

JOURNAL
OF THE
STATISTICAL AND SOCIAL INQUIRY SOCIETY OF
IRELAND.

PART LXXII.

I.—*Co-operative Agricultural Societies in Germany.* By Rev.
T. A. Finlay, F.R.U.I.

[Read Friday, 18th December, 1891.]

A FEW days ago Mr. Balfour, in a remarkable speech, announced his conviction that the cure for the evils at present afflicting agricultural industry in these countries, might be found in co-operation. As a preliminary to a discussion of this view, it would be necessary to explain between whom the co-operation is to subsist. Between large landowners and small, or between small landowners amongst themselves, or between landowners and labourers who are not owners of land? Before we can describe a system of co-operation, we must be able to designate the individuals who are to co-operate; and to be able to describe them we must assume as established some system of land tenure, which will determine the condition of the several co-operating parties. Mr. Balfour, when speaking of co-operation, is evidently thinking only of the condition of things which prevails in the United Kingdom. He speaks of the parties who are to co-operate, as respectively farmer and labourer, that is to say, he assumes the co-operation to be between an individual who is an owner or holder of land, and an individual who is not. "The problem of our country districts would, I believe, be solved, if only we could associate the labourer with the farmer; if only we could make them all sharers in the profits, as they are sharers in the toil, I think we should have got to the end of our difficulties." I am not sure that Mr. Balfour is stating the agricultural problem correctly. His words appear to signify that it is merely the distribution of profits which is in question; and this, I fear, very few of the discontented agriculturists would allow. They would contend that it is not a question of distributing profits among the parties to the process of production, but a question of securing profits for distribution. The farm labourer, no doubt, complains that he does not receive enough of the profits created by his industry, but the farmer retorts denying that there are any profits at all. He protests that agriculture does not make

him any worthy return for his capital and his own labour ; and, for effectual confirmation of his protest, he throws up his farm and betakes himself to some other industry. Co-operation between farmer and labourer would, we may admit, make both " sharers in the profits as they are sharers in the toil ;" but what constitutes the gist of the agricultural problem, as it now stands, is to bring into existence the profits in which both toilers are to share. Would co-operation between farmer and labourer effect this result in a satisfactory measure? Would it have an appreciable effect on prices? Why it should do so does not appear. Would it so increase production that, with prices at their present level, a fund of profits would be created abundantly sufficient to satisfy the claims of the several partners in the industrial process? I cannot find any warrant for thinking it would do so. The labourer might, perhaps, work with a better will because of the alliance, but we have no reason to think that the farmer would be stimulated by it to improve his method of agriculture, and it is to improved agricultural methods that we must look for increased production.

On these grounds we may, I venture to believe, permit ourselves to distrust Mr. Balfour's estimate of the value of co-operation between farmer and labourer. A further ground of this distrust is furnished by the fact that the method has been tried in actual experiment, and has failed, or at least has issued in results which sadly discouraged its patrons.

Agriculture is declining in these countries, as, indeed, it is declining elsewhere in Europe. As a consequence of its decline, the labourers are taking refuge in the towns, adding to the number of the helpless and the unemployed, and increasing the already prevalent misery in the great centres of population. Mr. Balfour holds that the labourer would not fly to the town if the farmer would only consent to share his profits more generously with him ; the farmer replies that he cannot share the profits more generously, for the reason that he has not got the profits to share.

A writer in the *Scotsman*—who, we may assume, understands better than other men Mr. Balfour's mind—undertook a few days after the Huddersfield speech, to explain the *métayer* system of France to the economists of North Britain, and suggested that by adopting it they might attain to some of the blessings indicated by Mr. Balfour. The *métayer* system—in which one man supplies land and capital, another carries on the farming operations, and both share the produce—would not, of its nature, affect the condition of the labourer. The system is in vogue in some parts of the South of Ireland, where the farmer hires out his land and his stock to a dairyman, but we have not heard that the system, as thus practised, tends to improve the condition of the herds and dairy hands. Furthermore there is nothing in the *métayer* system to make its agricultural methods specially productive. Now it is only increased productivity or increased prices which can afford increased profits ; and it is only an increase of profits which can satisfy the farmer, and permit the farmer to satisfy the labourer. The improvement on Mr. Balfour's suggestions for which we are indebted to the *Scotsman* would, as it

seems to me, help very little to a solution of the agricultural problem.

This criticism must not, however, be taken to signify an absolute disbelief in the efficacy of co-operation; it means only a distrust of that peculiar kind of co-operation which Mr. Balfour advocates. There is co-operation of another kind which might be most usefully appealed to as an alleviation, if not as a remedy, in our agricultural difficulties—a form of co-operation which if it did not absolutely increase the total amount of agricultural produce, might be relied on to diminish the cost of production; and this, so far as the producer's profits are concerned, amounts to the same thing. I am speaking of co-operation among the farmers themselves. By the phrase I do not mean co-operation in the actual tilling of the soil—how far such a system is feasible we may leave undetermined—but co-operation in those other very numerous transactions which enter largely into the farmer's industry, and are as much a condition of its success as the actual cultivation of the soil. In carrying on his industry the farmer is a large consumer; would it not diminish the cost of production in his case, if he could secure from co-operation the advantages which it bestows on societies of consumers? And are there not other advantages in the processes of selling and buying and of borrowing, which he could secure by co-operative alliance with his fellow farmers?

It would be easy to show by most excellent *a priori* reasonings that such must be the case. But *a priori* reasonings are somewhat discredited in economic science, just now; facts are much more in favour than theories; instead of demonstrating what might be, or ought to be, we are expected to state what has been. In dealing with the question of co-operative agricultural societies of the type I have described, we are, fortunately, in a position to meet this requirement. Societies of this kind have been tried in Germany through a long term of years, and over a wide area of country. The results are significant; they will, I venture to hope, have an interest for the members of this society, and may be usefully commended to the attention of our farmers at home, who are contending with the same difficulties which confront the peasants of Rhineland and Westphalia.

It is not, of course, pretended that these societies provide an adequate remedy for the German farmer's grievances. Agriculture in Germany is as thoroughly depressed as it is in Ireland. The peasant-farmer there is as deeply embarrassed as is the purchaser under the Ashbourne Act, who complains that his position as a landowner is more difficult than was his position as a yearly tenant under an arbitrary rent. In the remarkable speech with which, a week ago, the Chancellor, Caprivi, introduced his new commercial treaties to the Reichstag, he was explicit in his confession of the deplorable condition of agriculture in Germany. The position of the agriculturist, he acknowledged, has gradually become more and more difficult, till at length the point has been reached at which the farmer's crop, when brought to market, will hardly defray the cost of production. The Imperial Legislature endeavoured, some years since, to provide a remedy, by imposing high protective duties on imported agricultural produce, and by this policy risked their popu-

larity among the manufacturing population, who were thus taxed for the benefit of the farmer. But even this experiment, the Chancellor sorrowfully confessed, has not cured, though it may have somewhat alleviated, the agricultural depression; and the commercial treaties, for which he asked the approval of the Reichstag, were a pledge from the government to abandon, in a great part, this policy of protection. But stronger testimony than even the words of the Chancellor, is furnished by certain figures which economists and state officials have compiled to exhibit the condition of agricultural industry in Germany. To cite a few of these: one author of note, writing in 1884, computes that 80 per cent. of the land of Germany is already transferred by mortgage out of the hands of its nominal owners. Another sets down at ten milliards the capital value of the loans advanced upon land security in Germany, a sum which connotes a yearly payment of some five hundred million marks in interest. In the province of Westphalia, to which in the further course of this paper, special reference will be made, the yearly advances made by the savings banks on land security increased, between 1872 and 1882, by a sum of sixty-nine million marks; and in the latter year the total advance was one hundred and sixteen millions. In further proof of this decline of agriculture, I may cite the enforced sales of land, brought about in most cases without fault of the owners. In the year 1886-1887 no less than 2,835 holdings, representing an area of over 250,000 acres, were thus sold in Prussia alone.

Confronted by these facts, and others of a like import, the farmers found it necessary to cast about for methods of self-help, at the same time that they called loudly for the intervention of the legislature in their behalf. Among the institutions devised for their aid, are the associations which I have described as agricultural co-operative societies, but which in the country of their origin are known as "Farmers' Unions"—*Bauernvereine*. They owe their first existence, and their continued prosperity to the patriotism and philanthropy of one who was not himself a peasant, though he chose to identify himself in matters of public economy with the peasants' interests. Burghardt Freiherr von Schorlemer-Alst was a nobleman by birth, and in his early years a soldier by profession, officer of a Uhlan regiment. In later life he devoted himself to practical agriculture upon his estate in Westphalia, at the same time that he took an active interest in political affairs, playing an important part in the long struggle between Prince Bismarck and the parliamentary party, known as the Centre. In May, 1862, he established an association, which at first consisted of but twelve members, but, which, at the close of the year of its foundation, counted as many as 215. In a general meeting of the association, held in November, 1863, the purpose of the organisation was defined to be "to promote the religious, intellectual, and social well-being of the middle and lower farming classes, by independent mutual co-operation." In time the religious scope of the institution—it was at the outset exclusively Roman Catholic—fell into abeyance, and the furtherance of material interests of all religious denominations, became the paramount purpose of the organisa-

tion. At the outset, too, an attempt was made to secure state recognition, and consequent corporate rights, for the new association; but the government refused to entertain the petition addressed to them in this behalf, and the farmers had to make their way without this sign of government approval. The "Farmers' Unions" prospered, notwithstanding the evidences of government disfavour, and by the year 1871, they were scattered plentifully over the province. In that year the government, which had hitherto exhibited its hostility in merely negative fashion, proceeded to positive measures. It declared the Unions to be political associations, notwithstanding that politics were, by the statutes, strictly excluded from the operations of the Unions; and, on the strength of this declaration, it forbade, in accordance with the law, all intercommunication or understanding for common action among the several associations. But the farmers were not to be thus thwarted. In obedience to instructions from the president, every Union was, by vote of its members, dissolved on an appointed day; and on the 10th November, the farmers assembled in Munster, and founded a single Union for the entire province of Westphalia. Two thousand landowners and farmers assisted at the meeting in which the "Westphalian Farmers' Union" was established. The organisation has since carried on its functions without further molestation from the government, and, under the new and more generous conception of government rights which prevails in Germany, it is not likely that its efficacy for good will be further impaired by official jealousy.

A few words on the plan and methods of the Union, as laid down by the statutes in their latest form; I extract some of the leading provisions of the several sections:

"1. The Westphalian Farmers' Union is founded to unite together the peasant landowners of the province in a society which shall: (a) promote the moral, intellectual, and economic improvement of its members; (b) enable them to build up a strong and vigorous farming class, and which (c) shall maintain the system of peasant ownership.

"2. The means which it shall employ for this purpose are: (a) discussions and resolutions of the members in their meetings for the furtherance of their interests, for the defence of the land-owning class, and for the abolition of dangerous customs, abuses, and expenditures; (b) the promotion of appropriate education among the farming classes; (c) the settling of disputes by friendly intervention, especially by means of arbitrators, and courts of arbitration to be appointed by the Union; (d) the foundation of mutual aid institutions for the benefit of the farming classes, such as loan banks, insurances, common agencies for sale and purchase, etc.; (e) the discouragement of mortgaging, subdivision, or sale of peasant holdings, their due registration, and their transfer by gift during life, so that they shall not be subdivided, or transmitted to the holder's heirs too heavily encumbered with charges."

A sufficiently large programme, it will be conceded, and one which in the execution might be expected to tax fairly the energy and enterprise of the farmers and the advisers who framed it! And yet it

has been carried out with equal benefit to its authors, in all its sections, thanks to the untiring enthusiasm and far-seeing wisdom of the president and founder of the Union, and to the appreciation by the farmers of the advantages which the Union secured to them. Let me mention briefly something of the results it has actually achieved.

Insurance of buildings and crops is not, as a rule, largely practised by peasant farmers, if they are left to themselves; they regard the process as too intricate, and the outcome as too uncertain. The Union has done much to disabuse the Westphalian peasant of these prejudices, and to make the use of the insurance system easy and familiar to him. It has entered into agreement with one of the largest fire insurance companies, by which specially favourable terms are secured for its members, and by which, at the same time, it is enabled, as agent of the company, to add to its own funds. The Union has also made special agreement with another insurance company, which insures crops against hail—a form of insurance with which we, happily, are not familiar. In the year 1887, 2,517 policies were effected under this agreement, representing in value insured a sum of over 10,000,000 marks. But it is the practice of life insurance which the Union presses most strongly on its members. In the extension of this practice it sees the best safeguard against excessive subdivision of the soil. A policy of insurance effected by a farmer during life, can be made the means of providing for his children, and he can leave his holding undivided and unencumbered to one or other of his heirs. It is not, however, an easy matter to induce small farmers to provide thus betimes for needs which can arise only after their death. Up to 1887 the Union had been able to induce only 229 of its members to take advantage of the favourable terms it had secured for them from the Stuttgart Life Insurance Company.

As the sphere of its operations widened, the Union undertook the functions of a co-operative society for the purchase and distribution of such commodities as are in demand among agriculturists—artificial manures, feeding stuffs, seeds, agricultural implements and machines, and the like. A committee appointed by the Union conducts the purchase of these several articles, in quantities determined by the orders of the members; the committee secures specially favourable terms in the market, since its patronage is specially sought after; the commodities are tested by scientific experts, engaged for the purpose by the Union, and when duly approved are forwarded directly to the consumers. The advantages to the members of this method of effecting purchases is obvious, and, accordingly, we find the operations of the Union, in this sphere of usefulness, attaining an ever increasing extension.

A still more signal service to the farmer has been rendered by the loan system, contrived and maintained by the Union. In Germany the small agriculturist is a frequent victim to the devices of the usurer, a circumstance which accounts for some of the outbursts of popular hatred against the Jews, who are regarded as specially identified with this kind of noxious speculation. A loan bank, promoted and supported by the Union, makes advances on land securi-

ties, at a fixed rate of $4\frac{1}{4}$ per cent. Of this sum $3\frac{1}{2}$ per cent. represents interest on capital, $\frac{1}{2}$ per cent. repayment of loan, and $\frac{1}{4}$ per cent. expenses of administration. The peasant who borrows from the bank has the satisfaction of knowing that his debt is being gradually extinguished, that the bank is deprived by statute of all power of foreclosure, and that he can, at any time, discharge his liability in full, or in part, as his opportunities allow; while all the time he is paying less for the advance made him than if he borrowed from the usurer. To complete its loan system, the Union has, furthermore, established local, or as we might call them, parish banks, administered by local committees, which make small temporary advances on the personal security of the borrower, the committee being assured of his solvency.

Much useful work is also done by the arbitrators and courts of arbitration, for which the statutes of the Union provide, and to which in matters of dispute the members are exhorted to recur. A great amount of useless expenditure is thus prevented, and the after-crop of hatred and dissension which follows upon proceedings in courts of law, and which constitutes such a fruitful source of disturbance in rural communities, is obviated.

The Union also gives its strenuous support to agricultural schools, founded to continue, during the winter season, the education which peasant lads have carried with them out of the primary schools. In this further education, special stress is laid on book-keeping, the Union holding the view that an indispensable condition of successful agricultural industry is the use of some system of book-keeping by the farmer.

The Union has, of course, its official organ in the press. The *Westphalian Farmer* is published every month, and contains all the current information on agricultural matters which can be of interest to its readers. As the Union, at the end of 1887, counted over 20,000 members, the organ of the association will not fail for want of subscribers.

I have mentioned only the Farmers' Union of Westphalia. But it must be understood that the Westphalian Union has here been selected merely as the type of a number of associations. It was the first of its kind to come into existence; its success stimulated the establishment of other unions; its name and its statutes were adopted by kindred bodies in other provinces, which sometimes surpassed in numbers and equalled in usefulness the parent organisation. The Farmers' Union of Rhineland, established in 1882, counted 29,000 members at the beginning of 1888. Its purchase of agricultural material—artificial manures and the rest, amounted, in that year, to 1,100,099 marks in value, and its official organ, the *Rhenish Farmer*, had a circulation of 31,000 copies.

The Farmers' Union of Trier, after three years' existence, included over 10,000 members. In this province the efforts of the Union were mainly devoted to the rescue of the peasants from the hands of the usurer, or, as we should say, the gombeen man. In three years it undertook no less than four hundred lawsuits on behalf of the victims of the money-lender. It furthermore established a loan bank, and

undertook the business of making loans of dairy stock—a form of speculation which had been largely employed by the usurers for their operations in the province.

Farmers' Unions have also been established in Hessen, Nassau, West and East Prussia, in Eichsfeld, in Silesia, and in Baden. These several unions numbered, at the beginning of 1888, about 85,000 members, with committees, "assay-stations," banking institutions, journals, and other agencies for the intellectual and economic improvement of the farming classes in active operation. Since that time, the man who planned and founded the first Union, and set up the model which was subsequently so largely imitated, has been taken away by death. But the work of Freiherr von Schorlemer-Alst is of that kind which outlives its author. There are, I would fain believe, elements of enduring vitality in these Farmers' Unions which will insure their usefulness for the hard times through which agriculture is passing in Germany, as well as for the better times which, we trust, will follow.

In conclusion I permit myself the question :—Does the history of these Farmers' Unions suggest any scheme of co-operation between agriculturists which might be found practicable amongst ourselves? Our farmers are not, as yet, landowners; at least, not so generally that our condition could be described as analogous to that of the Germans. But they suffer from many of the evils for which the Germans have found co-operation to be the best remedy. They have their difficulties and their losses in dealing with manure factors, seed merchants, implement makers, and others, which might be obviated, if they conducted their negotiations in common through the mediation of an intelligent and capable committee. They could by this means assure themselves of the genuineness of the commodities purchased, and could purchase on infinitely more favourable terms.

Nor would it be amiss that their borrowing transactions should be conducted under the protection which co-operation would afford them. The usurer is not unknown in Ireland any more than he is in Trier. Some months ago I had opportunity of meeting a gentleman, who must have been an ornament to his branch of the money-lending profession, if it is at all capable of ornamentation. He was a man of strong religious views, and somewhat ostentatious religious practice. He read his bible aloud, with a vehemence which enabled his neighbours in our hotel to share largely, if not thankfully, in his exercises of devotion; his theological views were largely liberal, he worshipped, he was good enough to explain, "only in the temple of the blue ether," and was "an enemy of priest-craft in all its forms." But he charged thirteen per cent. for all money lent, and insisted on punctual payment. It will, perhaps, be admitted that a Farmers' Union might find a useful financial mission within the sphere of this gentleman's operations.

Courts of arbitration, too, would not be out of place amongst our farmers. Here, as in Germany, litigation is an expensive luxury, and disputants might, with profit, be persuaded to decide their quarrels more cheaply.

In other ways, also, no doubt, the principle of co-operation among

farmers might be applied, after the German model, for the alleviation of our own hardships. But we need a Schorlemer-Alst to initiate its application ; and a larger land-owning class to afford room for its extension.

II.—*A Suggestion for the Fusion of the two Branches of the Legal Profession.* By Joseph John Murphy, Esq.

[Read Wednesday, 20th January, 1892].

It scarcely needs proof that the distinction between the two branches of the legal profession—between barrister and solicitor—is purely artificial, and incapable of justification on principles of ordinary common sense. There is in the nature of things no imaginable reason why the man who is competent to draw up a brief containing all that is important in a case, should be held incompetent to address the court and to examine the witnesses in the same case ; and it is inevitable that such a distinction must often cause needless expense by requiring the employment of two men to do work which one man could do as well, and needless inconvenience by preventing the suitor from having direct verbal communication with the barrister who is to represent him before the judge, and conduct his case in court. I cannot add anything to what is familiar to most men on this subject ; I take all this as granted, and go on with a suggestion as to the best way of getting rid of this anomaly and inconvenience.

The easiest and completest way would be to enact, by statute, that every solicitor should be legally competent to undertake all the functions of a barrister, and similarly, that every barrister should be competent to undertake all the functions of a solicitor. This, however, or anything approaching to it, is inadmissible, as we shall see if we consider what are the difficulties of the problem. For in this case we are not at liberty to disregard vested interests. Legislation ought in general to disregard vested interests in abuses or in corruption ; but the degree of consideration which they ought to receive is a matter for separate and special consideration in every separate case as it arises ; the vested interests of the bar are free from any taint of corruption ; they have grown up in the development of British law and liberty ; and the legislature, in any re-arrangement of duties between the two branches of the legal profession, would have no more moral right to disregard the interests and the privileges of the bar, than it would have to set aside the claims of any established and professional branch of the service of the state. Now, it is obvious that an enactment simply conferring all the privileges of each of the two branches of the profession on the other, would be most unfavourable to the higher branch ; for every man knows his own solicitor, and brings business to him in the first instance ; so that if the employment of a barrister ceased to be obligatory, it is the solicitor and not the barrister to whom would come that large class of business which the solicitor would be, or would think himself to be,