

Historical Paths

Ufa, Bertelsmann and the founding of the Friedrich Wilhelm Murnau Foundation

It may come as a surprise to some movie buffs that a commercially successful international media company that operates in over 50 countries should partner with a private foundation under public law that now manages most of Germany's pre-1945 movie heritage, in a project to preserve an important German silent movie. In fact, by financially supporting the digital restoration of *THE CABINET OF DR. CALIGARI*, Bertelsmann is building on a historical connection that dates back almost exactly 50 years.

With effect from January 1, 1964, Bertelsmann acquired Universum Movie AG (Ufa), which had become insolvent following re-privatization, thereby achieving its long sought-after entry into the TV production business. This happened during a period of expansion for the Gütersloh-based company: Founded in 1835, in 1950 the publisher first ventured beyond the pure print and publishing business to establish the Bertelsmann "Lesering" book club, and had since undergone very rapid growth. In the early 1960s, the first Lesering branches were established in other European countries – and Reinhard Mohn, the post-war founder, CEO and owner of Bertelsmann, had plans to systematically expand into new lines of business. This process had already begun with the establishment of the Ariola record label in 1958. The next step – the path to commercial television, which had moved within reach in the late 1950s ("Adenauer TV") – had yet to be realized, but production for public-service television also promised to be a profitable business for the future.

Initially Mohn had little interest in movie production or in the exploitation of German movies from the first half of the century, which are inextricably linked with the name of Ufa, because after the Ufa purchase the focus was clearly on the television business. Bertelsmann Fernsehfilmproduktionsgesellschaft and the "Playhouse Studio Reinhard Mohn," founded just a few years earlier, were integrated into the newly acquired Ufa before the end of 1964. But the Bertelsmann credo that media such as books, movie, television and records should not

compete, but should mutually complement each other as a chain of creative content, led the company inexorably towards movies in the following years. In April 1965, Ufa was expanded through the acquisition of Pallas Filmverleih GmbH and Merkur's chain of 15 movie theaters, which brought Ufa-Theater AG's network of movie theaters to a total of 44 cinemas. Just three months later, on July 1, 1965, Bertelsmann acquired a 50-percent stake in the successful production company Constantin-Film GmbH. The idea was to jointly produce feature-length movies. These investments and Ufa Theater AG's relatively good financials in 1964 appear to have given a glimmer of hope to the movie industry, which was going through a rough spell at the time. "Undoubtedly, the secret high command behind the expansion of German movies is now headquartered in Gütersloh," the trade magazine *Filmblätter* wrote in March 1966.

But the company was looking to the future rather than the past, and it was unclear at first how Ufa's legendary inventory of movies, which comprised a substantial asset of the newly acquired company after all, should be exploited. A list in a *Filmecho* magazine from 1966 illustrates how extensive the inventory actually was, citing "movie rights to about 1,000 silent and 900 sound movies, 1,200 cultural movies and 106 post-war movies, as well as the rights to around 200 unfilmed scripts."

In spring of 1964 there had already been an outcry in the (trade) press: The sale of the movies to the U.S. company Seven Arts, as was apparently planned, was "unthinkable." The German federal cabinet addressed the matter on 8 December 1964 and expressed "the greatest cultural and political, economic and public policy concerns." This was followed by intensive discussions between the German federal government, Bertelsmann and the Umbrella Organization of the German Movie Industry (SPIO). At the beginning of 1966, it was finally agreed to establish a nonprofit foundation under civil law, which acquired both Bertelsmann and Bavaria's movie inventory for a total of nearly DM 12 million. Based in Wiesbaden, the foundation was named after the famous German silent movie director Friedrich Wilhelm Murnau. And so Bertelsmann had closed the chapter of Ufa's movie heritage for the time being.

However, the potential of the established Ufa brand was further expanded, especially following the rise of commercial television since the 1980s. Today, as part of the Bertelsmann Group, UFA is a powerful creator of programs that has systematically expanded its market leadership in Germany as a movie and television producer in recent years. Nevertheless, Ufa's historical luster accounts for a much of the brand's charisma to this day. A few years before the centenary of the "old" Ufa, the current UFA still successfully invokes an artistic tradition founded by Fritz Lang, F. W. Murnau and many others.

THE CABINET OF DR. CALIGARI from the inventory of the old Ufa acquired by Bertelsmann 50 years ago is a silent movie on a par with influential works such as METROPOLIS and NOSFERATU. Such a masterpiece must be preserved for posterity. As a media company that puts creativity at the center of its value creation and corporate culture, Bertelsmann is also committed to safeguarding and preserving important creative works from earlier days. The Group's current creative diversity and large worldwide range of media, much of it digital, have historic roots, which is one reason that commitment to Europe's cultural heritage is a serious matter for Bertelsmann.