

CHAPTER II

THE LOONG AIK CO-OPERATIVE RICE MILL SOCIETY

Aims of the Society

The aims of the Loong Aik Co-operative Rice Mill Society are clearly stated in the by-laws of the Society.¹ These can be divided into economic and non-economic objectives.

The economic objective of the Loong Aik Co-operative Rice Mill Society is to promote the economic interests of its members. This is to be achieved through the business operations of the Society, namely, rice milling and padi marketing in accordance with co-operative principles and philosophy.

In view of the above objective in promoting the economic interests of its members, the Society had also declared in its by-laws to encourage, among its members, the education and dissemination of knowledge in respect of the principles of the cultivation and milling of padi, to improve on the methods of cultivation of padi by holding lectures and demonstrations, and to encourage in members, the spirit and practice of co-operation and self-help.

History of the Loong Aik Co-operative Rice Mill Society

The Loong Aik Co-operative Rice Mill Society was registered on the 23rd. day of August 1953. Initially, however, it was a private business enterprise started in 1948 to undertake the milling of padi for domestic consumption. However there were also in existence two other private rice mills in the area nearby.²

¹ Article 7, By-Laws of the Loong Aik Co-operative Rice Mill Society. See Appendix 1.

² Now known as the Loong Yip and Loong Heng Co-operative Rice Mill Societies. See also diagram 1.

In the social context, the need for the setting up of the Loong Aik rice mill in 1948, despite the existence of two other private rice mills, arose out of the prevailing social structure of the Sekinchan community. Sekinchan is essentially a Chinese community in which three major dialect groups predominate, namely the Hokkiens, the Cantonese and the Hainanese. The Loong Meng rice mill (the first private rice mill to be established) was set up by some Hainanese entrepreneurs and it soon became evident that this had more appeal in the Hainanese community than the others. This arose out of the existing dialect differences among the Chinese. As such the Loong Aik and Loong Yip rice mills were established to satisfy the Hokkien and Cantonese interests respectively. The explanation for such a situation lies in the system of dialect relationships which is typical among the overseas Chinese community.³ This functioning of the community according to commercial lines is still quite evident to-day and is reflected in the membership of these societies. For example, the Loong Aik Co-operative Rice Mill Society has a membership which is predominantly Hokkien.

In 1953, as a result of direct government intervention, the Loong Aik rice mill (and the other private rice mills in the area) was persuaded to convert itself into a co-operative venture. Hence on the 23rd. August 1953, it was registered as the Sekinchan Loong Aik Co-operative Rice Mill Society Limited.

Co-operative Organization in Kuala Selangor

The Sekinchan area falls in the Kuala Selangor district. In total there are seventeen primary co-operative societies in this district. Except for a few, all these societies engage in the dual provision of milling and marketing services for their members.

All these primary co-operative societies, (except those which do not undertake padi marketing) including the Loong Aik Co-operative Rice Mill Society, are affiliated to the Tanjong Karang Co-operative Milling Union. This Milling Union constitutes the central body

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See Tien Ju Kang, "The Chinese in Sarawak". London; Department of Anthropology, London School of Economics and Political Science; 1953 (a monograph). Essentially, the system is one where the functioning of the community is based on dialect similarities. The tendency is for individuals to associate with those who share his own dialect.

representing the interests of its member societies in the Kuala Selangor district. The services which the Union provides to all its member societies are restricted only to the marketing of padi. In this respect the Union functions as a marketing channel for the produce (padi) handled by its member societies. It is also the channel through which government aid or loans to the primary societies flow.

Relationship with the Division of Co-operative Development

The Loong Aik Co-operative Rice Mill Society is directly under the supervision of the Division of Co-operative Development, Ministry of Agriculture and Co-operative, in Kuala Lumpur. Though there exists a similar department (of Co-operative Development) in Tanjong Karang, this only specialises in the supervision of the Malay Co-operative Societies, in the Kuala Selangor district. Hence all records pertaining to the Loong Aik Co-operative Rice Mill Society are filed with the Division of Co-operative Development in Kuala Lumpur.

The main function of the Division of Co-operative Development with regards to the Loong Aik Co-operative Rice Mill Society is supervision. The Division is responsible for seeing to the smooth functioning of the Society in accordance with Co-operative legislation, the by-laws of the Society and co-operative principles. It also seeks to guide the Society in attaining its objectives through the practice of co-operation.

In connection with this function the Division thus sees to the regular inspection of the Co-operative Society. Co-operative Officers visit the Society regularly, especially during the padi marketing season, to inspect the Societys' operations, its books of accounts and management records. The Society is also obliged to inform the Co-operative Officers (assigned to it for supervision and inspection) on the dates of the Annual General Meetings and meetings of the Committee of Management. Not all of the committee meetings are however attended by these Co-operative Officers, though their presence are required during every annual general meetings. In these meetings, the Co-operative Officers act as advisers to the general body of members and the Committee of Management, and in theory do not participate actively. In practice, however, they exercised a positive influence, both in the manner in which the meetings are conducted and the decisions reached. In certain instances, they also act as mediator between the rival factions in the Society. Reports are than made and compiled by the Co-operative Officers concerned, on the various aspects of the Society (like operations, management, meetings, financial

accounts and others) on the basis of these inspection, visits and attendance in meetings.

Relationship to other Co-operative Rice Mill Societies in the Sekinchan area.

There are presently, three other Co-operative Rice Mill Societies in the Area,⁴ and all of these Societies engage in the dual provision of rice milling and padi marketing services to their members.

Generally, each of the Co-operative Societies in the area, exists and functions by itself. There is no interference by any Society in the activities of another and neither does any of the Co-operative Societies demand any collaboration of activities and practices from the remaining societies. However, the activities of any one Society does affect to a significant degree the other Co-operative Societies in the area. For example the yearly distribution of Calenders to patrons. This was actually started by one of the Co-operative Societies in the area. Now it is customary for all Societies to provide calenders to their respective patrons. Similarly the provision of transportation services, for collecting the farmers produce (for sale to the Societies) from their homes. This situation was brought about by the close proximity of the Co-operative Societies with each other and the same area of operations for all these societies.⁵

However, the only significant relationship the Loong Aik Co-operative Rice Mill Society has with other Milling Societies is with regards to padi marketing. In respect of this, before the commencement of every marketing season, the Committees of Management from all the Co-operative Societies in the area, will hold a meeting to decide upon the purchasing price of padi. This purchasing price agreed upon, is then constantly revised by the same Committees throughout the marketing season, to take into account the various market factors influencing the sale of padi.⁶

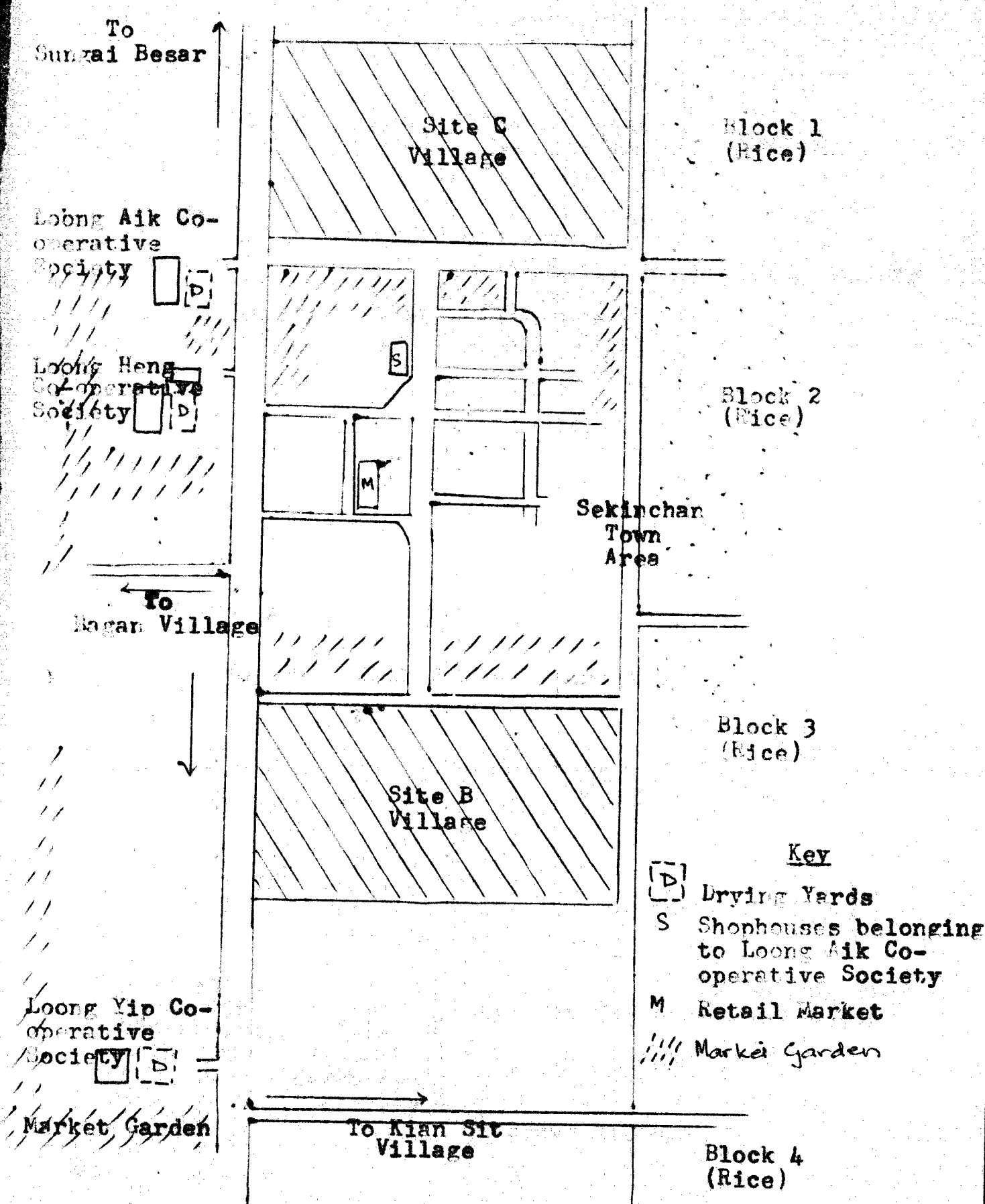
⁴ Namely the Loong Heng, Loong Yip and Kian Sit Co-operative Rice Mill Societies. See diagram 2.

⁵ See Chapter III, under "Area of operations and membership."

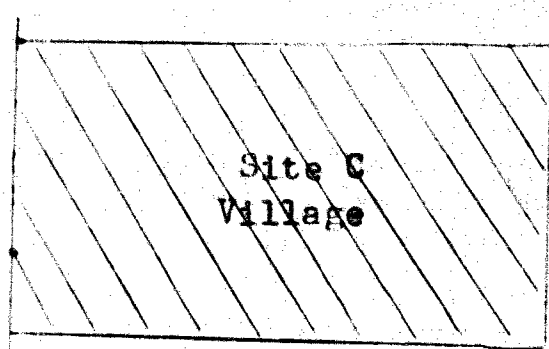
⁶ See Chapter IV under 'Padi Marketing'.

DIAGRAM I

LAY-OUT OF THE CO-OPERATIVE SOCIETIES AND SEKINCHAN



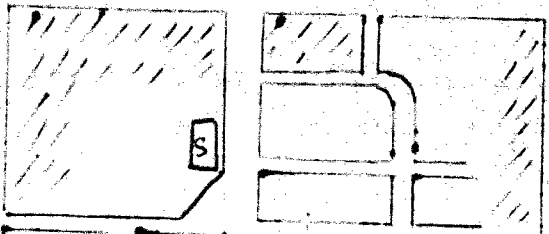
To Sunzai Besar



Block 1 (Rice)

Loong Aik Co-operative Society

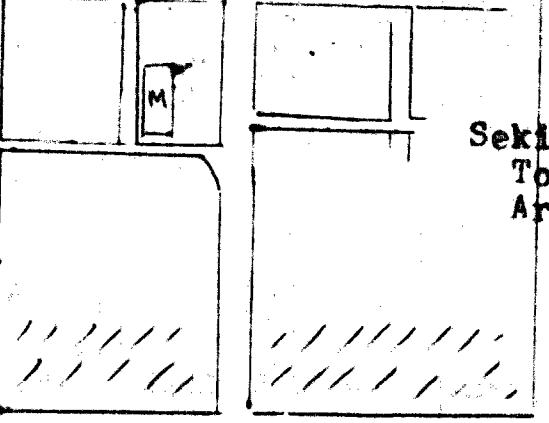
Loong Heng Co-operative Society



Block 2 (Rice)

Sekinchan Town Area

To Nagan Village



Block 3 (Rice)

Key

- [D] Drying Yards
- S Shophouses belonging to Loong Aik Co-operative Society
- M Retail Market
- /// Market Garden

Loong Yip Co-operative Society

Market Garden



Block 4 (Rice)

To Kian Sit Village



DIAGRAM II

LAY-OUT OF THE SEKINCHAN AREA

