

“(b) That, in view of the conditions existing in the industry and the limited number of films of reasonable exhibition value obtainable in the market, the opening of any additional cinematograph theatre or theatres in the locality would cause undue hardship to such licensed exhibitor or exhibitors; or

“(c) That the erection of an additional cinematograph theatre or theatres in the locality would be likely to result in an unreasonable economic waste—

“the Minister may direct the officers appointed to receive applications for and to issue such licenses that no exhibitor's license under the Cinematograph Films Act, 1928, shall be issued in respect of any theatre in such locality except the theatre or theatres in respect of which such licenses have been issued prior to the Minister's direction.”

54. When an application for license was received the method of procedure was that inquiries were made by an accountant officer of the Department of Industries and Commerce on the following matters :—

*In respect of Existing Theatres :—*

- (1) Number of theatres in city, town, or district.
- (2) Population of city, town, or district served by such theatre or theatres.
- (3) Organization of the owner or the licensee of the theatre (whether company, sole trader, &c.), also whether the theatre is controlled by an organization owning or leasing theatres in other districts or centres. Nature of such organization, directors, &c.
- (4) Investigation into financial results. Profit and Loss Accounts and Balance-sheet for last financial period (if of recent date). If not of recent date the information to be specially compiled. In addition it will be necessary to obtain the financial results of, say, past two or three years when more normal conditions prevailed.
- (5) Prices of admission.
- (6) Attendance at each theatre on a weekly basis for the past two years. Seating capacity of each theatre.
- (7) Methods of hiring film—(a) Fixed rate; (b) percentage on box-office receipts; (c) other (in some cases a combination of the above two); (d) names of film exchanges from whom films are hired.
- (8) Number of days in week in which theatre is open for business and number of sessions per day.

*In respect of Application for the Issue of a New License :—*

- (1) Name and address of applicant.
- (2) Organization of the owner or the proposed licensee of the proposed theatre (whether company, sole trader, &c.), also whether the theatre is controlled by or affiliated with an organization owning or leasing theatres in other districts or centres. Nature of such organization, directors, &c.
- (3) Cost of new buildings, plant, equipment, &c., or cost of renovating existing buildings.
- (4) Seating capacity, proposed number of weekly sessions, and proposed charges for admission.
- (5) Is any lease of this theatre in force or contemplated, and, if so, to whom?
- (6) Whether previous licenses were issued other than those current at the time of the investigation, and, if so, the reason for the lapse or non-renewal.
- (7) Other information which in your opinion would be of assistance to the Department in arriving at a decision.

The investigating officer was instructed to state the facts only, and not to submit any recommendations. The officer's report and a similar report from the Chief Inspector under the Cinematograph Films Act, 1928, was then submitted to Mr. E. Page, S.M., who, as Chairman of the Advisory Committee under the Cinematograph Films Act, had a good general knowledge of the industry. Copies of the reports other than the confidential sections were forwarded by Mr. Page to both the applicant and the interests opposing the license, with a request that they submit any further information they considered proper. The replies were further considered by Mr. Page and a recommendation made to the Minister as to the action to be taken. The files show that this recommendation was followed by the Minister in every instance.

55. The regulations are open to the criticism that the decision with respect to the issue of the license should preferably be left to an independent tribunal rather than to the Minister, but it will be seen that the latter, by administrative action, took the necessary measures to see that the decision which the form of the regulations required him to make, was the result of full consideration of each case by a judicial officer.

56. In preparing this report the Committee has assumed that, since the regulations under the Board of Trade Act were declared *ultra vires*, special legislation would be necessary before any further control can be imposed. The facts disclosed in the inquiry with respect to the economic position created by the erection of a large number of theatres during the last two years, and the applications in hand, have given the Committee some concern, and it is considered desirable in the interests of the investing public to set them out for general information.

57. The development of the Williamson interests which occurred in 1929–31 (see Appendix, paragraphs 35 to 36) is at present being duplicated by the Amalgamated Theatres, Ltd., of Auckland, who early in 1932 commenced an expansion programme having as its object the representation of the company by theatres in the other cities and in most of the large towns. The company is operating under two advantages as compared with the previously existing theatres. In the first place a single-floor (stadium) type of theatre has recently been developed which is much less expensive to erect, and is probably more suitable for mechanical sound-reproduction, than many of the older gallery type of theatres. It is also possible to adapt existing buildings for this type of construction. In the second