

# The Application of Co-operation in the Congested District.

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ON thinking over my subject I have found it necessary to preface that part of my remarks which deals directly with the application of co-operation to the Congested Districts, with a consideration of the people themselves and their economic condition. If I repeat some truths which are antiquated, and some facts you are already familiar with, in speaking of the people and their circumstances, I hope you will not be wearied before I come to the remedy which is at least novel in many of its features. But in economic questions the essential factor is always the human one. I am convinced that most economic evils can be generally traced back to some defect in character or some lack of knowledge on the part of those who suffer from them. Men precede customs, institutions, or any settled order of things, and these are shaped more or less intelligently and justly as men are intelligent and just. It does not matter at all that the people are not to blame for their ignorance. If they are ignorant, it is a factor, and an important one, and must be considered. You cannot approach such problems as we find in the West of Ireland from an altogether business point of view. Any schemes for 'amending these conditions which does not involve a programme of education, in my opinion must largely fail to effect a real change for the better. That education is required anyone who has had any relations with the small peasant farmers of Galway, Mayo, or Donegal, will agree. The vast majority are as loose in their business notions as the great Mr. Hooley, and have an equally romantic disregard of the future. They do not understand what a percentage means. The true uses of credit have never been unfolded to them. The Irish "congest," like too many of his countrymen elsewhere, uses his credit joyfully to get deeper into debt; to spend money in fact, and not to make it. He has grown perfectly into the state of mind advised by Omar khyam, the Persian poet: —

" Oh, take the cash and let the credit go;  
Nor heed the rumble of a distant drum."

and almost any Connemara or Mayo peasant will take the cash from a Gombeen money lender, and trust to Providence for means to redeem his credit six months hence. Even those who are thrifty are so in an unthrifty way. I know a man in Donegal who wished to lay by money, and his methods were to borrow £10 at a time from the local Loan Fund Society, deposit this in a joint stock Bank, and pay back the money to the loan fund in weekly instalments. For the money borrowed he paid about 15 per cent., and he received about 1 per cent, on his deposits. Another man, who wished to get some ready money, adopted what was, and is still, a common device. He went to a trust auction where beasts can be bought on credit. He gave the auctioneer a bill at four months for £13 13s., and then sold the animal immediately for £10 cash, which was what he wanted. Men will often have a little hoard saved up in an old teapot or in the roof, and will yet buy goods on credit from local traders. They are perfectly well aware that the " long price," as they call it, is perhaps 20 per cent, or even more over the cash price, but it does not often occur to them to make a cash payment. A demoralization in character, due to the way in which relief has been administered, is another and more painful feature of the situation. I have addressed meetings in Galway and Mayo prior to the starting of Raiffeisen Banks, when the question was asked " Is the money to be paid back?" We would consider this rather a startling question here, but there it was not at all unnatural. Philanthropists who had just enough conscience to feel that they were called upon to be generous, and who were too lazy to see how the money was applied, have preceded the advocates of self-help and made their task more difficult. There is also a strange undercurrent of mysticism which is beautiful enough when it manifests itself in fairy and folk tales, but which lays many evils on the shoulders of invisible powers, which we usually attribute to microbes. For instance, a very respectable man told me that his pigs had all died. He found out that the sty "was in the way," by which he meant that it was in the path of the fairies.

Since he had shifted it, all had gone well. The agricultural experts of the new Department and the Congested Districts Board will have to deal with this belief and translate fairies into microbes; and disabuse people's minds of the idea which many hold, that since God sent the blight on the potatoes it is useless to struggle against His will or to spray them. With such business habits, and such beliefs prevalent, it is no wonder that the conditions under which the small farmers in the West live are economically wasteful, and never assure to the producer the value of his produce. Where the intellectual horizon of a man ends at his parish or barony he is easily victimised in matters of sale or purchase. The traders from whom he buys are not necessarily unscrupulous men. They are often kind-hearted and sympathetic enough, but they inherit bad methods of business themselves of which the two chief vices are "long credit" and "barter." The first necessitates prices so high as to seem extortion to us, but it is true that the giving of credit in such poor districts, running on from year to year, is risky; bad seasons are frequent and payments are perforce deferred; so the trader has to effect a kind of general insurance through high prices, which is necessary enough as long as he continues his present methods of business, but which lays a very heavy burden on the unfortunate customer. I believe it has been generally observed that no class buy so dearly or sell at such a disadvantage as the poor, and it is certainly true of the Congested farmers. Not only are the cash prices high, but an interest of 6d. per £1 per month is not an unusual payment for credit, and I have known it much higher than that. I took the trouble to enquire the prices of many common necessaries of life in a district in Connemara, and compared them with the prices of the same articles in the town of Galway, and found an increase, varying from twenty to one hundred per cent, in such common articles as candles, soap, flour, bran, matches, tea and sugar, an increase not justified by the extra cost of transport even to this out of the way district.

The evil was aggravated by the barter system which still prevails. Not only eggs and butter, but pigs and sheep are often bartered for the high priced goods. I found, for example, in the middle of winter when we pay from 1s. 6d. to 2s. per dozen for our eggs, that a local higgler was allowing 8d. and 10d. per score; and this was not paid in cash, but in high-priced tea and sugar, or it was put down in the books as a set-off against the account. There was little competition—a few men had the business in their own hands and could allow what they chose. Personally, I do not think they could allow much more, because they, in their turn, managed the sale of the eggs so badly, packing them in musty straw and sending them away in a dirty condition that they never made much of the business, there were so many deductions for breakages, bad eggs and freight. All this I learned from the people, from the traders themselves, and from the opinions expressed by the English merchants to whom the eggs were sent. The sale of pigs in the fairs is really more iniquitous, because there is an organised ring of pig jobbers who combine to keep down the prices. The unfortunate farmer drives his pigs many miles to the fair, only to find that the buyers have agreed upon a maximum price among themselves. He waits all day long perhaps, and finally, because he must, he parts with his pigs at a price which hardly pays him for rearing them. He cannot afford to wait for another fair day.

The methods of making butter in the Congested Districts have been probably unamended since the time of the Tuatha de Danann, three thousand years ago. The butter is never uniform in quality, or of the same degree of saltiness; there is a great loss due to imperfect separation of the cream from the milk, and again in churning, and again in sale, because the butter goes, through many middle men before it reaches the consumer. The Congested farmer is just as backward in his methods of tillage. I cannot speak with any expert knowledge on this, but experts assure me that it is so.

The conditions of credit with the traders I have already spoken of. The terms on which the farmer borrows money oppress him just as heavily. In out-of-the-way districts there are local money lenders who will stop one, two, three, or even four shillings out of every pound they advance. In the first case it is paid back by weekly instalments of one shilling for every

pound, a fine of sixpence being exacted for non-payment of any instalment. This at the lowest is over 30 per cent, on the money actually in the borrower's possession at any time, for it is continually lessening in amount as the instalments are paid. Where the larger sum is deducted, the money is repayable in one sum at the end of nine months or a year. There are few joint stock banks and they do not care to lend to this very poor class. Where they do, the rate is still high, 10 per cent, discount being deducted for small loans of five pounds. This, however, by no means represents all the expenses to which the borrower is put to get his loan. A farmer near Crossmolina gave me the following account of his expenses in borrowing £5 from a bank in Ballina. He had to pay the return fare for himself and his two sureties to Ballina—Is. 6d. each, 4s. 6d. He had to treat them and give them "lashins of whiskey," and to give them their dinner there—a couple more shillings. The bank deducted 2s. 6d. from his £5 for three months, there was the cost of a stamp, the loss of the day's work, and he had to give a day's labour to each of his sureties; altogether an initial expense of at the rate of 40 per cent, per annum. He told me too that he was worried how to pay back his loan in the three months before he had made his profit out of it, for a renewal would have necessitated a similar expenditure. The "treating" is, of course, an item when borrowing from the gombeen money lender.

I mention some facts about the conditions in the far West of Ireland which are familiar enough to those who have lived there any length of time, but which do not receive the same prominence, when the improvement of the Congested Districts is discussed, as the question of enlargement of holdings. This is, of course, absolutely necessary. But I am by no means certain that one grievance is greater than the other, though it is more immediately perceived. Anyone who drives through the country on an outside car can see the miserably inadequate holdings, but the other conditions only reveal themselves to a close observer who takes the trouble to enquire minutely into every aspect of the people's lives. The people themselves are wonderfully intelligent, but they are totally ignorant of social science, or of the power of combination for industrial purposes, unless where the Irish Agricultural Organisation Society has started associations. I look upon the awakening of their own wills and intelligence to work upon their own problem as the first essential condition of their liberation from abject need. To build roads here, a bridge there, to set a sample plot, or to introduce better breeds of sheep, pigs or poultry, are all excellent things, but the economic conditions I have described which are so wide spread and so oppressive, demand far more attention, and are, in fact, easier to deal with. Self-help associations and combinations of farmers for purposes of trade ought, I think, to accompany such work as the Congested Districts Board is accomplishing. Unless the farmer can get a better price for his eggs, there is no reason why he should be eager to rear the improved, breeds of poultry the Board are willing to supply him with. Indeed I have been told in several places that having failed to derive any additional pecuniary benefit from the sale of the egg, the hungry "congest" eat the cocks and hens, A direct connection with markets where every improvement in produce is felt by the producer in an improvement of prices, will supply a greater stimulus to self-help and industrial development than any other device. The new industries which are being started here and there, hosiery, lace-making, crochet, etc., should follow and not precede a wide-spread organisation which would attempt to secure for the farmer the full value of whatever produce he has to offer. New industries will naturally spring up wherever proper channels of distribution were made. There are no more imaginative people than the Irish in Galway and Mayo; and once the vast possibilities of agricultural co-operation are explained and illustrated, their own intelligence will apply the principle in numberless ways; and of this we have already had very striking instances. Once hope is aroused and a path clear, the human energies, hitherto stifled, begin to exert themselves; and I think national prosperity everywhere is traceable, not so much to natural conditions, as to the quality and power of thought expended by the people upon their avocation, wherever it is.

The form of associated effort for self-help which I would advocate first as the most suited to the Congested Districts, is the system of co-operative credit, which began in Germany about

fifty years ago, and which is now rapidly spreading over Ireland. I think these Credit Societies ought to precede any other form of combination because they have the greatest educational effect, because they enter more intimately into the lives of the people and have the widest scope, and also because they are easiest to manage. It is hardly necessary to explain minutely their constitution more than to say that the operation of each Society is confined to a parish, the liability of members for the debts of the association is unlimited, none but honest and industrious people are admitted, and money is only lent for profitable or productive purposes, or to effect an economy.

These Societies offer the following advantages to their members —

- 1st. They can lend at low rates of interest, generally about 1d. per pound per month, and they do not deduct the interest beforehand, but it is payable on the same date as the loan is repayable.
- 2nd. They take the borrower's own terms of time and method of repayment, time and method being regulated by the purpose for which the loan is required. A man who has bought a milch cow will be able to pay by instalments, while a purchase of manure would yield its return perhaps six months hence. If the money is repaid by instalments, the interest is only charged on the money actually in the borrower's possession at any time.
- 3rd. They can give members from 3 per cent, to 4 per cent, on their deposits—higher rates than the Post Office Savings Bank or the joint stock banks allow.
- 4th. They insist on profitable investment; every application passing before the Committee, who are the shrewdest men in the Society, and they must be convinced that the borrower will be able, out of the profits of the loan, to pay them back before it is granted. Foolish expenditure is thus checked, and the sureties are bound, not only for the repayment of the loan, but also to see that the money is applied to the purpose for which it was asked.
- 5th. They confer moral as well as educational and material benefits on their members, mutual trust in each other's honesty being the condition of their meeting together in an association. All the services by Officers and Committee are rendered gratuitously, and the work is undertaken by the Committee solely to benefit the general body.

These are advantages which no gombeen man can hope to rival. Carelessness in discharge of these duties is very unusual, and is provided against by the fact of the members of Committee being liable as members of the Society for their proportion of any loan which a member or his sureties might fail to pay. It is found that the sense of possible loss is quite as efficacious as a salary in quickening the intelligence, just as some theologians find the fear of Hell an excellent aid to conscience where the love of Heaven is a somewhat weak inducement. There are at the present time about thirty-three Raiffeisen Banks in Congested Districts. For the most part these are situated in the very poorest parishes where they are most needed. There are banks in Clare Island, Aran Isles, Rossmuck, Partry, Belmullet, Geesala, Ballycroy, and other desolate bog land districts. I have heard them named as "The Good Samaritans" of the district, though I cannot say who was implicated by this title as the rich, proud Pharisee who turned on the other side,—probably the Government. The unlimited liability is thoroughly understood by the members and the principle is accepted in its true spirit. "Shure if a man fails to pay it will be only 6d. a piece among the lot of us, and any man would do that to help his neighbour, said a member of the Belmullet Bank. Every little loan has its history. Some tremendous profit was made or some wonderful saving effected. The borrowers will tell quite willingly details of the loan. As an instance of the economy effected, the secretary of a Society in Mayo told me that the first advances of cash to his members, about £200, saved

£60, which represented the increase in price for six or nine months credit for seeds and manures. The necessity for the introduction of more capital is very pressing. In one district in Galway, I was told there were thirteen men, neighbours of a member of Committee, who were all without pigs, simply from their inability to get money to buy them; and here, on these small holdings, more than anywhere in Ireland, the pig is the greatest support of the farmer.

I have described already the conditions under which the farmers dispose of their pigs to the jobbers. To combat these is one of the main purposes of the Agricultural Societies. There are twenty-one such in the Congested Districts, and they have effected a great improvement on the prices formerly received for pigs at the local fairs by sending them direct to the bacon curers in Limerick. Each pig sent away has a label with a number attached to it, and cheques for each are returned to the secretary of the Society by the manufacturer so soon as the animals are received and weighed. In one Society in the Erris district, the secretary, before the pigs were despatched, asked each member what he thought were fair prices, and noted down the answer. When the returns came from Limerick, the prices were higher in every case from 10s. to £1. It is not unlikely that the Societies will, in the near future, try for an outlet in England, where still higher prices prevail. The sale of pigs, together with the purchase of manures and seeds at wholesale prices, constitute the chief forms of business transacted by the Agricultural Societies. Many of them also purchase boars and bulls to improve the breed of live stock.

One has started a library in connection with the Society. Several of them have held agricultural shows, and others are being organised. Another has an experimental plot, on which experiments in the improvement of permanent grass lands have been carried out. It is very interesting to note the educational effect of these Societies; a few years ago farmers knew of only one artificial fertiliser, which was, I think, falsely called "Guano" and now they are curious about analyses, talked learnedly of percentage of ammonia, units of soluble phosphates, and generally avail themselves of the provisions of the Fertilisers and Feeding Stuffs Act, by having the manures tested to see if they are up to sample and guarantee. One most remarkable development is the co-operative renting of grazing farms by Societies for the benefit of their poorer members who have insufficient land to graze their stock, and who were previously forced to pay a very high rent to a large grazier for permission to graze a few cattle. The rent of the farm in one case was £130, which was considerably under the rent paid by the previous tenant, as the agent for the estate regarded the tenancy of the Society as much more desirable than the tenancy of an individual. It grazed during the summer 76 cattle and 25 sheep belonging to members selected by the Committee of the Society. The Society made a net profit of £9 from its members, who were yet enabled to acquire grazing facilities for their stock at much lower rates than before, and as the cattle had a wider area to graze over it was much better for the animals themselves than if they were restricted to a few acres owned by any one of them. This development is being proceeded with in three districts in the congested area. It is, of course, not so satisfactory as purchase, but it is much more satisfactory than the tenancy of large tracts by single graziers, while a large number of small holdings around are occupied by farmers who have no possible means of increasing the number of their stock unless by an arrangement with the grazing tenant, which is too one-sided to be profitable to the farmer. If a slight alteration in the existing system of land-purchase could be made, by which the Society could become purchasing tenants of these grazing farms through the Land Commission for the purpose of sub-division among their poorer members, it would be a very popular provision, and would, I believe, be largely availed of. There is no lack of generous public spirit in the Societies, and they have intimated to us that they are willing to become collateral security to the Land Commission for repayment of the purchase-money by members who may be actually put in possession. This method of purchase, it is believed, would have the effect of preventing any further sub-division of land, as it would then be the interest of the community to see that nothing would

occur which would weaken the financial position of the holder and prevent them from meeting their obligations. The advantages which the good security of the intending purchaser would afford to the landlord in dealing with the Land Commission would, it has been ascertained, induce many of them to part with grazing farms in their possession. There is no doubt that if the amendment in the existing system of land purchase, I have referred to, could be made, that "-co-operative land grabbing" would be a great feature in the programme of self-improvement which the farmers in the West have set before them. In any scheme for enlargement of holdings the -establishment of agricultural banks would be a necessary feature, as without capital the farmer would be unable to successfully stock and work his holding; and in some cases where the experiment of enlargement has been tried, several of the tenants have had to give up the undertaking on account of their lack of capital. The extension of the Creamery system to congested areas is not possible in many places, though there are at present seven Creameries existing, worked on co-operative lines—in some cases with much success and in all with great benefit to their members. I believe a sum of between £4 or £5 would represent the annual value of the milk of the cow to its owner under the old system in these districts, and an increase of at least 25 per cent, on this average has followed the introduction of the Creamery system. The management is not exempt from faults, but these are rectifying themselves as the farmers grow more accustomed to, and understand better the new method of "making butter by steam." A few rows take place occasionally where the clanship of families has not yet merged into the broader and nobler conception of the brotherhood of the whole district. But the innate good business sense which the Irish farmer possesses and his capacity for joint action for public ends are overcoming such obstacles. In almost all the Societies a great deal of unselfish work is done by members of Committees, who receive no remuneration and often no personal benefits from the operation of the Society. It is noticeable too that the best account keeping is found in the Agricultural Banks, where the secretaries are unpaid, which proves, I think, that the service rendered for love are better than the services rendered for gain. Where men undertake such work the pleasure which always attends the accomplishment of a good action, makes them enthusiasts and ensures success and good feeling. There are twelve Societies of a miscellaneous character, mainly for the development of the egg and poultry business. The Poultry Societies which are generally managed by a Committee of farmers' wives, at first had a hard struggle for existence. They raised the price of eggs at once in the districts, but have had to undergo a fierce competition from the local "higglers" who raised their prices also in hopes of breaking down the new combination. The eggs are all tested as they are brought in ; they are bought by weight, which encourages the production of the best kind of eggs, they are then graded, each egg stamped" with an Irish brand, packed in the Danish fashion according to instructions given by an expert egg packer, and sent to England and Scotland. In the case of the Egg Societies a development similar to that which has taken place in the Creameries is taking place. I mean the auxiliary system. Instead of each little Society working by itself, the tendency is to federate a number of Egg Societies together round a common centre where the eggs may be packed, the out lying centres being more in the nature of receiving depots. Such a federation is being worked up in Castlebar. I believe these Societies are bound to extend all over the West of Ireland. They not only improve the price for eggers, but they pay cash to their members, who otherwise are obliged to take payment in tea and sugar. They improve the breed of fowls by getting writable sittings of eggs for their members; and that wild and picturesque bird, the West of Ireland hen, is giving place to new breeds with high sounding names and irreproachable pedigrees, and which have also the practical virtues of being good layers.

I have not laid much stress upon the application of co-operation to home industries. In Galway and Mayo it is difficult to create new industries where the people have no industrial habits or traditions. I have no doubt that when technical schools have been in existence for some time that it will be more possible to federate the workers for such purposes, but now a long course of instruction would have to precede any return, and it is too much to expect people ignorant of such things to combine and pay for instruction with no certitude of success

afterwards. As I said before an organisation of the industries at present in existence, where success is certain, should precede the introduction of new methods which may or may not succeed. All those I have mentioned have been already tried, and co-operation for the following purposes is in contemplation, fishing, the distribution of migratory labour, cattle insurance, cultivation and sale of flowers and early vegetables. The growth and sale of early potatoes has been tried by the Society in Aran, with sufficient success to induce the members to continue the experiment for the next year. The trial of these and other enterprises is only a matter of time. I think that everyone who knows the economic conditions under which the small West of Ireland farmer lives, would say that Societies for any of these purposes would meet pressing wants and would largely increase the wealth producing capacity of each district. These suggestions are not put forward in opposition to the programme of any political party, but are, I believe, just as essential as any to the welfare of the people. They all call for the initiative of the people themselves. Every Society is locally managed ; the capital is in almost all cases locally subscribed ; and as they succeed, hope, brotherhood, enthusiasm and other impalable but most real energies awaken, and on these qualities, perhaps even more than on any economic device, depends the future of the West. Indeed without a personality, already gifted with such qualities, the successful foundation of a Society is almost impossible. However such people who can impress their character upon others can be found almost everywhere in Ireland: and the human influence of these workers, the unknown Tolstois of Irish rural life, is being felt with the happiest results to-day in the Co-operative Societies in the Congested Districts.

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