

## DAIRY PRODUCTS MARKETING COMMISSION AMENDMENT BILL

---

### EXPLANATORY NOTE

THIS Bill makes miscellaneous amendments to the Dairy Products Marketing Commission Act 1947.

Its main purposes are :

- (a) To reconstitute the Dairy Products Marketing Commission;
- (b) To establish a Dairy Products Prices Authority;
- (c) To provide for the disposal of any annual surplus received in respect of the sale of butter and cheese;
- (d) To establish a Dairy Industry Loans Council.

*Clause 3* reconstitutes the Dairy Products Marketing Commission. The Commission will consist of :

- (a) Three members appointed as Government representatives;
- (b) Two members of the Dairy Board;
- (c) Two members appointed from outside the Dairy Board.

The members appointed under paragraphs (b) and (c) will be nominated at the annual conference of the Dairy Board.

At present the Commission consists of :

- (a) A member appointed as Chairman;
- (b) Three members appointed from a panel of names submitted by the Dairy Board;
- (c) Three other members.

*Clause 4* provides that the Chairman of the Commission will be elected annually by the members of the Commission. At present the Chairman is appointed as such by the Governor-General. The clause also repeals and does not replace the provisions of the principal Act relating to the disqualification of members of the Commission.

*Clause 5* replaces the provisions of the principal Act relating to the terms of office of members of the Commission. The term of office will be four years instead of five, and provision is made for the retirement in rotation of the first members appointed under the proposed new constitution.

*Clause 6* makes amendments, consequential on the proposed new constitution of the Commission, relating to extraordinary vacancies.

*Clause 7* provides that the quorum for any meeting of the Commission shall be four, of whom at least one shall be a member appointed to represent the Government. At present a nominee of the Dairy Board must also be a member of any quorum. The clause also repeals the provision of the principal Act giving the Chairman a casting vote in the event of an equality of votes.

*Clause 8* requires the Commission to report to the Dairy Board in respect of matters specified in section 11 of the principal Act. At present the report is made only to the Minister.

*Clause 9* inserts a series of new sections establishing a Dairy Products Prices Authority.

The Authority will consist of:

- (a) One member to be appointed as Chairman;
- (b) One member to be appointed as representative of the Government;
- (c) The seven members of the Commission.

The principal functions of the Authority will be to fix the prices of butter and cheese acquired by the Commission and to authorise payments from any annual surplus obtained from the sale of butter and cheese.

*Clause 10* provides that the basic cost of production of butter for the first season after the commencement of the Act will be determined by agreement between the Minister and the Dairy Board. Within one month of the commencement of each subsequent season, the Authority will fix the cost of production of butter by making the necessary adjustment in accordance with cost movements which have taken place since the last cost of production was fixed. The cost of production may be increased during a season if any such increase is warranted.

*Clause 11* provides for the fixation by the Authority of prices to be paid for butter and cheese acquired by the Commission. The most important changes effected are that:

- (a) The cost of production fixed by the Authority will be taken into account;
- (b) The price fixed for the first season will be not less than ninety-five per cent of the cost of production fixed for that season;
- (c) The price fixed for subsequent seasons will be not less than ninety-five per cent of the maximum price fixed in respect of any part of the last preceding season.

*Clause 12* provides for the annual disposal of any surplus obtained from the sale of butter and cheese. The surplus will be applied firstly, unless the Dairy Board otherwise agrees, in equalising the price of butter and cheese with the cost of production. Any balance will be expended or used for the benefit of the dairy industry in such manner as the Authority thinks fit after having regard to any recommendation of the Dairy Board and to the state of the Dairy Industry Account.

*Clause 13* makes special provisions with respect to the disposal of any surpluses for the annual periods ending on 31 May 1956 and 31 May 1957. If a surplus is shown during any of those periods, the amount of the surplus will be applied, unless the Dairy Board otherwise agrees, in equalising the price of butter and cheese with the cost of production. If any balance remains, the amount of the balance, or so much of that amount as the Commission thinks fit, will be expended or used for the benefit of the dairy industry after having regard to any recommendation of the Dairy Board and to the state of

the Dairy Industry Account. The provisions are similar to those contained in *clause 12* but are expressed in a separate clause because of the fact that the Bill, other than this clause, will not come into force until 1 August 1957.

*Clause 14* re-enacts, with minor modification, the existing provisions relating to the marketing of milk powder. The only major change is that representation (other than that of the Commission) on the Milk Powder Committee will not be limited to the N.Z. Co-operative Dairy Company Limited and will be extended to permit one representative of other companies manufacturing milk powder to be appointed to that Committee. The number of members of the Committee is also fixed at seven.

*Clause 15* inserts a series of new sections establishing a Dairy Industry Loans Council.

The Council will consist of:

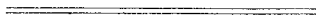
- (a) Three members of the Commission;
- (b) Three members of the Dairy Board;
- (c) The Secretary to the Treasury;
- (d) The Director-General of Agriculture.

The functions of the Council will be to approve of loans from the Dairy Industry Account—

- (a) To co-operative dairy companies; and
- (b) For any purpose which the Minister and the Dairy Board agree are necessary or desirable in the interests of any primary industry.

The limit of the total amount for the time being outstanding in respect of any such loans will be two million pounds.

*Clause 16:* The effect of this clause is that failure to comply with a direction of the Commission will no longer be an offence.



*Right Hon. Mr Holyoake*

## DAIRY PRODUCTS MARKETING COMMISSION AMENDMENT

### ANALYSIS

Title	10. Fixing cost of production of butter
1. Short Title and commencement	11. Prices to be paid for butter and cheese
2. Definitions	12. Disposal of annual surplus
3. Constitution of Commission	13. Additional payments from Dairy Industry Account
4. Chairman of Commission	14. Marketing of milk powder
5. Term of office of members of Commission	15. New sections inserted
6. Extraordinary vacancies	22A. Dairy Industry Loans Council
7. Meetings of Commission	22B. Term of office of members of Council
8. Commission to report to Dairy Board	22C. Deputies
9. New sections inserted	22D. Meetings of Council
15A. Dairy Products Prices Authority	22E. Functions of Council
15B. Term of office of members of Authority	22F. Provisions with respect to loans
15C. Extraordinary vacancies	22G. Functions of Dairy Board in connection with loans
15D. Meetings of Authority	16. Amending provisions relating to offences
15E. Functions of Authority	

### A BILL INTITULED

#### An Act to amend the Dairy Products Marketing Commission Act 1947

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

No. 70—1

## 2 Dairy Products Marketing Commission Amendment

**1. Short Title and commencement**—(1) This Act may be cited as the Dairy Products Marketing Commission Amendment Act 1956, and shall be read together with and deemed part of the Dairy Products Marketing Commission Act 1947 (hereinafter referred to as the principal Act). 5

(2) Except as provided by subsection *five* of section *thirteen* of this Act, this Act shall come into force on the first day of August, nineteen hundred and fifty seven.

**2. Definitions**—Section two of the principal Act is hereby amended by inserting, in their appropriate alphabetical order, 10 the following definitions:

“‘Authority’ means the Dairy Products Prices Authority established under this Act:

“‘Council’ means the Dairy Industry Loans Council established under this Act.” 15

**3. Constitution of Commission**—(1) Section three of the principal Act is hereby amended by repealing subsection two, and substituting the following subsections:

“(2) The Commission, the members of which shall be appointed by the Governor-General on the recommendation 20 of the Minister, shall consist of:

“(a) Three persons, who shall be appointed as representatives of the Government of New Zealand;

“(b) Two persons, being members of the Dairy Board, nominated at the annual conference of the Dairy 25 Board;

“(c) Two persons, not being members of the Dairy Board, nominated at the annual conference of the Dairy Board.

“2A. The persons appointed pursuant to paragraph (b) and 30 paragraph (c) of subsection *two* of this section shall be nominated by the delegates attending the annual conference of the Dairy Board next preceding the date of any such appointment in accordance with a resolution made in that behalf by those delegates.” 35

(2) Notwithstanding the provisions of the principal Act, the members of the Commission in office at the commencement of this Act shall continue in office until their successors are appointed in accordance with section three of the principal Act, as amended by subsection *one* of this section, and shall 40 then retire from office.

(3) Section seven of the principal Act is hereby repealed.

**4. Chairman of Commission**—The principal Act is hereby amended by repealing section four, and substituting the following section:

5 “4. The Chairman of the Commission shall be elected by the Commission from among its members at a meeting held in the month of August, nineteen hundred and fifty-seven, and thereafter in the month of August in each succeeding year.”

**5. Term of office of members of Commission**—(1) The principal Act is hereby amended by repealing section five and  
10 substituting the following section:

“5. (1) Except as otherwise provided by this Act, every member of the Commission shall be appointed for a term of four years, but may from time to time be reappointed.

15 “(2) Notwithstanding anything to the contrary in this Act, every member of the Commission, unless he sooner vacates his office, shall continue in office until his successor comes into office.

20 “(3) With respect to the first members of the Commission appointed under paragraph (a) of subsection *two* of section three of this Act, the following provisions shall apply.

25 “(a) One of those members shall retire at the expiration of two years from the date of their appointment, another of those members shall retire at the end of three years from that date, and the other member shall retire at the end of four years from that date:

30 “(b) The member so to retire at the end of two years shall be determined by agreement of the three members, and the member so to retire at the end of three years shall be determined by agreement of the two members then remaining; and failing agreement on either occasion, the member then to retire shall be determined by lot.

35 “(4) With respect to the first members of the Commission appointed under paragraph (b) of subsection *two* of section three of this Act, the following provisions shall apply:

“ (a) One of those members shall retire at the expiration of one year from the date of their appointment, and the other member shall retire at the end of three years from that date:

40 “(b) The member so to retire at the end of one year shall be determined by agreement of the two members; and failing agreement the member then to retire shall be determined by lot.

4 *Dairy Products Marketing Commission Amendment*

“(5) With respect to the first members of the Commission appointed under paragraph (c) of subsection *two* of section three of this Act, the following provisions shall apply:

“(a) One of those members shall retire at the expiration of two years from the date of their appointment, and the other member shall retire at the end of four years from that date: 5

“(b) The member to retire at the end of two years shall be determined by agreement of the two members; and failing agreement the member then to retire shall be determined by lot.” 10

(2) Section two of the Dairy Products Marketing Commission Amendment Act 1953 is hereby repealed.

**6. Extraordinary vacancies**—Section six of the principal Act is hereby amended by repealing subsections two, three, and four, and substituting the following subsections: 15

“(2) If any member of the Commission dies, or resigns, or is removed from office, or, having been nominated as a member of the Dairy Board, ceases to be a member of that Board, his office shall become vacant and the vacancy shall be deemed to be an extraordinary vacancy. 20

“(3) In the case of an extraordinary vacancy in respect of a member appointed pursuant to paragraph (a) of subsection *two* of section three of this Act, the Governor-General may appoint some qualified person to fill the vacancy. Any such appointment shall be made in the same manner as the appointment of the vacating member. 25

“(4) In the case of an extraordinary vacancy in respect of a member appointed pursuant to paragraph (b) or to paragraph (c) of subsection *two* of section three of this Act, the Governor-General may appoint some qualified person nominated pursuant to a postal ballot conducted by the Dairy Board for the purpose among the delegates attending the last preceding annual conference of the Dairy Board. 30

“(4A) In every case the person appointed to fill an extraordinary vacancy shall be appointed for the residue of the term for which the vacating member was appointed.” 35

**7. Meetings of Commission**—(1) Section eight of the principal Act is hereby amended by repealing subsection four, and substituting the following subsection: 40

“(4) At all meetings of the Commission the quorum necessary for the transaction of business shall be four members, including at least one member appointed pursuant to paragraph (a) of subsection *two* of section three of this Act.”

5 (2) Section eight of the principal Act is hereby further amended by omitting from subsection eight the words “In the case of an equality of votes the Chairman of the Commission shall also have a casting vote.”

**8. Commission to report to Dairy Board**—Subsection two of 10 section eleven of the principal Act is hereby amended by inserting, after the word “Minister”, the words “and to the Dairy Board”.

**9. New sections inserted**—(1) The principal Act is hereby 15 amended by inserting, after section fifteen, the following sections:

“15A. **Dairy Products Prices Authority**—(1) There is hereby established an Authority, to be called the Dairy Products Prices Authority.

20 “(2) The Authority, the members of which shall be appointed by the Governor-General on the recommendation of the Minister, shall consist of:

“(a) One member, who shall be appointed as Chairman;

“(b) One member, who shall be appointed as a representative of the Government of New Zealand;

25 “(c) Seven other members, who shall be the members of the Commission.

“(3) Before recommending that any person be appointed as Chairman of the Authority, the Minister shall obtain the approval of the Dairy Board to the appointment.

30 “15B. **Term of office of members of Authority**—(1) Except as otherwise provided by this Act, every member of the Authority shall be appointed for a term of four years, but may from time to time be reappointed.

35 “(2) Notwithstanding anything to the contrary in this Act, every member of the Authority, unless he sooner vacates his office, shall continue in office until his successor comes into office.

40 “15C. **Extraordinary vacancies**—(1) Any member of the Authority may at any time be removed from office by the Governor-General for disability, bankruptcy, neglect of duty, or misconduct proved to the satisfaction of the Governor-General, or may at any time resign his office by written notice given to the Minister.



6 *Dairy Products Marketing Commission Amendment*

“(2) If any member of the Authority dies, or resigns, or is removed from office, or, having been appointed as a member of the Commission, ceases to be a member of the Commission, his office shall become vacant and the vacancy shall be deemed to be an extraordinary vacancy. 5

“(3) In the case of an extraordinary vacancy the Governor-General may appoint some qualified person to fill the vacancy. Any such appointment shall be made in the same manner as the appointment of the vacating member. 10

“(4) Any person appointed to fill an extraordinary vacancy shall be appointed for the residue of the term for which the vacating member was appointed. 10

“(5) The powers of the Authority shall not be affected by any vacancy in the membership thereof. 15

“15D. **Meetings of Authority**—(1) The first meeting of the Authority shall be held on a day to be appointed in that behalf by the Minister. 15

“(2) Subsequent meetings of the Authority shall be held at such times and places as the Authority from time to time appoints. 20

“(3) The Chairman shall preside at all meetings of the Authority at which he is present.

“(4) In the absence of the Chairman from any meeting of the Authority the members present shall appoint one of their number to be the Chairman of that meeting. 25

“(5) All questions before the Authority shall be decided by a majority of the valid votes recorded thereon.

“(6) Subject to the provisions of this Act, the Authority may regulate its procedure in such manner as it thinks fit.

“15E. **Functions of Authority**—(1) The principal functions of the Authority shall be— 30

“(a) To determine, in accordance with this Act, the prices which the Commission is to pay for butter and cheese which is acquired by the Commission; and

“(b) To authorise payments under section *sixteen B* of this Act of surplus amounts received in respect of the sale of butter and cheese. 35

(2) Section eleven of the principal Act, as amended by section three of the Dairy Products Marketing Commission

*Dairy Products Marketing Commission Amendment* 7

Amendment Act 1948, is hereby further amended by omitting the words "to determine as hereinafter provided, the prices which it is to pay therefor, to control the export of dairy produce other than butter or cheese", and substituting the  
5 words "to control the export of dairy produce other than butter or cheese".

(3) Section three of the Dairy Products Marketing Commission Amendment Act 1948 is hereby repealed.

(4) Section twelve of the principal Act is hereby amended  
10 by repealing the proviso thereto.

(5) Subsection two of section fifteen of the principal Act is hereby amended by omitting the words "the next succeeding section", and substituting the words "this Act".

(6) Subsection one of section twenty-three of the principal  
15 Act is hereby amended by omitting the words "which the Commission fixes pursuant to section sixteen of", and substituting the words "fixed pursuant to".

(7) Subsection one of section thirty of the principal Act is hereby amended by inserting, after the words "of the Com-  
20 mission", the words "or of the Authority".

**10. Fixing cost of production of butter**—The principal Act is hereby amended by repealing section sixteen, and substituting the following section:

"16. (1) As soon as practicable after the commencement of  
25 this Act the basic cost of production of butter in respect of the season ending on the thirty-first day of July, nineteen hundred and fifty-eight shall, having regard to both farm and factory costs, be fixed by agreement between the Minister and the Dairy Board.

30 "(2) Within one month of the commencement of each season subsequent to the season ending on the thirty-first day of July, nineteen hundred and fifty-eight, the Authority shall fix the cost of production of butter for that subsequent season by making any necessary adjustment in accordance  
35 with any movement of costs affecting the production of butter which has taken place since the cost of production was last fixed under this section.

"(3) If, after the cost of production of butter has been fixed for any season (including the first season for which any  
40 such cost is fixed), the Authority is of opinion that costs affecting the production of butter have so increased as to

warrant an increase in the amount fixed as the cost of production for that season, the Authority may fix a new cost of production.”

**11. Prices to be paid for butter and cheese**—The principal Act is hereby amended by inserting after section sixteen, as substituted by section *ten* of this Act, the following section: 5

“16A. (1) The prices to be paid by the Commission in respect of butter and cheese which becomes the property of the Commission shall be fixed by the Authority in respect of each season as soon as may be after the cost of production of butter has been fixed under section *sixteen* of this Act in respect of that season. 10

“(2) Different prices may be fixed in respect of different kinds of butter or cheese, or in respect of different grades or qualities of the same kind of butter or cheese, or different prices may be fixed in respect of the same kind or grade or quality of butter or cheese by reason of the kind or quality of the packages in which the butter or cheese is contained or by reason of any other special conditions or circumstances that, in the opinion of the Authority, warrant the fixing of different prices. 15 20

“(3) If, after prices have been fixed in respect of any season for butter, the cost of production of butter has been increased in respect of that season, the Authority may fix new prices by way of increase. Any increase of the prices to be paid by the Commission may be made to operate retrospectively from such date as the Authority fixes as the date from which the cost of production has increased as aforesaid. 25

“(4) In fixing prices for butter under this section regard shall be had to the following matters: 30

- “(a) The necessity in the public interest of maintaining the stability and efficiency of the dairy industry;
- “(b) The cost of production for the time being fixed under section *sixteen* of this Act;
- “(c) The amount which butter and cheese acquired by the Commission is realising; 35
- “(d) The ruling level of prices for farm products other than dairy produce;
- “(e) The estimated cost to the Commission of marketing the butter or cheese concerned, and also the cost of the general administration of this Act: 40

“(f) Any recommendation made by the Dairy Board:

“(g) Any other matters deemed to be relevant.

5 “(5) Any price for butter fixed under this section shall, in respect of the first season for which prices are so fixed, not be less than ninety-five per cent of the basic cost of production fixed under subsection *one* of section *sixteen* of this Act, and, in respect of any subsequent season, shall not be less than ninety-five per cent of the maximum amount fixed under this section in respect of any period during the last preceding  
10 season.

“(6) The price for cheese fixed under this section shall be such amount as the Authority determines having regard to—

15 “(a) The cost of production of cheese as compared with the cost of production for the time being fixed for butter; and

“(b) The desirability of ensuring that dairy produce will be produced in such quantity and in such proportions as will be of the greatest benefit to the dairy industry.

20 “(7) If, after the prices have been fixed in respect of any season, the Authority is of opinion that the price in respect of cheese purchased by the Commission should be increased, the Authority may fix a new price by way of increase. Any such increase may be made to operate retrospectively from  
25 such date as the Authority thinks fit.

“(8) Notification of the prices fixed under this section and of any increase thereof shall be published in the *Gazette*.

30 “(9) Notwithstanding anything to the contrary in the foregoing provisions of this Act, if the Dairy Industry Account discloses a debit or if it appears to the Authority that the Dairy Industry Account is likely to disclose a debit at any time within the next succeeding twelve months, the Authority, before it fixes any prices under this section, shall consult with the Minister thereon.”

35 **12. Disposal of annual surplus**—(1) The principal Act is hereby amended by inserting, after section *sixteen A*, as inserted by section *eleven* of this Act, the following section:

40 “16B. (1) Subject to the provisions of this section, if at the end of any trading period it appears to the Commission that the amount obtained for butter and cheese sold during that period has exceeded the amount paid by the Commission in acquiring that butter and cheese, the amount of the excess shall, unless the Dairy Board otherwise agrees, be applied:

10 *Dairy Products Marketing Commission Amendment*

“(a) In equalising the price paid for butter acquired by the Commission during the season in which the trading period ends with the maximum cost of production fixed in respect of any such butter; and

“(b) In paying for cheese acquired by the Commission during that season an equivalent amount per pound of butterfat for cheese to the amount per pound of butterfat for butter represented by any payment made in respect of that season under paragraph (a) of this subsection: 5 10

“Provided that no payment for butter shall be made under paragraph (a) of this subsection unless a corresponding equivalent payment per pound of butterfat for cheese is made under paragraph (b) of this subsection.

“(2) If the amount of the excess referred to in subsection one of this section has not been expended under that subsection, the balance remaining, or so much of that balance as the Authority thinks fit, shall be expended, or used for the benefit of the dairy industry, in such manner as the Authority, after consultation with the Dairy Board, thinks fit, having regard to— 15 20

“(a) Any recommendation made by the Dairy Board; and

“(b) The amount, if any, standing to the credit of the Dairy Industry Account.

“(3) All payments authorised under this section shall be paid by the Commission out of the Dairy Industry Account. 25

“(4) For the purposes of this section the expression ‘trading period’ means a period of twelve months ending on the thirty-first day of May in any year.”

**13. Additional payments from Dairy Industry Account— 30**

(1) If in respect of any period of twelve months ending on the thirty-first day of May, nineteen hundred and fifty-six, or on the thirty-first day of May, nineteen hundred and fifty-seven, the Commission is satisfied that the amount obtained for butter and cheese sold during the period concerned has exceeded the amount paid by the Commission in acquiring that butter and cheese, the amount of the excess shall, unless the Dairy Board otherwise agrees, be applied: 35

(a) In equalising the price paid for butter acquired during the season in which the period concerned ends with the production costs referred to in subsection three of this section in respect of any such butter; and 40

(b) In paying for cheese acquired by the Commission during that season an equivalent amount per pound of butterfat for cheese to the amount per pound of butterfat for butter represented by any payment made in respect of that season under paragraph (a) of this subsection:

5  
10 Provided that no payment for butter shall be made under paragraph (a) of this subsection unless a corresponding equivalent payment per pound of butterfat for cheese is made under paragraph (b) of this subsection.

(2) If the amount of the excess referred to in subsection *one* of this section has not been expended under that subsection, the balance remaining, or so much of the balance as the Commission thinks fit, shall be expended, or used for the benefit of the dairy industry, in such manner as the Commission, after consultation with the Dairy Board, thinks fit, having regard to—

(a) Any recommendation made by the Dairy Board; and  
(b) The amount standing to the credit of the Dairy Industry Account.

(3) For the purposes of paragraph (a) of subsection *one* of this section the farm production cost of butterfat for butter for the season ending on the thirty-first day of July, nineteen hundred and fifty-six, shall be deemed to be 37·425 pence per pound, and for the season ending on the thirty-first day of July, nineteen hundred and fifty-seven, shall be deemed to be thirty-eight pence per pound. The factory cost of production of butter shall be such amount as may be determined by the Commission in respect of each season to which this subsection relates.

(4) All payments authorised under this section shall be paid from the Dairy Industry Account and shall be in addition to any payments authorised to be paid from that account under the principal Act.

(5) This section shall be deemed to have come into force on the first day of May, nineteen hundred and fifty-six.

**14. Marketing of milk powder—**(1) The principal Act is hereby amended by repealing section eighteen B, as inserted by section four of the Dairy Products Marketing Commission Amendment Act 1953, and substituting the following section:

“18B. (1) Without limiting the powers conferred on the Commission by this Act or otherwise howsoever, the Com-

12 *Dairy Products Marketing Commission Amendment*

mission shall have authority to make arrangements with the New Zealand Co-operative Dairy Company Limited (in this section referred to as the New Zealand Company) and with all other companies registered under the Co-operative Dairy Companies Act 1949 and engaged in the manufacture of milk powder (in this section referred to as the Companies) for the co-ordination of the marketing of all milk powder manufactured in New Zealand and intended for export; and for this purpose the Commission may—

“(a) Join with the New Zealand Company and the Companies in setting up a committee to be known as the Milk Powder Committee consisting of three members of the Commission (one of whom shall be Chairman), three nominees of the New Zealand Company, and one nominee of the Companies: 15

“(b) Agree to exercise in relation to milk powder manufactured in New Zealand and intended for export all or any of the powers of the Commission under section fourteen of this Act in accordance with the recommendations of the Milk Powder Committee from time to time made to the Commission. 20

“(2) Any arrangements made under subsection *one* of this section may enure for such period not exceeding six years as may be agreed upon between the Commission, the New Zealand Company, and the Companies, and may be renewed from time to time for such further periods not exceeding ten years at any one time as may be agreed upon between the Commission, the New Zealand Company, and the Companies, and may provide that all questions arising at any meeting of the Milk Powder Committee shall be decided by a three-fourths majority of the votes of the members of that Committee and shall otherwise be upon such terms and conditions as may be agreed upon between the Commission, the New Zealand Company, and the Companies.” 25 30

“(3) Subject to the provisions of this section, the parties authorised under this section to set up the Milk Powder Committee may from time to time make such arrangements as they think fit as to the term of office of members of the Committee, the appointment of deputies of members, the meetings of the Committee, and the regulation of the procedure of the Committee. 35 40

(2) Section four of the Dairy Products Marketing Commission Amendment Act 1953 is hereby repealed.

15. **New sections inserted**—The principal Act is hereby amended by inserting, after section twenty-two, the following new sections:

5 “22A. **Dairy Industry Loans Council**—(1) There is hereby established a Council, to be called the Dairy Industry Loans Council.

“ (2) The Council shall consist of—

10 “ (a) Three members of the Commission nominated by the Commission, who shall be appointed by the Minister;

“ (b) Three members of the Dairy Board nominated by that Board, who shall be appointed by the Minister;

“ (c) The Secretary to the Treasury;

15 “ (d) The Director-General of Agriculture.

“22B. **Term of office of members of Council**—(1) Every appointed member of the Council shall hold office during the pleasure of the Minister.

20 “ (2) Any appointed member of the Council may at any time be removed from office by the Minister for disability, bankruptcy, neglect of duty, or misconduct proved to the satisfaction of the Minister, or may at any time resign his office by writing addressed to the Minister.

25 “ (3) If any appointed member of the Council dies, or resigns, or is removed from office, or, having been nominated by the Commission, ceases to be a member of the Commission or, having been nominated by the Dairy Board, ceases to be a member of that Board, his office shall become vacant and the vacancy shall be deemed to be an extraordinary vacancy.

30 “ (4) In the case of an extraordinary vacancy, the Minister may appoint some qualified person to fill the vacancy. Any such appointment shall be made in the same manner as the appointment of the vacating member.

“ (5) The powers of the Council shall not be affected by any vacancy in the membership thereof.

35 “22c. **Deputies**—(1) In the absence from any meeting of the Council of the Secretary to the Treasury or the Director-General of Agriculture, any officer of his Department authorised by him in that behalf may attend the meeting in his stead, and while so attending, shall be deemed to be a  
40 member of the Council.



14 *Dairy Products Marketing Commission Amendment*

“(2) In the absence from any meeting of the Council of any member appointed on the nomination of the Commission, any other member of the Commission authorised by the Commission in that behalf may attend the meeting in his stead, and while so attending shall be deemed to be a member of the Council. 5

“(3) In the absence from any meeting of the Council of any member appointed on the nomination of the Dairy Board, any other member of the Dairy Board authorised by the Board in that behalf may attend the meeting in his stead, and while so attending shall be deemed to be a member of the Council. 10

“(4) No such appointment of a deputy, and no acts done by a deputy as such, and no acts done by the Council while any deputy is acting as such, shall in any proceedings be questioned on the ground that the occasion for his appointment had not arisen or had ceased. 15

“22D. **Meetings of Council**—(1) The first meeting of the Council shall be held on a day appointed in that behalf by the Minister.

“(2) Subsequent meetings of the Council shall be held at such times and places as the Council from time to time appoints. 20

“(3) At all meetings of the Council five members shall form a quorum.

“(4) All questions before the Council shall be decided by a majority of the valid votes recorded thereon. 25

“(5) Subject to the provisions of this Act, the Council may regulate its procedure in such manner as it thinks fit.

“22E. **Functions of Council**—The functions of the Council shall be— 30

“(a) To approve of loans from the Dairy Industry Account, on such terms and conditions as the Council thinks fit, to any company registered under the Co-operative Dairy Companies Act 1949 or to any association of any such companies for any purpose approved from time to time in that behalf by the Minister and the Dairy Board: 35

“(b) To approve of loans from the Dairy Industry Account, on such terms and conditions as the Council thinks fit, for any purpose which the Minister and the Dairy Board agree are necessary or desirable in the interests of any primary industry. 40

“22F. **Provisions with respect to loans**—(1) There shall be paid by the Commission out of the Dairy Industry Account all money required for loans approved by the Council pursuant to this Act:

5 “Provided that no payment shall be made from the Dairy Industry Account under this section if the payment would result in the total amount for the time being owing to the Commission in respect of all such loans exceeding two million pounds.

10 (2) The power to make loans approved by the Council is in addition to the power of investment conferred by subsection seven of section nineteen of this Act and any such loan shall be administered by the Commission in accordance with the terms and conditions approved in that behalf by the Council.

15 “22G. **Functions of Dairy Board in connection with loans**—(1) All applications for loans under section *twenty-two* E of this Act shall be forwarded to the Dairy Board and referred by that Board to the Council.

20 “(2) The Dairy Board shall have the functions of assisting the Council so far as any such assistance may be required by the Council in the exercise of its functions under this Act.”

**16. Amending provisions relating to offences**—Paragraph (a) of subsection one of section thirty-five of the principal Act is hereby amended by omitting the words “or with any  
25 direction given by the Commission under this Act”.