

REPORT

The Hon. the MINISTER OF AGRICULTURE.

APPOINTMENT OF COMMITTEE

1. Arising out of discussions at the June, 1947, National Dairy Federation Conference, followed by similar discussions at the Dominion Dairy Conference in October of the same year, and as a result of approaches made to you by the New Zealand Dairy Board, Cabinet, on the 5th February, 1948, approved of the appointment of a Committee of four to investigate the problem of dry shareholding in co-operative dairy companies and to make recommendations for amendment of any existing legislation in that respect, the Committee to comprise two persons (to be nominated by the New Zealand Dairy Board) representing the dairy industry, one representing the Department of Agriculture, and the other representing the Stamp Duties Department.

The Committee was constituted as follows:—

Mr. H. A. Foy, Director, Dairy Division, Department of Agriculture—appointed by you to represent the Department of Agriculture and to be Chairman of the Committee.

Mr. C. H. Courtney, Secretary of the New Zealand Dairy Board—nominated by that Board to represent the dairy industry.

Mr. F. W. Groom, Office Solicitor to the New Zealand Co-operative Dairy Co., Ltd.—nominated by the New Zealand Dairy Board to represent the dairy industry.

Mr. E. C. Adams, District Land Registrar, Wellington—nominated by the Hon. the Minister of Stamp Duties to represent the Stamp Duties Department, which Department administers the Companies Act and Part III of the Dairy Industry Act.

(Mr. J. E. Marshall, Assistant Legal Clerk, Department of Agriculture, acted as Secretary of the Committee.)

2. When discussing the advisability of setting up such an inquiry you quickly realized that, although the problem had been submitted to Cabinet as being in relation to dry shareholding in co-operative dairy companies, no worth-while solution would be likely unless such companies were given some power to amend their Articles of Association so as to embrace all shareholders. It should also be noted that, even in the earliest discussions, particularly at the Dominion Dairy Conference, the necessity for modernization of Articles of Association of dairy companies had been stressed. You accordingly directed the Committee to investigate that aspect and, if thought advisable, to set out a model set of Articles of Association for co-operative dairy companies.

ORDER OF REFERENCE

3. The order of reference is therefore—

- (a) To inquire into the desirability of amending existing legislation in relation to dry shareholding in dairy companies.
- (b) To ascertain the adequacy of existing Articles of Association to provide for immediate and future developments of the industry and, if necessary, to prepare a model set of Articles of Association for the industry.