

51. The situation and the remedy are best understood in relation to certain figures and evidence placed before the Committee and accepted by it as established.

(1) 1934 POSITION

The report to Parliament of the Committee of inquiry into the motion-picture industry (dated 23rd April, 1934) revealed that there were at that time the following chains which controlled the number of theatres mentioned :—

Amalgamated Theatres, Ltd.	..	..	..	..	31
Fuller Hayward Theatre Corporation, Ltd.	..	..	..	..	45
J. C. Williamson Picture Corporation	..	..	..	..	14
Kemball Theatres, Ltd.	..	..	..	..	18
J. C. Williamson Picture Corporation and Kemball Theatres	..	..	..	..	11
Christchurch Cinemas, Ltd. (in which Fuller Haywards had a large interest)	..	..	..	..	7
R. J. Kerridge	..	..	..	..	16
Total	..	..	..	..	142

(The interrelationship of the various chains in certain situations is summarized at page 29 of that report.)

(2) DEVELOPMENTS BETWEEN 1934 AND 1948

The departmental report, as amplified by the evidence, shows that Messrs. Kerridge and Williams, through a company controlled by them known as Union Investments, Ltd., acquired control of the Kemball chain (which had been reorganized as New Zealand Theatres, Ltd.) by a series of transactions up to the year 1940. Then in 1945 Union Investments acquired the Fuller and Fuller-Hayward chains. In the early part of 1946, Mr. J. Arthur Rank virtually acquired a half-share in Union Investments and the other companies in which the Kerridge and Williams interests were held by the transfer of half the share capital in these companies to Odeon Holdings, Ltd., a company controlled and substantially owned by Mr. Rank. The theatres thus controlled (the old Kerridge chain plus the theatres acquired from the Kemball group and the Fuller, Fuller-Hayward group) thereafter became known as the Kerridge-Odeon Theatres, and to their number there was added the old Williamson group by a purchase of the Williamson Theatre Corporation shares made by Union Investments, Ltd., in October, 1946. All these transactions were effected by transfers of shares in the companies concerned. Prior to the transactions the old chains had abandoned or released their control of certain smaller theatres, but the Kerridge group and later Kerridge-Odeon have not divested themselves of the control of any theatre which came under their control by the transactions mentioned above.

(3) 1948 SITUATION

At the time when the Committee commenced its sittings the chains had thus been reduced to two and they controlled the following number of theatres :—

Amalgamated Theatres	..	..	..	..	..	47
Kerridge-Odeon	..	..	..	..	..	130
Total	..	..	..	..	..	177