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Agricultural Credit in Ireland

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Source: *The Economic Journal*, Vol. 24, No. 96 (Dec., 1914), pp. 637-639

Published by: Wiley on behalf of the Royal Economic Society

Stable URL: <http://www.jstor.org/stable/2222530>

Accessed: 27-06-2016 04:33 UTC

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The Economic Journal

AGRICULTURAL CREDIT IN IRELAND.

Report of the Departmental Committee on Agricultural Credit in Ireland. [Cd. 7375.] 1914. Pp. xvi+407. Price 4s. 8d.

THIS is certainly one of the best things that has been published on popular credit in agricultural parts, and it appears most opportunely at the dawn of a new era in Irish agriculture. Its interest and value, however, extend far beyond Ireland, for, though national characteristics play a large part in determining the main features that are needed in popular institutions to render them effective at their best, there is much that is common in the requirements of all peasant proprietors, as there is much that is common to all human nature. The investigation undertaken has been thorough, and numerous facts have been brought to light for the first time. The excellence of the work done is due to some extent to the admirable constitution of the Committee. Among the experts are a banker, an estate commissioner, a Poor-law commissioner, Mr. Gill (of the Irish Department of Agriculture), Professor Finlay (an economist whose knowledge of co-operation in relation to agriculture is extensive), and last, but by no means least, Professor Bastable, whose insight and experience in tracing and balancing economic issues must have been of incalculable service. A beginning is made with a careful analysis of the needs of agriculture in respect of credit. These needs, it is maintained by the Committee generally, cannot be met by joint stock banks, because their methods of doing business are not now adapted to the purpose. One member, however, attaches a dissentient note on this point, though signing the main report. He regards the present facilities for obtaining credit as adequate, and draws attention to the development within the last ten or fifteen years of joint stock banking operations in Ireland. The Committee as a whole go on to argue that agriculture need not be dependent upon the resources of joint stock banks, even with the present disposal of savings, as there are large deposits in the Post Office Savings Banks in rural parts, which are now largely invested in England. By suitable organisation these savings might be diverted to the financing of small agriculturists. In the absence of this organisation, and in view of the comparative helplessness of the joint stock banks, agriculture, it is maintained, is starved for want of capital, and driven to the costly expedient of the "trust auction" system, which is fully explained in its several forms. This ruinous system, combined with long credit at shops, has taken the

place of the "gombeen man" of notorious memory, and it cannot be said that, through the change, the impecunious farmer has succeeded in jumping from the fire even as far as into the frying-pan. Aid through the Loan Fund Board (the history of which is given) is failing, and to such an extent that the Committee recommends the transference of the functions of this Board to the Agricultural Credit Section of the Department of Agriculture. As regards the land loan schemes of the Board of Works, on the other hand, there is said to be room for a more extensive recourse to them.

Co-operative credit as another expedient is minutely considered. Numerous faults were found in too many cases, for instance excessive reliance on State loans, insufficient inspection, an unwise choice of secretaries or lack of the right men, and carelessness or inefficiency on the part of the Committees; but in co-operative credit, as it exists, the Committee sees the nucleus of what is needed. Experience shows that the root of the matter in the honesty and good faith of the farmer can be relied upon. But certain reforms are suggested. Greater security must be insured, and this can be secured partly by limited liability. Again, responsibility and initiative have been weakened by the ease with which cheap loans have been got from the State. Coming to details as regards organisation, the Committee, however, loses its unanimity. All but three out of the eight members would like to see the organisation of credit societies placed under the Department of Agriculture, aided by an advisory committee representative at least of joint stock banks, co-operative societies, and the various State Departments dealing with agricultural loans. Professor Finlay, one of the dissentients, explains in a note the ground of his objection, which is in substance that State control, with all that it entails, would undermine the spirit of self-help which is the soul of co-operation. In view, particularly, of the effect of the cheap loans from the State, his contention is a weighty one; but, with the admitted need for a stringing up of the management and for greater security, forcible arguments can be adduced on the other side. Indeed, so greatly impressed were the Chairman and Professor Bastable with the latter need, that in a supplementary note they put the case for a State guarantee for the security of deposits; and any such guarantee without State control would be out of the question. In conclusion, it may be said that the work done by the Committee has paved a high-road to the solution of the problem for Ireland. All the facts have been elicited and impartially set forth; and differences in their interpretation, and in the practical judgment founded upon them

and upon expectations of the future, have been frankly stated. There are strongly marked conflicting views, but the Committee's impressive agreement on the end to be attained, and upon the general nature of the means of attaining it, may be taken as an assurance that the problem will not be allowed to rest.

S. J. CHAPMAN

THE TRADE OF INDIA IN 1913-14.

Review of the Trade of India in 1913-14. (Calcutta : Government Printing Office. 1914. Price 12 annas.)

Memorandum and Statistical Tables relating to the Trade of India with Germany and Austria-Hungary. (Calcutta : Government Printing Office. 1914. Price 8 annas.)

THIS issue of the annual Review of the Trade of India is the first which has appeared under the editorship of Mr. G. F. Shirras, who has been appointed by the Government of India to the newly created office of Director of Statistics. Mr. Shirras has revised its form in a good many respects, and has taken the opportunity to introduce several improvements. He is to be congratulated on one of the first fruits of his new appointment.

Amongst the features to which it is worth while to draw special attention is the index number of prices based on the recorded values of articles entering into foreign trade. As in this country, the value of foreign trade at the prices of the preceding year, as well as at the prices of the current year, have been calculated for India for some time past. But Mr. Shirras has now used this material as the basis of a carefully compiled index number. He finds that in 1913-14 prices were about 2 per cent. higher than in 1912-13, while the volume of foreign trade increased by about 4 per cent. The articles of export which show an important rise in price were tea, wheat, and jute, while rice and linseed fell in price. As regards the quantities exported there was an important increase in the case of raw cotton and a decrease in the cases of wheat, raw jute, and opium. In the case of raw jute there was a considerable increase in the aggregate value in spite (or because) of a considerable decrease in the aggregate volume.

It is to be wished that Mr. Shirras had compiled index numbers for exports and imports separately, and not, as he actually has done, for the two combined. When the international position of India is being considered it is much more important to know

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