

**THE DANGERS OF JOINT
CO-OPERATIVE FARMING**

by

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FORUM OF FREE ENTERPRISE

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I have been a life-long supporter of co-operation. I am one of the founders of the Industrial Co-operative Association in Bombay, and my own little bank account has never been in a capitalist bank but always in the Bombay State Co-operative Bank. I believe very strongly in the principle of genuine co-operation. But when we use these terms like co-operation, we have to be very clear as what co-operation really is, and what it is not. The views I express will be in line with those of co-operators such as the Indian Co-operative Union in India, the British Co-operative Union and all co-operators throughout the free world.

True co-operation can take many forms. It can take the form of co-operative credit; of multipurpose co-operatives which help the peasant who owns his own land to get good seed, borrow or loan a tractor, if necessary, to have fertilisers, to get credit for all these services. And he can also use the co-operative for selling his goods in the market, that is, marketing co-operatives. They can be separate or together. But the essence of genuine co-operation is that the peasant must own and cultivate his own land. Co-operation can only be between free men, not between serfs. Co-operation can

**"People must come to accept private
enterprise not as a necessary evil,
but as an affirmative good."**

—Eugene Black

President, World Bank

be between men who say, "This land is mine, I shall cultivate it with the members of my family, but for the sake of greater production and mutual assistance, I shall come together with others of my kind."

But there is another kind of co-operation, so-called, which is not co-operation at all, and that is collective farming of the Soviet-Chinese model. That collective farming, as Marshal Tito recently said about China, has nothing to do with Marxism or socialism. That system has been devised so that the greatest amount of surplus value or surplus grain can be squeezed out of the peasantry for the greater glory of the dictatorship, its military machine and for the forced process of industrialisation which is being erected on the backs of the groaning peasantry of Russia and China.

According to an editorial in "The Hindu" of the 11th January, 1959: "The Nagpur programme appears to be borrowed from China where the fabric of society was destroyed by war and revolutions and where the Communist party was in a position to do anything it wanted."

It is in the light of this distinction that I would judge the policies which today go under the name of joint "co-operative" farming. In my view and the view of co-operators, the dividing line is: if you allow a peasant to keep his land and his boundaries, if he farms it with his own hands and those of his family and hired labour, then he is member of a genuine co-operative; but if you uproot these boundaries, if you pool the land, if you create a big farm and call it a co-operative, it does not change anything. It is still collective farming minus the name. In the light of this distinction, let us look at the Nagpur Resolution.

"The future agrarian pattern", says the resolution, "should be that of co-operative joint farming in which the land shall be pooled for joint cultivation, the farmers continuing to retain their property rights and getting a share from the common produce in proportion to their land. Further, those who actually work on the land, whether they own the land or not will get a share in proportion to the work put in by them on joint farms. As a first step", says the resolution, "prior to the institution of joint farming, service co-operative should be completed within a period of three years; even within this period, however, wherever possible and when generally agreed to by the farmers, joint cultivation may be started."

In the context of the resolution, what will property rights mean? When the boundaries of the farm have been uprooted, when tractors and machines are running over that land which once was six, eight, ten or twenty farms, the right of property will mean a mere piece of paper given to the peasant to console him saying "You once owned so many acres; your property is still intact." This is the dodge that was tried and practised in China and in other Communist countries. But after a while, the question is raised "Why should this man who is not working hard or not doing as much as the other fellow draw a large share because he owned once some land?" In other words, you start by saying that the people in the farm will be remunerated partly in proportion to the land contributed, and partly in proportion to labour contributed. That is fair enough. But this can never last, because the functionless owner is no owner. His property actually has been taken away from him without telling him so, and he is being fobbed off with a scrap of paper which a future government will have no hesitation on

"equitable grounds" in tearing up, because his utility to society ends on the day on which the farm ceases to be his.

It is doubtful whether those who are party to this decision have understood the implications of what has been enacted in their name. I have no hesitation in asserting that the resolution passed at Nagpur, whether those who passed it are aware or not, is a resolution for collective farming of the Soviet-Chinese pattern and not for genuine co-operative farming. Therefore, this insidious attempt to bring in collective farming by the back-door needs to be opposed by every true democrat.

Some reasons have been given why co-operative or collective farming — let us use the two interchangeably, because the Congress pattern of co-operative farming, if ever carried out, will be collective farming — is advocated.

The first is that production will increase. I am amazed that, in the face of all the facts from every country in the world there should still be Government spokesmen who repeat this claim parrot-like. Collective farming or co-operative farming of that pattern has failed to increase production. On the contrary, production has invariably gone down, whether it has been tried in a Communist country or otherwise.

First of all, the assumption that a bigger farm produces more is not true. Statistics of rice and wheat produced throughout the world show that countries which have small farms, like ours, produce more per acre than countries with big farms. Let us take an example of wheat and rice. The two countries with big farms in the world are the U.S.A. and TJSSR; both have relatively very low yields of wheat. The USA produces 12.2 quintals per hectare and the USSR 9.3.

In the U.K., with small farms, the figure is 28.5 quintals per hectare, in Denmark — smaller still — it is 34.4 quintals and in Japan — whose average holdings are smaller than ours — the figure is 22.6 quintals per hectare or twice as much as in the U.S.A. and 2-1/2 times that in the USSR.

The USA produces 28.3 quintals of rice per hectare and the USSR produces 25. Japan, with smaller farms, produces 48.5 quintals per hectare — twice as much.

In India according to a study made by the Indian Agricultural Research Institute of sugarcane production, ploughing by bullocks yielded 410 maunds of sugarcane, ploughing with tractor farming upto 6 inches 361.5 maunds; with tractor farming upto 10 inches 356 maunds. In other words, the bullocks gave the best return, a little dose of tractor farming gave less, and full tractor farming gave the least.

Countries which have tried collective or co-operative farming have always failed. The USSR, it is notorious, lags behind the rest of the world in production per acre and per man. Yugoslavia, which tried collective farming from 1948, gave it up in 1957. The Yugoslav Parliament passed a law on April 27, 1957, abandoning collective farming. It said that it had shown negative results — loss of interest by the peasants and decrease in production. Communist Poland, which also in its Stalinist phase, tried collectivisation, had to give it up. In Poland, 80 per cent of the collective farms and co-operatives have been liquidated in the last two or three years. Motor tractor stations have been broken up and the tractors have actually been sold to individual peasants. The tax advantage given to co-operatives has been taken away by the Gomulka Government on the ground that there should

be fair competition between co-operatives and individual peasants.

Mr. Gomulka, Prime Minister of Poland, said in October 1956 that peasant production per hectare was 16.7 per cent higher than in the co-operative farms and 37.2 per cent higher than in State farms. This was the reason why even the Communist Government of Poland has given up co-operative and collective farming and given back land to the peasants. Eighty per cent of the co-operatives and collectives have been liquidated.

By going in for this red herring of joint co-operative farming on doctrinaire grounds, the Government and the Congress Party are diverting interest and attention from the real need which is to give the peasant more water, better seed, better know-how and better tools.

It is said that co-operative farming would increase employment. Co-operative or collective farming reduces employment. By pooling land, by bringing in methods of rationalisation or mechanisation, you reduce the need for labour. The one thing that co-operative farming can be expected to do — whatever else it does not — is to increase unemployment in the countryside.

There is only one way to create more employment in the countryside, and that is the method that Mahatma Gandhi always urged, the establishment of rural industries, the taking of industry to the countryside with electric power or without. My own emphasis, like Mahatma Gandhi's, would be on decentralised industry, small people working on electric tools through power taken to the countryside. I believe that that

is the pattern of the future and that Mahatma Gandhi was ahead of all of us by many generations.

Finally, it has been said that co-operative farming is a higher form of society, it is part of the socialist pattern. Collectivisation is no part of democratic socialism in any part of free world. Warning this country against following the Chinese path of so-called co-operatives, on his last visit to Delhi, Mr. Aneurin Bevan, Left-wing leader of the British Labour Party, said:

"India cannot afford to make the mistake that Russia has committed, because she does not possess empty spaces which could be called upon to make up for the failures and mistakes in agriculture as in Russia. India has to bring about an economic revolution in harmony with the needs of the countryside. The application of the principles of collectivisation, mechanisation and centralised control has proved a failure in the field of agriculture in the Soviet Union. The whole countryside in Russia seethed with discontent. The number of cattle in Russia today is less than before the revolution. The Russian experience was being repeated in China and the Communist States of Eastern and Central Europe."

Let us examine what has been said on this subject by a man whose knowledge on this subject is unsurpassed in this country. Mr. Charan Singh, who is a member and leading light of the Congress Party, has made a lifelong study of this subject much better than anybody else. This is what he says:

"Human nature being what it is, even brothers usually separate from one another after the head of the family, the

father, has been removed by death or other cause. In the circumstances, it is Utopian to expect that an average householder will, all of a sudden, identify his interest with the interests of these hundreds of persons in the village or neighbourhood who were total strangers to his life before."

We know that murders are committed between cousins and between relations for land. To say that because of a resolution or a law, we are going to change a human being overnight and make people who love their lands with passion to pool their lands in a voluntary manner is thoroughly Utopian.

There is only one way in which this kind of joint farming can be brought about, by coercion and violence.

Let us take another example. We know about the gramdan villages. In Koraput, Acharya Vinobha Bhave and Mr. Jaya Prakash Narayan tried to ask the local people to cultivate them as a village and not to ask for distribution of the land. Mr. Jaya Prakash confessed that this experiment had not succeeded because the peasant does not want to farm village land jointly; he wants something of his own. That is part of human nature. We all want something of our own. We are not prepared to share everything with everyone in an equal measure. The human being is largely selfish, though not entirely so. Are we going to legislate for human beings or for angels who do not exist?

The Government of India announced last April that there should be 3,000 co-operative farms by the end of the Second Plan and of them 600 should be brought into existence by the end of the financial year 1958-59. It is a farce to talk of voluntary co-operation and targets. Mr. Gomulka pointed

out very rightly that targets and voluntary co-operation cannot go together, He said:

"Quantitative development of producers' co-operation cannot be planned because, on the basis of voluntary entry to co-operatives, this would mean the planning of the growth of human consciousness, and that cannot be planned."

What kind of administration have we with which to guarantee this gigantic experiment, after three years, of destroying peasant proprietorship, in taking people away from their lands, millions and millions of them, and pooling them in joint farms?

In its Report, the Agriculture Administration Committee appointed by our Government says that there is only a handful of competent senior officers in the Department of Agriculture. No replacements are available for this handful of senior competent officers. Directors of Agriculture in the States have said that if such replacements were available, they would like to replace 30 to 40 per cent of their staff who are not up to the mark. The scales of pay in the Agricultural Service are lower than in other services. It is common for an Officer to be promoted to a gazetted post after 20 years of service and then to retire on the magnificent salary of Rs. 400 a month! The service rules have in many States not been revised for 25 years. It is no wonder that Sir Malcolm Darling, an experienced and enthusiastic co-operator, who was asked by Government to come to this country a couple of years ago and have another look at the picture that Indian co-operatives presented, summed up his impressions by saying:

"In every State the path of co-operation is strewn with wreckage."

Out of this wreckage, this great mausoleum of joint co-operative farming is to be erected after three years!

Hazarding a guess as to the kind of autonomy these co-operative societies will enjoy, we may wonder: "Are we really serious when we talk of co-operatives, or are we only intending that we will impose a super-zamindari from Delhi on the poor peasants and call it co-operation in order to pacify them?"

Let us look at the recommendations of the Co-operative Law Committee which reported only a few days back. It was a committee of Registrars of Co-operative Societies and other gentlemen who will have to administer co-operative farming after three years. Their main recommendations are:

1. The Registrar should have the right to have the accounts of any society audited "under his own direction and control" and then to give directives to the society to put its house in order.
2. The Registrar has the right to "settle disputes of any kind, to appoint another officer to settle the disputes or to appoint an arbitrator." And no appeal shall lie to a court of law in regard to any of these disputes. (At one stroke the Registrar would abolish the jurisdiction of the rule of law.)
3. The Registrar will have the power to supersede any society; and he may run any society so superseded for two years and, at his own discretion, extend the period to four years. (What kind of a co-operative society is it which has to be run by a nominated official over the heads of the society for 4 years? Why not admit defeat and dissolve the society?)

4. The Registrar may make an order directing the winding up of any society.
5. The State Government may become a member of any co-operative society and when it becomes a member of a co-operative society, "each person nominated by the State Government on the committee shall have one vote."

It is surprising to have this kind of report from those who are going to administer the agricultural co-operatives in this country. The Indian Co-operative Union, a leading body of co-operative enthusiasts in this country, have said that the effect of such a report, if accepted, would be to 'reduce the co-operatives to little colonies of backward, ignorant and helpless people to be "administered," "controlled", "supervised", "audited", "inspected", "superseded", "adjudged" and "dissolved" by one single authority, the Registrar of Co-operative Societies.'

There is no wonder that Prof. Chandrasekhar, one of our finest demographers who recently visited China, described the Chinese communes as a "a new form of colonialism".

It seems to me that there are two alternatives with which we are faced. One is that an attempt will seriously be made to implement this programme of destroying peasant proprietorship after three years and to try to bring in collective farming. I hope that such an attempt will not be made. But, if it is made, it can only be made by threats, by coercion; if a serious attempt is made, it will unfortunately lead to civil war and bloodshed and the death of thousands of people in this country. Anyone who thinks he can persuade the peasants of India to give up their lands and become landless serfs again

for a super-zamindari in Delhi or the State capital is living in a fool's paradise. It is to caution the government against taking steps that may involve the country in such horrible developments that I am mentioning these dangers. Untold damage will be done in the attempt to bring it about even if the effort is given up half-way. In Communist Poland, only 9.2 per cent of land was actually collectivised but the production in even the private farms fell until the policy of collectivisation was abandoned for every peasant felt that his turn might come in a few months' time. The incentive to production was taken away. Even the psychological damage of talking about joint "co-operative" farming will be considerable.

The Prime Minister, talking at Bareilly on the 10th February, is reported to have said: "Those who tell you that co-operative farming amounts to some sort of confiscation of land are trying to cheat you."

I wish he had not used this uncharitable remark about people as diverse as Shri C. Rajagopalachari, Shri K. M. Munshi, Shri Jaya Prakash Narayan and many others who have said that. For instance, Shri Jaya Prakash Narayan has said in Banaras that co-operative farming in today's context means creating "puppets in the hands of officials." It is not good to say of these patriotic sons of the soil that they are cheating the people.

Whatever the motives may be, whatever they may be thinking they will be doing, the people who are really misleading the country are those who say that this Nagpur pattern of joint co-operative farming will not take the land away from the peasants. It is those who are denying this who are mis-

leading the people and not those who are bringing this matter to the light of the people and performing a patriotic duty that they must perform.

The ruling party has set its face on the wrong road, wrong from the point of view of public morality, from the point of view of a free society and also, wrong from the point of view of self-interest.

It is wrong even from the point of view of self-interest because for the sake of a minority, a majority is sought to be penalised. Let us see figures of the landed and the landless people in this country. The National Sample Survey of 1954-55 came to the conclusion that there were 66 million households owning land with five members per household, while there were 15 million households not owning land at all — about 20 per cent of those with land. "Indian Agriculture in Brief", published by the Ministry of Agriculture in 1957, gives these figures. Those who are self-employed in agriculture are 53.7 per cent of the population. Those who are landless labourers are only 12.6 per cent. You may say it is a small plot that most of the peasants own, but they love that land, small as it may be, as they love their baby, because it is small.

Our real duty to the peasant today lies in giving water to the cultivator. In giving them better fertilisers and seed and teaching them how to cultivate their lands better than they have been used to do through the ages. This is the way in which Japan and other countries have shot forward in the production of wheat and rice. Instead of doing that, we are drawing the red herring of collective farming across the track and diverting attention from our gigantic tasks. Even if it is never carried out, it will divert attention from

constructive pursuits and will take class war into the villages setting the landless against the landed, small-landed against the big-landed, and so on.

Gandhiji used to say: "We of the cities will do everything for the peasant except get off his back." This formula of joint co-operative farming is invented by urban, doctrinaire people who have very little to do with them and is another attempt in a roundabout way to keep on the backs of our peasantry.

Views expressed in this booklet do not necessarily represent the views of the Forum of Free Enterprise.

Free Enterprise was born with man and shall survive as long as man survives.

—A. D. Shroff

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