

license, together with the undertaking of the licensee thereunder, and together with all real and personal property, and all rights acquired by the licensee under this license and used or enjoyed in connection therewith. The price shall be determined in the manner following, that is to say:—

- (a) If the said right of purchase is exercised by His Majesty at any time during the first eight years of the period of the license, the price shall be the net cost of the works plus a bonus of 5 per cent. thereof: Provided that if the operation of the works hereby authorized during the period between the date of commencement of operations and the date of such purchase has resulted in a deficiency of revenue as against net operating-expenses (exclusive of depreciation) plus $3\frac{1}{2}$ per cent. interest on the cost of such works such deficiency shall be added to the purchase price.
- (b) If the said right is exercised after the expiration of the said period of eight years, the price shall be the net cost of the works plus a bonus of 5 per cent. thereof as above, and less depreciation from the commencement of the ninth year of the license.
- (c) If any additional works are installed during the first twenty-two years of the license period, depreciation in respect of such works shall be allowed from the date on which such additions are first operated, or from the expiry of eight years after the date of issue of the license, whichever is the later, and shall be similarly calculated, but at such a rate as to reach nil value at the expiration of the license.
- (d) If any additional works are installed later than twenty-two years after the issue of the license, depreciation in respect of such works shall be similarly calculated, but on the basis of a life of sixteen years.
- (e) The net cost of the works shall be ascertained by deducting from the total cost of the works any sum or sums paid by way of subsidy towards the works by the Unemployment Board or any other Government or public body; and the amount to be deducted annually for depreciation shall be $3\frac{1}{2}$ per cent. of the sum of the total cost of the works and the bonus of 5 per cent. In the event of failure to agree as to the net cost for the purposes of this clause, such matters shall be referred to arbitration in the manner prescribed by the Arbitration Act, 1908, or any statutory modification or re-enactment thereof for the time being in force.
- (f) All expenses and receipts shall be fairly and properly apportioned between capital and operating accounts. No materials and supplies shall be charged to capital account at any price in excess of the current market rates at the time of purchase. The licensee shall at the time of commencement of supply submit to the Minister a statement showing in detail the cost of construction of the works and any receipts from disposal of capital assets, and in each subsequent year shall submit a similar statement in respect of any additions to or reductions from capital during the preceding year.
- (3) *On Default.*—In the event of the licensee discontinuing the supply of electrical energy in accordance with the requirements of this license, or in the event of this license being revoked or cancelled for breach of the provisions thereof, the works and undertaking authorized by this license or any amendment thereof shall vest in the Crown, without payment of any purchase-money, compensation, or other allowance, and free of encumbrances, and the Crown shall forthwith become entitled to enter into possession and control thereof.
- In such case the Crown may, if it so elects, operate such works at the sole expense of the licensee for such period not exceeding three months as may be necessary to make permanent arrangements for the conducting of the business of supplying electrical energy, but notice of intention to do so shall be posted to the licensee not later than two weeks after the Crown assumes control, and in such case the Crown shall account to the licensee for any profits on operations during the period in which the licensee is so held responsible.
- Any mortgage charge or lien given by the licensee over the works or the undertaking shall be made expressly subject to this provision apart from or in addition to any other terms or conditions imposed by

the Governor-General in Council or the Minister under Regulation 6, clause 21, of the Water-power Regulations, 1934.

13. ARBITRATION.

The Governor-General in Council shall be the sole judge as to whether the licensee has committed a breach of this license, but if at any time any dispute, difference, or question shall arise between the licensee and His Majesty or the licensee and either Electric-power Board touching any other aspect of the construction, meaning, or effect of this license, or any clause or thing herein contained or implied, or the rights or liabilities of the parties respectively, or otherwise howsoever in relation to the premises, then every such dispute, difference, or question shall be referred to arbitration in the manner prescribed by the Arbitration Act, 1908, or any statutory modification or re-enactment thereof for the time being in force.

14. VESTING.

The licensee undertakes for itself, its successors, and assigns that it or they will if and when required execute all such transfers, conveyances, assignments, and other instruments as may in the opinion of the Minister be necessary to give effect to the provisions of this license.

A. W. MULLIGAN,
Acting Clerk of the Executive Council.
(P.W. 26/910.)

Regulation under the Agriculture (Emergency Powers) Act, 1934.—(Notice No. Ag. 3308.)

GALWAY, Governor-General.
ORDER IN COUNCIL.

At the Government Buildings at Wellington, this 12th day of July, 1935.

Present:

THE HON. SIR ALFRED RANSOM PRESIDING IN COUNCIL.

PURSUANT to the Agriculture (Emergency Powers) Act, 1934, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, doth hereby make the following regulation.

REGULATION.

NOTWITHSTANDING anything to the contrary in the Companies Act, 1933, or in any other Act, or in the memorandum or articles of any company having for its object or one of its objects the manufacture of butter, cheese, dried-milk, casein, or any other product derived from milk or cream, it shall be lawful for any such company, without complying with the provisions of any Act relating to the alteration of the memorandum or articles of companies, to do all or any of the following things, that is to say:—

(a) To borrow money out of funds provided under section 26 of the Agriculture (Emergency Powers) Act, 1934, upon such terms as to repayment and interest and otherwise as the company thinks fit, including a term that the lender shall not be responsible for the application of the money so borrowed, such money to be used for the purpose hereinafter mentioned.

(b) To secure repayment of any money so borrowed and interest thereon in such manner as the company thinks fit, and in particular by the giving of debentures, mortgages, or other charges over all or any of the company's property whether present or future including uncalled capital.

(c) To lend to any supplier of milk or cream to the company any moneys borrowed by the company under the power hereinbefore conferred or any other moneys of the company for the purpose of enabling such supplier to obtain improved conditions in and about any premises occupied by him being a dairy within the meaning of the Dairy Industry Act, 1908, such loan to be on such terms as to repayment and interest and otherwise as the company thinks fit.

(d) To take for any loan so made by the company such security as the company thinks fit, whether real or personal, and whether from the supplier or any other person, and from time to time to release, vary, or replace any such security and to exercise all powers conferred by any security upon the company as lender:

Provided that the powers hereby conferred shall be exercisable by the directors of the company.

A. W. MULLIGAN,
Acting Clerk of the Executive Council.