

1931.

Kenya.

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No. 17312.

SUBJECT

C0533/416

Native needs for, and rights to,  
land outside the Reserves.

Commission of Enquiry

Previous

16333/30.

Subsequent

18117/32.

# PUBLIC RECORD OFFICE

C0533/416

ORDER NO.           ⇨ FN/E474  
CAMERA NO.         ⇨ 19  
OPERATOR.           ⇨ EM  
REDUCTION.         ⇨ 12  
EMULSION NO.      ⇨ 321061  
DATE.               ⇨ 3/5/72

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END

TOTAL EXPOSURES →

26. That regulation 17 be amended by inserting a full stop after the word "member" in the eighth line of the paragraph and deleting all the words after such word "member."

27. That the schedule be amended by inserting the following immediately after regulation 18:—

(Or alternative clause for clauses 17 and 18):

"The liability of each member of the society shall be limited to the nominal value of the shares which he holds in the society."

28. That the alternative clause to regulation 29 be amended by substituting the word "services" for the word "services."

29. That regulation 31 be amended by substituting the word "shall" for the word "shal."

30. That regulation 33 be amended by substituting the word "directors" for the word "directors."

31. That regulation 35 be amended by substituting the word "meetings" for the word "meetings."

32. That regulation 36 be amended by deleting the words "central or federal co-operative company" in paragraph (c), and by substituting the word "institution" for the word "institutions" in the same paragraph, and by deleting the words and brackets "(other than an advance)" in paragraph (d).

33. That regulation 37 be amended by inserting a semi-colon after the word "leave" in paragraph (c) and deleting all the words in brackets immediately after such word "leave."

34. That regulation 38 be amended by deleting the words and figures "£100 (one hundred pounds)" and substituting therefor

35. That regulation 39 be deleted, and that regulations 40 to 60 inclusive be renumbered 39 to 79.

36. That regulation 40 be amended by adding the word "and" at the end of paragraph (b), by inserting a full stop after the word "auditor" in paragraph (c), and by deleting everything from such word to the end of the clause.

37. That regulation 42 be amended by deleting the words "one-tenth, but in no case less than," and by substituting the word "requisitionists" for the word "requisitionists."

38. That regulation 45 be amended by deleting the words "One-tenth of the" and the word "five" and in each case leaving a blank.

39. That regulation 46 be amended by deleting the word "five" and leaving a blank in place thereof, and by substituting the figures "44" for the figures "45."

40. That regulation 53 be amended by inserting the word "and" after the word "appointed," by deleting the words "and their remuneration fixed," and by substituting the figures "20" for the figures "28."

41. That regulation 56 be amended by substituting the word "also" for the word "also," and by substituting the figures "61" for the figures "62."

42. That regulation 57 be amended by substituting the words "from time to time as prescribed by the Board of Directors furnish them" for the words "immediately after reaping, furnish the Board of Directors"; and by adding after the word "harvest" in paragraph (b) the words "or other production."

43. That regulations 58 and 59, together with the alternative clause to the latter, be deleted, and the following substituted therefor:—

57. The Board shall, as soon as possible after being furnished with the particulars mentioned in regulation 58, inform the member where and within what time he will be required to deliver his produce.

58. Any member who fails to comply with either of the two last preceding regulations shall be liable to a fine of ten pounds.

44. That regulation 60 be amended by deleting the last sentence thereof.

45. That regulation 61 be amended by substituting the word "to" for the words "in the storehouse of."

46. That regulation 62 be amended by substituting a comma for the colon after the word "crop" and the word "provided" for the word "Provided" immediately thereafter.

47. That the line immediately after regulation 66 be amended by substituting the figures 62, 63, 64, and 65 for the figures 63, 64, 65 and 66 respectively.

48. That the alternative clause to regulation 66 which begins "In the event" be amended by inserting after the word "loss" in the second line of the clause the words "on transactions in any class of produce" after the word "members" the words "supplying such class of produce"; and after the word "turnover" the words "of such produce."

49. That regulation 70 be amended by deleting the words "be added to the reserve fund, at the end of such year," and substituting therefor the words "and for a payment to reserve fund be applied to the payment of a dividend. No dividend in any year shall exceed \_\_\_\_\_ per cent."

50. That regulation 80 be amended by deleting the word "fifteen" and leaving a blank in place thereof.

Colonel Kirkwood was unable to attend any of the meetings of the Committee and has therefore not signed this Report.

We have the honour to  
Your Excellency's most obedient servants  
A. D. MAURELLO  
A. S. WADE  
E. WOLFF  
C. G. DURHAM  
W. E. TUCKER  
W. C. MITCHELL  
F. O. B. WILSON

Nairobi,  
28th July 1931.

5. That clause 9 be renumbered 10, and be amended by numbering the clause as sub-clause (1), and by adding the following as sub-clause (2) :-

"(2) The word "co-operative" shall form part of the name of every registered society."

6. That clauses 10 and 11 be renumbered 11 and 12.

7. That after clause 11 there be inserted the heading:-

"Rights and Liabilities of Members."

and the following five clauses, as clauses 13, 14, 15, 16 and 17 :-

13. No member shall hold more than one-fifth of the share capital of a registered society.

14. No member of a registered society shall exercise any of the rights of a member unless and until he has made such payment to the society in respect of membership or has acquired such interest in the society as may be prescribed by the regulations of the society.

15. No person shall be a member of more than one registered society with unlimited liability except with the sanction of the Registrar first had and obtained.

16. Each member of a registered society shall have one vote only as a member in the affairs of the society.

17. The provisions of sections 13, 14 and 16 of this Ordinance shall not apply to members of a registered society which is a company limited by shares or by guarantee."

8. That clause 12 be renumbered as clause 18.

9. That clause 13 be renumbered 19, and be amended by deleting the words "governing such society and" and substituting therefor the words "made thereunder," and by adding after the words "regulations" the words "together with all amendments thereof, and of its audited accounts for the preceding year."

10. That clause 14 be renumbered 20 and be amended in sub-clause (2) by deleting the word "and" at the beginning of the third line of the sub-clause, by inserting after the word "papers" in the same line the words "or securities," and by inserting after the word "officer" in the same line the words "servant or member."

11. That clause 14 be further amended by adding the following additional sub-clause as sub-clause (3) :-

(3) Every registered society shall as soon as may be after the completion of each audit forward to the Registrar a copy of the accounts so audited. Such copy shall be in the English language, and shall be open at the office of the Registrar, to inspection by any person on payment of the prescribed fee."

12. That clauses 15 to 20 inclusive be renumbered 21 to 26.

13. That clause 17 be amended by adding at the end thereof the following :-

It shall be an obligation on every person applying for membership of a registered society to disclose to the society particulars of all such contracts."

14. That clause 19 be amended by substituting the word "be" for the word "by" in the last line of paragraph (a) thereof.

15. That clause 20 be amended by substituting the word "connexion" for the word "connection" in the last line but one of the clause.

Limitation of share holding.

Member not to exercise rights until due payment made.

Restriction on membership of societies.

Votes of members.

Saving for limited liability of companies.

16. That clauses 21 and 23 be deleted and the following substituted therefor :-

"27. (1) The financial liability of a past member to the registered society of which he was a member shall continue for a period of two years from the date of his ceasing to be a member, provided that if the first accounts of the society after his ceasing to be a member disclose a credit balance in favour of the society the financial liability of such past member shall forthwith cease.

Liability of past member.

(2) The regulations of every registered society shall contain a provision as to the time at which, and the notice after which, a member may resign from the society.

28. The financial liability of the estate of a deceased member to the registered society of which he was a member shall continue for a period of one year from the time of his decease, provided that if the first accounts of the society after his decease disclose a credit balance in favour of the society such liability shall forthwith cease."

Liability of estate of deceased member.

17. That clauses 23 to 34 inclusive be renumbered 29 to 40.

18. That clause 26 be amended by substituting the figures "33" for the figures "27" in paragraph (a) thereof; by substituting the figures "34" for the figures "28" in paragraph (b) thereof; by inserting a full stop after the figures "28" in paragraph (b) thereof, and by beginning a new line with the words "and shall"; and by substituting the figures "35" for the figures "29" at the end of the clause.

19. That clause 30 be amended by substituting the figures "34" and "35" for the figures "28" and "29" respectively.

20. That clause 32 be amended by inserting the words "in Council" after the word "Governor" at the end of sub-clause (1).

21. That clause 38 be amended by deleting the words "or any regulation of the society of which he is a member."

22. That clause 34 (wrongly renumbered 36) be amended by substituting the word "regulations" for the word "by-laws" in paragraph (b) thereof, and by adding the following as paragraphs (c), (d) and (e) :-

- (c) prescribing the form of the audit of the accounts of a registered society and the books to be kept by a registered society;
- (d) prescribing the fees to be paid for inspection of the audited accounts of a registered society and for copies of extracts from such accounts;
- (e) generally for the better carrying out of the provisions of this Ordinance."

23. That regulation 5 be amended by inserting as (b) the following :-

"(b) the share capital of the society"; and by renumbering (b) as (c).

24. That regulation 12 be amended by deleting the colon after the word "purpose" and substituting a comma therefor, by deleting all the words from "Provided" to "viz." and substituting therefor the word "or"; and by deleting all the words in paragraph (b) after the word "declared" and substituting therefor the word "bankrupt."

25. That regulation 14 be amended by substituting the word "benefit" for the word "benefit."

5. That clause 9 be renumbered 10, and be amended by numbering the clause as sub-clause (1), and by adding the following as sub-clause (3) :-

"(3) The word " co-operative " shall form part of the name of every registered society."

6. That clauses 10 and 11 be renumbered 11 and 12.

7. That after clause 11 there be inserted the heading--

" Rights and Liabilities of Members "

and the following five clauses, as clauses 13, 14, 15, 16 and 17 :-

13. No member shall hold more than one-fifth of the share capital of a registered society.

14. No member of a registered society shall exercise any of the rights of a member unless and until he has made such payment to the society in respect of membership or has acquired such interest in the society as may be prescribed by the regulations of the society.

15. No person shall be a member of more than one registered society with unlimited liability except with the sanction of the Registrar first had and obtained.

16. Each member of a registered society shall have one vote only as a member in the affairs of the society.

17. The provisions of sections 13, 14 and 16 of this Ordinance shall not apply to members of a registered society which is a company limited by shares or by guarantee."

8. That clause 12 be renumbered as clause 18.

9. That clause 13 be renumbered 19, and be amended by deleting the words " governing such society and " and substituting therefor the words " made thereunder," and by adding after the words " regulations " the words " together with all amendments thereof, and of its audited accounts for the preceding year."

10. That clause 14 be renumbered 20 and be amended in sub-clause (2) by deleting the word " and " at the beginning of the third line of the sub-clause, by inserting after the word " papers " in the same line the words " or securities," and by inserting after the word " officer " in the same line the words " servant or member."

11. That clause 14 be further amended by adding the following additional sub-clause as sub-clause (3) :-

"(3) Every registered society shall as soon as may be after the completion of each audit forward to the Registrar a copy of the accounts so audited. Such copy shall be in the English language, and shall be open at the office of the Registrar, for inspection by any person on payment of the prescribed fee."

That clauses 15 to 20 inclusive be renumbered 21 to 26.

12. That clause 17 be amended by adding at the end thereof the following :-

" It shall be an obligation on every person applying for membership of a registered society to disclose to the society particulars of all such contracts."

13. That clause 19 be amended by substituting the word " he " for the word " by " in the last line of paragraph (a) thereof.

14. That clause 20 be amended by substituting the word " connexion " for the word " connexion " in the last line, but one of the clause,

Limitation of share holding.

Member not to exercise rights until due payment made.

Restriction on membership of societies.

Votes of members.

Saving for limited liability of companies.

16. That clauses 21 and 22 be deleted and the following substituted therefor :-

" 27. (1) The financial liability of a past member to the registered society of which he was a member shall continue for a period of two years from the date of his ceasing to be a member, provided that if the first accounts of the society after his ceasing to be a member disclose a credit balance in favour of the society the financial liability of such past member shall forthwith cease. Liability of past member.

(2) The regulations of every registered society shall contain a provision as to the time at which, and the notice after which, a member may resign from the society.

28. The financial liability of the estate of a deceased member to the registered society of which he was a member shall continue for a period of one year from the time of his decease, provided that if the first accounts of the society after his decease disclose a credit balance in favour of the society such liability shall forthwith cease. Liability of estate of deceased member.

17. That clauses 23 to 34 inclusive be renumbered 29 to 40.

18. That clause 20 be amended by substituting the figures " 33 " for the figures " 27 " in paragraph (a) thereof; by substituting the figures " 34 " for the figures " 28 " in paragraph (b) thereof; by inserting a full stop after the figures " 28 " in paragraph (b) thereof, and by beginning a new line with the words " and shall " ; and by substituting the figures " 35 " for the figures " 29 " at the end of the clause.

19. That clause 30 be amended by substituting the figures " 34 " and " 35 " for the figures " 28 " and " 29 " respectively.

20. That clause 32 be amended by inserting the words " in Council " after the word " Governor " at the end of sub-clause (1).

21. That clause 33 be amended by deleting the words " or any regulation of the society of which he is a member "

22. That clause 34 (wrongly renumbered 36) be amended by substituting the word " regulations " for the word " by laws " in paragraph (b) thereof, and by adding the following as paragraphs (c), (d) and (e) :-

(c) prescribing the form of the audit of the accounts of a registered society and the books to be kept by a registered society;

(d) prescribing the fees to be paid for inspection of the audited accounts of a registered society and for copies of extracts from such accounts;

(e) generally for the better carrying out of the provisions of this Ordinance."

23. That regulation 5 be amended by inserting as (b) the following :-

" (b) the share capital of the society " ; and by renumbering (b) as (c).

24. That regulation 12 be amended by deleting the colon after the word " purpose " and substituting a comma therefor, by deleting all the words from " Provided " to " viz. " and substituting therefor the word " or " ; and by deleting all the words in paragraph (b) after the word " declared " and substituting therefor the word " bankrupt " ;

25. That regulation 14 be amended by substituting the word " benefit " for the word " benefit " ;

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## Report of a Select Committee of the Legislative Council appointed to Consider and Report on the Provisions of a Bill to Provide for the Registration of Co-operative Societies and for Matters Incidental Thereto.

YOUR EXCELLENCE

We have the honour to report that we met on Wednesday the 15th July and on Monday the 20th July and considered the provisions of the Co-operative Societies (Registration) Bill, and recommend that the Bill be amended in the following respects:—

1. That the definition of "co-operative society" in clause 2 be amended by inserting the words "or in" after the word "storage" in the eighth line of the clause, and by inserting the words "or live stock, or in" after the word "supplies" in the ninth line of the clause.

2. That clauses 4 and 5 be deleted and the following substituted therefor:—

" 4. (1) Any seven or more persons above the age of twenty-one years may apply in manner hereinafter provided to be registered as a co-operative society under this Ordinance.

Qualification  
for registration  
and method of  
application.

(2) All applications for registration under this Ordinance shall be made to the Registrar in the prescribed form, and shall be accompanied by two copies of the proposed regulations of the society.

(3) The application and each copy of the proposed regulations of the society shall be signed by not less than seven of the persons on whose behalf the application is made.

5. (1) Any company incorporated or registered as such under any law, which consists of seven or more persons, may apply in manner prescribed to be registered as a co-operative society under this Ordinance.

Application  
for registration  
by company.

(2) Where the applicant is a company the application and the copies of the proposed regulations of the society shall be signed by an officer of the company duly authorized in that behalf by resolution of the company and together with such application and such copies of the proposed regulations of the society there shall be lodged with the Registrar a copy of the memorandum and articles of association of the company, and a copy of a special resolution, under the seal of the company resolving to apply for registration under this Ordinance."

3. That clause 8 be deleted and the following substituted therefor:—

" 8. (1) No amendment of the regulations of a registered society shall be valid unless the same has been registered under this Ordinance, for which purpose two copies of the amendment shall be forwarded to the Registrar.

Amendment of  
regulations.

(2) If the Registrar is satisfied that the amendment of the regulations is not contrary to this Ordinance, he may, if he thinks fit, register the amendment.

(3) When the Registrar registers an amendment of the regulations of a registered society, he shall issue to the society a copy of the amendment certified and signed by him, which shall be conclusive evidence that the amendment is duly registered."

4. That the following clause be inserted as clause 9:—

" 9. From every refusal of the Registrar to register a society or its regulations or any amendment of its regulations an appeal shall lie to the Governor in Council, whose decision shall be final."

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COLONY AND PROTECTORATE OF KENYA

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REPORT OF A SELECT COMMITTEE  
OF THE LEGISLATIVE COUNCIL AP-  
POINTED TO CONSIDER AND REPORT  
ON THE PROVISIONS OF A BILL TO  
PROVIDE FOR THE REGISTRATION  
OF CO-OPERATIVE SOCIETIES AND  
FOR MATTERS INCIDENTAL  
THERE TO

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NAIROBI  
PRINTED BY THE GOVERNMENT PRINTER  
1931





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1961

**BILLS.****FIRST READING.****THE ARMS TRAFFIC BILL.**

On motion of the hon. the Attorney General the Arms Traffic Bill was read a first time.

Notice was given to move the second reading at a later stage of the Session.

**SECOND READINGS.****THE BIRTHS AND DEATHS REGISTRATION (AMENDMENT) BILL.**

**THE HON. THE ATTORNEY GENERAL:** Your Excellency, I beg to move that a Bill to Amend the Births and Deaths Registration Ordinance, 1928, be read a second time.

The provisions of this Bill, Sir, may at first sight appear a little abstruse. It is legislation by reference, which sometimes unfortunately cannot be avoided. There are certain routine duties under the Ordinance, the duty, for instance, of signing a certified extract from the Register of Births or Marriages—which at present devolve on the Registrar General. The office of the Registrar of Births, Deaths and Marriages is down in the town; the office of the Registrar General is on the Hill—and so we have the irksome and quite unnecessary statutory provision that having gone to the office in town to get your certified copy of an extract you have to proceed up the Hill in order to get it signed. The object of this legislation is to do away with that necessity and to delegate those powers, which of course will still be held by the Registrar General equally with the Registrar, to delegate those powers to the Registrar who in fact prepares the certified extract.

**THE HON. T. D. H. BRUCE:** Your Excellency, I beg to second.

The question was put and carried.

**THE LEGITIMACY (AMENDMENT) BILL.**

**THE HON. THE ATTORNEY GENERAL:** Your Excellency, I beg to move that a Bill to Amend the Legitimacy Ordinance, 1930, be read a second time.

It was in April last year, Sir, that the Legitimacy Ordinance became law and when that Bill was drafted a very important change was made in the law on that subject which obtains throughout the British Empire. That change, Sir, was that the Bill submitted to this Council omitted the clause which is unfortunately in all similar legislation throughout the Empire debarring from the benefit of legitimization under the Ordinance the offspring of adulterous intercourse. The Bill,

COL. THE HON. W. K. TUCKER: Your Excellency, I should like to touch, without going into detail, on what I regard as an important aspect of this matter. Admittedly this will give an impetus to the organization of what may be termed the European agricultural industry in this country but as a Member of this Select Committee I have been tremendously impressed by the facilities that this Bill might, may and should afford to the better organization of the marketing of native production. In the past it has left very much to be desired. Many minds have been exercised as to how best it could be improved. I am sure that numerous representations have been made to Government from time to time but I do suggest, Sir, that Government have an opportunity they have not had in the past, one that they should grasp. That situation should be examined very quickly after this Bill becomes enacted in order not only that native production may be more encouraged in the future than in the past but also that in that way perhaps more quickly than in any other we can add to the amount of traffic now passing on the Railway. That point has been stressed in the General Manager's last report and I am sure everyone who studies the question of increasing the traffic on the Railway to-day must realize that as quickly if not more quickly than an increase of European production is possible an increase in native production if only better facilities are offered to the natives than they enjoy to-day by way of marketing is desirable.

THE HON. W. C. MITCHELL: Your Excellency, if I might add just one or two words I should like to say that as a Member of this Select Committee I naturally support the motion that the Report be adopted, but I should like to elaborate the point in regard to clause 22 (c) of the Report in which it states that "prescribing the form of the audit of the accounts of a registered society and the books to be kept by a registered society." I think, Sir, it is highly important that in fixing the form in which the accounts of a co-operative society should be presented the accounts of the agricultural produce side of the trading and shipping of agricultural produce should be kept entirely separate from what one might call general trading. I think the experience of the past has been that co-operative societies as long as they confine their activities very largely to the handling of members' produce and the shipping and sale of that they are a success, and the object of this Bill, of course, is to enable co-operative societies to be a success, but when they go outside that and endeavour to indulge in all sorts of promiscuous and miscellaneous trading there is very often grave danger of a serious loss being incurred, and unless the accounts of those two sides of their activities are kept separate it is easy for any Board of Directors to conceal losses being

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made on one side by embodying them in the accounts of the other. I think that is an important point that should be stressed.

THE HON. THE ATTORNEY GENERAL: Your Excellency, in two sentences, Sir, I think I can reply.

The point made by the hon. Member for Nairobi North, Sir, is one which, as he knows, was very present in the minds of all of us in Select Committee. There is nothing racial in the legislation—it can be taken advantage of by persons of any race. The definition of the word "Registrar" in the third clause of the Bill definitely envisages the rise of native co-operative societies and makes provision accordingly. Equally, Sir, had it not been that we had that in mind there would have been no need to embody the provision to which I have just made reference relating to the audit of a society's accounts adding the words "in English." That, of course, definitely suggests that the parent accounts will be kept in languages other than English. I can certainly on behalf of Government give the hon. Member the assurance that he asked for that possibilities of the extension of native agriculture not only through the medium of societies which can be registered under this Ordinance but through any other medium which we can explore will be searched as carefully as possible and every opportunity will be taken to take advantage of that extension.

The point made by the hon. Member for Nairobi South, Sir, I can deal with equally easily, in fact even more shortly. It is because of the great importance of what he has just said that that new rule-making power was inserted. The Committee felt, and I am sure hon. Members will agree, that it was very much better that as we know little or nothing of the form which co-operative societies will adopt in this Colony that this power was left to the rule-making section rather than embodied expressly in the legislation itself. When the rules are drafted I hope I may take advantage of my hon. friend's experience and submit them to him for his consideration and approval before I submit them to Your Excellency.

HIS EXCELLENCY: The question is—

"That the Report of the Select Committee on the Co-operative Societies (Registration) Bill be adopted,"

with an amendment to the first recommendation that the following definition be inserted:—

"Farm Supplies" means goods essential to the production or marketing of farm produce, including live stock and live stock products."

The question as amended was put and carried.

this reason, that yesterday afternoon I had the advantage of meeting Elected Members of Council on the subject of this Bill and it was then suggested to me that though the amended definition did sufficiently clarify the position it did not in their opinion go quite far enough in the protection of ordinary trade interests in the Colony, and the suggestion which I have to put with the indulgence and leave of the Council, Sir, is that that recommendation should be further amended by the addition in that same clause of a further definition of "Farm Supplies" in the following words—

"Farm Supplies" means goods essential to the production or marketing of farm produce, including live stock and live stock products."

That I think, Sir, will sufficiently clarify the position and safeguard the interests of those who are at present and may hereafter be engaged in trade in the Colony.

The second recommendation, Sir, calls for no comment except a most passing one. The position of limited liability companies under the draft Bill was apparently not sufficiently clear. Several representations were made that it was desired to make their position perfectly clear, and that is the purport and object of the second recommendation.

The third recommendation merely provides in the interests of the simplified working of the Ordinance that two copies of the regulations should be submitted to the Registrar. When he approves them he signs one and that signed copy is for all purposes conclusive evidence that the society is duly registered.

The fourth recommendation makes provision for an appeal from a refusal to register a society to the Governor in Council.

The fifth recommendation gives effect to what the Noble Lord, the Member for the Rift Valley, suggested on the second reading of this Bill, that the word "Co-operative" should form part of the name of every registered society.

The seventh recommendation brings in a number of new clauses on the rights and liabilities of members of societies, designed to make clear that the principle of co-operation is one man one vote; that a society should not get into the hands of one or two members who might have the preponderating interest *pro rata* to their shareholding in the society, but the true principle of co-operation should be one man one vote. As an essential corollary to that there is a saving provision for registered societies which are limited liability companies and which of course will continue to be governed by the provisions of their Articles of Association.

The eight, ninth and tenth recommendations are entirely formal, Sir.

The eleventh recommendation deals with audit and provides that a copy of the audited accounts shall be available in the English language for the inspection of the public at the office of the Registrar on payment of the ordinary search fee.

Most of the immediately succeeding recommendations are purely formal, Sir. We come next to recommendation sixteen which deals with the two clauses of the Bill making provision for the liability of past members and the estates of deceased members of a society. The change imported there, Sir, is that although the period of liability still remains at two years that period ceases if the accounts of the society at any time during that two years disclose a credit balance in favour of the society.

Recommendation No. 22 provides some necessary, practically entirely consequential, amendments to the rule-making section and most of those are entirely clerical, formal or saving.

When we come to the amendment of the schedule, Sir, hon. Members will recollect that the schedule consisted of a set of model regulations which might or might not be adopted, which are there merely for guidance. There is only one to which I would call specific attention, and that is recommendation No. 27 in the Report which makes the position clear that a co-operative society may be established and registered whether the liability of their members is unlimited or limited. The draft regulations originally published provided only for societies with unlimited liability. I repeat, Sir, that they were only for guidance, as a model to be followed, but inasmuch as the idea seems to obtain in certain parts of the Colony that these regulations because they provided only for unlimited liability companies made it impossible to form a company with limited liability. We now add an alternative regulation providing for the formation of a company with limited liability.

The other amendments to the schedule, Sir, call I think for no comment at all, and I shall formally move that the Report be adopted.

THE HON. T. D. H. BRUCE: Your Excellency, I beg to second.

HIS EXCELLENCY: The question is—

"That the Report of the Select Committee on the Co-operative Societies (Registration) Bill be adopted."

with an amendment to the first recommendation that the following definition be inserted—

"Farm Supplies" means goods essential to the production or marketing of farm produce, including live stock and live stock products."

50

Select Committee of this Council. The representatives of that particular interest appeared personally and belatedly before the Committee and gave their evidence, and their evidence is, I think—and in that I appear to be supported by my colleagues on that Committee—adequately set out in paragraphs 2 to 8 of the Report. The evidence of that particular interest was taken orally, was taken at considerable length; there was no question of burking full discussion—in fact the Committee were thanked by the delegation which appeared from Mombasa for the patient and thorough hearing which they had accorded to them. There was no memorandum—their evidence was given in a far better way by means of oral question and answer.

I am afraid I have trespassed rather heavily on the time of Council but I did feel this attack rather strongly. Sir, Those are the facts. I can only add that each of those statements I can support by documents here which I am only too anxious that the hon. Member for Mombasa should see. They are here and they are available for him at any time.

In conclusion, Sir, I can only share the hon. Member's regret that the party system does not obtain and that he was not able to remain quiet. (Laughter).

HIS EXCELLENCY: The question is—

"That the Report of the Select Committee on the Carriage of Goods by Motor (Control) Bill be adopted."

The question was put and carried.

*The Council adjourned for the usual interval.*

*On resuming:*

REPORT OF SELECT COMMITTEE ON THE CO-OPERATIVE SOCIETIES (REGISTRATION) BILL.

THE HON. THE ATTORNEY GENERAL: Your Excellency, I beg to move:—

"That the Report of the Select Committee on the Co-operative Societies (Registration) Bill be adopted."

Although this Report, Sir, runs to five long pages I do not think it will take me more than about the same number of minutes to explain its provisions. Again, I am happy to say it is a unanimous Report, Sir, and it imports no new matter, practically speaking, into the legislation whatsoever. There is no new principle although there are a certain number of new additional provisions made.

The first point to which I would draw attention is in the first recommendation which was intended to clarify the definition of "Co-operative Society." I mention it, Sir, for

Clause.	Remarks.
34.	Cf. section 43 of the South African Act No. 28 of 1922.
35.	Cf. section 44 of the South African Act No. 28 of 1922.
36.	Cf. section 45 of the South African Act No. 28 of 1922.
37.	Modelled on section 33 of the Ceylon Ordinance No. 34 of 1921.
38.	Modelled on section 40 of the Ceylon Ordinance No. 34 of 1921.
39.	New.
40 (a)	Cf. Straits Settlements Ordinance No. XXI of 1924, section 47 (2) (b).
40 (b)	Cf. Straits Settlements Ordinance No. XXI of 1924, section 47 (2) (b).
The Schedule has been taken from the South African Act No. 28 of 1922 and slightly modified.	

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## COMPARATIVE TABLE

48

THE CO OPERATIVE SOCIETIES (REGISTRATION)  
BILL, 1931.

Clause.	Remarks.
1.	Short title.
2.	Cf. Straits Settlements Ordinance No. XXI of 1924.
3.	Cf. " " " " " s. 3.
4.	New.
5.	New.
6.	Cf. section 8 of the South African Act No. 28 of 1922.
7.	New.
8.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 11.
9.	New.
10.	Modelled on section 12 of the South African Act No. 28 of 1922.
11.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 42.
12.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 10.
13.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 5 (a).
14.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 12F.
15.	Cf. Ceylon Ordinance No. 54 of 1921, section 11.
16.	Cf. section 25 of the South African Act No. 28 of 1922.
17.	New.
18.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 15.
19.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 16.
20.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 17 (3).
21.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 18.
22.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 19.
23.	Cf. section 59 of the South African Act No. 28 of 1922.
24.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 47 (E).
25.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 20.
26.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 21.
27.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 26.
28.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 27.
29.	New.
30.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 28.
31.	Cf. Straits Settlements Ordinance No. XXI of 1924, section 29.
32.	Cf. section 41 of the South African Act No. 28 of 1922.
33.	Cf. section 42 of the South African Act No. 28 of 1922.



LEGAL REPORT

THE CO OPERATIVE SOCIETIES (REGISTRATION)  
BILL, 1931.

This Bill makes provision for the formation, registration and management of Co-operative Societies. Such Societies have existed in the Colony for some time but it has now been considered desirable to introduce legislation governing their general control.

The Bill is based on the existing law on the subject in South Africa and Malaya, and provides generally for the formation, registration, management and dissolution of Co-operative Societies.

A comparative table showing the source of the various clauses is attached hereto.

In my opinion, His Excellency the Governor may properly assent to this Bill in the name and on behalf of His Majesty.

Nairobi,  
7th September, 1931.

*Dampf*  
ATTORNEY GENERAL.

when at Mombasa en route for Zanzibar, on this subject. The Bill was, in due course, referred to a Select Committee to whose report reference has been made above, and in explanation of the amendments suggested and subsequently accepted by Legislative Council.

I attach two copies of the report of the proceedings of the Council when the Ordinance was passed.

3. A number of Co-operative Societies have been in existence in the Colony for some time and it will be observed that the Ordinance provides for their general control. You will observe from the legal report that it is based on the South African and Malayan legislation adapted to the needs of Kenya and I trust that you will agree that no contentious points arise and that His Majesty may be advised not to exercise his power of disallowance in respect of the measure.

4. At the conclusion of the consideration by Legislative Council of the 1932 Budget, the Governor intends to appoint a Committee to advise upon questions relative to the credit facilities which may be required consequent upon the passing of this Ordinance.

I have the honour to be,

Sir,

Your most obedient, humble servant,

H. T. Martin.

GOVERNOR'S DEPUTY.

KENYA.  
No. 568



17/10/91  
45  
GOVERNMENT HOUSE,  
NAIROBI.  
KENYA.

RECEIVED  
16 OCT 1931  
COL OFFICE

25<sup>th</sup> September, 1931.

Sir,

Not

I have the honour to refer to Kenya third personal note No.D/Leg.Council/51 of the 7th August, 1931, with which was transmitted a copy of the report of the Select Committee on the Co-operative Societies (Registration) Bill and to transmit two authenticated copies of Ordinance No.XXIV of 1931, entitled "An Ordinance to Provide for the Registration of Co-operative Societies and for Matters Incidental Thereto" which was passed in Legislative Council on the 19th August, and to which the Governor assented in His Majesty's name on the 8th September, together with two copies of the legal report prepared by the Attorney General. Ten printed copies of the Ordinance are being sent under separate cover.

Amended 462 22 July 1932

2. It has long been felt that an extension of co-operation in accordance with practice in other agricultural countries, would be of benefit to Kenya agriculture. Sir Daniel Hall and his Commission emphasised this need on page 20 of their report, and the present Ordinance is the outcome of a subsequent examination of the position by the Board of Agriculture. Opportunity was also taken to consult Mr.Strickland when .....

THE RIGHT HONOURABLE J.H.THOMAS, P.C. M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWNING STREET,  
LONDON, S.W.1.

Papers relevant to the matter

Autonomous Debate - 17 June 1931

17412/31 - N.A.D. Circular as to development  
of Native Reserves.

1608/30 } Instructions that effects of legislation  
16051/30 } on native's obligations imposed  
should be explained.

17142/31 - Skandalisation of native reports &  
marketing, with cross reference to

17073/31 - Much dealt with decision not to  
make use of the Strachan's services  
& Bishara's ~~study~~ study of native marketing  
An Officer detailed for the  
purpose.

1711/31

1000  
1100  
1200  
1300  
PUBLIC AFFAIRS OFFICE LONDON

This program seems free to have options

of the three causes stated. <sup>In the first place</sup> The place the Regulation does not state what is the procedure for expulsion for one of the three causes stated and a general meeting can apparently expel a member for any or no reason at all. It would seem preferable

*Incorporated / Related  
Lawrence  
do not know*

that the South African precedent should be followed exactly.

<sup>It is not clear</sup> Regulations 14 & 37 <sup>Ref "insolvent"</sup>

and "insolvency", "bankrupt" and "bankruptcy" <sup>an new matter</sup> should be substituted.

Regulation 17 <sup>appears to</sup> is in conflict with

Section 28 of the Ordinance, Amendment

<sup>has been</sup> Regulation 39. It is not provided, as in

the South African Regulations that the meeting should consider "general business,

including any complaints that may be made by members". It would seem desirable

that this provision should exist.

*has to be  
acted  
on by  
instructions*

*Practically without  
some definite act  
such as is involved  
in bankruptcy or  
assignment, it would  
be difficult to  
know whether a  
man were insolvent  
or not*

*insert  
as  
amended  
the  
part*

*✓  
insert with  
this comment  
in 11. with  
11/11*

Section 23 "If a fine is imposed on a member of a society because of failure to sell his produce through the society and legal proceedings are instituted for payment of the fine, the burden shall lie upon the member, disproving the allegation of the society in respect of which the fine was imposed". Similar provision occurs in the South African Act and there are precedents in Kenya legislation for placing the onus of proof on the defendant. But there appears to be no special

*Handwritten:* P. 10/11 includes - 10/11/12? - 10/11/13? (see the value of the onus of proof below)

reason in the present instance sufficient to justify a provision which <sup>in the absence of special justification</sup> is generally objectionable.

*Handwritten:* Prima facie it would be a charge for the Society to prove that the member did his produce elsewhere than for the member to prove that he did not. The member has onus to prove that effect before they can inflict a fine.

It would seem desirable that the sentence should be omitted.

Section 38 (3) and 39 There is a certain amount

of contradiction between these two sections and

some amendment would seem desirable.

*Handwritten:* (add the words "and for one of the causes stated in Regulation 12")  
Regulation 12. Under Regulation 12 of the South

African Act (on which this Regulation is clearly

modelled) expulsion can only take place after

the vote of a general meeting and for one of

three causes stated (a), (b) and (c). Under

this Kenya regulation expulsion can take place

after the vote of a general meeting or for one

*Handwritten:* made 10/11/13

O. O.  
Mr. Eastwood 1/12  
Mr. Roberts Wray. 11/12 And 13/16  
Mr.  
Mr. Tomlinson  
Sir O. Bottomley  
Sir J. Shuckburgh  
Sir G. Grindla.  
Perms. U.S. of S.  
Parly. U.S. of S.  
Secretary of State.

CRITICISMS OF THE ORDINANCE

Omit Section 6. It would seem that the words "persons or company" should be substituted for the word "person" in line 1.

*Could the former  
word  
be used*

Section 20(2) Every "officer, servant, or member" of the society must furnish such information about the working of the Company as the Registrar or his agent may require. This provision seems rather wide as it is possible that each member of the society would not be fully conversant with the details of its working. It would seem better that,

*See 17/12 Ball  
about records  
of work  
18*

*The member may be required to give information when their affairs are anything which is granted in respect of his transactions with the society. This is done by the Registrar or another body given power to examine a member's affairs.*

following the precedent of the Straits Settlements Ordinance (No. 31 of 1924) Section 17(3) the obligation should be limited to *(or to matters within the member's knowledge)* officers of the society.

*J.S.*

Section 22(8). There appears to be no precedent for this section and no explanation is given of the need for it.

*Section 24  
Society in India before 1914  
though 4-6 law firms in the  
members - this may be based  
on a model of 3-Africa legislation  
where compulsory app is made  
being made*

*Section 23*

*Apparent*

*This name should be explained*

10. This <sup>apparent</sup> ~~only~~ requiring reconsideration Why should a loss of 25% be incurred?

17 & 18. Should not a clause on liability be included in

*Handwritten notes:*  
Kearns  
M  
leave  
M

the body of the Ordinance? *Public as Reg 17 appears to be in conflict with section 29 "the price amount of it seems that regulation may seem unnecessary."*

22. "Qualified person" - might read "member".

37. It is usual to preclude from directorship any member who deals in the class of produce which the society handles. *Insert*

*Handwritten notes:*  
Kearns  
M  
leave  
M

39. Consideration of any inspection notes from the Registrar should be included. *This is afforded (as in contract)*

53. See Clause 20(3). *(Contract)*

58. I agree that the wording should be "not exceeding". *Apparent*

70. Should it not be prescribed that two-thirds of the members should be present at such a meeting?

*I think this is what is meant but it is decidedly ambiguous.*

*Handwritten notes:*  
Kearns  
M

Should not the books of societies be prescribed in the Regulations and should not regulations be made in respect of inspection of account books by members, depositors and creditors, on payment of fees, and the annual audited accounts, registration certificates, registration cancellation etc. by members of the public.

*Leave some (we will add reg.)*

*F. L. Skidmore*  
30/12/51



Amendments

This same should be explained

10. This [may] require reconsideration. Why should a loss of 25% be incurred?

17 & 18. Should not a clause on liability be included in the body of the Ordinance? *Fuller as by 17 appears to be in conflict with section 20. The price amount of license that regulation must read necessary.*

learn from codes  
ML  
leave  
vms  
ML

22. "Qualified person" - might read "member".

37. It is usual to preclude from directorship any member who deals in the class of produce which the society handles. *Insert*

Review  
minutes  
with  
minutes  
with  
minutes

39. Consideration of any inspection notes from the Registrar should be included. *Has it not been done before?*

56. See Clause 20(3). *Amend*

learn  
vms  
ML

58. I agree that the wording should be "not exceeding".

I think this is what is meant but it is decidedly ambiguous.

78. Should it not be prescribed that two-thirds of the members should be present at such a meeting?

learn  
vms  
ML

Should not the books of societies be prescribed in the Regulations and should not regulations be made in respect of inspection of account books by members, depositors and creditors, on payment of fees, and the annual audited accounts, registration certificates, registration cancellation etc. by members or the public.

learn  
vms  
see the  
and rego.  
ML

J. A. Spindler  
30/12/01

D

\* Regulation 37. Consideration might be given to the advisability of precluding from directorship of a society any member who deals, except through the society, in the class of produce which the society handles. It is undesirable to have a member as a director who sells some of his produce through a society and some independently.

Recd  
15/6

+ Section 22(A) head for note  
+ Section 23 mark from note

No  
200/21

leave  
1/1/11

1/1/11

see 55 48  
1/1/11

leave  
1/1/11

1/1/11

Section  
Clause 27.

\* Is it clear that the liability is "for the debts of a registered society"?

Section  
Clause 28.

\* See comment on Clause 27.

Section  
Clause 32.

Under the Indian Act dissolution is provided for after enquiry by the Registrar. There is usually a right of appeal. Is it intended that the Registrar shall move the Supreme Court for an order?

After Dissolution Clauses 32, 33, 34, 35 and 36 there is no provision for liquidation. It would appear that a

see 55 48  
leave  
1/1/11

complete section of the law has been omitted. [Are there any reasons for this?]

Section  
Clause 37.

Should this cancellation of registration be done by the Registrar who was responsible for registration, with the right of appeal to the Governor within a prescribed period?

7  
omit  
1/1/11

1/1/11

Sections  
Clauses 38 and 39.

I agree that there appears to be some contradiction here.

1/1/11

Regulations.

- 3. "Credit" not included.
- 5. Should not some portion of Reserve Fund be invested and be liquid? In credit societies this is usually prescribed.

7  
omit  
1/1/11

1/1/11

1/1/11

Section Clause 19.

Does not this clash with Clause 40(d), which gives the Governor-in-Council power to prescribe fees for inspection of audited accounts? It also clashes with 20(3). From the wording of the object of the Ordinance one has the impression that there may have been an insertion here in respect of audited accounts being available for inspection free of charge.

It is suggested that insert to the word "members" should be omitted from 20(2) and a new sub-section prescribed to provide for the following:-

The Registrar, or any person authorized by him in writing, shall have power when necessary:

(a) To summon at the time of his audit any officer, agent, servant or member of the society who he has reason to believe can give valuable information in regard to any transaction of the society or the management of its affairs; or

(b) to require the production of any book or document relating to the affairs of any cash or securities belonging to the society by the officer, agent, servant, or member in possession of such book, document, cash or securities.

20(3) should be compared with Section Clause 19.

X insert 19

Ampt  
Ces - 10  
d 17

Section Clause 20.

MPA

MPA the Registrar has made

leave 18/10

75 d 19

Z

X  
15/10

with copy  
Mr. Mubinyan  
10/10/1919  
10/10/1919  
10/10/1919

de  
my  
to

Resolution  
of  
the  
Society

all reasonable times at the registered address of the Society. It is not clear whether the intention is to prescribe fees for inspection only at the office of the Registrar and it is suggested that audited accounts should be available for inspection free to all members of the Society at its registered address but that charges might be prescribed for inspections by other than members. Fees should also be charged for any copies of the accounts issued to other than

to officers or servants of the society any member who has reason to believe can give information in regard to any transaction of the society or the management of its affairs.

B 37A

Section 19. By section 40(d) the Commo - in - Council is given power  
inter alia to prescribe fees for the inspection of audited accounts of  
any Society and in section 20(3) it is provided that a copy of  
the audited accounts shall be open, at the office of the Registrar  
to inspection by any person on the payment of the prescribed  
fee. In this section (19) it is provided that any registered  
Society shall keep a copy --- of its audited accounts  
for the preceding year, open to inspection, free of charge, at

Recd  
15/6

"6" 37B

Section 20(2) B. It is suggested that the power given in this section can  
be too wide, as it is possible that each member of a Society would  
not be fully conversant with the details of its working, at the  
same time a member may be required to give information in  
respect of his transactions with the Society. It is considered  
that this could be met by omitting the words "or member"  
from the provisions as framed and prescribing that the  
Registrar may summon at the time of their audit in addition

Recd  
15/6

*Section 13*

x in FT of 13 36

Section  
Clause 13.

Should this limitation not read "no member; other than a registered society shall hold more than one-fifth of the share capital of any co-operative society"?

*Learn from*

*FT*

Section  
Clause 15.

Incidentally, this is the first mention of unlimited liability. It is now usually prescribed under this restrictive clause that "No person, other than a registered society, shall be a member ..... Associations of societies are contemplated by the Ordinance and this proviso should be included here.

*Learn from*

*FT*

*in FT of 13*

*The Registrar  
commented that  
we must  
state points  
made in  
the Stocktake  
of SS 13, 15  
and 17  
that be positive  
to amend  
instead of these*

*Insert*

*(i.e. the definition of  
person in the Subordinate  
rules, however not appear to  
be the same as in the  
Act. It is not clear  
to what extent the  
provisions of the  
Act apply to the  
society.)*

*FT  
15/6*

Section  
Clause 16.

When unions or associations of societies are formed it is probable that a proviso on the following lines may be necessary: "Provided that a co-operative society shall have as many votes as may be prescribed by the regulations of such other society, and may, subject to such regulations, appoint any number of its members, not exceeding the number of such votes, to exercise its voting power."

*Learn from*

*FT*

Section  
Clause 17.

Does "company" include a society registered under this Ordinance with limited liability. If it does, the comments made on Clauses 13, 15 and 16 may require further consideration.

*Learn from*

*FT*

*at 10/11*

*Learn from*

the operations of the present Ordinance to European combinations and to prescribe a separate Ordinance for societies within the Reserves - unless such legislation might be considered objectionable on the ground of differential treatment. They do really require distinctly different treatment, and the differentiation into Reserves and non-Reserves might be a justification for such differentiation. I shall, however, wait further observations on the Kenya Ordinance as passed.

It would be most objectionable

archives limited to

Section  
Clause 2 - Are definitions of the following required:

regulations. Should these be defined as meaning regulations which have been registered and their registered amendments?

Board of Directors. Should this be defined as the governing body of a registered society to whom the management of its affairs is entrusted (see use of term "trustees" in Section 21)?

"Farm supplies". Does the use of the word "goods", in place of "articles" imply that foodstuffs for human consumption are contemplated?

Clause 3. Should it not be specified that these appointments should be publicly notified by publication in the Gazette?

After Clause 4 - Should not provision be made here for societies with limited and unlimited liability and should not all societies registered with limited liability be compelled by law to include the word "limited" in their name?

omission? think

? omit. im

Do the terms used in the Order...

see reg 10. ? omit. jrd

"Goods" means...

Section 21

I do not see why the Order should provide...

Section 21

Section 21



Board of Directors

In view of the reference in Section 21 to "trustees" of any society it is felt that a definition of Board of Directors should be given in this section as "the governing body of a registered society to whom the management of its affairs is entrusted" It is suggested that the powers given in the Regulations to the Board of Directors does not cover this point.

Recd -  
Jas  
15/6



H. As regards this Kenya Ordinance, Mr. Stockdale suggestions appear very substantial on the Tanganyika Bill, which together with the Secretary of State's observations upon it, would no doubt serve as a useful guide in Kenya. It may also be mentioned that some of the points which are the subject of criticisms in the minutes and notes on the Kenya Ordinance, were referred to in the second reading Debate recorded on pages 199 et seqq of volume 1 of the Debates for 1931.

*H. Allen*

1931

very desirable that a fully informed Registrar should be available to guide the progress of the movement in its early stages. It is understood, however, that it is now proposed to proceed with the Ordinance, but only to apply it to a limited area in the first instance.

No. 3 on  
16054/30

G. In a despatch dated the 24th of June 1930, relating to the Cattle Cleansing Ordinance, the Secretary of State said that when natives are particularly affected by any Ordinance, he would be glad in all cases to receive a separate statement showing exactly what the effects will be upon natives and what obligations etc., will be imposed upon them. If it had been intended seriously that natives should take advantage of the present Ordinance this instruction should of course have been complied with.

I doubt, however, whether the Ordinance was drafted with any special reference to native conditions, in spite of the statements by the Attorney-General in the course of the debates to the effect that there was nothing racial in the legislation, and that it is equally competent for Indians and Natives to form themselves into co-operative societies under it. In fact the actual points made by the Attorney-General in the course of these statements <sup>rather</sup> do not confirm that view.

later minutes on the file, that Mr. Maskin would probably be the officer selected. No request was however received from the Colonial Government for him to undertake enquiries during his recent leave.

E. The generally accepted view seems to be that any such movement should be guided by a fully informed officer in its early stages. In the case of Zanzibar Mr. East is being sent on a tour of enquiry. In the case of Tanganyika it is proposed that a special officer should be detailed to undergo a course of training, but the proposal had to be dropped on financial grounds.

F. Mr. Strickland visited Tanganyika to advise on a system of co-operative marketing and prepared the draft of an Ordinance which was submitted to the Secretary of State. Subject to certain observations, as set out in his despatch of the 15th June, 1931, the Secretary of State thought the draft would be suitable, and was prepared to approve of its submission to the Legislative Council in due course. Later, in view of the possibility of detailing a special officer for enquiry purposes, the Secretary of State expressed the opinion in a despatch dated 22nd July 1931 that it would be better to postpone the organisation of co-operative societies in Tanganyika and the enactment of the proposed Ordinance, since it was

No. 1 on  
30148/31

No. 9 on  
30148/31

Public Act 1931 No. 105  
LONDON



27

credit and marketing but also as regards buying and stores.

No. 2 on  
17073/31

The Governor then applied for Mr. Strickland's services, but later cancelled the request after discussion with Mr. Stockdale.

No. 7 "

The reason which is explained in a despatch from the Governor dated the 14th January 1931, was that while Mr. Strickland's advice would be of special value where the matter was one of improved credit facilities, it is doubtful whether it would be of equal value in Kenya conditions, and that the immediate problem was rather the reorganisation of markets than the provision of credits. The Governor therefore considered that a better

No. 9 "

course would be to arrange for some selected Administrative Officer to make a special study of marketing conditions, and asked whether the Ministry of Agriculture could assist. In the reply - despatch dated 30th June 1931 - the Secretary of State, as regards the general question said he would await the promised further despatch (see A above), and as regards the proposal to retain an Administrative Officer for the purpose of enquiry, indicated the extent to which the Ministry of Agriculture might help. This file includes a minute by Mr. Stockdale dated the 29th of May, 1931, in which he expressed the view that the native producer in Kenya does not want nor can he make use of co-operative credit, and that to start off with co-operative marketing would be a mistake. He also pointed out that

co-operative

References to papers which are relevant to the consideration of the Kenya Co-operative Societies (Registration) Ordinance.

A. The relevant recommendations will be found in paragraphs 83, 84, 86, 154, and 163 of the report of the Agricultural Commission, and particularly in paragraphs 81 as to co-operative credit, and paragraph 163 as to co-operative marketing.

17412/31

B. The Native Affairs Department Circular of the 31st August, 1931, as to development in the Native Reserves, call upon Provincial Commissioners to make recommendations for the advancement of native agriculture in various directions, including marketing.

No. 1 on  
17142/31

C. In March 1931, the Secretary of State telegraphed to the Governor as to the need for stimulating native exports, pointing out that the question of grading and marketing was of first importance. In a despatch in reply, dated the 29th April 1931, the Governor referred to the marketing aspect, and promised a report on that question at a later date. As will be seen below that despatch has not yet been received.

No. 3 on  
17142/31

No. 1 on  
17073/31

D. In November 1930 the Secretary of State suggested that the Government of Kenya might secure Mr. Strickland's services for the purpose of investigating the possibilities of co-operation in Kenya, not only as regards

25

as regards native societies would be materially improved, notwithstanding the fact that the administrative staff has no experience in co-operation, by the adoption en bloc of the Tanganyika Bill, with the addition of special provisions for the registration of limited liability companies to cover the case of such bodies as the Kenya Farmers Association Limited or the projected Coffee Growers Association Limited.

If I may become personal for a moment I am immensely grateful to Mr. Stockdale and to the other officers who have so carefully examined the Ordinance, and I am only too willing to do anything I can to evolve an agreed measure which will be applicable to such diverse societies as the R.F.A. Limited at one end of the scale and a society of native producers of maize at the other, and workable without unnecessary and irksome interferences for all of them, but I am genuinely at a loss as to what exactly Mr. Stockdale had in mind when he wrote of the Registrar's discretion, and until I am clear on that point it does not seem to be much good going on with a comprehensive redraft.

I have not dealt specifically in this minute with the numerous suggestions for the amendment of the Ordinance. Some of these I would advise the Government of Kenya to accept, others are, I think, unnecessary in view of the provisions of the Interpretation Ordinance Cap. I, but these are matters of comparative unimportance at the moment.

(Signed) C. D. A. MCGREGOR.

15.3.32



basis is his discretion to be exercised? It must be remembered that Kenya has no officer with any practical experience of native co-operation, so that supervision of the activities of a native society though conscientious may be misguided, but this urge towards native co-operation already exists, e.g. at Fort Hall and possibly elsewhere, and I suggest it is better to have the present legislation to control and supervise the activities of such societies than none at all.

The definition of Registrar in section 3 of the Ordinance was worded so as to enable the Governor to appoint any D.C. to be registrar for societies in his district, and I do not anticipate that it would be difficult to get the further measure of control over native societies embodied in clause 6(1) of the Tanganyika Bill <sup>to</sup> which Mr. Stockdale refers in his minutes on page 2.

If then we divide societies into two classes, according to whether the liability of members is limited or unlimited, and further give the Registrar a discretion in respect of any society not specifically provided for under Tanganyika Section 4 to decide whether such liability may or may not be limited, are there any other provisions of the existing Ordinance or any provisions not embodied in the Ordinance that Mr. Stockdale considers should be made applicable to either class or society? If I may put the problem in another way, does Mr. Stockdale think that the position

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 PUBLIC AFFAIRS OFFICE, LONDON

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23  
Mr. Allen.

I have now considered carefully the various suggestions made in these papers for the amendment and recasting of the Cooperative Societies Ordinance (No. 24 of 1931).

2. I had hoped to be able while in London to put up for consideration a draft of a new Bill embodying such of these suggestions as appear to be of importance, but I regret that in Mr. Stockdale's absence I am unable to appreciate just what he had in mind when he proposed two separate categories of societies, and a discretion in the Registrar to register in either category.

3. I am reluctant to suggest either separate <sup>and</sup> legislation for non-native for native societies, or a differentiation within the four corners of one enactment between native and non-native Societies.

4. The only differentiation suggested in Mr. Stockdale's minute of 30.12.31 is that on page 2 in the clause cited from the Tanganyika Bill (clause 4), but I doubt if that in itself goes far enough. That gives us two categories of societies, with limited and with unlimited liability, and provides that certain types of societies must have limited or unlimited liability, but it leaves unprovided for the many other types of societies, which may decide to limit or not to limit the liability of their members. Is it in respect of these types of societies that the Registrar is to have a discretion? If so, on what basis

Mrs. Eastwood and  
Mr. Roberts-Tray

S. 6 "Person or Company"

Vide Interpretation Ordinance B 60 "Person"

S.22(2) This sub-section was inserted to get over a recent judgment of the East African Court of Appeal which held that a regulation of the Kenya Farmers Association was ultra vires as in restraint of trade. The loyal acceptance of the Regulations of a society is I submit essential to true co-operation.

S.58 (3) See comments on Mr. Stockdale's suggestions and 39.

Reg. 12. I have noted this and will support it.

Regulations 14 & 37. I fear I do not agree.

Regulation 17. Specific provision will be made.

Regulation 39. Very well.

(ed) C.D.A. MacGregor.

16.3.52

40(d) prescribes allowance for audit, for copies of extracts from the accounts.

S.20(2) Why omit members? The marginal note exactly expressed my views.

S.32. This is in my opinion, a good point, and should be embodied in the redraft.

"Omission of provisions for liquidation".

I agree. This should appear in the redraft.

S.37 I fear it would be difficult to get agreement for this in Kenya. Considerable exception was taken to the clause as drafted and in any case under the Interpretation Ordinance the Governor can delegate his powers.

SS.38 and 39. I do not think there is any real conflict in law, but to make it clear redraft 39 to read "for which no penalty is specifically provided."

Regulation 3. All regulations are permissive and their scope is not exhausted.

5. I have no objection, but the position regarding state credits must be remembered.

10. This is taken from South Africa.

17 & 18. I agree.

22. I have no objection to this amendment.

37. ? If you insist on this in a one-industry society, e.g. eggs, it will be impossible to get any directors.

39. I have no objection.

53. I am grateful for this.

58. Covered by the Penal Code, but I have no objection to amending to read "not exceeding"

"Additional Regulations".

This can be done in the redraft.

Mr. Eastwood

Comments on suggestions made in minutes by  
Mr. Stockdale, Mr. Eastwood and Mr. Roberts Wray  
on the Kenya Co-operative Societies  
Ordinance, 1931.

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Mr. Stockdale.  
Minutes of  
30.12.31.

"Cooperative Societies among non-Europeans if formed would soon produce a crop of defalcations and other difficulties, as the provision for co-operative education and supervision by the registrar and his staff is quite inadequate".

This is a risk to which the Kenya Government is fully alive. We have no one experienced in co-operative work, but the intention was, for native Societies; to appoint the D.C. of the district as Registrar. I feel sure that with Mr. Stockdale's two categories of societies, any legislative provisions which will tend by education and supervision to minimise this risk will be welcomed by the Government of Kenya.

Mr. Stockdale  
(S)

"There is no reference to 'credit' in the draft regulations. This is true. The regulations are permissive only, and in view of the agitation at the time of the introduction of this legislation, for a state system of agricultural credits it was thought better not to be provocative by expressly mentioning credit. The inclusion of 'credit' in the definition of "co-operative Society" gives the necessary liaison between registered Societies and such a credit system if there ever is one.

"Credit Societies must be small and in the same town or group of villages"

The Roberts Wray

I am afraid I must trouble  
you again with this. We now  
have by Wooddale's suggestion a  
No 5 & the three other elements  
on both 4 & 5. as above.

We must have an account  
as to <sup>what</sup> ~~how~~ <sup>the</sup> ~~best~~ <sup>best</sup> ~~parts~~ <sup>parts</sup> ~~should~~  
be included in the revised  
forms eg. the new account  
to make it be clear of the  
interpretation.

JRW  
12/6/32

The above

Please see my other illustrations  
(with notes) for general notes on 5.

To J. Roberts Wray

12/6/32



regulations, that the meeting should consider "general business, including any complaints that may be made by members".

It would seem desirable that this provision should exist.

Regulation 53.

See Clause 20(a).

58.

Apparently the wording should be "not exceeding".

78.

Should it not be prescribed that two-thirds of the members should be present at such a meeting ?

Should not the books of societies be prescribed in the Regulations and should not regulations be made in respect of inspection of account books by members, depositors and creditors, on payment of fees, and the annual audited accounts, registration certificates, registration cancellation etc. by members of the public.



Sections 38(3) and 39

There is a certain amount of contradiction between these two sections and some amendment would seem desirable, possibly by the inclusion in Section 39 after the word "Ordinance" of the words "for which no penalty is specifically provided".

REGULATIONS

- 3. "Credit" not included.
- 5. Should not some portion of Reserve Fund be invested and be liquid? In credit societies this is usually prescribed.
- 10. This appears to require reconsideration. Why should a loss of 25% be incurred?
- 12. Under Regulation 12 of the South African Act (on which this Regulation is clearly modelled) expulsion can only take place after the vote of a general meeting and for one of three causes stated (a), (b) and (c). Under this Kenya regulation expulsion can take place after the vote of a general meeting or for one of the three causes stated. This provision seems open to two objections. In the first place the Regulation does not state what is the procedure for expulsion for one of the three causes stated and in the second place a general meeting can apparently expel a member for any or no reason at all. It would

that each member of a society would not be fully conversant with the details of its working. At the same time a member may be required to give information in respect of his transactions with the society. It is considered that this could be met by omitting the words "or member" from the provisions as passed and prescribing that the Registrar may summon at the time of his audit in addition to officers or servants of the society any member who he has reason to believe can give information in regard to any transaction of the society or the management of its affairs.

20(3) should be compared with Section 19.

Section 22(2)

There appears to be no precedent for this section and no explanation is given of the need for it.

Section 23

"If a fine is imposed on a member of a society because of failure to sell his produce through the society and legal proceedings are instituted for payment of the fine, the burden shall lie upon the member of disproving the allegation of the society in respect of which the fine was imposed". Similar provision occurs in the South African Act and there are precedents in Kenya Legislation for placing the onus of proof on the defendant.



11

Section 13. Should this limitation not read "no member other than a registered society, shall hold more than one-fifth of the share capital of any co-operative society" ?

Section 15 Incidentally, this is the first mention of unlimited liability. It is now usually prescribed under this restrictive section that "No person, other than a registered society, shall be a member ....." Associations of societies are contemplated by the Ordinance in its Interpretation <sup>Section</sup> ~~Clause~~ and this proviso should be included here.

(N.B. The definition of "person" in the Interpretation Ordinance would not appear to cover the points raised <sup>in</sup> Sections 13 & 15. It might however be met alternatively by an amendment of Section 17 - see below).

Section 16 When unions or associations of societies are formed it is probable that a proviso on the following lines may be necessary: "Provided that a co-operative society shall have as many votes as may be prescribed by the regulations of such other society, and may, subject to such regulations, appoint any number of its members, not exceeding the number of such votes, to exercise its voting power".

Section 17. Does "company" include a society registered under this Ordinance with limited liability.

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PUBLIC REGISTRATION OFFICE, LONDON

9

For the successful working of societies amongst native producers - whether they are credit societies or marketing societies - it is essential that the number of members should be small and that they should reside in the same town or village or group of villages. Would it not be desirable to contemplate something along the following lines:-

"When the object of the society is the creation of funds to be lent to its members or for the marketing of produce grown by native producers, the Society shall not be registered unless the members:

- (a) reside in the same town or village or in the same group of villages; or
- (b) save, when the Registrar otherwise directs, are members of the same tribe, class, caste or occupation;

and further provides:-

- (1) that the liability of a society, of which a member is a registered society, shall be limited; and
- (11) that the liability of a society, of which the primary object is the creation of funds to be lent to its members and of which the majority of the members are agriculturists and of which no member is a registered society, shall be unlimited.

Again, the Interpretation <sup>Act</sup> provides for co-operative societies formed by combinations of societies and associations, but this does not appear to be covered by either <sup>Act</sup> ~~Sections~~ 4 or 5 of the Ordinance.

Legislation for native producers should include provision for a larger amount of supervision and contemplate the formation of unions and central societies by combinations amongst primary societies composed of small numbers of members. Otherwise, large scattered societies may be

6. I enclose a memorandum embodying

the observations made by my advisers

on the existing Ordinance. Opportunity

will no doubt be taken in connection with

the drafting of the new Ordinance to give

effect to such of these criticisms as may

commend themselves to yourself and your

advisers. In the meantime His Majesty

will not be advised to exercise

his power of disallowance in respect of

the Ordinance No. 24 of 1931 entitled "The

Co-operative Societies (Registration)

Ordinance, 1931".

I have etc.

(Sd) P. CUNLIFFE-LISTER.

*Draft*

(Mr J - 8 attached & been  
detached & put loose  
below) 98

CO-OPERATIVE SOCIETIES (REGISTRATION)

ORDINANCE, 1931, KENYA.

*Mr Allen  
2/16  
draft*

This Ordinance follows the South African Act and is suitable for the control of co-operative societies formed by groups of European agriculturists, but it is doubtful if it is suitable for the control of co-operative societies which might be formed by native producers, as it does not provide for adequate control over the operations of such societies. For co-operative societies amongst non-Europeans the Indian Act has been used as the basis of legislation through the Empire, except in the West Indies. The Straits Settlements and Ceylon Acts have been based on the Indian Act, and Tanganyika is now proposing to place an x The Ordinance has since been passed and sanctioned Ordinance on its Statute Book similarly based on the Indian Act and prepared in draft by Mr. Strickland during his visit to that Territory. Whilst the immediate need in Kenya is for the legalisation of the co-operative efforts that are being made by European settlers, it is probable that consideration should be given to the preparation of a more comprehensive Ordinance embodying not only the provisions of the South African Act but also more of the provisions of the Indian Act. That there is some desire for this is indicated by the debate in Council on the Report of the Select Committee and in the reply of the Attorney General. It may be contended that provision for native requirements has been made by the inclusion of "credit" in the Interpretation *Section* 2, of which there is no specific mention in the South African Act, but the Regulations under the Kenya Ordinance are silent in regard to this when the objects of societies are prescribed.

present Ordinance makes no provision for such educative and regulatory powers; and in the interest of the members themselves I should be reluctant to contemplate the possibility, foreshadowed during the debate in the Legislative Council on the Bill, that native co-operative societies should be registered under its terms.

5. I would suggest therefore, for your consideration, that a new Ordinance should be prepared including such provisions as experience in other countries has shown to be in the best interests of the small producer. The latest colonial legislation on this subject is to be found in the Co-operative Societies Ordinance of Tanganyika Territory (No. 7 of 1931) from which useful guidance may be

issued involved.

3. Based as it is upon the model of South African legislation, the Ordinance appears adequate (subject to conson. of certain suggestions contained in the memo referred to in paragraph 6 below) to meet the requirements of Societies in which the liability of the members is limited: but I am advised that it does not sufficiently provide for the adequate control over and management of Societies in which the members liability is unlimited  
4. those formed for co-operative activities among small e.g. native producers.

4. Experience elsewhere has shown that if success is to be attained in the inauguration of co-operative association of small producers in which the liability of members should normally in their own interests be unlimited, careful guidance and close control are essential. The present

C. O.

17310/31  
Kya

106

Mr. Frebston 9/6.

Mr. Stockdale 10/6.

Mr. H.T. Allen 18/6.

Mr. Parkinson

*see copy*

Mr. Tomlinson.

Sir C. Bottomley.

Sir J. Shuckburgh.

Permt. U.S. of S.

Parly. U.S. of S.

Secretary of State

**DRAFT.**

*no*

KENYA.

No. 1162

GOV.

Downing Street

22 June 1932.

Sir,

I have the honour to  
address you on the subject of the  
Co-operative Societies (Registration)  
Ordinance 1931, copies of which  
accompanied your despatch No. 568 of  
the 25th September 1931.

(2)

(6 copies in all to  
go with 5 copies of encl.)

2. This important Ordinance

has been subjected to a careful  
review by my advisers, and  
advantage has also been taken of his  
presence in London to discuss with

~~Memorandum 66/12701~~  
(9 of file)



I have revised the draft  
despatch with Mr Stockdale's concurrence.  
I do the memo after consultation  
with the Stockdale (whose original  
note it is almost entirely based) &  
Mr Roberts' views.

The whole matter has  
been thoroughly discussed at in-  
terval discussions with Mr  
Stockdale, Mr MacGregor, A.S. Young,  
& Mr Roberts' drafts.

dt Allen

20/6/32

Draft passed.

acp

20.6.32

Allen

By Air Mail  
of 22/6/32

To For H 62 (w/c d/g) cond  
(2 Annual)

22 JUN 1932

to note to  
20/6/32

(2) To send simultaneously a confidential despatch saying that the S. of S. is advised that the Ordinance is wholly unsuitable for co-operative societies in the Native Reserves, etc., and that registration of native societies under it should not be allowed pending a further communication from the S. of S.

(3) To draw up in skeleton form the new comprehensive Ordinance suggested above.

Mr. MacGregor, the Attorney General, is due home on leave, and his assistance will be invaluable; Mr. Strickland is, I understand, available at Oxford; Mr. Stockdale will be back from the West Indies by the end of May.

(4) To send out the draft outline of the new Ordinance and <sup>write</sup> ~~make~~ its enactment in substitution for No. 24 of 1931.

*Amesbury 12/11*

*I attach a memo summarizing what comes as relevant to the issue. In the letter I have discussed further with Mr Stockdale & the most convenient case will now be crystallized the position in a draft for comment.*

*10/11/32*

*With the proviso  
does to give  
considerable  
revision  
1/11/32*

7 Minutes by Mr. MacGregor (to be sent) 15/11/32  
8 Further comments by Mr. MacGregor 16/11/32

Further action on this file has been deliberately suspended until now, because

(a) the subject of "System of Co-operation" was known to be on the Agenda but for the Government Conference in April.

(b) The Tanganyika Ord. which it was proposed to send out as a model, was not ~~allowed~~ till Nov 25/32.

(c) Mr. Stockdale, whose further advice was essential, did not return to England till the beginning of June.

(d) Mr. MacGregor, without whose presence in Kenya little if could be done to give effect to S.O.P.'s suggestion, was on leave in England until June (he sails tomorrow).

Mr. Allen & I yesterday we had a further discussion with Mr. Stockdale & Mr. MacGregor, as a result of which the attached draft has been prepared for comment. I think today should go to Mr. MacGregor, who assigns me that <sup>(with the enclosure marked)</sup> point of view. It will meet the case.

The draft may now issue

*Stockdale*  
*Amesbury 9/11/32*

*7047/7  
E.A.*

*31148/32  
J.T.*

NOV 1932

This difficult question has been further discussed between Mr. Stockdale, Mr. Eastwood and myself.

The position is this; to meet the necessity of placing the existing European co-operative societies on a firm legal basis the Kenya Government has brought into operation an Ordinance which (except on relatively minor points) meets the purpose for which it was designed. It is legally possible for a native co-operative society to be registered under that Ordinance. The Ordinance is, however, wholly unsuited to primitive societies, and to allow native co-operation in the Reserves to develop under its provisions would lead only to disaster and a consequent setback for many years.

On the other hand, to legislate separately for native societies would be a flagrant exercise of racial discrimination, and such action could not possibly be defended in Parliament or elsewhere.

Mr. Stockdale agrees that a solution may be sought on the following general lines:-

A new Co-operative Societies Ordinance should be enacted, divided into three parts:-

Part A should provide for all that is common ground to European and to native co-operative production, and should empower the Registrar, (subject to appeal to the Governor) on receipt of an application for registration, to deal with it at his discretion under either Part B or Part C.

Part B

Part B would reproduce the substance of the Ordinance herein, with any necessary amendments, and omitting what had appeared in Part A.

Part C would follow the general lines of the Tanganyika Ordinance in 30148/31 Tanganyika, which was drafted by Mr. Strickland, the acknowledged expert on native co-operation. (Portions of the Tanganyika Ordinance would undoubtedly already have been dealt with in Part A).

In exercising his discretion whether an applicant society should be dealt with under Part B or Part C, the Registrar would have regard not to the applicant's race but to the type of society which it was proposed to form. A small group of European farmers in an out-of-the-way locality might, in fact, be dealt with under C; a group of primary native societies - if and when such a stage of development is reached - would fall under A.

A further criterion suggested by Mr. Stockdale is that the liability of members of societies registered under A and B would be respectively limited and unlimited.

If the policy outlined above is accepted, much work will be required in elaborating the detail, but the general procedure will be:-

(1) To signify non-disallowance of the Ordinance herein, expressing a mild surprise that legislation on so complex a subject has been enacted (without suspending clause) without prior reference to the S. of S. Mention should also be made of such of the criticisms of the Ordinance as will still be applicable if its operation is confined to European societies.

Mr. Stockdale will no doubt have valuable advice to offer, and subject to any observations on his part, it would seem desirable to refer the Ordinance to the Registrar of Friendly Societies. In doing so, it would be desirable to send him a copy of the attached note on points on which some amendment appears desirable, and also to point out that, unlike the Imperial legislation, it is not intended that when a limited liability <sup>company</sup> becomes registered under this Ordinance, the provisions of the Companies Ordinance should cease to apply, but that it is intended to work the two Ordinances side by side.

*Stockdale*  
3.12.31.  
*K. Roberts-Wray*  
H.12

I have now had time to go through this Ordinance in detail, and submit my observations in a note added to the file. These observations should be considered by the Legal Advisers before action is taken on them, and I would be glad to discuss them with you and Mr. Roberts-Wray. What has to be decided is whether legislation suitable for the control and supervision of co-operative societies amongst native producers should be incorporated in the present legislation which is designed to meet the needs of European producers, or whether it is desirable to provide for separate legislation for producers

3  
in the reserves. From the view of the executive Government, the latter procedure would probably be the more satisfactory, but it might occasion political feeling on the ground that one law was prescribed for the European and another for the non-Europeans. It is, however, certain that under the Ordinance now passed co-operative societies amongst non-Europeans, if formed, would soon produce a crop of defaulters and other difficulties as the provision for co-operative education and supervision by the Registrar and his staff is quite inadequate.

*J. R. Stockdale*  
30.12.31.

Mr. Freeston.

I think you should see this before it goes any further.

The comments which Mr. Roberts-Wray and I had to make were on comparatively small points in the Ordinance. Mr. Stockdale's comments are however of a more drastic nature. It seems to me that there would be very definite objection to different laws for Europeans and non-Europeans (or rather for natives and non-natives for the Indians would have to be under the same law as the Europeans), and I think it would be far and away better to arrange for one comprehensive Ordinance applicable to all races. Perhaps we might arrange a discussion to see how far this would be considered possible.

*Stockdale*  
31.12.31.

Mr. Stockdale will no doubt have valuable advice to offer, and subject to any observations on his part, it would seem desirable to refer the Ordinance to the Registrar of Friendly Societies. In doing so, it would be desirable to send him a copy of the attached note on points on which some amendment appears desirable, and also to point out that, unlike the Imperial legislation, it is not intended that when a limited liability <sup>company</sup> becomes registered under this Ordinance, the provisions of the Companies Ordinance should cease to apply, but that it is intended to work the two Ordinances side by side.

(copy here)

*Partners*  
3.12.31.

*J. G. Colebrook Wray*  
4.12

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In

1 12 copies of Report of Select Committee on Co-operative Societies (Registration) Bill, 1931 received under cover of 3 pm from Col. Sec dated 7th August, 1931.

Spares to Library.

2 Dep. Govr. - 568 - 23 Sept.

3 authenticated copy to Library.

Trs. 2 authenticated copies and 10 prints of Ordinance No. XXIV, 1931 "the Co-operative Societies (Registration) Ordinance, 1931," together with copies of legal report prepared by Attorney-General.

Spares to Library.

Ag. Col. Sec - 3 pm 30 Sept.  
Trs. 10 printed copies of Ordinance XXIV, 1931.

**DESTROYED UNDER STATUTE.**

The following minute represents

the results of previous minutes and discussions with the Legal Advisers.

(1) The Ordinance is chiefly based on the South African Act, but is considerably shorter than it. It will probably work all right as a start off, and so long as everyone pulls together, but it will probably be necessary to elaborate it later. It was shown in draft to Mr. Strickland, who is, of course, an expert on co-operation among primitive societies.

2. The Ordinance applies to societies for the <sup>marketing</sup> ~~generation~~ of agricultural produce, the purchasing of agricultural supplies, or for engaging in "credit, financing, insurance, or other co-operative activities". It is definitely contemplated that there shall be native co-operative societies, see pages 272 and 273 of the Legislative Council Debates.

3. The Ordinance is only permissive - see Sections 4 and 5.

On the other hand, no person or persons may use a title containing the word "co-operative" unless registered under the Ordinance or with the sanction of the Governor-in-Council (Section 39).

1. 12 copies of Report of Select Committee on Co-operative Societies (Registration) Bill, 1931. received under cover of 3 pgs from Col. Sec dated dated 7th August, 1931.

Spares to Library.

2. Dep. Govr. - 568 - 25 Sept

1 authenticated copy to Library.

Trs. 2 authenticated copies and 10 prints of Ordinance No. XXIV, 1931 "the Co-operative Societies (Registration) Ordinance, 1931," together with copies of legal report prepared by Attorney-General.

Ag. Col. Sec. - 3 pgs 25 Sept  
Trs. 10 printed copies of Ordinance XXIV, 1931.

Spares to Library.

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