

INTRODUCTION

1. An inquiry into the organization and operations of the motion-picture industry in New Zealand was made by a Select Committee of the House in 1934. At that time there was a general feeling of uneasiness among exhibitors as to the contracts they were required to enter upon with the renters of films and the methods of competition between chain-theatre interests and independent exhibitors. The 1934 Committee submitted a comprehensive report on the conditions then obtaining and recommended certain provisions which were, in the main, subsequently embodied in the legislation affecting the industry. The findings of this Committee and the measures taken in accordance with their recommendations have been proved to have been soundly based and to have resulted in very much better conditions within the industry.

2. From the evidence tendered to the present Committee it is clear that the control of the industry has changed considerably since 1934. At that time the chain-theatre concerns were divided into two main camps which between them had practically complete control of the first-run city theatres and also the theatres in the large towns. On the one hand there was Amalgamated Theatres, Ltd., and on the other the Fuller-Hayward, Kemball, and Williamson organizations, which, although constituted as separate companies (and not bound together as they later became in 1938 under Theatre Management, Ltd.), were even then referred to as the "combine" as they operated under arrangements for pooling of returns in some cases, combined exhibiting companies in others, or had agreements with each other for the non-competitive buying of film. The Kerridge interests, which then operated a group of theatres in the Gisborne area, have in the meantime purchased shareholdings in these three organizations which have been consolidated under one control, a half-share being owned by the J. Arthur Rank Organization of Great Britain, and the whole being known as Kerridge-Odeon. During the transitional period there were some changes and for a time the group was temporarily broken up, but in the final result there is still to-day the same major division of the exhibiting side of the industry into two main groups—Amalgamated Theatres, Ltd., and Kerridge-Odeon—which between them control all except one or two of the theatres showing first releases in the cities and major towns.

3. Of recent years there have been a number of complaints that the position of independent theatres, which operate mainly in the suburbs and country towns, has been prejudicially affected by the extension and amalgamation of the chain interests, which, it has been suggested, are able to exercise power over the renters and obtain preferential treatment in the matter of film-supplies. In 1943, one independent exhibitor, claiming that he was unable to obtain a sufficiency of films of adequate quality to operate his theatre, petitioned Parliament, and the Industries and Commerce Committee, on the basis of the evidence tendered, recommended that a full investigation be made.

4. In addition to the consolidation of interests mentioned above, there have been further acquisitions by the chains, whose domination of the business is thereby increased. Through their control of the first-run theatres they are in a position to decide what films are to be exhibited. While it is true that all the better British and American productions are actually screened in New Zealand, there is always the possibility of discrimination against one or more producers or against certain types of films.

5. Rather than limit the scope of the inquiry, the order of reference was made as wide as possible so that all matters affecting the industry could be dealt with at the same time. The cinema is a major influence in modern life. It is more than a mere commercial pursuit, and its effects on public opinion, though difficult to gauge, are nevertheless very far reaching. The order of reference to the Committee was therefore left as wide as possible.