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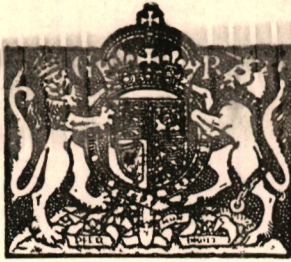
REPORT OF A SELECT COMMITTEE
OF THE LEGISLATIVE COUNCIL AP-
POINTED TO CONSIDER AND REPORT
ON THE PROVISIONS OF A BILL TO
PROVIDE FOR THE REGISTRATION
OF CO-OPERATIVE SOCIETIES AND
FOR MATTERS INCIDENTAL
THERE TO

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COLONY AND PROTECTORATE OF KENYA

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THERE TO

KENYA NATIONAL ASSEMBLY
Session: 10013777

No: 326-37 CPIC



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 EXCELLENCY,

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 authorised 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." Appeal.

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 (d) thereof.

15. That clause 20 be amended by substituting the word “ connexion ” for the word “ connexoin ” 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
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 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 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 “ bneefit.”

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 " serivces."

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 " direcotrs."

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

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 80 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 " requisionists."

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 " aso," 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 (a) 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 56, 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 be,

Your Excellency's most obedient servants,

A. D. A. MACGREGOR,

A. DE V. WADE,

H. WOLFE,

C. G. DURHAM,

W. K. TUCKER,

W. C. MITCHELL,

F. O'B. WILSON.

Nairobi,

28th July, 1931.

The first part of the paper is devoted to a general
 discussion of the problem. It is shown that the
 problem is equivalent to the problem of finding
 the minimum of a certain function. This function
 is defined as follows: Let $f(x)$ be a function
 defined on the interval $[a, b]$. Then the
 minimum of $f(x)$ on $[a, b]$ is the value of
 $f(x)$ at the point where $f(x)$ is smallest.
 This is the minimum value of $f(x)$ on $[a, b]$.
 It is shown that the minimum of $f(x)$ on $[a, b]$
 is attained at a point where $f'(x) = 0$. This
 is the necessary condition for a minimum.
 The sufficient condition is that $f''(x) > 0$.
 If $f''(x) > 0$ at a point where $f'(x) = 0$,
 then that point is a local minimum. If $f''(x) < 0$,
 then that point is a local maximum. If $f''(x) = 0$,
 then the point is a point of inflection.

References

1. [Reference 1]
2. [Reference 2]
3. [Reference 3]
4. [Reference 4]
5. [Reference 5]

