

of the producers concerned. Also operating in New Zealand are several smaller renting organizations, of which some or all of the capital is held locally. These have special arrangements with overseas producers for the distribution of certain films.

20. The rentals charged to exhibitors by the film exchanges or renters are, in the case of the larger theatres, almost always a percentage of the admission receipts for the screenings of the particular film. In smaller situations a flat rental is paid—that is, the exhibitor contracts to receive the film in return for the payment of a specified amount for each screening or period of screenings.

21. The major renting companies in New Zealand are members of the Motion Picture Distributors' Association of New Zealand (Inc.). This organization is closely associated with, and is stated to be directly responsible to, the Motion Picture Distributors' Association of Australia; and evidence on behalf of the distributors was given by Mr. F. McN. Ackland, chairman and chief executive of the Australian association. It was stressed in evidence that the association does not function in any way as a means of reducing competition or as a medium for the arrangement of prices. Its functions embrace policy matters not directly related to individual selling, and no decision can operate that is not reached unanimously.

22. It is to be noted that not all the film renters of New Zealand belong to the association, which represents only those who act on behalf of American producing principals. The smaller New Zealand distributors are not members, nor is British Empire Films, Ltd., the company which is associated with Kerridge-Odeon.

FILM EXHIBITION

23. It is the exhibitor who, having rented the film from the renter, screens it in his theatre. The exhibitor therefore represents the only section of the industry with which the public ordinarily comes in contact.

24. The term "situation" is generally used in speaking of the particular locality which is served by one or more theatres.

25. A film is said to be "released" when it is first screened, and the theatres which regularly screen pictures for the first time in their areas are known as first-release theatres. Theatres screening films which have already been shown in the locality are known as second or third-release theatres. A film which has its initial New Zealand screening in one of the first-release theatres later passes to another city or major town where it is again screened at a first-release theatre, the term now meaning that the film is being screened in that particular locality for the first time.

26. The motion-picture exhibitors of New Zealand include some who operate only one theatre, others operating several which together are known as a circuit, and the major companies whose circuits are so large that they are normally referred to as "chains." The two chains, Kerridge-Odeon and Amalgamated Theatres, Ltd., control between them practically all the first-release theatres in New Zealand. The remaining exhibitors, both one-theatre operators and small circuits, are to be found in city suburbs, the smaller towns, and in country districts, and in general are termed "independents."

27. It is important from the renter's point of view that his films should have a "good release"—i.e., that they should be suitably advertised and have their initial screening in a theatre the reputation and position of which is appropriate to the standing and estimated box-office value of the films concerned. Although there is nothing to prevent a film being first screened in one of the smaller situations (and this has actually been done on occasions to relieve bottle-necks caused by the extended runs of other films), it is a practice which renters try to avoid. Apart from the financial advantages of a good city first release and the possible loss of prestige through a provincial first release, the smaller theatre operators often judge the rental value of a particular film by the success of its first city showing. For this reason, renters do not normally make films available to other