financial management. In July 1997 a banking consortium consisting of Berlin-based Berliner Bank and Munich-based Bayerische Hypotheken- und Wechselbank had raised Constantin's credit line to DM 129 million (\$74.6 million) for five

Brandenburg, 2000, pp. 32-33.

70. "Bin ich schön - Bankfinanzierung."; "Bin ich schön - Finanzierungsplan."

71. "Bin ich schön - Finanzierungsplan."

72. "Bin ich schön - Bankfinanzierung."

73. "Bin ich schön?" *Filmportal.de*. DFF - Deutsches Filminstitut und Filmmuseum, Frankfurt. www.filmportal.de/node/7881/availability#Verleih%20analog. Accessed 20 Dec. 2019.

74. "Bin ich schön - Bankfinanzierung." Financing plan for banks for movie Bin ich schön?. SDK, BEC. 4.3-201210-6 Constantin Development Inc.-5.

years. The revolving credit was used to finance *Bin ich schön?*, *Der Campus*, and Constantin's English-language production, *Wrongfully Accused*, (P. Proft, 1998).⁷⁵ In order to qualify for these loans, Constantin Film had to demonstrate that it carried only limited financial exposure on those productions.

Constantin's actual investment in the film production was therefore a theatrical guarantee of merely 3.6% of production budget. All other costs had been "off-loaded" to other outside entities, namely public funders (65.73%), the TV broadcaster (21.9%) and the video distributor (8.76%). Such a financing strategy became the rule rather than the exception, as we shall see next with the financing plan for *Der Campus*.

6.4.3. Again, Two Financing Plans: *Der Campus*

The financing plan of *Der Campus* demonstrates that the financing strategy employed on *Bin ich schön?* was far from an exception. If anything, the financing plan for *Der Campus* took the strategy of offloading the risk of production financing to outside entities to an extreme.

Director Sönke Wortmann had intended to make this movie right after *Der bewegte Mann* (1994), but Eichinger persuaded him to direct *Das Superweib* (1996) first. *Der Campus* was based on the bestselling novel, *Der Campus*, written by Dietrich Schwanitz and published in 1995. The plot of the novel concerns a sociology professor running for university president, but whose (consensual) fling with a female student becomes his downfall after a cabal of university administrators and politicians sees an opportunity to rid themselves of this unwanted rival.

In the Bernd Eichinger Collection we find two financing plans for *Der Campus*, one entitled "Finanzierungsplan" ("Financing plan") and the other "Bankfinanzierung" ("Bank

⁷⁵ Martin Blaney. "Constantin credit opens Campus, saves Doerrie pic." *Screen International*, 4 July 1997, p. 6.

financing").⁷⁶ Again, in both plans the production costs of the movie were projected at DM 7,575,942. Both plans assumed contributions from three separate agencies: DM 1.5 million from the FFA's project film fund, DM 800,000 from the Bavarian FilmFernsehFonds, and DM 2.7 million from the FilmFörderung Hamburg GmbH (HFF), the subsidy agency of the city-state of Hamburg where the movie was shot.⁷⁷ Hamburg's commitment alone represented 35.64% of the movie's production budget; collectively, the contributions of the three agencies amounted to 66% of the costs.

According to the financing plan intended for the subsidy agencies, Constantin's distribution guarantee advanced DM 2.1 million (or 27.72% of the budget). The production company also contributed another DM 475,942 in cash (or 6.28%).⁷⁸ Thus, according to this plan, Constantin Film's contributions amounted to 34% of the projected production costs. However, the bank financing plan again shows a slightly different picture. As with *Bin ich schön?*, two new sources of financing show up: DM 2 million for the TV rights and DM 800,000 for the video presale.⁷⁹

That means that Constantin Film's actual financial exposure was not only lower in the second financing plan — but lower than the actual production costs. For the DM 2.8 million that Constantin Film expected for the broadcast and video rights exceeded the DM 2,575,942 it had pledged in the other financing plan. In effect, the company had already made a profit of DM

76. "Der Campus - Bankfinanzierung." SDK, BEC. 4.3-201210-6 Constantin Development Inc.-5; "Der Campus - Finanzierungsplan." SDK, BEC. 4.3-201210-6 Constantin Development Inc.-5.

77. *Süddeutsche Zeitung* claimed at the time that with "over DM 2.5 million" the film received "record funding" from public sources. "Großer Hai — Hofer Filmpreis für Wortmann." *Süddeutsche Zeitung*, 25 Oct. 1997.

78. "Der Campus - Finanzierungsplan." SDK, BEC. 4.3-201210-6 Constantin Development Inc.-5.

79. The credit list on IMDb.com mentions private-commercial broadcaster SAT1 as a co-production partner. However, the broadcaster is not listed as such in the movie's credits. Cine Plus Home Entertainment released the movie first on VHS in 2000, later as a DVD in 2004. "Der Campus." *IMDb.com*. www.imdb.com/title/tt0120625/companycredits?ref_=tt_dt_co; "Der Campus." *Filmportal.de*. DFF - Deutsches Filminstitut und Filmmuseum, Frankfurt. www.filmportal.de/node/48313/availability#DVD/%20Blu-Ray. Both sites accessed on 30 Dec. 2019.

224,058 (or 2.96% of the production costs) before the movie was ever released.

6.4.4. Film Subsidy As Insurance Policy

In both productions the financing plans relied heavily on external partners. This is not unusual in the independent film business. Eichinger had relied primarily on external sources for the financing of *The Neverending Story*. If anything, that movie had been an anomaly because Eichinger had to invest so much of Neue Constantin's own capital in the production. As previously discussed, foreign presales (including the presales for the North American market) constituted the lion share of the financing for that movie. Warner Bros. had advanced some DM 38 million for North America and some English-speaking territories and PSO another DM 4.8 million for all other international territories. That means foreign presales accounted for some 64.29% of the total production budget whereas public subsidies from the Bavarian state government and the FFA amounted to some DM 4.7 million, or just 7% of the production budget. The remainder had to be covered by Neue Constantin Film and its co-production partner, Bavaria Studios: in addition to DM 2.5 million in theatrical and video distribution advances, Neue Constantin invested some DM 11.6 million in cash while co-producer Bavaria Studios put in another DM 5 million as its share.⁸⁰

With *Bin ich schön?* and *Der Campus* the situation was almost reversed. The majority share of production financing was composed of non-recourse loans and direct grants from public subsidy agencies: for *Bin ich schön?* those contributions represented 65.71% of its production budget, and for *Der Campus* 66%. Even though Constantin Film's MG still represented almost a third of the production financing, that MG was effectively offset by sub-licenses to television

⁸⁰. "Finanzierungsplan Unendliche Geschichte Status per 15.8.84." Financing plan The Never-Ending Story as of 15 Aug. 1984. SDK, BEC. 4.3 201210-0 UNENDLICHE GESCHICHTE 2.

broadcasters and video distributors. Moreover, there were no foreign presales on either film. This was not unusual for German-language films from that period. As Eric Rentschler observes, German comedies belonging to the "Cinema of Consensus" did not sell well abroad.⁸¹ Without a track record for commercial success in foreign territories, German-language movies faced an uphill battle in attracting international presales.

On both films Constantin Film had effectively outsourced almost its entire financial risk to outside partners. For the broadcasters and video distributors those risks were manageable since they could expect returns on their investments from advertising and video sales respectively. On the other hand, the non-recourse loans from the public film subsidies agencies had to be repaid from theatrical rentals. However, without sufficient rentals the loans turned into direct subsidies.⁸² Private-industry investments in the financing of those two movies therefore only played a minor role. The theatrical distributor, once the dominant financing entity in the German postwar film industry, now was a financier in name only, even on its own productions.

Constantin Film had clearly drawn its lessons from the sheer existential risks it had carried on *The Neverending Story*. If the company could externalize the financial risks of film production to other partners, the company would not face the threat of bankruptcy and extinction if its movie productions failed to generate sufficient theatrical rentals. One of the reasons that many production and distribution companies (including the 'old' Constantin Film) had gone bankrupt in the 1960s and 1970s was that they had invested too much of their own capital in movie productions.

Of course, one could make the argument that production costs would have to come in line with the returns that could be expected from the theatrical market. But was that realistic? For

81. Eric Rentschler. "From New German Cinema to the post-wall Cinema of Consensus," p. 275.

82. Of course, the BMI grant for *Bin ich schön?* already represented a direct subsidy.

much of his career at Neue Constantin Film Bernd Eichinger had made the argument that only "event films," the expensive spectacles with big stars and high production values, would entice moviegoers to go out to the cinema and spend the money on a movie ticket. The implication was that without these elements, domestic films could not remain competitive with American imports. However, these "event" films also bore the highest financial investment and risk to the producer. In this case the non-recourse loans from the state agencies and the FFA's project fund as well as the direct grants from the FFA's automatic-aid fund and the BMI may be considered an insurance policy against financial calamity. They offer a cushion for producers, which shields them from bankruptcy.

There is another argument in favor of film subsidies. Klaus Keil, the former managing director of Filmboard Berlin-Brandenburg, felt it was important to support someone like Eichinger even though ostensibly his productions might not need the subsidy. Keil argued that "the million" that Filmboard Berlin-Brandenburg put into a Constantin production freed up capital in other places that the company could use for the development of new projects.⁸³

This is a fair argument if we consider Constantin Film solely as a producer. However, the picture gets more complicated once we delve into the relationship between the production arm and the distribution arm.

6.4.5. The Secret Life of the Distribution Fee

The company's only financial exposure remained in the releasing costs of *Der Campus*, which, at an estimated DM 3 million for prints and advertising, was not insubstantial. In an internal risk assessment memo the distribution division calculated that, in order to break even on

83. Klaus Keil. Personal Interview by Author, 1 Sep. 2015, Berlin, Germany.

those expenses, the release had to generate at least 455,188 admissions at the box-office.⁸⁴ The movie was released on February 5, 1998. In its first week of release it generated 167,721 theatrical admissions; by week three it had crossed the 460,000 admissions mark. The movie was in circulation for 24 weeks and generated 710,033 admissions in total (at a box-office gross of DM 7,991,904).⁸⁵

According to this data, the distribution arm would have recouped its investment. 710,033 admissions well outpaced the minimum threshold of 455,188 admissions that the distribution division had assumed in its risk assessment. If we assume a 45/55 exhibitor-distributor split, then the theatrical rentals that were due to the distributor from exhibitors amounted to DM 4.4 million (i.e. 55% of DM 7.9 million) for *Der Campus*. Now if we assume a distributor-producer split of 40/60, similar to *The Neverending Story*, then the distribution arm retained DM 1.76 million from the release of *Der Campus*. But that would not have been not enough to recoup its distribution expenses of DM 3 million. What was going on?

Since Constantin's own internal risk assessment had assumed a minimum 455,188 admissions before it broke even on those expenses, its assumptions must have changed since *The Neverending Story* days. Martin Hagemann, film producer and professor at Filmuniversität Babelsberg "Konrad Wolf," explained to me that in the late 1990s the FFA issued new guidelines that concerned the allocation of rentals between distributors and producers. The agency stipulated that on all movies receiving FFA funding theatrical distributors could not charge a distribution fee higher than 35% of theatrical rentals.⁸⁶ The new rule was intended to prevent

84. "Der Campus - Risikoberechnung." SDK, BEC. 4.3-201210-6 Constantin Development Inc.-5.

85. "Der Campus." *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. /www.verleihkatalog-online.de/index.php. Accessed 16 March 2016.

86. Martin Hagemann. Independent Producer, Professor in Producing, Filmuniversität Babelsberg, Potsdam. Personal Interview by Author, 9 July 2015, Potsdam, Germany. The 2017 FFA guidelines include this restriction. According to article 26, distribution fees may not exceed 35% (30% if producer and distributor are the same entity). Filmförderungsanstalt. "Richtlinie für die Projektfilmförderung." 31 Jan. 2017.

distributors from overcharging producers. However, in return the distributors' lobbying organization extracted a concession from the FFA: recoument of the minimum guarantee and distribution expenses now had to come out of the producers' share of rentals.⁸⁷

In Hagemann's account the new FFA guidelines ended up benefiting distributors. Whereas previously the distribution fee, minimum guarantee and distribution expenses had come out of the distributor's share, under the new guidelines distributors could claim a 35% distribution fee "off the top," i.e. from all theatrical rentals, and then charge the minimum guarantee and distribution expenses against the remaining 65% of rentals. Whatever net profits were left over thereafter would then flow back to the producers.

However, this practice effectively incentivized the distributor to reinvest any net profits into the marketing for the movie, rather than pay them out to the producers. The increased advertising spend would bring more moviegoers into theaters and thus generate even more rentals. The distributor could then charge another distribution fee on those additional rentals. The more the distributor drew out this cycle, the longer the producer had to wait for her/his share of the net profits.

If we now apply this practice to *Der Campus*, Constantin Verleih GmbH & Co KG would first deduct DM 1.54 million as a 35% distribution fee on the rentals for the movie. Thereafter, it could deduct another DM 3 million in P&A expenses from the producer's share of rentals. According to this hypothetical calculation, the distributor would retain DM 4.54 million from the DM 4.4 million in gross rentals. That means that the producer, Constantin Filmproduktion, did not receive a single cent. In effect, Constantin Filmproduktion would lose money on the film

www.ffa.de/richtlinien.html. Accessed 11 April 2020. Due to closures in the wake of the coronavirus pandemic, I have not yet been able to access earlier guidelines at the FFA archives to confirm when these changes were enacted.

87. Martin Hagemann. Personal Interview by Author, 9 July 2015, Potsdam, Germany.

production even while Constantin Verleih was made whole on its expenses and had earned a healthy DM 1.54 million in distribution fees.

A similar picture emerges with *Bin ich schön?*. The distribution division had calculated DM 2.5 million in print and advertising costs for the release. In order to recoup on those costs, its internal risk assessment assumed a minimum threshold of 431,586 theatrical admissions.⁸⁸ The movie was released on September 17, 1998. It was in circulation for twelve weeks and generated 812,204 admissions in total (at an estimated box-office gross of DM 9,353,566.23).⁸⁹ Again, if we assume a 45/55 exhibitor-distributor split, then theatrical rentals came to approximately DM 5.1 million for *Bin ich schön?* If we now deduct a distribution fee of DM 1.785 million plus the reimbursements for P&A costs of DM 2.5 million and the theatrical MG of DM 332,171.16, then Constantin Filmproduktion would end up with DM -482,282,88 as its share.

Again, the producer had effectively lost money on the release even though the distributor's risk threshold had not only been reached, but exceeded. Now why was this significant? After all, the production arm was owned by the same company as the distribution operation. In effect, profits and losses would be cross-collateralized inside the company.

Not quite.

6.4.6. The Integrated Producer-Distributor

Martin Hagemann argues that a company like Constantin Film benefits greatly from the current film funding system. The fact that it owns both distribution and production operations

88. "Bin ich schön - Risikoberechnung." SDK, BEC. 4.3-201210-6 Constantin Development Inc.-5.

89. Verleihkatalog Online converts all historical box-office grosses into Euros and now lists the box-office gross for this movie as € 4,773,689. "Bin ich schön?" *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. /www.verleihkatalog-online.de/index.php. Accessed 30 Dec. 2019. In converting the box-office gross from Euros into Deutsche Mark, I have assumed a conversion rate of € 1 = DM 1.9594.

allows it to coordinate its divisions internally. In this set-up the distribution arm is the profit center whereas the production arm is a loss leader. Hagemann quotes Constantin Film's CEO, Martin Moszkowicz, as saying on a previous occasion, "Constantin Produktion is always the poorest company in our concern whereas the distribution company is the richest."⁹⁰

I argue that this situation poses an ethical problem as long as the production arm depends on non-recourse loans from public funders as part of their financing plans. By skewing the flow of revenues to benefit the distribution arm, the integrated producer-distributor deliberately deprives the public funding agencies of repayment of their loans. This ultimately leads to situation in which, as Hagemann observes, integrated production-distribution outfits "privatize the profits, but socialize the losses."⁹¹

While Hagemann refers to the contemporary situation in the 2010s, I argue that the foundations for this system were laid in the 1990s. The internal risk assessment memos for *Der Campus* and *Bin ich schön?* are evidence of this practice. The calculations in those memos combine print and advertising expenses with production costs before deducting financing contributions and a standard overhead fee. What is telling is that the "financing contributions" in those calculations are the total sum of all broadcast and video presales as well as the non-recourse loans and grants. The non-recourse loans were therefore taken for granted as "financing contributions" that did not have to be factored into the company's risk assessment. The actual at-risk capital for Constantin Film was only distribution expenses. The minimum admissions threshold that the risk assessment assumed was therefore based solely on recouping those P&A expenses. The company was therefore only focused on recouping its distribution expenses

90. Martin Moszkowicz quoted by Martin Hagemann. Personal Interview by Author, 9 July 2015, Potsdam, Germany; my translation.

91. Martin Hagemann. Personal Interview by Author, 9 July 2015, Potsdam, Germany; my translation.

whereas the production costs were deemed immaterial because they could be written off.

Moreover, if, as Hagemann suggests, Constantin Film could charge a 35% distribution fee "off the top," then the distribution arm would start earning money from the first rentals that came in. On the other hand, MG and P&A expenses were charged to the producer's share. Therefore, the distribution division would always be the first to earn money, long before any monies flowed back the producer—and thereafter to the subsidy agencies.

I conclude: the dirty little secret of German film production turns out to be that an integrated producer-distributor like Constantin Film could outsource the losses incurred in production to film subsidy agencies, while it retained the profits that were made with its distribution operation. In effect, Constantin Film could build up its corporate balance sheet while German subsidy agencies (and tax payers) kept pumping money into the film production pit.

As much as this system may be irksome on ethical grounds, it is hard to fault the company for it from a business perspective. As a private-commercial enterprise operating in a high-risk industry, Constantin Film may have felt justified in reaping all the advantages at its disposal to stave off financial calamity. In my view, what is therefore in question is the regulation that enables this situation. In effect, public agencies prioritized the interests of distribution companies. This may be based on the calculation that well-capitalized distributors would effectuate stable market structures. After all, the 1950s' boom in the West German film industry had been marked by the presence of strong, well-capitalized distributors. However, that same era was also marked by under-capitalized producers. As I have argued in chapter 1.3.3., that situation led to a power imbalance between overbearing distributors and acquiescent, semi-independent producers and, ultimately, a lack of creative innovation. The regulations of the public subsidy agencies privileged the integrated production-distribution company while it disadvantaged those

producers without an organizational link to distribution.

But did this industrial context also create a lack of creative innovation in the 1990s? The argument has certainly been made in critical and scholarly circles. In the final section of this chapter I will now investigate this claim and examine the textual qualities of the two films under investigation.

6.5. The Producer and the Artist

Notwithstanding my prior economic analysis, it would be too simplistic to say that the financing conditions that I have described in the preceding pages were just a money-spinning enterprise for Eichinger and the filmmakers he worked with. Even though both *Bin ich schön?* and *Der Campus* come across as high-concept, marketing-ready packages, I argue that both are filmmaker-driven films that derive from a very personal motivation and identification with the material by their respective directors. Both films represent the attempt by Bernd Eichinger to open up a space for films that could matter both to him as producer and distributor and to the directors he worked with as artists. *Bin ich schön?* and *Der Campus* exhibit certain elements of "blockbuster packaging"—pre-existing properties, star casting, star directors, high production budgets—but their complex subject-matters and more somber tonalities make them potentially a harder sell to a broad audience. For this reason I argue that packaging is a way for the producer-distributor to broaden their appeal and open the movies up to a potentially bigger audience. Eichinger's "touch" thus provided both films with an audience market they may otherwise not have had. In a quasi-paradoxical fashion, Eichinger's "producer's cinema" opened up a space for these filmmaker-driven movies to operate inside a market logic.

6.5.1. The Producer and the "Autorenfilmer"

In this subsection I examine the relationship between Eichinger and Doris Dörrie on the production of *Bin ich schön?*, which exemplifies the inherent tension between producer and director.

Some writers have described Eichinger as waging a war against the auteur writer-directors of the New German Cinema. Film critic Georg Seeßlen has described Eichinger as an old-style mogul who saw himself at the center of creative control and mobilized against the "Autorenfilmer" by replacing their sense of solidarity with a "system of dependencies and competition."⁹² Similarly, Hester Baer argues that Eichinger's mode of adapting preexisting properties was not just a way of streamlining production processes, but also of wresting creative control away from "auteurist director-producers, whose efforts at establishing a cinema autonomous from the market were epitomized by the collective distribution project 'Filmverlag der Autoren.'"⁹³

Both Seeßlen and Baer see Eichinger as a proponent of a producer's cinema that, in Seeßlen's words, could lead to a "restoration of old German cinema traditions"⁹⁴ and leave little room for writer-directors' personal self-expression. In Baer's account of the production process for *Christiane F.* Eichinger dominates the narrative, leading Baer to describe director Uli Edel as mostly executing on Eichinger's vision.⁹⁵ This version of events is somewhat complicated by Katja Eichinger's description of that movie's production process. She describes the production process much more in collaborative terms between the three main creative players—Edel as

92. Georg Seeßlen. "Der Neo-Adenauer-Stil. Für Action zu moralpusselig, für Godard zu doof." *taz - die Tageszeitung*, 12 June 1997.

93. Hester Baer. "Producing Adaptations," p. 185.

94. Georg Seeßlen. "Der Neo-Adenauer-Stil. Für Action zu moralpusselig, für Godard zu doof." *taz - die Tageszeitung*, 12 June 1997.

95. Hester Baer. "Producing Adaptations," p. 185.

director, Eichinger as producer and Herman Weigel as screenwriter. She quotes Herman Weigel as saying that the creative process of *Christiane F.* resembled their earlier collaborative working style at the film school in Munich.⁹⁶

But even Katja Eichinger has a tendency to narrate the events of her late husband's life and oeuvre mostly from his perspective and thus establish him as the creative driving force on all his projects. That should not be altogether surprising, given the biographical frame of the book. Yet this tendency becomes particularly prominent in the chapter on the production of *Ich & Er* (Me & Him, 1989). Katja Eichinger includes in her book excerpts from an article that Eichinger wrote for the magazine *Stern*, which detailed his many altercations with Dörrie during that film's development process. According to Katja Eichinger, Dörrie and Bernd Eichinger did not share the same creative vision for the movie. Their creative differences escalated to the point that Dörrie barred Eichinger from the shoot. In the end neither producer nor director were happy with the final movie even though Neue Constantin managed to attract some 3.5 million admissions, which, according to Katja Eichinger, was mostly due to a savvy marketing campaign.⁹⁷

Given this history, it is therefore all the more surprising that Eichinger should work again with Dörrie. Shortly before the release of *Bin ich schön?*, Eichinger and Dörrie discussed their new film as well as their differences on *Me & Him* in an interview with a journalist from the national newspaper *Süddeutsche Zeitung*.⁹⁸ In the interview Dörrie admits that she had been very scared during the production of *Me & Him*, but was never able to articulate the reasons for that. She has realized in hindsight that she cannot approach a project conceptually, but has to come to it emotionally. This prompts Eichinger to respond that she is an "Autorenfilmer" "in the truest

96. Katja Eichinger. *BE: Bernd Eichinger*, p. 158.

97. Katja Eichinger. *BE: Bernd Eichinger*, pp. 304-315.

98. Michael Althen. "Spuren aus dem schwarzen Loch; Die Regisseurin Doris Dörrie und ihr Produzent Bernd Eichinger reden über 'Bin ich schön?'" *Süddeutsche Zeitung*, 17 Sep. 1998.

sense of the word": "you only feel safe there because you know what you're talking about. And if you move away from that for only one centimeter, you lose confidence."⁹⁹

The term "Autorenfilmer" identifies a writer-director generally thought of to be the "author" of a movie. The concept is generally associated with the New German Cinema and is loosely based on the French new wave's "politique des auteurs." However, whereas that critical intervention was mostly meant to push back on the influence of writers, especially novelists and playwrights, in French movie production, the "Autorenfilmer" concept was introduced in opposition to producers and distributors by the proponents of the Oberhausen Manifesto of 1962.

In relation to Dörrie Eichinger ignores this inherently political undercurrent of the term "Autorenfilmer" but rather focuses on the notion of the filmmaker's close, personal identification with the material. At another point in the interview Eichinger notes that Dörrie has always had something "rapacious, anarchic" about her:

"Of course, you also have to have talent, rapacious and anarchic is not enough by itself. The thing is you can only do art if you have something to say. And that only happens if you are riled up. And that means that you've had emotional experiences. People who let everything just pearl off their backs have less potential to create something interesting that can also stir other people."¹⁰⁰

For Eichinger the "Autorenfilmer" as personified by Dörrie is therefore a filmmaker with a strong emotional point of view that she now wants to express through her art. For Eichinger cinema is therefore an expressive medium as much as a medium for entertainment.

Thus Eichinger's interest in cinema derives from its potential to stir audiences

99. Bernd Eichinger in Michael Althen. "Spuren aus dem schwarzen Loch." *Süddeutsche Zeitung*, 17 Sep. 1998; my translation.

100. Bernd Eichinger in Michael Althen. "Spuren aus dem schwarzen Loch." *Süddeutsche Zeitung*, 17 Sep. 1998; my translation.

emotionally. This is not quite the complaisant "Cinema of Consensus" that Rentschler describes. Another exchange in the interview reinforces that impression of Eichinger. In the article Eichinger explains that at one point during the development process he visited a class that Dörrie taught at the Munich film school to discuss the merits of the project with her students. According to Eichinger, the students had analyzed the screenplay according to "standard rules of dramaturgy" and their conclusion was that the second half of the movie was too long. However, Eichinger rejected this analysis. He explained to the students that there was an "emotional power" beyond those standard rules that can "turn everything upside down."¹⁰¹ Clearly, Eichinger was willing to accept a screenplay's divergence from classical norms as long as it delivered a strong, emotional impact on the viewer.

Of course, it is possible that in the interview with the *Süddeutsche Zeitung* journalist Eichinger was engaging in some form of self-representation, trying to change the public perception of himself as a producer of "consensus films." Eichinger was certainly very aware of his public persona and, more often than not, complicit in shaping it in his interactions with the media. However, we should also allow for the possibility that he was speaking in earnest. Eichinger had just come off directing his first feature, *Das Mädchen Rosemarie* (1996), a TV movie for private broadcaster SAT1, for which he also co-wrote the screenplay. Having gone through that experience, he may have developed a deeper appreciation for the role of the writer-director.

6.5.2. Authorial Intent and Style in *Bin ich schön?*

In the *Süddeutsche Zeitung* interview Dörrie also says that as a filmmaker she has to be

¹⁰¹. Eichinger quoted in: Michael Althen. "Spuren aus dem schwarzen Loch." *Süddeutsche Zeitung*, 17 Sep. 1998.

clear on what she wants to do. Yet there always remains "a black hole at the center, a secret — and you'd better not speak about it. Otherwise everything falls to pieces and the movie becomes predictable and boring." She explains that as a filmmaker she has to know her characters emotionally, but cannot always put those feelings into words.¹⁰²

In *Bin ich schön?* Dörrie grapples with complex themes of death, mortality and mourning that are hard to approach intellectually. The glossy packaging of an all-star cast filmed in beautiful locales can easily distract from the very somber topic that the movie deals with. I argue that the movie shows clear authorial intent that is based on a personal and very emotional experience for the filmmaker.

For the script Dörrie adapted some of the short stories she had published previously and loosely connected the characters for the movie.¹⁰³ Many of the short stories are told as first-person or third-person narratives, often with internal monologues. As an author Dörrie was therefore already very much "inside" her characters' frames of mind. The movie strings together a series of short episodes that each tell a fairly compact incident between two characters. In this way the movie displays obvious parallels to Robert Altman's *Short Cuts* (1993). Margaret McCarthy points out that Dörrie had thought of the idea for this structure even before Altman's movie came out, but did not think at that time that it could be realized.¹⁰⁴

Bin ich schön? starts out with Linda (Franka Potente), an apparent deaf-mute who hitchhikes in rural Spain. Werner (Gustav-Peter Wöhler), a chatty, apparently happy-go-lucky salesman, picks her up in his car. He takes her to a motel room where he buys her food. He then

102. Doris Dörrie in Michael Althen. "Spuren aus dem schwarzen Loch." *Süddeutsche Zeitung*, 17 Sep. 1998; my translation.

103. Doris Dörrie. *Für immer und ewig; Eine Art Reigen*. Diogenes Verlag, 1991; Doris Dörrie. *Bin ich schön?* Diogenes Verlag, 1994.

104. McCarthy points out the impact that American directors of the 1970s such as Altman, Martin Scorsese, Bob Rafelson and John Cassavetes have had on Dörrie's work. Margaret McCarthy. "Angst takes a Holiday in Doris Dörrie's *Am I Beautiful?* (1998)," pp. 378-379.

drops his pants and asks her to whip his bare behind with a belt. Slightly perturbed, she complies with his request. The scene ends with him singing to Janis Joplin's *Cry Baby Cry* before collapsing, sobbingly, into Linda's lap. Meanwhile, in the next room, 20-something Klaus (Steffen Wink) calls his ex-girlfriend Franziska (Anica Dobra) in wintry Munich on his mobile. He is trying to convince her to join him in Spain, but she tells him that their relationship is over, yet not quite believing it herself. She still hangs up on him and attends to a customer in the clothing shop where she works. We then follow the customer, Rita (Iris Berben), as she tries to get cash from her home to pay for the sweater, but is surprised by her husband (Oliver Nägele), who nudges her into having sex in the bedroom.

This episodic pattern continues throughout the movie with an ever-expanding cast of characters. Each storyline starts off with a somewhat conventional set-up, only to subvert the viewer's expectations with an unexpected twist. In the final reel of the movie a number of the characters cross paths during the religious processions of Semana Santa in Seville. There, Linda has a cathartic moment singing to the Virgin Mary before she runs into Klaus, who has been pursuing her. In the last scene they return to the spot where she was first picked up by Werner. The movie returns to its first location. The circle closes.

Margaret McCarthy sees these stories play up an ironic take on German selfhood in the larger, global context of the twenty-first century. Dörrie's characters start out as self-obsessed and myopic, barely registering their surroundings or other people, but gradually embark on a road to self-acceptance and acceptance of others. McCarthy notes that a common thread running through all of Dörrie's films is her ironic take on angst-ridden Germans in the face of material wealth. In McCarthy's reading Dörrie's characters are "forever in search of existentially meaningful lives, yet remain doggedly attached to consumer objects as substitutes for human

contact." These revelations gain additional weight for the characters when they discover their own mortality.¹⁰⁵

In fact, the discovery of one's own mortality and the feelings of loss and abandonment, either through separation or the death of a loved one, are a major theme running through all the episodes of *Bin ich schön?*. Yet this theme gains a special relevance if we consider it in conjunction with Dörrie's own life. During the first shoot in 1996 Dörrie's partner and cameraman Helge Weindler died unexpectedly. Dörrie had to break off the shoot. As she explains in the interview with *Süddeutsche Zeitung*, she felt emotionally paralyzed, convinced she would never direct again.¹⁰⁶

The themes of loss and mourning that are refracted through all the storylines thus reflect Dörrie's own state of mind at the time of the film's second shoot. The film clearly became a way for Dörrie to work through her own loss. This deeply personal identification of the filmmaker with the material makes up the heart of the movie.

This personal identification also helps the movie transcend its more high-concept elements and puts the polished quality of the production into perspective. The photography is sumptuous. The opening of the movie is a helicopter shot flying over a sparse but beautiful Spanish plain. Such an expensive shot would have been unthinkable for the proponents of the New German Cinema. Similarly, interior shots in Munich show off lavishly decorated apartments and chic boutiques that signal a well-to-do, middle-class lifestyle.

However, such moments of stylistic excess only belie the fact that the movie is rather rough around the edges. The movie is indeed too long and features far too many storylines. This

105. Margaret McCarthy. "Angst takes a Holiday in Doris Dörrie's *Am I Beautiful?* (1998)." p. 381.

106. Doris Dörrie in Michael Althen. "Spuren aus dem schwarzen Loch." *Süddeutsche Zeitung*, 17 Sep. 1998.

leads to some characters lacking sufficient screen-time to be fully fleshed-out. The character of Linda is one such example. Halfway through the movie she is revealed of having lied about being deaf-mute while her backstory, as told to Bodo (Uwe Ochsenknecht), that she is terminally ill does not match up either. As viewers we are not given any sense of the character's real motivation or goals. And yet, even despite this narrative incongruity, Linda is probably the most memorable character in the movie. Right before her "confession" scene with Bodo Linda watches several senior couples slow-dance in the hotel lobby. As the camera holds on her face, her eyes turn slowly from curious wonder to sorrow and regret. The viewers watch as Linda realizes that she will never grow old with a partner and experience a love like theirs. It is a beautiful, heart-wrenching moment that fully encapsulates the raw emotion at the heart of the movie even if it is never fully fitted into the character's narrative objectives.

It is moments like these that give the movie its depth and emotional resonance. I assert that Dörrie uses her characters to express her own sense of regret and dismay at the loss of her partner. Because their narrative motivation is so confused, such scenes only work when a filmmaker is emotionally connected to the material. *Bin ich schön?* is thus laden with its director's personal, emotional preoccupations.

Yet at the same time the movie's high-concept elements—the lush photography, the exotic locales, and the star actors—offer an additional source of spectatorial pleasure to the viewer, and thereby a second access point for the distributor. The distributor can use these moments of stylistic excess in the marketing materials to reach out to moviegoers. In this way the movie represents a happy meeting of the filmmaker's need for self-expression and the producer-distributor's need for stylish trailer moments. One may say that the stars and lavish photography make the viewers come to the theater while the emotional impact of the movie

keeps them rooted in their seats.

6.5.3. Between Consensus and Indignation: Wortmann and *Der Campus*

I argue that *Der Campus* is a similarly filmmaker-driven movie that only assumes the trappings of a "consensus film." The movie was prompted by a personal identification of the director with the source material and offers a searing social satire of the group that would be its most obvious target audience: intellectual elites.

Sönke Wortmann, the movie's director, is seen by many critics as the paragon filmmaker of the "Cinema of Consensus." Eric Rentschler counts Wortmann, along with Dörrie and director Dominik Graf (*Die Katze/The Cat*, 1988; *Die Sieger/The Invincibles*, 1994), among a group of "self-avowed professionals" who "engross and accommodate": "They want the cinema to be a site of mass diversion, not a moral institution or a political forum. Quite emphatically, the most prominent directors of the post-wall era aim to please, which is to say that they consciously solicit a new German consensus."¹⁰⁷

Wortmann's direction of *Das Superweib* (1996), his follow-up project to *Der bewegte Mann*, supports that thesis. Wortmann was not interested in directing the adaptation of bestselling author Hera Lind's novel, *Das Superweib*. But Eichinger was determined that Wortmann should direct it. Ultimately, Herman Weigel says, a salary of DM 1 million persuaded Wortmann to direct it even if Wortmann still regrets making the movie to this day.¹⁰⁸ Therefore, with *Das Superweib* Wortmann largely executed on Eichinger and Weigel's vision for the project and had little personal investment in the project.

This was very different on *Der Campus*. In this case Wortmann had a stronger personal

107. Eric Rentschler. "From New German Cinema to the post-wall Cinema of Consensus," p. 264.

108. Herman Weigel. Personal Interview by Author, 25 July 2015, Berlin, Germany.

investment. Martin Moszkowicz explains that Wortmann brought the material to Neue Constantin. The novel, *Der Campus*, had been very successful. Wortmann was under contract with Neue Constantin and wanted to complete his three-movie deal with this movie.¹⁰⁹

In the movie sociology professor Hanno Hackmann (Heiner Lauterbach), who runs for the post of university president, decides to end his secret, consensual love affair with a female student, Babsi (Sandra Speichert). Yet before they part, she seduces him into having intercourse one last time in his office. Later, playing a rape victim in an audition for the drama department, Babsi coyly suggests that she played the role from experience. When the drama professor decides to revoke the role and report the incident, Babsi has a mental breakdown and becomes institutionalized. Subsequently, the drama professor alerts the chairman of the university's disciplinary committee, Professor Bernie Weskamp (Alex Milberg). Weskamp, in turn, sees an opportunity to exploit a potential scandal for his own career advancement. A self-professed cabal of Weskamp and the university's diversity representatives, goes after Hackmann in a public disciplinary hearing that leaves his reputation, career and family life in tatters.

According to his own accounts, novelist and co-screenwriter Dietrich Schwanitz, a former university professor, was inspired by his own work experiences to write a satirical account of university politics.¹¹⁰ In an interview for the *Making of 'Der Campus'* film Schwanitz explains that his interests lay with uncovering "mobbing structures" and what he calls the "banality of evil" in large institutions.¹¹¹ Following up on this line of argument, the voice-over

109. Martin Moszkowicz. Phone Interview by Author, 28 July 2015, Munich/Berlin, Germany.

110. "Bestsellerautor tot aufgefunden." *Süddeutsche Zeitung*, 17 May 2010, www.sz.de/1.659906. Accessed 30 Dec. 2019; "Das Liebesleben der Lehrkörper." *Stern*, 5 Feb. 1998, p. 156.

111. Dietrich Schwanitz interviewed in: "Making of 'Der Campus.'" *Der Campus*. DVD Bonus Material. Constantin Film/Highlight Film, 2008. In the unedited interview, also included on the DVD, Schwanitz further explains that the term "banality of evil" is borrowed from Hannah Arendt and describes ordinary, i.e. "banal," people who turn into a mob when they pursue a shared goal, hunting down remorselessly their enemies. "Interview mit Dietrich Schwanitz." *Der Campus*. DVD Bonus Material. Constantin Film/Highlight Film, 2008. Mobbing, in sociological terms, denotes the bullying of an individual by a group.

narrator of the *Making of 'Der Campus'* film then explains that Wortmann had a very personal connection with the topic of mobbing. Wortmann tells the interviewer:

"Well, I got mobbed as well. That was still in film school, and at that time I realized for the first time that the air is pretty thin in this industry that I'm lucky enough to work in. There are so many who envy your success and want to give you a slugging of. That was a painful experience. But it also made me stronger for the job at hand.¹¹²"

Wortmann's admission of his own experiences with harassment and mobbing in film school shows a personal connection to the material. Even if we take into account that the "Making of" documentary is usually part of an electronic press kit that the distributor provides to the broadcast press, this is a very revealing statement from a director not generally known for divulging personal information to the media. This admission reveals Wortmann's motivation for making the movie. He clearly identified with the plight of the main character, who becomes the victim of a harassment campaign.

Curiously, though, this very personal connection to the subject-matter does not lead to a very emotional movie. The emotional turmoil that animates Dörrie's *Bin ich schön?* is lacking in Wortmann's film. However, that does not take away from the movie's impact. Whereas Dörrie's movie shuns any overt social commentary, Wortmann's film thrives on it. In an interview with *Süddeutsche Zeitung*, Wortmann professes that, to him, the movie is "deadly serious": "*Der Campus* deals with the fact that it is no longer about right or wrong, but about holding onto one's own power and maintaining the power of the clique that one belongs to. Nobody really wants to make the hard decisions. And it's not like that only at the university, but everywhere."¹¹³

112. Sönke Wortmann interviewed in: "Making of 'Der Campus.'" *Der Campus*. DVD Bonus Material. Constantin Film/Highlight Film, 2008; my translation.

113. Sönke Wortmann quoted in: Susan Vahabzadeh. "Wir können auch anders - wir müssen es nur tun;"

Der Campus suggests that political correctness has become instrumentalized to protect those in positions of power within any kind of institution. Wortmann directs the movie as a social satire and keeps all its characters at an arm's length from the viewer. The incumbent university president is not interested in solving a potential rape case for the sake of the woman involved, but rather in order to rid himself of a potential rival. Weskamp, as chair of the disciplinary committee, uses the investigation as a bargaining chip on his way up the career ladder. Even Hackmann, as the victim of the cabal, is more intent on maintaining his social standing than on showing any sense of remorse towards either his wife or his student-lover. Only his twelve-year-old daughter manages to elicit a truly emotional response from him. It is for her sake that he launches into a speech during the hearing and calls out the web of lies that his predators have spun for him. Yet, ultimately, I argue that his moralizing does not quite feel satisfying to the viewer. As one reviewer astutely observes, "the reformation of Hanno Hackmann, who as the virile professor wouldn't spurn a quickie, does not quite work as the moral of the story."¹¹⁴

The effect of this unconvincing climax is that the critique of the institution reverberates to the end. Even though Hackmann's reputation is rehabilitated in a court of law, he decides to vacate his university job, and, as an end title explains, turns to writing a tell-all novel about university life. The ending is decidedly ambivalent: Hackmann may have found his personal redemption, but ultimately, the film suggests, the institution stays intact and the system of haggling and mobbing will continue on.

Hence, despite its well-lit interiors and smooth editing, the movie is far from a consensus

Regisseur Sönke Wortmann über den deutschen Alltag, den Spass am Leiden und seinen neuen Film 'Der Campus.'" *Süddeutsche Zeitung*, 5 Feb. 1998; my translation.

114. Inge Rauh. "Grabenkrieg der geistigen Eliten; 'Der Campus', Sönke Wortmanns gelungene Verfilmung des Bestsellerromans von Dietrich Schwanitz." *Nürnberger Nachrichten*, 5 Feb. 1998, p. 23; my translation.

film. It takes aim at leftist reformers and gender politics and is thereby meant to rile up exactly those people who would have been its most likely audience target: urban, intellectual elites. Given those circumstances, it is surprising that the movie still managed to attract over 700,000 ticket buyers. A dialogue-driven, social satire about the internal politics on a university campus does not seem like a natural fit for a broad audience. For this reason I argue that the "high-concept packaging"—i.e. bestselling novel, star casting, star director and polished production design—are really tools for broadening the movie's appeal beyond a fairly limited core audience. In fact, the book's ubiquity in bookstores and author Dietrich Schwanitz's talk show visits may have helped popularize the subject-matter. Yet it remains unclear how many people had actually read the book by the time the movie came out.¹¹⁵ I therefore conclude that Eichinger's deft packaging allowed the movie to break out of a potentially niche market and reach a wider audience beyond urban elites.

6.5.4. A Transition Point for Eichinger

Bin ich schön? and *Der Campus* follow in the wake of those mid-1990s comedies, but are also significant departures. By 1998 the cycle of "consensus" comedies was starting to give way to films that espoused a broader variety of genres and tonalities. I argue that, artistically, *Bin ich schön?* and *Der Campus* represent a transition period in Eichinger's own oeuvre as a producer.

After a series of low-budget, German-language comedies, *Manta, Manta* (1991), *Der bewegte Mann* (1994), and *Ballermann 6* (1997), that starred largely unknown actors, Eichinger applied the blockbuster-packaging practices of *The House of the Spirits* (1993) to *Bin ich schön?*

¹¹⁵. I have not been able to find any reliable sales numbers for the title. The novel was never listed on *Der Spiegel* bestseller list, the primary gauge of bestseller status, from the date of its first publication till the release of the movie.

and *Der Campus*. Following the commercial successes of the New Comedy Wave, there now existed a line-up of star actors and star directors that made the practice viable.

In the 2000s this practice became an even more prominent feature of Eichinger's German-language films. Hester Baer has observed that *Der Untergang* (Downfall, O. Hirschbiegel, 2004) and *Der Baader-Meinhof Komplex* (Baader-Meinhof Complex, U. Edel, 2006) were packaged as German-language blockbusters.¹¹⁶ Both films feature a phalanx of well-known German stars, high production budgets, expensive sets and expansive storytelling. They are set during the two most notorious chapters in German history: *Der Untergang* details Hitler's final hours in a government bunker during the last days of the Second World War, and *Der Baader-Meinhof Komplex* deals with the spread of left-wing terrorism in 1970s' West Germany.¹¹⁷ Baer argues that with those two movies Eichinger created a kind of "nationally branded German-language film" that could be popular with domestic audiences while it also appealed to international markets "through its ostensible national-cultural specificity."¹¹⁸

No other films in Eichinger's oeuvre have elicited more critical and scholarly scrutiny than those two. Much critical discourse has focused on the movies' representational strategies. Christine Haase and Chris Homewood discuss the aesthetic and political implications of the use of "hyper-realism" in *Der Untergang* and *Der Baader-Meinhof Komplex* respectively.¹¹⁹ Hester Baer, more specifically, argues that those two productions were characterized by a "formal-

116. Hester Baer. "Producing Adaptations," p. 174.

117. Both films relied on non-fiction books as source material for their fictionalized accounts of those historical events. *Der Untergang* is based on *Der Untergang: Hitler und das Ende des Dritten Reiches* by Joachim Fest, published by Alexander Fest Verlag in 2002, and *Bis Zur Letzten Stunde: Hitlers Sekretärin erzählt ihr Leben* by Traudl Junge and Melissa Müller, published by Claassen in 2002. The film *Der Baader-Meinhof Komplex* is based on *Der Baader-Meinhof Komplex* by Stefan Aust, published by Hoffmann und Campe in 1985.

118. Hester Baer. "Producing Adaptations," p. 185.

119. Christine Haase. "Downfall (2004): Hitler in the new millennium and the (ab)uses of history." *New Directions in German Cinema*, pp. 39-56; Chris Homewood. "From Baader to Prada: memory and myth in Uli Edel's *The Baader Meinhof Complex* (2008)." *New Directions in German Cinema*, pp. 130-148.

aesthetic hybridity and a co-optation of progressive styles and politics for an ultimately affirmative worldview."¹²⁰ She continues: "These ideologically promiscuous films allow viewers to indulge in the thrills offered by counter cinema, alternative lifestyles, or leftist politics, while ultimately foreclosing on the critique they offer by incorporating them fully into consumer-driven market culture."¹²¹

Bin ich schön? and *Der Campus* offer some of those same "thrills." They experiment with modes of storytelling that depart from the strictly classical style employed by the "consensus" films. They also engage a multi-perspectival storytelling format, which would become a hallmark of both *Der Untergang* and *Der Baader-Meinhof Komplex*. Neither *Bin ich schön?* nor *Der Campus* strictly follows a single POV character, but flits between several, often opposing, points of view. I argue that these multiple points of view add to the multivalence that Baer has identified with regard to the productions of the 2000s. Particularly, *Der Campus* is an ideologically "promiscuous" film that never quite lands on either end of the political spectrum. In the *Making of 'Der Campus'* film, actor Axel Millberg, who plays the antagonist Weskamp, notes that the book does not contain a single "healthy, life-affirming female character. Nor such a man. In that sense the book is hostile to both women and men."¹²² In many ways the film retains that ambivalence. The film seems to endorse a conservative mentality, espoused by Hackmann, that preaches discipline and merit-based advancement in university work; however, that position is undermined when Hackmann turns out to be a morally compromised character himself.

The omnibus film *Bin ich schön?* is more playful but also more radical with its alternating points of view. By following different characters from story to story we are constantly

120. Hester Baer. "Producing Adaptations," p. 185.

121. Hester Baer. "Producing Adaptations," p. 185.

122. Axel Millberg quoted in: "Making of 'Der Campus.'" *Der Campus*. DVD Bonus Material. Constantin Film/Highlight Film, 2008; my translation.

changing perspectives. This is further escalated when we share the perspectives of both characters in the same scene. Right before their wedding young bride Franziska gets ready to confront her fiancé Holger (Michael Klemm). She has been wondering all along if he is the right man for her, given his lack of spontaneity. In this scene we hear both Franziska's and Holger's internal monologues as both prime themselves for the conversation at hand. However, she ends up telling him that she hates his loafers. In the next scene they dance their wedding dance with him now wearing Converse tennis shoes. After a long series of angst-ridden discussions about death and separation this surprise twist is a welcome relief.

In this way both films foreshadow Eichinger's own experimentation with narrative formats as the screenwriter of both *Der Untergang* and *Der Baader-Meinhof Komplex*. One common feature of popular cinema is its propensity to absorb aesthetic and ideological influences from more avantgarde cinema and the other arts and incorporate them into a style of filmmaking that is accessible to a socially and ideologically diverse moviegoing audience. The Hollywood Renaissance, which was a major artistic influence on both Dörrie and Eichinger, incorporated many stylistic innovations from the French and Italian new waves. Violations of the classical style, such as jump cuts, slow motion and 360° pans, remind us that what we are watching is fabricated. But they can also be used as expressive devices if they are motivated by character or narrative. Geoff King argues that these stylistic innovations may have the power to disturb or unsettle, but they are "unlikely to upset the entire edifice. They may appear bold and innovative at one moment. Soon, however, they can become just another part of the repertoire."¹²³

I argue that Eichinger's films work in a similar way. Their 'classical' style allows them to

123. Geoff King. *New Hollywood Cinema*, p. 45.

incorporate new tendencies, such as Dörrie's episodic and multi-perspectival narrative style or Wortmann's satire, and merge them with more conventional, marketing-ready elements. Eichinger again functions as a "two-way mirror" — only this time he collects and refracts the stylistic innovations and cultural currents from his times and assembles them into his own version of German mainstream cinema: the cautious alignment of a producer's cinema and an auteur cinema.

6.6. Chapter Conclusion

In 1999 I argued in my master's thesis that during the 1980s and 1990s German cinema had taken a turn from a director's cinema to a producer's cinema. I asserted that producers such as Bernd Eichinger and actor-producer Til Schweiger (*Knockin' on Heaven's Door*, 1997) had taken over from the auteur filmmakers of the 1970s as the main creative centers in German film production. More specifically, I argued that this transformation involved a move away from an "art cinema" orientation toward a more "commercial" and "international" orientation.¹²⁴ In a way my argument back then was the more optimistic version of Eric Rentschler's argument in his "From New German Cinema to a Post-Wall Cinema of Consensus" essay, written contemporaneously with my (unpublished) MA thesis.

My current dissertation revises parts of that thesis. I no longer assert that one type of national cinema—New German Cinema—was being replaced by another — which I called "Producer's Cinema" and Rentschler "Cinema of Consensus." The producer's cinema had never entirely disappeared in the 1970s. As I discussed in Chapter 1, it continued to run side by side

124. Benjamin Uwe Harris. "From a Director's Cinema to a Producer's Cinema: The German Film Industry in the Late Twentieth Century." MA thesis. University of Texas at Austin, 1999.

with New German Cinema even if it gained much lower prominence in critical and scholarly discussions. But neither did a publicly-funded director's cinema disappear in the 1990s.

As I have argued in this chapter, the role of public film financing underwent a substantial revision that repositioned the role of the state vis-a-vis the film industry. No longer seen as an impartial referee, public subsidy agencies, especially at the state level, now intervened in film-industrial activity. The first change was treating film production as economic engines for a specific region. As other legacy industries were in decline, politicians and public officials believed that film and media industries could boost job growth and economic activity. The second change was in expanding the mandate of public subsidy agencies. Managers like Klaus Keil no longer provided just money, but also expertise and training to film producers in order to professionalize a whole class of industry workers.

The stated goal was always to stimulate the film-industrial economy—strengthening the underlying structures—so that ultimately the industry would become self-sufficient and no longer rely on public assistance. However, the opposite effect occurred. By proliferating both the sources of funding and the types of film production activity that was supported, film subsidy agencies effectively made themselves indispensable to domestic film production. Film producers, including Neue Constantin Film, relied on public funding for an ever-greater share of their film production financing. We see this played out in the financing plans for Eichinger's productions of *Bin ich schön?* and *Der Campus*. Both film productions relied to over two-thirds of their production financing on funding from public sources.

In turn, the funding derived from private sources diminished. The minimum guarantee from Neue Constantin's own distribution arm represented only a small portion of the financing plans for both films. I argue that this demonstrates the fundamental shifts that had occurred in the

dual economy: subsidy agencies and the broadcasters were now the primary film financiers in the German film industry. Despite the discursive drive towards "Wirtschaftlichkeit" among lawmakers and film subsidy agency administrators, it was the distributors and the producers who were now largely 'off the hook' when it came to financing their own movies. What is more, a vertically-integrated producer-distributor like Neue Constantin Film could outsource the losses incurred in production to film subsidy agencies while it retained the profits that were made with its distribution operation.

The changes in the film subsidy system had an effect on the type of film production that was being promoted. Even if the "producer's cinema" did not supersede the "director's cinema," I argue that there was a greater focus by public film funders on films that could reach a broad, mainstream moviegoing audience. Whereas in the 1970s public agencies such as the FFA and the Kuratorium junger deutscher Film as well as some public broadcasters had placed a greater emphasis on funding auteur filmmaker-driven projects, the 1990s saw this emphasis shift to films geared towards a broader audience-marketplace.

Nevertheless, the notion of the director as the creative center of film production did not dissipate, despite the imposing figure of a Bernd Eichinger looming in the background. I have argued that *Bin ich schön?* and *Der Campus* derive from a sincere motivation to say something of note on the part of their filmmakers. Doris Dörrie's *Bin ich schön?* explicitly revolves around the topics of death and separation and represents, more implicitly, Dörrie's own attempts at mourning and overcoming the death of her longtime partner. Sönke Wortmann's *Der Campus* does not shy away from political controversy and takes aim at a culture of harassment. Even though Wortmann's satire deals with the topic less emotionally, the movie may still represent a way of working through past personal experiences and constitutes an attempt to comment on

contemporary society.

Conclusion

In this dissertation I have viewed the structural reorganization of the German film industry in the 1980s and 1990s through the prism of Bernd Eichinger's production and distribution practices at Neue Constantin Film. I have argued that the German film industry underwent two significant developments. The first was the further consolidation of what I have termed the "dual economy," the bifurcation of a production sector largely supported by public funding and the market-driven distribution and exhibition sectors. That evolution had started in the late 1960s with the passing of the film subsidy law and the establishment of the FFA. The film subsidy system experienced further expansion with the establishment of subsidy agencies by federal states (Bundesländer) that wanted to develop their regional film industries over the course of the 1980s and 1990s. Producer and distributor Bernd Eichinger at first resisted this development because he saw the subsidized production sector detached from market demands and delivering films that, he believed, were not suited for a market-based distribution and exhibition system. However, once the public subsidy system began supporting films with "market potential," a vertically-integrated production-distribution operation like Neue Constantin Film could benefit from these subsidies by deferring certain production costs to the public sector.

The second development that I have outlined in the previous chapters was the expansion of the American film industry in the German marketplace. I have argued that this expansion was initially promoted by US-based independent producers and their networks of local distributors such as Neue Constantin Film. I consider this the "self-Americanization" of the German distribution market since Bernd Eichinger and Herman Weigel invested in US productions through presales and output deals and released them with great efficiency to a very receptive, German moviegoing audience. This has led me to further argue that there has been an

interrelation between distributors, exhibitors and moviegoers: the availability of American movies further stimulated moviegoers' demand for more American movies, leading distributors to further increase their investments in American film production. The MPEA companies benefited directly from this development when they began expanding their own operations in the late 1980s.

Eichinger's production activities were in response to these market conditions. Convinced that moviegoers wanted to be sensorially and emotionally overwhelmed inside the movie theater, he created the "event" film, following established Hollywood models, in a two-pronged production strategy: whereas in the 1980s he was mostly focused on producing English-language adaptations of bestselling European novels with Anglo-American stars, in the 1990s he appropriated this strategy for the domestic market and adapted local bestselling books for the cinema with all-star German casts.

Much contemporary criticism has viewed Eichinger's movies, at best, ambivalently, chiding them for their perceived lack of "finesse." However, I have argued that we must look precisely at the spectacle in these films in order to properly assess their unique aesthetic impact on the spectators. Moreover, Eichinger's productions allow us a unique opportunity to view German popular cinema as a field of artistic expression within the constraints of industrial production.

Throughout this dissertation I have argued that the developments of the 1980s and 1990s laid the foundations for the contemporary film industry. In order to substantiate this statement, in the following section I will now summarize the evolution of Constantin Film and the German film industry since 2000.

Constantin Film's Bifurcation

Despite his premature death in 2011 Eichinger's legacy continued on at Constantin Film. The packaging model that he developed for *Das Superweib* and *Der Campus* in the 1990s has flourished, most recently with Constantin Film's 2019 commercial hit, *Das perfekte Geheimnis* (The Perfect Secret, 2019). The movie was directed by star director Bora Dagtekin, who had already delivered a string of box-office hits with the *Fack Ju Göhte* franchise (Suck me Shakespeer, 2013-2017). *Das perfekte Geheimnis* featured an all-star German cast, fronted by Elyas M'Barek (*Fack Ju Göhte*) and Florian David Fitz (*100 Dinge/100 Things*, F. D. Fitz, 2018). The screenplay was a remake of an Italian box-office hit, *Perfetti sconosciuti* (Perfect Strangers, Paolo Genovese, 2016) and adapted that movie's high-concept narrative premise for a German local setting: seven friends—three women, four men—play a dinner game whereby for one night they share the text messages and calls they receive on their mobile phones with each other. What begins as harmless fun soon brings unexpected secrets to the fore, raising the question: How well do you really know your friends and lovers?

The parallels do not stop there. *Das perfekte Geheimnis* received a combined total of €3,949,999 in production funding from four public film subsidy agencies: €500,000 from Medienboard Berlin-Brandenburg (Filmboard's new name after 2004); €600,000 from the FFA's project fund; €600,000 for film production and €250,000 for script development from FFF Bayern; and €1,999,999 from Deutscher Filmförderfonds (DFFF), a new federal funding mechanisms established in 2005 (see below).¹ Even though the public funds could not exceed

1. Data derived from: "Projektfilmförderung 2019." *FFA.de*. Filmförderungsanstalt. www.ffa.de/foerderentscheidungen-uebersicht.html; "Förderentscheidungen 2019." *medienboard.de*. Medienboard Berlin-Brandenburg; *Jahresrückblick 2019*. FilmFernsehFonds Bayern. Munich, 2019, pp. 14, 29; "Förderzusagen 01.01.2018 - 31.12.2018." *DFFF-FFA.de*. Deutscher Filmförderungsfonds. dfff-ffa.de/foerderzusagen.html. All sites accessed on 8 May 2020. Not included in this calculation is how much money the production may have received from the FFA's automatic-aid fund.

50% of the total production budget, according to EU commission rules,² this was still a significant amount of public funds going into a single movie. The practice of outsourcing parts of the production costs even for blockbuster productions to the public sector therefore remains in practice in the contemporary landscape.

The commercial success of *Das perfekte Geheimnis* with some 5.2 million admissions and over €46 million in box-office grosses also illustrates a second development in Constantin Film's business practices.³ Eichinger's two-pronged strategy of producing English-language productions for the international market and German-language productions for the German market has further bifurcated. However, whereas Eichinger's English-language productions were always meant to play well both in Germany and internationally, Constantin Film's English-language production since his death have rarely had big box-office numbers in Germany. While Eichinger had ostensibly conceived *The Neverending Story*, *The Name of the Rose*, and *The House of the Spirits* for a worldwide market, their commercial performance was always anchored in the (West) German theatrical market where they delivered their biggest box-office grosses. In comparison, Constantin Film's English-language horror franchise *Resident Evil* (six movies, 2002-2016) consistently performed better in international markets than in Germany. The most recent movie in that franchise, *Resident Evil: The Last Chapter* (Paul W.S. Anderson, 2016), grossed just over \$3 million in Germany, but more than \$300 million internationally. The biggest market for the movie was China with \$159 million in box-office grosses.⁴

On the flipside, Constantin's German-language films continued the trend already

2. See my discussion in 5.2.4. Also: Oliver Castendyk. *Die deutsche Filmförderung*, pp. 82-83.

3. "Das perfekte Geheimnis." *Verleihkatalog Online*. Verlag Horst Axtmann GmbH. www.verleihkatalog-online.de. Accessed 3 June 2020.

4. "Resident Evil: The Last Chapter." *Boxofficemojo*. www.boxofficemojo.com/title/tt2592614/?ref_=bo_se_r_3. Accessed 14 May 2020.

established in the 1990s: their strongest box-office performance has generally been in the German market with only little business in a limited number of other territories. Constantin's box-office hit *Fack Ju Göhte* grossed some \$72 million in Germany and \$4 million in Austria, but just \$1.4 million in seven other European markets.⁵

This bifurcation of the business strategy runs straight through the company itself. As Martin Moszkowicz, Constantin Film's CEO, told me in an interview, Constantin's Los Angeles-based subsidiary, Constantin Film Development, Inc., focuses on producing English-language films for the international market whereas the Munich office develops and produces German-language films for the domestic market.⁶ However, this strategy arose out of necessity rather than choice. Moszkowicz says he would love to release more "Zwitterfilme" (cross-over films) that could play well both domestically and internationally. But producing them remains a challenge. According to Moszkowicz, Eichinger was unique in his ability to craft films that conformed to international production standards but were rooted in a German sensibility.⁷

The producers who have followed in Eichinger's wake have not been able to overcome this bifurcation of the marketplace. There is, on the one hand, Robert Kulzer, the President of Constantin's LA operation. He started as an assistant to Herman Weigel in Munich before he was transferred to LA to support Eichinger in setting up the US office in the early 1990s. Since then, he has risen through the ranks. He is largely credited for developing and supervising the *Resident Evil* franchise on behalf of the company. It is certainly down to Kulzer's skills and sensibilities that Constantin LA has flourished in recent years. However, the movies and TV shows that he

5. Those markets were Croatia, Czech Republic, Hungary, Italy, Poland, Slovakia, and Slovenia. "Suck me Shakespeer" *Boxofficemojo*. www.boxofficemojo.com/title/tt2987732/?ref_=bo_se_r_1. Accessed 14 May 2020.

6. Martin Moszkowicz. CEO, Constantin Film, Munich. Phone Interview by Author, 28 July 2015, Munich/Berlin, Germany.

7. Martin Moszkowicz. Phone Interview by Author, 28 July 2015, Munich/Berlin, Germany.

has shepherded have had fairly little commercial success in Germany and seem more attuned to the US and international markets.

On the other hand, other German producers have remained largely confined to the German-language marketplace. Quirin Berg and Max Wiedemann, whose early movie *Das Leben der anderen* (The Lives of Others, F. Henckel von Donnersmarck, 2007) was recognized with a Foreign Language Oscar, have set up a prolific movie and television production company. They have produced the box-office hits *Männerherzen 1 and 2* (2009-2011) and *Vaterfreuden* (M. Schweighöfer/T. Künstler, 2014) for Warner Bros. Germany, and the TV series *4 Blocks* (2017-2019) for TNT Germany and *Dark* (2017-2020) for Netflix. Yet, despite with these interactions with US companies, their focus has remained primarily on the German market. Similarly, producer Oliver Berben, whose company Moovie – the art of entertainment was acquired by Constantin Film in 1996, is now largely responsible for Constantin's German-language movie and TV output.

Americanization 2.0

The international box-office performance of the *Resident Evil* franchise also points to another evolution in the relations between German and American culture. In 2002 North America was the highest-grossing territory for the first movie in that franchise with about \$40 million in box-office grosses. However, in 2016 *Resident Evil: The Last Chapter's* Chinese box-office gross of \$159 million easily surpassed North America's box-office gross of \$26.7 million.⁸ According to Moszkowicz, the North American market is now only one market alongside others, such as

8. "Resident Evil." *Boxofficemojo*. www.boxofficemojo.com/title/tt0120804/?ref_=bo_se_r_1; "Resident Evil: The Last Chapter." *Boxofficemojo*. www.boxofficemojo.com/title/tt2592614/?ref_=bo_se_r_3. All accessed 14 May 2020.

China and Russia, that producers take into consideration in their development strategies.⁹ Further research might examine the ways in which development and production processes for Constantin's English-language films have responded to this shift in the 2010s.

This raises another question for the American movies that are being watched in Germany. At a 2015 panel on film subsidy in Berlin the head of the exhibitors' trade association, Thomas Negele, argued that in terms of content American movies no longer "matched a European way of thinking." According to Negele, American movies put "more emphasis on technology" than on content. As a consequence, exhibitors earned less revenue with American movies. Negele stated that he would be more than happy to fill 35-40% of his theater slots with German and European films.¹⁰

This statement is somewhat baffling if we consider that eighteen of the twenty highest-grossing movies in Germany in 2019 were US productions.¹¹ However, in his interview Martin Moszkowicz explained to me that one has to distinguish between the blockbuster, tentpole productions of the major studios and the "mainstream, mid-size Hollywood movies." Whereas the blockbusters continue to perform well commercially, the star-driven comedies and genre films that Hollywood was so adept at putting out in the 1990s no longer do. In his estimation that type of movie could be replaced with equivalent European mainstream productions. Constantin Film's own business model has adjusted to this situation. The distributor no longer maintains output deals with American studios, but only picks up the occasional acquisition while the majority of its annual distribution output is composed of its own German-language and English-

9. Martin Moszkowicz. Phone Interview by Author, 28 July 2015, Munich/Berlin, Germany.

10. Thomas Negele, panelist. Panel discussion, "Wege in die Zukunft für die deutsche Filmförderung," 22 June 2015, Vertretung der Freien und Hansestadt Hamburg beim Bund, Berlin.

11. "Filmhitliste Jahresliste (international) 2019." *FFA.de*. Filmförderungsanstalt. www.ffa.de/filmhitlisten.html. Accessed 2 June 2020.

language productions.¹²

Does this mean that Americanization is no longer an issue for German cinema? Or, rather, does this only raise anew the question of what "American cinema" actually is? I argue that a movie like *Frozen 2* (C. Buck/J. Lee, 2019) only demonstrates a certain reversal of the processes we saw in motion in the 1980s. Whereas *The Neverending Story* worked hard to move its "real-world" setting to an unspecified North American town, the *Frozen* franchise, based as it is on Nordic folklore, moves its setting to a fictitious Scandinavian country. As the North American market now constitutes only one market among many others, the center of gravity for cultural markers has also moved outbound, away from the USA. In fact, the superhero franchises of the 2010s, such as *Avengers: Endgame* (A. Russo/J. Russo, 2019), exhibit a truly global (and extraterrestrial) setting and draw on mythologies from a lot of different cultures and hemispheres.

One may argue that this is a case of Hollywood studios simply chasing international audiences and box-office revenues and shooting films wherever conditions are most advantageous to them. Even if that may be so, we must acknowledge that Thomas Elsaesser's two-way mirror has turned into a multi-way mirror, reflecting from all parts of the world. Are we even justified to call these contemporary blockbusters an American cinema? Or, more provocatively, why should they not be called an American cinema? This returns us to the question of what determines the cultural affiliation of a movie. It is the same set of questions that already haunted the makers of *The Neverending Story*. The fact that we can now justifiably ask the same question of American movies only shows that these processes are not static or one-directional.

12. Martin Moszkowicz. Phone Interview by Author, 28 July 2015, Munich/Berlin, Germany.

The Dual Economy in the Two-Way Mirror

The two-way mirror plays a role in another way. The dual economy of a subsidy-supported production sector and market-based distribution and exhibition sectors is no longer a uniquely German occurrence. Most European countries maintain some form of direct or indirect subsidies for film productions in their states. This has now spread to the USA. In the 2000s the US federal states became increasingly active in setting up film subsidy schemes in their respective jurisdictions. Between 2002 and 2010 some 43 US federal states offered some form of state aid to the American film industry.¹³

In this way the USA has clearly been on the receiving end of the two-way mirror. The mirroring of film production subsidies from European countries occurred almost by necessity. The US-based incentive schemes were largely in response to other countries' film subsidy programs, mainly Canada and the UK, that threatened to lure away American film productions.¹⁴ So-called "runaway productions" have been an occurrence since the postwar period¹⁵; however, in contrast to those of the 1950s and 1960s, the "runaway productions" of the 1990s and 2000s were primarily motivated by film production subsidies.

Most of the US production incentive programs have offered a tax credit, grant or rebate to film producers.¹⁶ Film producers can claim these credits against the costs of shooting films

13. Robert Tannenwald. *State film subsidies: Not much bang for too many bucks*. Center on Budget and Policy Priorities, 17 Nov. 2010, p. 2. www.cbpp.org/research/state-film-subsidies-notmuch-bang-for-too-many-bucks. Accessed 27 May 2020.

14. Oliver Castendyk. "Tax Incentive Schemes for Film Production: A Pivotal Tool of Film Policy." *Handbook of State Aid for Film*, ed. by P.C. Murschetz et al., Springer, 2018, p. 603.

15. For a detailed discussion of American productions shooting in Europe in the 1950s and 1960s, see Daniel Steinhart. *Runaway Hollywood: Internationalizing Postwar Production and Location Shooting*. UC Press, 2019.

16. A *tax credit* offsets corporate or individual income taxes. A production company without tax liabilities in a certain state could sell the tax credit through a broker to resident investors to receive a cash payout. A *grant* is calculated as a share of the film's production costs expended in that state. After filing a tax return a production company would then receive a grant check from the state's treasury. The *tax rebate* offers a refund based on

incurred within the states' boundaries. In Louisiana and New Mexico these credits could equal up to 25% of costs incurred in the state while at Alaska and Michigan have offered rebates for up to 44% and 42% of production expenses respectively.¹⁷

Proponents of the US subsidy schemes have promoted the idea of economic development for local media industries and job creation and training in their regions. The states argue that potential tax losses would be made up for by increased economic activity associated with film production in their states. States outside the traditional industrial hubs of Los Angeles and New York have promoted the idea that they create sustainable creative industries.¹⁸

However, critics argue that these calculations are often spurious. Subsidies in film production do not invariably lead to a self-sustaining industry. Scholars Susan Christopherson and Ned Rightor point out that employment in film production is usually temporary. Net gains in employment usually evaporate the moment that subsidies cease because film producers will move on to another region that offers greater benefits.¹⁹

Yet film production incentives are more than likely to continue on. In 2009 the California legislature enacted the "Film and Production Tax Credit" (FPTC) in an effort to retain film and

qualified production expenses incurred in the state. That means that the production company could either use the rebate to offset tax liabilities in that state or—more commonly—receive a refund. In that sense the rebate is similar to the grant model. Oliver Castendyk. "Tax Incentive Schemes for Film Production: A Pivotal Tool of Film Policy," p. 600.

17. Robert Tannenwald. *State film subsidies: Not much bang for too many bucks*, p. 3.

18. In its annual report on the economic impact of its film industry tax incentives the Massachusetts Department of Revenue found that in calendar year 2015 the film tax program generated 577 new full-time jobs and some \$59.7 million in new spending in the state's economy. "Report on the Impact of Massachusetts Film Industry Tax Incentives through Calendar Year 2015." Commonwealth of Massachusetts, Department of Revenue, 23 March 2018, pp. 2-3.

19. Susan Christopherson, Ned Rightor. "The Creative Economy as 'Big Business': Evaluating State Strategies to Lure Film Makers." *Journal of Planning Education and Research*, 21 Dec. 2009, p. 4. Tannenwald asserts that most locations outside Los Angeles and New York lack "crew depth," i.e. a sufficient supply of fully-trained film workers. In his estimation tax-incentive schemes benefit the film producers more than the states and their residents. While film subsidies mostly go to non-resident production companies, the state expenditures for those benefits often have to be balanced out with budget cuts somewhere else, thus reducing services the state would offer to its residents in other areas. Robert Tannenwald. *State film subsidies: Not much bang for too many bucks*, p. 8.

television production in the state. Despite doubts over its efficacy, that law is likely to remain on the books for the foreseeable future. Michael Thom notes that the "political deck is stacked against taxpayers once corporate tax incentives like the FPTC are authorized." In his view vested interests in both state politics and the film industry are too closely intertwined to make a repeal likely any time soon.²⁰

In a way, municipalities now compete for film productions at an international level. I contend that what we witness here is a "Germanization" of the American film industry. The USA has adopted a version of the dual economy: its busiest production centers of California and New York offer generous production subsidies to an industry that remains entirely market-based. The beneficiaries in both types of schemes are film production companies. Tannenwald contends that American tax credits confer a "windfall effect" on those producers who would have shot in the state anyway, even without subsidies.²¹ This suggests that domestic film producers in those countries have successfully "outsourced" certain production costs for film production to public sources. In this way state governments are not supporting job creation or economic development, but rather capital gains for those companies.

The Persistence of Subsidies

The German film subsidy system also remains reluctant to change. The system that emerged in the 1990s has remained largely in place, despite some recent developments that, however, have affected it only on the margins.

The first development was the rise and fall of private investment funds. Between 1997

20. Michael Thom. "Time to Yell 'Cut'? An Evaluation of the California Film and Production Tax Credit for the Motion Picture Industry." *California Journal of Politics and Policy*, 10(1), 2018. escholarship.org/uc/item/3rf6v988. Accessed 27 May 2020.

21. Robert Tannenwald. *State film subsidies: Not much bang for too many bucks*, p. 8.

and 2004 private media funds raised nearly €13 billion in private investments for film production.²² However, the benefit to the German film industry was only marginal since most of this funding went to finance Hollywood films. As Oliver Castendyk explains, the scheme was not meant to incentivize film production activities in Germany. Rather, it was made possible by loopholes in accounting rules in German tax law that let private investors offset losses in film productions against certain tax liabilities. However, the rules did not contain a "territorialization" requirement, which meant that the films did not have to be shot in Germany or employ any German film workers.²³ An estimated 90% of the funding raised through media funds flowed directly to US studios. Consequently, the source of this funding was generally referred to as "stupid German money" in Hollywood circles.²⁴

The tax-incentive scheme was repealed by the new government of Chancellor Angela Merkel in 2005. And even though Merkel's conservative-led government vowed to improve the "basic conditions for the German film economy" through private investment capital,²⁵ the direct-subsidy system has expanded further. The Ministry of the Interior's (BMI) film subsidy program was transferred to a new commissioner for culture and media (BKM), who now serves directly under the chancellor, with substantially higher funding levels. In 2019 the BKM funding budget for film production consisted of €145.87 million — more than four times the FFA's funding of €29.27 million.²⁶

Included in the BKM's budget is a new film production fund, "Deutscher Filmförderfonds" (German Federal Film Fund, DFFF), which was launched in 2007. This direct-

22. Paul Cooke. *Contemporary German Cinema*. Manchester University Press, 2012, p. 45.

23. Oliver Castendyk. "Tax Incentive Schemes for Film Production: A Pivotal Tool of Film Policy," pp. 603-604.

24. Paul Cooke. *Contemporary German Cinema*, pp. 46-47.

25. Quoted in Paul Cooke. *Contemporary German Cinema*, p. 29.

26. Filmförderungsanstalt. "Kulturwirtschaftliche Filmförderung der FFA, des Bundes und der Länder 2019." *FFA Info*, #1, 2020, p. 10.

subsidy fund, provided by federal tax-payer monies, initially committed €60 million per year in grants for feature film productions. The DFFF was thus meant to replace the funding that had been lost with the repeal of the tax-shelter system. However, unlike those private investment funds, the DFFF contained a territorialization clause: both foreign and domestic film producers could receive grants equal to 16% of their production costs accrued in Germany, provided that 25% of the overall production costs were expended in Germany.²⁷

As an automatic-aid fund it allowed film producers to call on the funds without need for a film board review. In this way, the DFFF could afford to be "content-agnostic," supporting both mainstream and arthouse films. Film scholar Paul Cooke notes that even though the rationale for the fund is fundamentally economic, it has managed to attract international productions of a "higher than average cultural prestige" and has supported the work of auteur filmmakers.²⁸

This feature of the DFFF prompted a panel of experts in 2015, tasked with examining the efficacy of the FFA's funding system, to recommend an overhaul of the film subsidy law. One of the panel's recommendations was to strengthen the automatic-aid fund of the FFA. Whereas previously the FFA had allocated 46% of its film-production funding to the automatic-aid fund and 56% to the project fund,²⁹ the panel proposed to assign 85% of film production funding to automatic aid and 15% to the project fund.³⁰

This recommendation did not simply reactivate an old "art vs. commerce" division. As

27. Oliver Castendyk. *Die deutsche Filmförderung: eine Evaluation*. Konstanz: UVK Verlagsgesellschaft, 2008, pp. 46-47.

28. International productions that have benefited from the fund include: *The Reader* (S. Daldry, 2008), *The International* (T. Tykwer, 2009), *Inglourious Basterds* (Q. Tarantino, 2009). Auteur-led productions that have benefited include: *The Palermo Shooting* (W. Wenders, 2010), *Die wundersame Welt der Waschkraft* (The Wondrous World of Laundry, H-C Schmid, 2009), *Whisky und Wodka* (Whiskey and Vodka, A. Dresen, 2009), and *Müll im Garten Eden* (Garbage in the Garden of Eden, F. Akin, 2010). Paul Cooke. *Contemporary German Cinema*, pp. 49-50.

29. "Projektförderung der Vergabekommission 2014." *FFA Info*, #1, 20015, p. 19.

30. Bernd Neumann, speaker. Panel discussion, "Wege in die Zukunft für die deutsche Filmförderung," 22 June 2015, Vertretung der Freien und Hansestadt Hamburg beim Bund, Berlin.

Martin Hagemann, one of the experts on the panel and a renowned arthouse producer, told me in a subsequent interview, the project fund does not benefit filmmakers. The selection commissions that conduct the review process at the FFA are largely made up of trade group functionaries. Having sat on several selection commissions, Hagemann observes that funding decisions are based on commission members' often arbitrary and idiosyncratic motivations that have little to do with the merits of the individual project. On the other hand, the automatic-aid system is much more transparent because it rewards producers for commercial and/or critical achievements that are based on a pre-assigned set of criteria.³¹

However, despite these calls for reforms, vested interests inside the system have been eager to keep the status quo. Hagemann already anticipated in 2015 that the commissioner for culture and media was not going to adopt the recommendations of the panel. Reducing the funding levels of the project fund also meant reducing the influence that the BKM, which has a seat on the FFA's selection commissions, exerts over cultural production.³² Consequently, the film subsidy law that came into effect on January 1, 2017, has only seen marginal changes. The selection commissions for film production and script development have been reduced to seven members. However, the prioritization of the project fund over the automatic-aid fund in funding levels has remained the same. Moreover, those seven commission members are still appointed based on recommendations from the various branches that are represented on the FFA's supervisory board.³³

31. Martin Hagemann. Personal Interview by Author, 24 July 2015, Berlin, Germany.

32. Martin Hagemann. Personal Interview by Author, 24 July 2015, Berlin, Germany.

33. The FFA's supervisory board is composed of 36 members: 5 members from the two chambers of the federal parliament; 2 members from the BKM; 5 members from the exhibitors' main trade groups; 2 members from the distributors' trade group; 3 members from the video distributors' trade groups; 1 member from the cable industry trade group; 2 members from the public-service broadcast networks, ARD and ZDF; 2 members from the private-commercial broadcasting industry; 5 members from the producers' trade groups; 1 member from the directors' trade group and 1 member from the screenwriters' trade group; 1 member from the production-services trade group; 1 member from the German Motion Picture Academy; 1 member from the international distributors' trade group; and

Yet it is not just public officials who have an interest in maintaining the status quo. Martin Hagemann told me that many independent producers also resisted changing the funding levels for the FFA's project fund. Many depended on film production funding for their livelihoods. However, Hagemann wondered whether this was ultimately a good thing for German cinema at large. Most of those projects were underdeveloped and would never find their way to moviegoers.³⁴

Hagemann's concerns echo Bernd Eichinger's concerns over the existing film subsidy system expressed in his letter to Eckes in 1978. Both producers believed that German filmmakers and producers had become overly reliant on the judgment of a small cadre of functionaries and that German cinema had suffered as a result of these conditions. They are not alone in this judgment. In 2015 news magazine *Der Spiegel* published an article with the provocative headline, "Too many movies, too little quality: The German film subsidy system is failing." The writers noted that for years the Cannes Film Festival had not chosen any German films for its competition, seeing this as a lack of quality in German films. The article also quoted Martin Moszkowicz, the CEO of Constantin Film, as saying, "Of around 230 German films that are shown in cinemas every year, 200 are irrelevant. They don't make an impact, either commercially or artistically."³⁵ Similarly, national newspaper *Frankfurter Allgemeine Zeitung* criticized the perceived mediocrity of German films: "It's part of the familiar jargon among film funders that culture and economy represent 'two sides of the same coin.' However, this does not have any bearing on reality, but simply justifies a system in which neither truly exists."³⁶

2 members from the Catholic and Evangelical Churches. "Gesetz über Maßnahmen zur Förderung des deutschen Films (FFG)." Film Subsidy Law as of 1 Jan. 2017. *FFA.de*. Filmförderungsanstalt. www.ffa.de/ffg-2017.html. Accessed 2 June 2020.

34. Martin Hagemann. Personal Interview by Author, 24 July 2015, Berlin, Germany.

35. Lars-Olav Beier, Martin Wolf, "Zu viele Filme, zu wenig Qualität: Das deutsche Fördersystem versagt." *Der Spiegel*, 13 June 2015, pp. 126-130.

36. Lars Henrik Gass. "Lizenz zur Langeweile?" *Frankfurter Allgemeine Zeitung*, 4 March 2015.

However, there is a difference between Martin Hagemann and Bernd Eichinger. Whereas Eichinger was convinced that the marketplace could fix the problem, Hagemann wants to retain some non-market mechanisms. He believes that the FFA's automatic-aid fund can reward producers who make films that not only gain critical recognition but also social relevance. He suggests that a movie that impacts the public discourse should also gain "points" in the automatic-aid system.³⁷

I conclude that Hagemann's proposal suggests that the debate over popular cinema is not simply a binary choice between market and subsidy. Even a dual economy has the potential to produce films that can be relevant to a moviegoing audience and a nation at large. Yet however it does it, such an economy has to trust in its filmmakers and its audiences to find a common ground. A popular cinema can only exist when both engage with each other.

www.genios.de/presse-archiv/artikel/FAZ/20150304/lizenz-zur-langeweile/FD1201503044510226.html. Accessed 27 May 2020; my translation.

37. Martin Hagemann. Personal Interview by Author, 24 July 2015, Berlin, Germany.

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EPD Kirche und Rundfunk

Daily Variety / Variety

Horizont

Media-Analyse

Media Perspektiven

Medium

Screen International / Screen Finance

Sight and Sound

The Hollywood Reporter

The Independent Film Journal

Newspapers

Der Spiegel

Der Tagesspiegel

Die Welt / Welt am Sonntag

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Focus

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