

methods of operation are described in the departmental report, paragraphs 37 and 38, while the full text of the agreement constituting the Board is annexed to that report as Schedule No. 7.

41. The establishment of the Board had as its object the settlement within the industry of disputes such as those which led to the introduction of Amendment No. 1. The industry hoped that this would make further legislative provisions unnecessary. The Board was so constituted that it could act in an advisory capacity to the Minister, and there have been no further Advisory Committees appointed under section 41 of the Cinematograph Films Act, 1928.

#### BOOKING OF FILMS

42. It is not proposed to outline in any detail the practices within the industry in regard to the booking of films or the conditions laid down by legislation or agreement between the parties. Mention is made of the particular provisions most under discussion under the relevant heading, where the Committee's recommendations are given. A few brief comments will serve to explain the procedure generally adopted.

43. Renters are advised by their principals each year the titles and general descriptions of the feature films which are expected to become available during the ensuing period. Arrangements are then made with exhibitors to hire these films when they are ready for release. At the time the contracts are entered into there is available only the broad descriptions of the films concerned, and hence the term "blind booking" which is applied to such contracts. Some exhibitors, and particularly those in the smaller theatres, are able to contract for films after they have been released and the box-office value in the cities has been ascertained, but by far the majority of bookings, and especially those in respect of first-release theatres, are entered upon before the films have entered the country.

44. It is customary for renters to insist upon an exhibitor contracting for a number of films at the same time, as he is then compelled to accept less attractive ones together with those of higher value. It was stated by some exhibitors that most renters would make contracts for a minimum of thirteen features, even in those cases where screenings were made only once a week and not more than fifty-two programmes would be required throughout the year. Representatives of the renters claimed that such was not the case, and that several exchanges were prepared to contract for a lesser number.

45. The 1934 Committee paid considerable attention to the terms of the contracts which exhibitors were required to enter into with the renters in order to obtain supplies of films, and it was the opinion of that Committee that renters were insisting upon contracts which embodied terms in many instances unfair to the exhibitors. In accordance with the recommendation of that Committee, a standard form of contract was introduced, and is now mandatory. (See *New Zealand Gazette* No. 107, of 24th October, 1940.) It is notable that no serious criticism of the terms of the contract was offered to this Committee in any of the evidence tendered; on the contrary, there was repeated mention of the value of the standard contract in contributing to good relations in the industry.

#### NON-COMPETITIVE BUYING ARRANGEMENTS

46. Where two or more exhibitors are competing with each other for the supply of films, a form of auctioning would result in an increase of the film hire they are willing to pay. It is therefore understandable that the two chain-theatre companies have come to an arrangement that each will confine their buying to certain of the "services" offered, and will not bid against each other. Mention of the arrangement between the two major companies is made in the departmental report in paragraph 22, where it is