

on the Board. It is said that some persons who are on the roll of independents are not truly independent in that they have arrangements with the chains either for booking of films or for pooling arrangements of one sort or another. The evidence satisfies the Committee, however, that the number of independents who are by their geographical situation in real competition with the chains is too small to warrant their having separate representation on the Board. The most that can be recommended is that the roll of independent exhibitors entitled to vote on the appointment of two members to the Board should be most carefully scrutinized to ensure that only those exhibitors who are wholly divorced from any form of control by the chains should be allowed to vote on the appointment of these independent representatives to the Board. The definition of control already suggested under order of reference No. 3 (paragraph 70) can usefully be made a basis for the compilation of the roll of independents so that no exhibitor controlled by a chain within that definition would be entitled to vote.

92. There is one other matter connected with the operations of the Film Industry Board upon which the Committee desires to express a view. The standard form of film-hiring contract provides in clause 28 already referred to that the Board shall be the arbitrator of any dispute arising under the standard form of contract. Certain of the evidence before the Committee suggested that smaller operators could not afford to maintain their legal rights under the standard contract and were forced to accept cancellations and substitutions in film-supplies which a stronger exhibitor such as a chain would not have to submit to. The Committee feels that it should be the Board's own province to see to it that the standard contract is adhered to so that the smaller operator need have no fear of the consequences of standing upon his full rights.

ORDER OF REFERENCE No. 8

Whether the existing conditions of supply of films to independent exhibitors are reasonable, having regard to the conditions in the industry which are beyond New Zealand control, and, if not, are any legislative provisions recommended to govern this matter.

93. The Committee is satisfied that one of the root causes for the agitation which resulted in the setting-up of the Committee was the question of the supply of films, particularly in the case of independents. It is only natural that the distributor must look for the greater part of his return from the chain exhibitors, who control the first and second-release situations and the theatres in almost the whole of the large towns. It is only natural also that, subject to the distributors' desire to meet the reasonable requirements of his best customers, the distributor should endeavour to book a film first in the situations that will produce the largest amount of film hire. In practice, however, the evidence satisfies the Committee that many independents suffer a much longer delay in having films made available to them than is warranted by the circumstances. It is to be remembered that an exhibitor pays the freight involved for the despatch of the film to him, so that it is a matter of some expense when the films travel a long rather than a short distance to him. The Committee was informed that there are cases where the transportation charges are as great as the film hire. The Committee does not accept a zoning plan advanced by the Hon. John Robertson as, in the absence of a great many more prints of a film than are at present available, there would be even longer delays in the film reaching some independents. The Committee feels, however, that the distributors should make it their business, much more than is done at present, to have a film made available to independents within a particular province or locality after the first and second run has been completed, and thus avoid this source of complaint.

94. The number of prints of any film which can be made available in New Zealand is necessarily limited not only by the question of cost in relation to returns from New Zealand business, but also by the dollar situation, for, whilst copies of prints are made