

23.7.37.

its financial success of course depends upon the quality and quantity

M E M O R A N D U M

for the purposes of distribution. Its method of procedure is to enter into contracts with producers under which the producers bind

UNITED ARTISTS CORPORATION.

The statements contained in this Memorandum are based on information supplied at interviews, and are subject to verification.

1. The United Artists Organization consists of two principal Companies, United Artists Corporation of America and United Artists Corporation Limited, the former an American Company and the latter an English Company.

The original promoters of the Company were Charlie Chaplin, Douglas Fairbanks, Samuel Goldwyn, Mary Pickford and Joseph Schenck, all of whom were film producers of considerable importance and who were dissatisfied with the distribution service which they had hitherto been receiving from film distributors all over the world.

They therefore formed the Organization so that any profits which might be made out of film distribution so far as their pictures were concerned would accrue to them as shareholders of the distributing Company. It must, of course, be appreciated that it was only by a combination of producers that any advantage could be obtained from direct distribution.

In 1935, Mr. Schenck retired, and his place as a stockholder producer was taken by Mr. Korda, and his producing Company London Film Productions Limited.

2. United Artists is not interested financially in the production of films. It holds on very advantageous terms a substantial share interest in Odeon Theatres Limited, but has no financial liability in respect of that investment. Its business is confined to that of film distribution, though coupled with it, and in the course of its business, it does advance money to producers on finished films.

