Such a resolution may not be forthcoming should any preponderance of dry shareholders oppose such a resolution. It may be therefore in the interests of the wet shareholders of those companies if the Legislature provided some machinery to enable them to obtain the advantages of co-operation. We have not sufficient data to make any precise recommendations hereon. No doubt some means could be devised of authorizing some responsible body to conduct a ballot among the wet shareholders of any of those concerns if there should be a petition from any wet shareholders asking for such action; and if such a ballot is in favour of registration as a co-operative company under Part III of the Act, and if the objects comply with the requirements of that Act, registration could be effected accordingly.

RECOMMENDATIONS

99. Our recommendations are therefore as to:—

(*a*) Dry Shares

That the Dairy Industry Act, 1908, be amended to provide—

(1) That the holder of shares in a co-operative dairy company may demand resumption thereof, provided he has not supplied that company for a period of not less than five years prior to such demand.

(2) That a co-operative dairy company may demand the surrender of any of the shares of any of its members who have failed to supply the company with milk, cream, or butterfat for a continuous period of twelve months prior to such demand for surrender.

(3) That a co-operative dairy company may demand the surrender of any of the surplus shares of any member, such surplus shares being those shares not used by that member in respect of his maximum supply in any of the five years immediately prior to such demand.

(4) For the setting-up of a Tribunal of three persons, one to be nominated by the New Zealand Dairy Board, one by the Minister of Agriculture, and one by the Minister of Stamp Duties as being in charge of Part III of the Dairy Industry Act, 1908, for the purpose of—

(*a*) Authorizing co-operative dairy companies, if they think fit, to resume the shares of their members in excess of the limitations imposed by the present provision of the Act.

(*b*) Fixing a fair or just resumption value (not exceeding par) to be paid by any company on any resumption or surrender of shares in the event of the holder and company being unable to agree upon such value.

(*c*) Fixing the terms of payment by a co-operative dairy company of any amount it is required to find on any such surrender or resumption as above, provided that no payment shall be extended beyond ten years from date of application.

(5) For the purpose of arriving at a fair or just value of dairy shares the subject-matter of any such surrender or resumption, the above Tribunal shall take into consideration—

(*a*) The present-day worth of the shares, on the assumption that the company goes into ordinary liquidation.

(*b*) The value of the shares, on the assumption that the company continues as a going concern.

(*c*) The market value, if any, of the shares.

(*d*) The rates, if any, which have been paid by the company in the past on any resumptions it may have voluntarily made.