Cinema in the borders of the world: economic reflections on Pathé and Gaumont film distribution in Latin America (1906-1915)

Julio Lucchesi Moraes
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1 Scholars of Latin American cinema are familiar with terms such as “dependency”, “peripheral condition”, “marginalisation” or “underdevelopment”, often used to describe the production conditions of the regional audio-visual industry and its relation to foreign pressures. This dependent or underdeveloped condition has indeed always been regarded as a conductive string to several cinema historiographies in the region. It is curious to observe, however, that, although a central role has been given to these foreign economic agents in the endogenous dynamics, few researches advanced towards the understanding of its effective role.

2 The present article aims to contribute precisely to this theme. Moving away from films, actors and directors—the usual protagonists of academic reflections on cinema—we mobilized unexplored administrative documents from two of the major enterprises in the first decades of the 20th century: the French companies Pathé Frères and Société des établissements Gaumont. The article counts with information collected between 2010 and 2013 from primary research performed at the Jérôme Seydoux-Pathé Archive, 38 documental files from the Cinémathèque française, 74 documental files from the Brazilian National Archives, alongside with addition material from British, Brazilian and Argentinean Archives.

3 The main focus was the understanding of patterns employed by these leading groups to enter and conquer peripheral markets, such as Latin America. The chosen period was 1906 to 1915. Prior to the US conquest, this is the least studied period of the region. This is also the “golden age” of the two French companies.
Pathé Frères and the economics of early cinema

4 Our reflection starts from an obvious, but often overlooked, assumption: to talk about cinema in its early days is to talk centrally about the actions of key industrial groups. To understand the main conditions of the dawn of cinema in Latin America is, in this sense, to understand the economic dynamics of these companies. Our article starts, thus, with an enlarged description of the administrative mechanisms of these firms. We will start by reflecting their general strategies within the French borders, how they advanced to other developed regions of the world and, finally, how they managed to conquer peripheral markets, like Latin America.

5 At least until the outbreak of the Great War in 1914 and the dominance of Hollywood, no one occupied a higher position than the French producers. Société des établissements Gaumont and, above all, Pathé Frères were the leading players [Sadoul, 1951]. More than an artistic paradigm, Pathé established a unique successful economic model, whose size and impact affected cinema history worldwide. As early as 1895, Charles Pathé started in the cinematographic activity, selling a counterfeited version of Thomas Edison’s projector in France. Less than a decade later, he would be playing a leading role in the process of rationalisation and mass production of the cinematographic activity, launching an industrialised system yet unknown in the cultural sphere.

6 In the first decades of the century, the company held 25-30% of European cinematographic market shares. In the United Kingdom it had reached 40%, 50% in Germany and even in the already competitive market of the United States the group achieved some 60% by 1908 [Abel, 1994, p. 158; Abel, 1998, p. 48]. Some scholars estimate that Pathé might have controlled 90% of the entire global market by 1905 [Bousquet, 1994 (a), p. 48-73]. A quick glance at Pathé’s overall numbers show, indeed, incredible figures. At its peak, Pathé was producing something like 250 exhibition apparatuses per month and astonishing forty thousand meters of positive film stocks per day [Abel, 1998, p. 29-35].

7 These levels of production demanded the mobilisation of thousands of white and blue-collar workers. In 1908, more than 2.000 salaried working people (men and women) were employed in the direct production of film stocks and cinematographic equipment. Considering its various affiliates and partners, the number would reach 4.000. By 1905-1906, Pathé counted on four productive unities in the Parisian metropolitan area. Table 1 shows some other numbers of the company in the period.

Table 1. Pathé’s finances, 1899-1911 (in thousands of French Francs)

<table>
<thead>
<tr>
<th></th>
<th>Overall revenue</th>
<th>Profit</th>
<th>Return rate</th>
<th>Dividends per share</th>
<th>Amount of dividends</th>
<th>Dividends/profit</th>
<th>Social capital</th>
<th>Social capital + reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>1899-1900</td>
<td>2.542</td>
<td>335</td>
<td>13%</td>
<td>12 FRF/s</td>
<td>240</td>
<td>72%</td>
<td>2.000</td>
<td>2.500</td>
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<tr>
<td>1900-1901</td>
<td>2.960</td>
<td>345</td>
<td>11,6%</td>
<td>8 FRF/s</td>
<td>213</td>
<td>62%</td>
<td>2.666</td>
<td>2.700</td>
</tr>
<tr>
<td>1901-1902</td>
<td>3.304</td>
<td>421</td>
<td>12,7%</td>
<td>8 FRF/s</td>
<td>213</td>
<td>51%</td>
<td>2.666</td>
<td>2.815</td>
</tr>
<tr>
<td>Period</td>
<td>Total Amount</td>
<td>Revenues</td>
<td>Change</td>
<td>Market Value</td>
<td>Change</td>
<td>Capitalisation</td>
<td>Change</td>
<td></td>
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<tr>
<td>1902-1903</td>
<td>4.666</td>
<td>911</td>
<td>19.5%</td>
<td>10 FRF/s</td>
<td>266</td>
<td>29%</td>
<td>2.666</td>
<td></td>
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<tr>
<td>1903-1904</td>
<td>7.110</td>
<td>1.442</td>
<td>20.3%</td>
<td>12 FRF/s</td>
<td>319</td>
<td>22%</td>
<td>2.666</td>
<td></td>
</tr>
<tr>
<td>1904-1905</td>
<td>7.165</td>
<td>1.370</td>
<td>19.1%</td>
<td>15 FRF/s</td>
<td>400</td>
<td>29%</td>
<td>2.666</td>
<td></td>
</tr>
<tr>
<td>1905-1906</td>
<td>10.666</td>
<td>2.736</td>
<td>25.6%</td>
<td>40 FRF/s</td>
<td>1.280</td>
<td>47%</td>
<td>3.200</td>
<td></td>
</tr>
<tr>
<td>1906-1907</td>
<td>18.000</td>
<td>4.009</td>
<td>22.3%</td>
<td>65 FRF/s</td>
<td>2.470</td>
<td>62%</td>
<td>3.800</td>
<td></td>
</tr>
<tr>
<td>1907-1908</td>
<td>35.056</td>
<td>8.512</td>
<td>24.3%</td>
<td>90 FRF/s</td>
<td>4.500</td>
<td>59%</td>
<td>5.000</td>
<td></td>
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<tr>
<td>1908-1909</td>
<td>37.949</td>
<td>7.640</td>
<td>20.1%</td>
<td>90 FRF/s</td>
<td>4.500</td>
<td>59%</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>1909-1910</td>
<td>38.000</td>
<td>7.075</td>
<td>18.6%</td>
<td>90 FRF/s</td>
<td>4.500</td>
<td>64%</td>
<td>5.000</td>
<td></td>
</tr>
<tr>
<td>1910-1911</td>
<td>40.493</td>
<td>5.927</td>
<td>14.6%</td>
<td>70 FRF/s</td>
<td>3.500</td>
<td>59%</td>
<td>5.000</td>
<td></td>
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</table>

**Source:** Creton, 1994, p. 74.

Data show us that the 1906-1908 period is fundamental in the development of the company. The period registered a considerable increase in terms of the total amount of Pathé’s revenues and an increase in the group’s market value and capitalisation levels. This is precisely the moment of the establishment of the “Pathé Model”, based on two mutually connected strategies: the enlargement of film production and the rearrangements of film distribution in a global scale [Meusy, 2004, p. 21-48; Abel, 1994, p. 22].

Many of Pathé’s stocks were produced in the company’s own glass houses, but film shooting also spread outside the company’s direct control. Within a few years, the company had concentrated a unique constellation of minor entrepreneurs gravitating around its projects. This went from Continsouza and Bünzli’s precision tools company to the institutional and financial aid of French journalist and lawyer Edmond Benoit-Lévy. In addition, we should mention alliances with groups like the Société cinématographique des auteurs et gens de lettres (Film Society of Authors and Men of Letters, SCAGL), Film d’Art and other punctual partners [Abel, 1994, p. 29-41]. Jacques Kermabon summarises this model as “the biggest number of images at the lowest price, the satellite production companies and a high surveillance over them” [Kermabon, 1994, p. 15].

Aligned with this productive apparatus, we must highlight the development of a brand new distributive method: the renting system. In 1906-1907, Pathé led a shift from film selling to film renting. This event is considered a major milestone not only in the company’s history, but also in the cinema history as a whole [Garçon, 2005, p. 10-11].

The decision is linked to wider social events. The increase and stabilisation of electrical supply and the gradual rise of the social status of exhibiting venues (alongside with other
entertainment options) throughout France in the first decade of the century are regarded as the main reasons for the increase in film stocks demand around 1906. The first generation of fixed cinema chains and its loyal bourgeois audience demanded not only hundreds of thousands of film meters, but films containing new themes, subjects and attractions on a regular basis (weekly or sometimes even daily) [Meusy, 2004, p. 22-23].

Soon, the itinerant, less-capitalised and decentralised exhibiting entrepreneurs responsible for screening films on music halls, café-concerts, fêtes foraines and other improvised venues proved incapable of meeting the demands of this increasing public. In order to fulfil the consumers' demand, a bigger industrial organisation was necessary. Pathé seized that opportunity. The red rooster—Pathé's iconic trademark—became hegemonic [Abel, 1998, p. 17].

Once again, Pathé's strategy in film distribution and exhibition relied heavily on its agreements with “satellite” companies. Here too, the decision was to establish a series of partnerships with local entrepreneurs (the sociétés concessionnaires) that would each be responsible for a specific geographical area of France or a French-speaking territory [Sadoul, 1951, p. 54]. These groups held monopoly over the exhibition of Pathé's films and, in exchange, accepted to remain loyal to the company, not buying products from other companies. Curiously, the model was first tested in an international agency (the German one), suggesting the functionality of Pathé's foreign unities for the first time.

A global player: Pathé's foreign agencies and factories

Certainly, we could question to what extent this internal model was replicable in the international context. This leads us to an even bigger question: how expressive the domestic market was for the company? According to Laurent Le Forestier, French market represented only 8% of the cinematographic affairs of the company in the period [Le Forestier, 2006, p. 29]. In fact, almost from its very origin, Pathé's stakes were concentrated abroad. The understanding of this international expansion is, in this sense, simply fundamental.

The first strategy employed was the establishment of direct foreign agencies (the succursales). Pathé's accounting documents indicate the impressive expansion of this group in the firms' total assets: in 1904, Pathé installed agencies in Moscow, New York and Brussels; in 1905, in Berlin, Vienne and St. Petersburg; in 1906, in Amsterdam, Barcelona, Milan, London and Odessa, later advancing to Rostoff, Warsaw, Singapore, Budapest (1908), Kiev (1909), Melbourne and Bucarest (1910), Cairo and Stockholm (1911), Bombay, Manila and Zurich (1912), Copenhagen (1913), Belgrade and Sophia (1914), Sydney (1919) and Constantinople (1920) [Bousquet, 1994 (b), p. III]. Curiously, research data from the French Archives showed no evidence of a direct agency in Latin America in this period.

If decentralisation marked the company’s strategy in France, the situation would not be different in other parts of the world. It would be misleading, however, to search for a specific and homogeneous pattern of international expansion. Pathé’s interests abroad were multifaceted, relying once again in potential opportunities with satellite companies. Each of these foreign partners made part of a wider project to maintain an extremely competitive system, both in France and in the international markets [Creton, 1994, p. 78].
We can see that alongside with the agencies, many international activities of the company in the period related to a cost-cut productive process, indicating an example of a cultural and economic globalisation avant la lettre. The decision to acquire Blair Usine—a British industrial facility to fight against George Eastman Kodak’s monopoly in raw film—is one striking example [Abel, 1994, p. 45]. Other productive unities in the United States and Belgium may be grouped within this productive branch of the company’s international affairs.

The list of countries where Pathé held activities goes on. In many cases, the company decided to take part in ongoing local projects without acquiring direct control over its activities. One of the major case studies is Italy, where Pathé capitalised the local firm Film d’Arte Italiana [Bernardini, 1994, p. 112-119]. Similar partnerships were established with Belge Cinéma Film and the Hollandische Film, without to mention, of course, initiatives performed in North America [Abel, 1994, p. 44].

This international capillarity poses a particular question to scholars who study the company. It is surprising that the company could spread its activities in such a short period and, simultaneously, enter such varied markets [Bousquet, 1994 (b), p. I]. Although one may not question Pathé’s supremacy in economic terms, this aspect in itself is not enough to explain the triumph of Charles Pathé’s Empire. It seems fundamental to understand the means by which the company’s methods were acclimated and/or received in these various markets. If some discussion has already been held on the aesthetic aspect of this controversial issue, the economic debate is still incipient. Evidences from all kinds of peripheral markets (from Eastern Europe to India and from Singapore to Egypt) might, in this sense, shed light on the comprehension of the administrative methods employed by the company in its entrance in Latin America.

Cinema in the borders of the world: economic strategies in peripheral markets

Away from developed areas, Pathé’s strategy was quite different. A first example comes from the company’s presence in a region located at the eastern border of Europe: Russia. The Red Rooster also dominated the country: In 1913, Pathé held something like 60% of the local market [Zorkaïa, 1994, p. 104]. With the relative weakness of its domestic producers, Russian case figures as a privileged “semi-peripheral” case. Administrative methods employed there could, supposedly, be replicated to other places. In 1912, Pathé created a regional division similar to the French one, trying to mold the Russian market and to establish direct control over the country’s cinematographic dynamics. The project, however, faced difficulties, not only due to the outbreak of the War, but also due to fierce rejection of local entrepreneurs [Bousquet, 1994 (a), p. 62].

Another example of adversities in foreign lands regards the entrance of the company in China. In 1907, Pathé organised the Pathé Phono-Cinéma-Chine, boosting it with a total capital of FRF 1.1 million and having as main objective, the “exclusive exploitation of phonographic and cinematographic products” [Bousquet, 1994 (b), p. III]. Despite Charles Pathé’s personal enthusiasm, the project did not go well and had to be aborted [Hunzhou, 2004, p. 423-428].

Facing such difficulties, we see here the emergence of a last form of international strategy: the representing houses. In places where market size was small, uncertain or
variable or where technical and geographical costs made direct control too difficult, it was more interesting to select a local businessman to represent the firm rather than assume the risks of direct operation. This seems to be the case of some of the Scandinavian countries, Australia and even Japan.³

The mention of all these cases is not a simple exercise of curiosity or a senseless list of international cases: for Pathé’s standards, the entrance in Latin America posed similar technical and administrative questions as the entrance in places like Egypt, Turkey, India or Singapore.⁴ An example: in the beginning of 1906, Pathé’s Board of Directors was discussing the entrance of the company in Japan. Six months later, we find a similar reference to a steady project in Latin America: the establishment of a representing house in Mexico City.⁶ As in Egypt or Australia, the decision was whether to install a direct agency or to sign an agreement with a local businessman.⁸

According to Paranaguá, Mexico appeared as a privileged (and relatively enlarged) regional market, alongside with Brazil and Argentina [Paranaguá, 1985, p. 13-16]. Representing agents and itinerant filmmakers, like Lumière’s camera operators C. J. Bernard and Gabriel Veyne, had been present in the country since the last days of the 19th century. The country also counted on a reasonable net of rail services and electrical supply, essential conditions for the replication of Pathé’s rental system, not to mention minimal levels of urbanisation [López, 2000, p. 50-51]. Finally, and perhaps more interesting, it was a country at a border region, right under the rising cinematographic centre, the United States [Rodríguez, 2008].

In this sense, we could imagine that film supply to the region could be made by Pathé’s US Branch. Administrative methods employed in Mexico could serve as a model for the rest of the Latin America.⁹ Kristin Thompson, however, states that, by 1914-1915, the majority of films screened in the region were still coming from Europe:

Central and South America present some striking examples of how the American methods failed to adapt to local market conditions. If the American film industry could not control markets so close to itself, how could it succeed in the Far East or in Africa? Yet, even directly adjacent Mexico obtained its films primarily from European distributors. [...] Pathé dominated the market. Even Panama, with its close ties to the USA [...] obtained only one-half of its films from the USA. There were other problems to contend with in Central America and the Caribbean region. Many markets were just too small for American firms to consider them worth pursuing. A Philadelphia theatre chain in 1913 investigated the exhibition possibilities in Puerto Rico, but its representative concluded that there was little to be done there in the near future, due to the small population and the poverty of the people. [...] Also, French firms had moved in early and picked up what little business was to be had. Pathé and Éclair had branches in Mexico City and Guadalajara, from which they supplied the widely scattered theatres of Mexico [Thompson, 1985, p. 40-41].

Another hypothesis is that Pathé supplied the regions through the Spanish Agency. An evidence for such assumption comes from Richard Abel’s study. The author states that Méliès established an agency in Spain from where he supplied Latin America [Abel, 1994, p. 19]. Primary sources from archives in France and Brazil, however, show no evidence of this international route. Much on the contrary: Spanish and Portuguese markets were also subordinated to French distributive channels.¹⁰ In this sense, apparently Latin America was also supplied directly from the French factories, even during the first years of World War I.¹¹
Representing agents in Latin America: further evidences from Gaumont

Louis Gaumont started his career as an apprentice artisan to a photographer. By 1895, his technical and industrial abilities had increased considerably and he managed to catch the attention of banking and industrial groups (including Gustave Eiffel and the future prime minister René Viviani), obtaining substantial financial aid from them and acquiring control over the Comptoir Général de la Photographie. At that very same year, the company was re-baptised L. Gaumont & Cie. Ten years later it would become the Société des établissements Gaumont, an international enterprise with FRF 2.5 millions of capital. Gaumont also played a leading role in the development of film apparatuses and other technological devices [Garçon, 1992, p. 14; Venhard, 1992, p. 18].

Gaumont’s rivalry with Pathé is much reported in the bibliography and provides us with rich material for our economic analysis. According to Le Forestier, Gaumont’s affairs represented around a third part of Pathé’s [Le Forestier, 2006, p. 31]. Like Pathé, Gaumont opened his capital in quite an early period. Like Pathé, Gaumont adopted an industrial strategy to produce films, building his giant glasshouse at Buttes-Chaumont (later expanded and baptized the Cité Elgé). In 1909, with the establishment of the Comptoir ciné-location (a division of the company which focused on the renting of films), Gaumont adopted the renting system developed by Pathe and, finally yet importantly, international affairs were extremely important in the company’s overall portfolio [Abel, 1994, chap. 2].

The list of foreign agencies is very akin to Pathé’s: cities like New York, Berlin, Vienne, Budapest and Barcelona counted on direct offices. The company, however, also worked with a sub-agency system, installing offices in smaller cities like Bilbao, Bologna, Genève, Madrid, Rome, Trieste, Dresden, Munich and Rostoff. By 1912, Gaumont had agencies and sub-agencies also in Manchester, Leeds, Sydney, and Vancouver. Once again, we see activities being held in peripheral or borderline regions like Constantinople, Saigon and Casablanca [Venhard, 1992, p. 28]. In one of these sub-agency lists, we finally see an explicit reference to Latin America: a mention of a sub-agency in Buenos Aires [Garçon, 1992, p. 27].

It is possible (but unlikely), that Gaumont’s establishment in the Argentine market was connected not to French, but to British stakes in the region. British companies were heavily present in a series of sectors in the country [Getino, 1981, p. 24-25]. Gaumont, by its turn, had major involvement with the United Kingdom: as early as 1898, the group established a partnership contract with the entrepreneur A.C. Bromhead in London. The English agency eventually became an independent firm, Gaumont Ltd., charged with producing and commercializing films and equipment in the United Kingdom, the United States and several colonial markets [Abel, 1994, p. 19].

Gaumont’s early moves towards the United Kingdom might explain thus a strong presence in international areas subjected to the English Crown. If the situation of Argentina is yet unclear, this British connection was certainly fundamental to convince Gaumont to undertake a prospective journey to the biggest colonial market: India. From there, the tycoon wrote a series of letters about the economic potentialities of film trade in peripheral areas. This 1908 material is a fundamental set of documents, bringing
evidences not only of the economic rivalries with Pathé, but also of the methods employed by the two companies:

Pathé [...] is settled here and tries to seize the market. He is already installed in Calcutta and soon will be in Bombay. He sells nothing more than films with French themes, which does not satisfy the exhibitors [...]. A lot of attention must be paid when dealing with the local traders. It is not necessary to do a big sum of affairs, but we can arrive with a renewable stock from time to time and do business with the main exhibitors.¹⁴

French dominance applied not only to the subjects screened: the majority of these international representing houses were controlled by Frenchmen, even in the most remote and distant commercial spots of the globe [Bousquet, 1994 (b), p. III]. In Singapore, for instance, the first representing contact was made by Pathé with the Lévy Brothers (later in charge of the Paris Cinematograph), in 1904. From 1907 on, the representation would be in charge of the commercial agent Fernand Dreyfus [Pilon and Weiler, 2012, p. 100].¹⁵

It would be possible to extend Meusy’s argument about Pathé’s partners to a wider context. During the research, we managed to identify some major characteristics praised by Pathé (and, consequently, by Gaumont) to establish their commercial partnerships worldwide, designing something like an “ideal” foreign partner/agent:

a) A first positive aspect was, without doubt, the French (or European Francophone) nationality.

b) Secondly, acquaintance with the cinematographic (or akin technical sectors, like photography) métier. Commercial (or even personal) connections with Charles Pathé or Louis Gaumont were also praised.

c) The firms searched to establish partnerships with companies that held a sufficient level of capitalisation, diminishing their financial exposure in uncertain markets. This final aspect is particularly important, given the strategy of these companies (especially Pathé) to promote the distribution of the productive chain into “satellites”.

Curiously, all these prerequisites seem to apply to the Latin American agents identified during the research. In Mexico, a “Pathé concessionary” (that is to say, a representing agent) was “designated to discipline the cinematographic market and avoid unauthorised film commerce” and was run by a Frenchman [Reyes, 1992, p. 199]. The agent seemed to have achieved considerable economic power and connections with Pathé, since he managed, in 1906, to obtain “an exclusive decrease of product prices” to fight a local rival entrepreneur who claimed to have unauthorised films of Pathé, but also Gaumont, Méliès, Urban, Mutoscope and Vitagraph [González Casanova, 1992, p. 237].

In Argentine, films entered through two representing houses: Max Glücksmann, Pathé’s agent, and the Sociedad General Cinematográfica, Gaumont’s agent, both settled in Buenos Aires [Thompson, 1985, p. 54]. Born in Austria, Max Glücksmann was, alongside with the French camera operator Eugène Py, one of the pioneers of the Argentine cinema. Both of them worked at the Casa Lepage, a photographic house owned by a Belgian businessman Enrique Lepage [García Oliveri, 1997, p. 24-25]. Casa Lepage, by its turn, was the central point of importation of films and equipment in the first decades of the Argentine cinema, responsible for the entrance of the majority of films screened in the local market in the first decades of the century. Glücksmann and Py also played important roles in the Uruguayan and Chilean markets [López, 2000, p. 56-58; Paranaguá, 1985, p. 12-23].
Less is known about the Sociedad General Cinematográfica (probably the already mentioned sub-agency in Buenos Aires), but the little information gathered differs only slightly. In this aspect, a key document is a letter written by Julio Joly, a former employee of Gaumont’s House in Buenos Aires, wrote to France (probably to Louis Gaumont, Léon Gaumont’s son). According to Joly, the dynamics of Gaumont’s commerce in Argentina relied on the role of a certain “Monsieur Fèvre” who, apparently, he met in Lima, Peru, while working in an importing house. Fèvre, then, convinced him to move to Buenos Aires:

Monsieur Fèvre had to go to Argentina to see if it was possible to install an agency in Buenos Aires and asked me if I wanted to join him if he considered the business viable; some weeks later we received favourable information from Argentina and in October 1911 I went to Argentina where I found Monsieur Fèvre; with the established agency, we dealt only with silent material of the time and with the selling of movies edited by Gaumont.

Marc Ferrez & Sons: model agents from Brazil

If doubts haunt the history of Pathé and Gaumont’s agents in Argentina or Mexico, the situation is somewhat different in Brazil. A considerable number of accounting and commercial documents of the local agent have been preserved. We are talking about Marc Ferrez & Sons (MF & S), a commercial house settled in Rio de Janeiro and whose archive has been open to public consultation [Moraes, 2013, p. 24-39]. Marc Ferrez, the family’s patriarch, shows great resemblance to other agents like Fernand Dreyfus or Enrique Lepage and might even serve as a “model” representing agent of Pathé and Gaumont stakes in Latin America.

Despite being born in Rio de Janeiro in 1843, Ferrez’s father, Zeferino (Zéphyrin), was a French émigré, settled in Brazil since the foundation of the French Artistic Mission in the beginning of the 19th century. After the early loss of his parents, Marc Ferrez was sent to France by an uncle, there staying under ward of the sculptor, engraver and family friend, Alphée Dubois. Ferrez returned to Brazil in 1859 and was hired in the workshop of the Swiss photographer Georges Leuzinger. Throughout the last decades of the century he would ascend in the artistic métier, eventually becoming one of most renowned photographers of the Brazilian Empire [Moraes, 2013, p. 26].

A complete understanding of his trajectory stretches beyond the analysis of his activities as a photographer. A second key area of his career was his role as an importer of photographic equipment. The array of products brought to Brazil by Marc Ferrez ever since the 1870’s is indeed impressive. In 1881, for example, Marc imported to Brazil the dry plates developed by the Lumière brothers [Gervereau, 2005, p. 112]. At the dawn of the 20th century, cinema started to be the leading activity of the company and by 1907, it was already clear that film distribution was the most important activity of the company. Ferrez’s contact with Pathé led to the signature of a contract in 1907 [Moraes, 2013, p. 27].

By 1910, French films constituted something like 50% of the new titles marketed in Brazil. Pathé alone accounted for 40% of all films screened [Souza, 2004, p. 176-177]. Given MF & S quasi-monopoly in the distribution sector, numbers can be even more impressive. In fact, in less than three years, from 1907 to 1911, Ferrez managed to sign exclusive renting contracts with exhibitors from all over the country. From Rio Grande do Sul to the...
Amazon region, Ferrez became the leading figure for the dissemination of Pathé’s red rooster trademark [Moraes, 2013, p. 35].

Although Ferrez’s contract was established directly with Pathé and Gaumont, importation and payments were made through MF & S’s sub-agents settled in Europe. The company had a series of commissioned commercial partners based in Europe, and they were responsible for connecting suppliers. Correspondence exchanged between Luciano and Julio Ferrez at the time shows that their most important contact was A. Nevière, an agent in Paris.\(^{19}\)

In 1915, however, the conflict severely affected international film trade. As can be observed elsewhere, Latin American markets faced a drastic shortage of European film stocks [Moraes, 2012, p. 11]. The decision undertaken by some of the local actors was to search for new sources of supply. A first attempt was made in Italy but soon enough attention changed to the United States. In that same year, Fox seized the opportunity and opened an office in the country, a decision later followed by other companies. By the end of the conflict and throughout the next decade, numbers would shift more and more towards US producers. In the beginning of the 1920’s, the USA market-share would reach 80 to 85% in Argentina, Mexico and Brazil. Numbers would be even more impressive in smaller markets like Bolivia, Venezuela or Chile [Thompson, 1985, p. 139-140].

Pathé and Gaumont’s model, based on the satellite model and partnership with local groups would be replaced by direct control methods, with the settlement of agencies and movie chains controlled or connected directly to US major companies, not to mention the development of a massive vertical production of the cinematographic chain.

### Conclusion

This article further developed the study of commercial and administrative methods employed by hegemonic cinematographic companies to enter and conquer Latin American markets in the first decades of the 20\(^{th}\) century. We have focused on the role of two French groups: Pathé Frères and Société des établissements Gaumont, global leading companies in the period.

The analysis of both primary sources from international archives and data provided by specialised literature presented an overall view of these enterprises and their economic activities worldwide. Right from the beginning, we saw that international affairs played a key role in their economic dynamics. The methods employed by the two companies to penetrate international markets, however, differed a lot. In general terms, though, most of them were connected to a broader process of the developing of satellites companies along the productive chain (especially Pathé’s).

In the Latin America case, alongside with other peripheral markets, the most frequent modality was the election of a local businessman named as a representing agent of the companies’ stakes. Although separated by huge geographic distances, agents from unconnected places like Brazil, Mexico, Argentina, Singapore or India shared common aspects.

These similarities are certainly revealing and point towards the importance of enlarged and comparative analysis not only within the Latin American context, but also amongst peripheral economies aggregately. The importance of these internal social actors brings fundamental empiric evidences for an enhanced comprehension of the economic
dynamics of the early cinema and the cultural sector as a whole in these regions. This article, in this sense, has tried to bring new insights to the discussions of cinematographic history, especially by providing original evidences of the dependent or peripheral conditions of the Latin American markets.

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NOTES

1. On the theme, we also see a discussion on the registered minute of Pathé’s Board of Directors’ Meeting (Procès verbaux des séances de réunion du conseil d’administration): “We must consider it impossible to perform this project by ourselves in the whole country. Under these conditions, there is place to deal with regional groups which will have the exhibiting monopoly of our films within their region,” Board Meeting Minute of Pathé Frères [hereafter BMMPF], May 27th, 1907, Jérôme Seydoux-Pathé Foundation [hereafter JSPF], Paris, in [Meusy, 2004, p. 31].
2. “Although hardly trouble-free, Pathé’s transformation of the exhibition sector quickly established the first component of his corporation’s security, at least within France” [Abel, 1994, p. 31].

3. On the use of foreign agencies (especially in small markets) to “experiment” new techniques or administrative methods, see BMMPF, March 14th, 1911, JSFP.


5. “For Australia, we are dealing with a local cinematographic society. We want to sell them our stocks and supply them with a necessary amount of films for the exploitation” (BMMPF, October 25th, 1911, JSPF). A month later, the board was not yet convinced (BMMPF, November 13th, 1911, JSPF).

6. For discussions about the Singaporean and Indian agency, see the BMMPF (November, 8th, 1911 and May 12th, 1910, JSFP). Discussion on the Egyptian situation is certainly the most interesting, since the debate was whether to create a direct system of local exploitation or not (BMMPF, September 13th, 1910; November 13th, 1911 and January 10th, 1912, JSPF).

7. BMMPF, January 13th, 1906, JSFP; BMMPF, June 24th, 1906, JSPF.

8. Four years later, the situation seemed unchanged: Pathé was sending a representative in order to “install film location”, since the contract with the local businessman was expiring and would not be renewed (BMMPF, September 13th, 1910, JSPF).

9. This is somewhat possible by the reading of information provided by a discussion undertaken in the Board’s Meeting in 1907, where we can read that the US factory would be ready to “produce film stocks within two months [...] supplying also Canada, Cuba, Venezuela and Colombia” (BMMPF, July 9th, 1907, JSPF).

10. In Spain, Gaumont had several agencies (Madrid, Bilbao, Oviedo, Valence, Majorca, Seville and Málaga). As for Portugal, “there was no agency. Affairs were made with periodical visits and consisted of the selling of films and apparels, there were no stocks” (Dossier “The Spanish Agency”, Cinémathèque française, File LG333-B45, 1925).

11. Argentine cinematographic imports in 1914 were: “US$44,775 from Europe vs US$4,970 from the United States” [Thompson, 1985, p. 76]. In 1915, “French films still dominated in Mexico [...] and Costa Rica.” In 1916, however, the situation would already be distinct: “In the first half of 1915, distributors and exhibitors were able to get supplies from Europe” [Thompson, 1985, p. 54]. Even in Cuba, an island under direct influence of the United States, European cinema still prevailed, “albeit the US effort” [García Mesa, Douglas and Gonzáles, 1992, p. 144].

12. More than other punctual similarities between the two companies, Le Forestier points out that Gaumont played a “copist” strategy, that is to say, the group followed most of Pathé’s decisions [Le Forestier, 2006, p. 37].

13. BMSEG, May 14th, 1912, JSPF.


15. Dreyfus would later figure as the representing agent of Pathé in Calcutta (BMMPF, May 12th, 1910, JSPF).

16. The “Hart House [...] a big commercial house of importing and exporting, especially machinery, but also all kinds of products, is perhaps the biggest of this kind in Lima” (Letter of Julio Joly [to Louis Gaumont?], March 23rd, 1964, Cinémathèque française, File LG-B45 329-340).

17. Letter of Julio Joly [to Louis Gaumont?], March 23rd, 1964, Cinémathèque française, File LG-B45 329-340. Also in the Brazilian National Archives we see a reference of a certain “Mr. Fèvre” who worked for Gaumont in Cuba, Colombia, Equador, Chile, Argentina and Mexico (Letters of Luciano Ferrez to Julio Ferrez, July 17th, 1914, Brazilian National Archives, File FF-JF 2.1.1.1).

18. Marc Ferrez might have even established a personal relationship with some of these leading French entrepreneurs. Laurent Gervereau states that his relation with the Lumière brothers was
“amicable” [2005, p. 112]. Charles Pathé, himself, also exchanged a lot of correspondence with Marc Ferrez, dealing with several business issues concerning the cinematographic universe (Letter from Charles Pathé to Marc Ferrez, November 2nd, 1914, Brazilian National Archives, Rio de Janeiro, Marc Ferrez & Sons Collection, File FF-MF 1.0.1.13).


ABSTRACTS

Ever since the first theoretical reflections on Latin American Film History, a central role has been given to foreign economic agents. Curiously, very few researches advanced in the comprehension of the effective role performed by these social actors. This article wishes to understand some of the methods employed by the hegemonic film industries Pathé Frères and Société des établissements Gaumont to enter and conquer Latin American markets at the dawn of the 20th century. By analysing commercial data gathered from international archives, we intend to revisit some of the debates over the peripheral and/or dependent condition of the Latin American cultural sector.

Le cinéma aux frontières du monde : réflexions économiques sur la distribution de films Pathé et Gaumont en Amérique latine (1906-1915)


El cine en las fronteras del mundo: reflexiones económicas sobre la distribución de películas de Pathé y Gaumont en América Latina (1906-1915)

Desde las primeras reflexiones teóricas sobre la historia del cine latinoamericano, se ha dado un papel central a los agentes económicos extranjeros. Curiosamente, muy pocas investigaciones avanzaron en la comprensión del papel efectivo realizado por estos actores sociales. En este artículo se quiere entender algunos de los métodos empleados por las industrias hégemonicas del primer cine, Pathé Frères y Société des Établissements Gaumont, para entrar y conquistar los mercados de América Latina en los albores del siglo xx. Mediante un análisis de los datos comerciales compilados de archivos internacionales, intentamos revisitar algunos de los debates sobre la condición periférica o dependiente del sector cultural de América Latina.

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