

INTRODUCTION**Purpose of Study**

The purpose of study is to see whether there is great acceptance by the people of an organisation based on co-operative principles encouraged by the Government to improve their economic welfare. Also, an attempt is made to assess the impact of the co-operative society on the socio-economic structure of the community in which it is based.

Methodology

The case study method is used in this exercise. A five-year period (1960-1964) was investigated for comparative purposes to see the progress of the co-operative society. The Sekinchan Long Heng Cooperative Rice Mill Society Limited was chosen.

Data were obtained from the society itself, the Division of Cooperative Development, Ministry of Agriculture and Cooperatives, Kuala Lumpur and, lastly, from personal interviews with farmers in the Sekinchan area.

Some difficulties arose in the data collection. Firstly, there was the problem of lack of cooperation during personal interviews because of the interviewees' suspicions of the writer. Officials of the Sekinchan Long Heng Cooperative Rice Mill Society Limited were also quite reluctant to allow full accessibility to records. The collection of data was also hampered by the fact that this period coincided with the padi harvest. Another difficulty was that the files for this period (1960-1964) for the Sekinchan Long Heng Cooperative Rice Mill Society Limited have been misplaced by the Division of Cooperative Development, Ministry of Agriculture and Cooperatives, Kuala Lumpur. This has been a great obstacle to many aspects of the study.

Scope of Study

The study is made up of six chapters, a summary of which follows below.

Chapter Two deals with the various aspects of the establishment of the Sekinchan Long Heng Cooperative Rice

Mill Society Limited together with the objectives behind the formation of this cooperative society. The relationship of the cooperative society with the Division of Cooperative Development is examined. The relationship with the other cooperative societies in the Sekinchan area is investigated too.

Chapter Three contains the membership of the cooperative society over the period of study. Some of the aspects looked into are trends in membership, the committee of management and attendance at meetings, both committee and annual.

Chapter Four on milling operations embraces the major milling aspects of the cooperative society and the extent of its operations. It also includes padi trading operations dealing with how prices of padi are determined and the functions involved in the purchase and sale of padi. The chapter ends with an assessment of the trading accounts relating to the purchase and sale of padi of the cooperative society.

Chapter Five looks into the financial aspects of the cooperative society. An analysis is made of share capital, deposits, investments, reserves, trading surpluses, refunds and cash items. The philanthropic activities of the cooperative society are briefly discussed.

The concluding chapter deals mainly with an analysis of the problems faced by the cooperative society and also the recommendations made by the writer. An assessment and evaluation of the future of this cooperative society and its impact on padi marketing and the Sekinchan community are made.

Definition

Cooperation can be defined as:

"A business organisation that is owned by those who use its services, the control of which rests equally with all its members, the surplus earnings of which are divided among the members in proportion to the use they make of its services."¹

¹ Alexander F. Laidlaw, "Training and Extension in the Cooperative Movement - a guide for fieldmen and extension workers," Food and Agriculture Organisation, Agriculture Development Paper 74, Rome, 1962, p.1.