

Proposed Ordinance for the Regulation of Native  
Co-operative Societies.

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The Co-operative Society movement commenced in the Ellice Islands about 1920, but the difficulties involved in the distribution of trade goods caused it to be a failure. In 1925 the Vaitupu Society (Fusi Vaitupu) was reorganised under rules suggested by Mr. D. G. Kennedy, now Administrative Officer, Ellice Islands, and has since then enjoyed uninterrupted prosperity. In 1927 the Fusi Vaitupu purchased a motor lorry, which more than doubled the copra production of the island, and at the present time the Society has a credit balance of £700.

2. In 1928 it was held that local societies formed for the purpose of the collection and sale of copra were not liable to the annual store licence fee of £20 and in 1933 this exception was extended to all Native Co-operative Societies. Several societies had been formed in the Gilbert Islands between 1928 and 1930 and their activities were encouraged by Sir Murchison Fletcher during his tour of the Colony in 1931. Most of these societies had, however, but indifferent success, the trouble being once again the problem of distribution.

3. In 1931 I reorganised the Beru Co-operative Society along the lines of the Fusi Vaitupu and, as a result, it has progressed steadily and almost without supervision. Several other societies sent members to be trained at Beru who, on their return to their own islands, attempted to introduce the methods found so successful at Vaitupu and Beru. It was soon obvious, however, that the Co-operative movement was greatly hampered by the lack of legislative guidance and, at the Resident Commissioner's request, I drew up a draft Ordinance,

Ordinance, 9b of 1432/1933, based on the Tanganyika Ordinance, No. 7 of 1932. A simplified version of the Vafupu-Beru rules was annexed to the Ordinance, as section 33 (1) gave the Resident Commissioner power to make rules for the guidance of the societies.

4. The Resident Commissioner approved this draft Ordinance but, in forwarding it to the High Commissioner, he expressed doubts as to whether the natives were yet capable of conducting Co-operative Societies successfully. The Secretary of State, in his reply, suggested certain modifications in the draft Ordinance but questioned, in view of Mr. Barley's opinion, whether any legislation at all was desirable. Mr. Barley has since then reaffirmed his opinion that controlling legislation is necessary - 13 of 1432/1933.

5. The divergence of views mentioned by the Secretary of State is, I think, more apparent than real. Some form of legislation giving the government powers of control is necessary if the co-operative movement is not to collapse through lack of guidance during the initial stages of growth. At the same time this legislation will undoubtedly result in the extinction of the majority of existing societies. I believe, however, that a few will survive and that, in any case, the proposed legislation will enable future societies to be founded with excellent prospects of ultimate success, since they will be run on the right lines from the outset.

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