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Co-operative Organisation in Ireland. ^{*}

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The Co-operative movement in Ireland has attracted the attention of the whole world. It is a practical attempt to deal with some of the more fundamental Irish problems. It is primarily concerned with the economic welfare of the country.

In the year 1889 the Co-operative movement was inaugurated in Ireland by Sir Horace Plunkett, and three Co-operative Societies were established in that year. According to the census of 1891 the proportion engaged in Agriculture to that of the definitely employed population amounted to about 50 % in comparison with 19 % in England, 33 % in the United States and 41 % in Germany. Yet, agriculture, the basis of the economic life of the nation, was unorganised and undeveloped.

Ireland can boast of a fertile soil and its potential productivity is hardly equalled in the continent of Europe. Yet these splendid resources have never been properly utilised, and in place of prosperity, there has been much waste of resources in some areas combined with poverty and distress in others.

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Many years ago, land in Ireland became the property of a comparatively small number of alien land-lords, and the original Irish owner remained an occupier, under a system of yearly rents or leases. This manorial system which worked admirably in England was never accepted by the Irish people. The lack of security of tenure, bitterly impressed by evictions for the non-payment of rent, had completed the rousing of national resentment against the system of land tenure. Vast stretches of fertile land were used for grazing purposes, and in 1891 more than two-thirds of the land suitable for cultivation was used as pasture. Such a system of agriculture was unsuited to the support of a large population.

The economic situation thus stated has been largely responsible for the excessive emigration which has so profoundly affected the recent history of Ireland. The loss of these people is in itself a great injury to a country, though in the case of Ireland, emigration was for some time the only alternative to starvation. Last, but not least, in importance was the absence of a satisfactory educational system.

Reforms in the laws affecting land tenure were slowly carried out, but it was not until 1903 when tenancy was made secure through a system of land purchase that the land agitation began to subside. State action alone, however, could not remedy Ireland's troubles. Organised self-help among the people was even more necessary. The success and tragic failure of the Ralahine community in 1831 is among the romances of Social and Co-operative history. Although, after two years of most encouraging development, this little Co-operative Commonwealth on the Shannon finally failed, its short history illuminated for a moment the possibility of an Irish self-help movement.

In this state of stagnation, in which Ireland was immersed, and for which land legislation could be only a partial remedy, there appeared a man with a complete and constructive policy and with the energy and courage to put it into effect. Sir Horace Plunkett, whose name will go down to posterity as one of the greatest statesmen that Ireland has ever produced, summarised his policy as seeking "Better farming, Better business and Better living." The first object involving costly and protracted research and elaborate administrative machinery was largely the sphere

of the State. The second which would enable the farmer to hold his own with other groups of the public, was essentially the sphere of voluntary effort. The third was the desired effect of both. Sir Horace realised that the weak national character of a subject nation would be still further enervated by any large state Scheme for better farming. Therefore, he wisely concentrated his first efforts upon establishing organised voluntary effort for securing better agricultural business.

“The key-note of our proposal”, wrote Sir Horace Plunkett, “is the proposition that the Irish farmers must work out their own salvation and further that this can only be done by combination among themselves.” For this purpose he promptly adopted the co-operative methods of Rochdale and Denmark, and hence co-operation has become the basis of the new economic social structure of the country. He had, however, to address over fifty meetings before he could arouse any response.

In 1888, when after a long absence in America, Sir Horace Plunkett returned to Ireland, he found the economic situation full of difficulties. The adoption of free trade in 1846 had put an end to artificial barriers against foreign competition. Beef from America and butter from Denmark were rapidly displacing Irish products. Sir Horace realised first, that only through the large scale production of produce of high quality could Ireland expect to meet this competition and second, that only through co-operative methods could Irish farmers control a large-scale business. Chief among the Irish rural industries, which were in danger of ruin on account of the competition of their more advanced and better organised neighbours was that of butter-making. Sir Horace therefore decided, as a first step, to attempt the construction of creameries. The first co-operative creamery was started in 1889 at Drumcollogher, and was immediately successful, paying the highest price for milk in its neighbourhood.

From this small beginning no greater silent revolution had been effected in Ireland than that which has transformed the butter-making industry from an unorganised slovenly, and unprofitable process, into one which is well organised and profitable, and which bids fair to give Irish butter a leading position on the British Market. This change has been brought about by the Co-operative Movement.

In the early part of the 19th century when butter was made without the aid of machinery, the Irish farmer enjoyed a great advantage from his close proximity to the great markets of England and Scotland. This happy state of things was brought to an end by the Danes, who, owing to German tariffs and the cheapness of cereals imported from America, concentrated upon the production of the breakfast requirements of the British Market. Denmark became covered with a net work of creameries equipped with the most modern appliances for the manufacture of butter of high quality.

This fact was soon reflected in Irish prices, and by about 1885 Irish butter was the cheapest on the market and universally condemned. Sir Horace Plunkett and his followers quickly realised the situation and saw that this danger could only be averted by a complete change in the directions; first technique; and secondly marketing.

Thus with courage and perseverance the Irish pioneers in 1889 began the task of promoting creameries, which were the first and most successful of Irish Co-operative Societies. They were organised more according to German than to Danish methods, having share capital allotted to members in proportion to the number of their cows.

Many of the creameries enforce a binding rule, by which the members contract to bring to the Society all the milk which is not required for their own domestic consumption. Some such rule is, of course, of the greatest importance in ensuring continued prosperity for the creamery.

The price of milk is fixed from time to time by the Committee according to the percentage of butter-fat in the milk. A creamery is not generally started until the supply of milk from 100 to 1,000 cows is guaranteed within the radius of not more than five or six miles. In places, however, where dairying is carried out by a small population scattered over a large area, the difficulty has been got over by the establishing of auxiliary creameries, these are merely separating stations, which forward the cream to a central creamery for churning into butter.

The problem of capital has always been a difficult one, and it is held by many that the present methods are inadequate. Shares are of the value of £1 and are usually held in proportion

of one share one cow. The remainder of the capital is raised by means of an overdraft from a bank, on the joint and several guarantee of the members of the committee, who have as their protection the uncalled balance of the members' shares.

In number, membership and value of business the creameries are the most important group of Irish Co-operative Societies, the following being their statistics for the year ending 31st March 1922

| | | |
|------------------------|-----|------------|
| Number of creameries | ... | 339 |
| Membership. | ... | 49,959 |
| Paid up share capital. | ... | £2,05,848 |
| Loan capital. | ... | £4,30,331 |
| Turnover. | ... | £5,661,518 |

Many of the creameries carry out various subsidiary enterprises for the benefit of their members. Of these the most common is the collective purchase of agricultural requirements of all kinds, in districts where no special society has been found for that purpose. Other creameries do a large trade in eggs and poultry which they collect from their members.

The success of the co-operative movement is shown by the gradual disappearance of its competitors. The output of factories and proprietary creameries is on the decline, although unfortunately no figures on the subject are available.

In spite of this progress in the local production of butter, the creameries have made little advance in federation. They have not yet realised the necessity of not competing with one another. In other words the problem of marketing the produce on a national basis has hardly been approached. A body known as the Irish Co-operative Agency Society Limited with headquarters in Limerick, has been in existence since 1892, when it was formed for the purpose of marketing the supplies of the co-operative creameries. Although it still does enough business to justify its existence, it cannot be said to have taken that place in the movement for which it was originally intended. There is a tendency among the creamery managers to make their own bargains as long as the market is good, and only to resort to the agency when there is considerable difficulty in selling.

The Irish Agricultural Wholesale Society (I. A. W. S.) which will be discussed later, has recently developed a considerable

trade in the marketing of butter and other agricultural produce on a commission basis, and this may have a great effect in improving the position of the Irish Creameries. It does, however, disclose a weakness, that the creameries should be using two wholesale bodies for trade which could more economically be handled at one centre.

To meet these difficulties, great efforts are being made by the Irish Agricultural Organisation Society (I. A. O. S.) to popularise what is known as the "Butter Control Scheme" on the lines adopted so successfully in both Denmark and Holland. The essence of the scheme is that all the creameries affiliated to the central, make butter of a guaranteed standard, and are allowed to sell it under a brand, which will become well known on the British Market.

The work of the creameries, however, can never be thoroughly satisfactory, until a system of farming is adopted throughout the country which will ensure a more even production of milk during winter and summer. In order to encourage winter milk production the I. A. O. S. has been advocating the adoption of a system of continuous cropping suggested by Mr. Wibberly.

The average yield of the cow is a point of the greatest possible importance in a dairy country, and in this respect Ireland has still much to learn. A cow testing association or milk record Society is an inseparable adjunct of a creamery in Denmark and other progressive countries. Such a Society, if organised, will cause a rapid improvement of both the quantity and the fat content of milk.

After the creameries the most important trading societies in Ireland are those known as "Agricultural Societies." The main work of these societies, of which in 1921 there were 399 with a membership of 66,831 and a turnover of £20,41,290 is to purchase in bulk the seeds, fertilisers, food stuffs and other agricultural requirements of their members. By doing this, they effect considerable saving through wholesale rates on favourable terms and they also ensure the good quality of materials.

Quite a number of societies carry on a general store business for the supply of domestic requirements, groceries etc. Owing to the strong movement in favour of extended tillage during the war, most of the agricultural societies, developed their trade in implements for their members' use. The economic results achieved by Agricultural Societies in Ireland are very easily distinguished,

There has been a continuous improvement in the conditions of sale of the principal articles in which these societies deal. Prices have been lowered, rings have been broken, and what is more of importance guarantees of quality have been secured.

The Agricultural Co-operative Movement, besides the work of organising the business side of farming in Ireland, set itself to develop other rural industries which previously had been neglected. These were bacon-curing, poultry-keeping and egg-production, Bee-keeping, and fruit-growing etc.

As regards poultry and eggs, the position of Ireland, in close proximity to the English markets, has offered a particular advantage and incentive to the industry. Nevertheless, it had never assumed its proper position in the life of the country. The reputation of Irish eggs was no more savoury than that of Irish butter. The yearly loss to Irish farmers, distributed among all classes of the population, and most serious for the poorest, amounted to thousands of pounds.

Complete ignorance of the technical details of the industry, and a lack of proper arrangements for marketing largely accounted for this situation. Winter egg production was as unusual as winter dairying. No attempt was made to sell the eggs either clean or graded, or to ensure that the produce was delivered fresh.

The situation was one in which the application of the co-operative principles seemed likely to prove particularly advantageous. Consequently the addition of eggs and poultry to the business of the existing creamery societies was recommended, and in 1897, the formation of independent societies for this purpose was proposed. Later a poultry expert was added to the staff of the I. A. O. S. and a Dane, M. Viggo Schwaz, was brought over to introduce the methods of grading and packing which had established the Danish egg at the head of the English market.

In the year 1920 Ireland exported to Great Britain eggs to the value of £ 14,307,726 and poultry to the value of £2,017,640. There were also exported feathers to the value of £ 72,599. The total value of these exports was therefore £ 16,397,965.

Talking in millions conveys little to the mind of the average person. But in order to make the value of this undeveloped trade apparent to all, it may be mentioned that it represented over

£ 3'10'0 in income to every man, woman and child in Ireland while it also contributed the main source of livelihood to a very considerable percentage of Irish population.

There were in 1921 in Ireland 10 poultry-keepers societies with a membership of 3,188 and a turnover of £ 177,282, which collect, grade, pack, and market the eggs for their members, and in many cases have engaged in the dressing of the poultry. They perform these services so far as possible along the most modern and scientific lines. The eggs which are collected regularly by vans of the society, are graded according to size or weight, and in some cases are paid for on that basis.

Bee-keeping in Ireland offers an opportunity for considerable profit with very little trouble. At present much honey goes to waste, or rather is not produced at all. And yet the demand is great and capable of extension. Bee-keepers' Co-operative Societies are easily formed, since they require practically no capital. In 1902, the Irish Bee-keepers' Federation Limited (I.B.K.F.) was created, with the depot in Dublin. Unfortunately, however, interest in this industry was allowed to lapse, and the few societies which were formed have now disappeared. The I.B.K.F. has been superseded by a depot of the Irish Agricultural Wholesale Society, and a special Society for the encouragement of bee-keeping and the proper grading of honey has been formed. The history of co-operation in this industry indicates that separate societies for comparatively subsidiary industries do not succeed. Such undertakings are best provided as parts of the more general types of societies.

The next section of Irish co-operation is in respect of bacon-curing and meat. There are two large and successful societies engaged in the work, one at Roscrea, and the other and the larger at Wexford. Beside these, there are many smaller societies, some of them working in conjunction with creameries of agricultural societies. These societies take their members' pigs, sheep and cattle, slaughter them, produce bacon and sell dressed meat. The Wexford society is flourishing, and does a large and increasing trade.

The Irish Agricultural Wholesale Society Limited (I.A.W.S.) to which reference has already been made, was formed to act as a trade federation for the whole movement: apart from creameries,

for which the Agency at Limerick was intended. The I.A.W.S. has been of the utmost service to the organised farmers, in breaking through various rings and combinations of manufacturers, although its task has been almost over-whelming. It was opposed by the manufacturers and it was under-capitalised. Notwithstanding these difficulties, the Irish Agricultural Wholesale Society has succeeded in building up a trade of impressive dimensions, and has conferred great benefits upon the societies. Its turnover increased from £ 54,000 in 1905 to £ 1,118,718 in 1921.

As a result of the working of the Irish Agricultural Wholesale Society, Irish farmers have obtained a great reduction in the prices of the artificial fertilisers. In regard to seeds, the I. A. W. S. gives a guarantee of purity and germination. In dealing with dairy and egg machinery it fought a long fight with the manufacturers. The Irish manufacturers boycotted it, and it had recourse accordingly to American firms. By amalgamation with the Irish Producers Limited, the I. A. W. S. was enabled to deal in poultry, honey and eggs. It also established a grocery department for the sale of household requisites to the distributive societies. It thus aims at being a joint wholesale society for the consumers' and producers' movement.

Credit societies have played a useful part in the poorer districts of rural Ireland. Not only did they enable hundreds of peasants to escape from the gombeen-man or money-lending shop keeper, but they raised in time nearly all their capital by means of local deposits. The high prices of farm produce during the war checked the demand for loans and it became necessary for the I. A. O. S. to warn societies against receiving an excess of deposits. It is unfortunate that the lack of credit federation made it necessary to check this co-operative thrift. The more difficult agricultural situation of the present time may again stimulate the development of credit and thrift societies. If so, every advantage should be taken of the change. Credit and thrift organisation is the soundest foundation for any agricultural co-operative movement, as the experience of Germany has proved and as the developments in India indicate.

Meanwhile as society after society sprang up, it became essential to form a central body to direct and supervise the work of the movement. Consequently in 1894, the Irish Agricultural

Organisation Society, (I. A. O. S.) was formed. With its foundation the birth pangs of the movement were at an end. The I. A. O. S. became a central committee for the local co-operative societies, providing them with advice and auditing services, conveying conferences among them and organising new societies wherever there was demand for them. The Committee and officers are subject to annual election by delegates of affiliated societies, and by those individuals who subscribe to the movement. The control of the movement is therefore thoroughly democratic.

The work of the I. A. O. S. is supplemented and strengthened by the weekly paper, the "Irish Homestead", whose editor Mr. George Russel, better known as A. E., a poet, painter, economist and writer of the first order, combines this rare assortment of gifts in the articles which stir every week a wide range of readers to renewed action in the interests of country life.

A later addition has been the co-operative Reference Library which is established at Plunkett House, along with the I. A. O. S. It is widely used by agriculturists of all nations.

The foregoing briefly describes the development of the Irish rural movement towards "Better business." In 1895, when this movement was 5 years old and included a complete frame work of co-operative organisation, Sir Horace Plunkett felt that the time was ripe to call in State aid in order to bring up-to-date the antiquated condition of agricultural technique and to launch a secondary movement towards better farming. Scarcely less marvellous than the success of the self-help movement, was Sir Horace's achievement through the Recess Committee. This body included representatives of every political party in Ireland. Not only did it produce a unanimous report upon the form in which State aid could best be applied to Ireland, but it elaborated in twelve months a detailed scheme, based upon first hand observations in other countries, from which subsequently was planned the Irish Department of Agriculture and Technical Instruction. This body proved to be one of the most efficient of its kind. Its control is democratic; and it enables a central state Department to co-operate actively with country Agricultural Committees.

The new "Department", as it is called, began work in 1900, and it has exercised a deep and lasting impression upon Irish farming methods.

As the Irish farmers learnt from the Department and the country Agricultural Staffs how to use profitably modern fertilisers and feeding stuffs, so they increased the business of their co-operative societies in such commodities. Conversely, as the creameries taught farmers to value their cows according to both the quality and quantity of their milk, so the farmers turned to the Department for guidance and help in the improvement of their livestock.

Thus the two parallel movements towards better farming and better business have continued, in spite of minor causes of friction, to react favourably upon each other. And if we look back over the period of about 40 years since the new rural policy was first announced, its undoubted success in the face of immense difficulties is apparent. It has been due in the main to two factors. First, to the correctness and appeal of the co-operative principle as Sir Horace Plunkett adapted it for Ireland, and second, to his own personality, which has attracted to his support the best elements of every class in the Irish life. The Irish Co-operative Movement, however, has benefited not merely Ireland itself. It is an example to rural reformers everywhere, and indeed is an inspiration to all who look upon better living as the ultimate goal of human desire and human effort.