

plies or relatively free and therefore changeable or circulating capital. The second need for capital refers to the money required for supplies of raw materials handled or stored, to meet operating expenses, and to cope with all unforeseen problems confronting the business, including the storage of products as may be required to stabilize prices and marketing. What are the sources of capital of these associations? Individual members? Banks or other institutions of credit? Furnished by the government? Or furnished by moneyed individuals. Are they adequate?

6. Do the farmers feel that these associations have been successful?—Jones⁽²⁾ gives three outstanding indications of the success of cooperative associations: (a) sound financial set-up and financial operating policies; (b) skill in merchandising; and (c) satisfactory membership relations. Are these indications strongly manifested in the association? If they are, the farmers will feel that the associations are successful on account of the beneficial effects that could be derived therefrom.

7. If the farmers are not satisfied with the association, what are the causes for the dissatisfaction?—

The failure of an association may be due to the following causes as given in "Formation of Cooperative Associations":

(a) Organization mistakes: (1) Failure to study the needs of an organization and the problems to be met; (2) creation of an organization out of proportion to the business to be handled; (3) organization extravagance in the matter of equipment needed, promotional expenses, and initial salaries paid.

(b) Mismanagement: Due to (1) lack of understanding of local conditions, (2) marketing problems, (3) financial requirements, and (4) inexperienced officers and managers.

(c) Lack of membership support: Due to (1) dissatisfaction with results obtained, (2) loss of interest, and (3) failure of association to establish local points of contact with members, all of which results in an insufficient volume of business.

(d) Economic conditions: Such as price declines and falling off in demand either in domestic or export markets.

(e) Internal dissensions: Due to

selfish motives and the playing of politics on the part of officials.

The other causes of failure of cooperatives according to Burley⁽³⁾ are:

- (a) Small Capital.
- (b) Small Membership
- (c) Small business volume.
- (d) Conflicting methods, particularly as regards
 - (1) Extension of credit
 - (2) Pricing policy
- (e) Lack of strong wholesale groups.
- (f) Poor location of stores.
- (g) Lack of proper accounting and auditing methods.
- (h) Lack of adequate education in cooperation.
- (i) Waning of enthusiasm of members, frequently because of failure to receive large dividends.
- (j) Chain store competition.

Summarizing the causes of failure of cooperatives, Burley⁽³⁾ made four general classifications:

- (a) Faults of management.
- (b) Inadequacies surrounding membership.
- (c) Industrial and economic factors in general.
- (d) Acts of God.

8. What percentage of the farmers in the area utilize the services of the cooperatives?—The percentage is determined by the number of farmers affiliated with the association. Non-members may utilize the services of the association in proportion to the benefits they derive from the cooperative.

9. Transportation facilities for the products—farm to warehouse or assembling points; farm to market centers; warehouse or assembling points to market centers.

Transportation facilities very often spell success or failure for the business organization. What transportation facilities are used by these associations in transporting their products from the farm to the warehouse or assembling points; from the farm to the market centers; from the warehouse or assembling points to the market centers; and other busi-

In Lighter Vein

SHOT DOWN IN FLAMES

By PAQUITO SERRANO, Albay
On the table top
A pile of old letters lays
Beside is a note
Returned with pleasure—it says.

Seated at the table
Is a fellow of ewntny
Whose handsome face is now
A pic of gilded misery.

FLIGHT

A MOON,
A BOY,
A GIRL,
A BENCH.

THE MOON SHINES IN ALL
HER SPLENDOR...

THE BOY AND THE GIRL SAT
IN CLOSE FORMATION.

MY PIN-UP GIRL

P—is for PULCHRITUDINOUS...
You make the other girls
look like apologies

I—is for INTOXICATING...
That is what I always think
of your kisses

N—is for NYMPHAL...
The proofs are your pics
in thrilling poses,

U—is for UNCTUOUS...
Your voice haunts me
whenever you call

P—is for PANACEA...
Indeed you are to an
afflicted soul.

ness places? What are the freight or transportation charge or charges? Are all means of transportation, e.g., carts, sledges, trucks, railroad or water, available? Are the roads good?

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