

that the tenant-exhibitor will only be interested in the business whilst trade is good, and be only too anxious to hand the premises back to the landlord when times get hard. There may also arise a conflict between the Tenancy Act, under which the landlord has been able to evict the exhibitor-tenant, and Regulation 4, under which the licensing officer, as a matter of hardship, may wish to refuse to licence the landlord as against the former tenant. The licensing officer cannot compel the landlord to accept a particular tenant nor ordain the terms of the tenancy; he can only refuse or grant the licence. That licence while granted to a particular exhibitor is in terms available only to a particular named theatre, and a situation could arise where the licensing officer's insistence on the claim of a particular licensee to be granted the licence and the landlord's refusal to accept that person as a tenant would result in a deadlock, during the continuance of which the public would suffer the inconvenience of being deprived of its accustomed entertainment. It is understood that this actually happened in one locality where the licensing officer declined to licence a proposed exhibitor and the landlord carried out the threat of closing the premises if the licence were not granted.

78. Mr. Girling-Butcher suggested consideration of the introduction into New Zealand of a provision similar to that contained in the Landlord and Tenant Act, 1927, England. This Act, amongst other things, provides for compensation to be awarded to a tenant who is refused a renewal of his lease after he has by his own efforts built up the goodwill on his landlord's premises and for the granting of a new tenancy to the tenant if compensation for goodwill would not adequately cover the tenant's loss. The Court acted as a tribunal in fixing compensation or the grant of the new tenancy. In its operation this Act has not been easy of application because of the difficulty of determining whether the existing goodwill of a particular business on a particular site is the result of the carrying-on by the tenant or his predecessors in title of that particular business or whether the improvement in goodwill was related to factors such as increased population, which had nothing to do with the tenant's efforts. Such an Act if introduced into New Zealand could scarcely be limited in its application to the motion-picture industry, so that unless the general law of landlord and tenant were to be amended by Parliament along the lines suggested, one is left with the problem of whether the licence should be reckoned as personal to the exhibitor-tenant or as being attached to the premises or as partly both.

79. The only possible solution which suggests itself to the Committee is that it should be a condition of the grant of a licence in respect of the premises and of the grant of a licence to an individual to exhibit films in those premises that where the owner of the premises is not the holder of the licence, he and the licensee shall agree as a matter of contract that in the event of any dispute arising as to the future grant or renewal of a lease in respect of the premises and the owner (or intermediate lessor) and the tenant are unable to agree as to the terms and conditions of renewal of lease or the continued use of the exhibitor's licence in respect of the premises, they will accept the decision of, say, the licensing officer or the Film Industry Board as binding upon them, including the assessment of compensation for goodwill to an outgoing tenant. This, coupled with Regulation 4 of the 1937 regulations, would enable the licensing officer to withhold a licence from the owner who wanted to impose harsh conditions on a tenant for the renewal of a lease and also bind the licensee to accept reasonable terms from the landlord instead of his being able to force the landlord's hand; it could not, however, assist the landlord whose premises were inferior to other premises to which the exhibitor-tenant proposed to remove on the expiration of his lease (taking his licence with him if the Licensing Officer were willing to license the new premises). The landlord's complaint that he had been made use of by the tenant so long as it suited the latter can only be met by the answer that that factor had been taken into account when the rent for the old premises was fixed.