

CO-OPERATIVE FARMING



FORUM OF FREE ENTERPRISE

SOHRAB HOUSE, 235, D. NAOROJI ROAD, BOMBAY-1

INTRODUCTION

The Forum of Free Enterprise has been organising every year an essay competition for students with a view to encouraging them to study national economic problems and to cultivate the habit of independent thinking so essential in citizens of a democracy. In 1959, an essay competition on "Co-operative Farming" was announced.

The judges were Mr. R. V. Murthy, eminent economist and journalist, Prof. C. L. Gheevala, Secretary of the Indian Merchants' Chamber, and Mr. M. R. Pai, Secretary of the Forum of Free Enterprise.

Five prizes were awarded as follows:

MR. SREE RAMA MURTHY, Chirala (A.P.), (1st Prize—Rs. 250/-) MR. R. V. RAMANA RAO, Quilon (Kerala State), (2nd Prize—Rs. 150/-) MR. B. P. PATEL, Surat, (3rd Prize—Rs. 100/-), MISS ROHINI V. DESAI, Anand, and MR. N. SUBRAMANIAN, Delhi, (Consolation Prizes: Rs. 25/- each).

The first three prize winning essays are presented in this booklet.

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

EUGENE BLACK
President, World Bank

CO-OPERATIVE FARMING

I

Sree Rama Murthy

The term Co-operative Farming is often used indiscriminately to denote all kinds and degrees of Agricultural Co-operation. In the II Five-Year Plan and in a resolution of the Conference of State Ministers for Co-operation held at Mussorie in 1956, it has been stated that "Co-operative Farming necessarily implies pooling of land and Joint Management." (II F.Y.P. p.201). It is to be distinguished from "other forms of Co-operation in Agriculture such as Co-operation in non-farm operations, i.e., Marketing, Processing, obtaining special services. . . without surrender by each farmer of his right to manage his field as he chooses."

Co-operative Farming can be of four kinds:

1. *Co-operative Better Farming*: Under this method cultivators join together in co-operation for meeting some specific common processes of cultivation or for the joint purchase of requisites. Each member cultivates his land individually and pays for the service he received from the Society. He may receive at the end a Patronage Dividend.

2. *Co-operative Joint Farming*: This involves pooling of land for their joint use. They work on the land jointly and each member receives wages for his daily labour irrespective of the ownership of land. The produce raised collectively is also disposed off collectively and the gross produce minus the expenses constitute profit. The significant feature of this type is that the individual ownership of land is retained even though land is jointly cultivated.

3. Co-operative Collective Farming: The Co-operative Society holds land in freehold or leasehold and arranges for joint cultivation by the members. Each member receives wages for the work done by him. Net profits are divided in proportion to the wages earned by each member.

4. Co-operative Tenant Farming: Under this, the Society holds land in freehold or leasehold, but the entire land is divided into smaller plots and each is leased to a tenant cultivator who is a member. Each member cultivates his plot and is entitled to the produce on his plot, but he has to pay a stipulated rent to the Society. Profits of the Society are distributed to members according to rent paid.

These methods differ one from the other in respect of the right of individual ownership and the right of cultivation. In No. 1 & 2, there is individual cultivation, whereas in No. 3 & 4, we have joint cultivation. In joint farming the individual ownership is recognised by payment of rent, whereas under collective farming the right of ownership of individual is completely ignored.

Protagonists of co-operative joint farming advocate that in an agricultural country like India, where an average holding size is much lower than an Economic or Family holding, where subdivision and fragmentation are the ruling evils, where literacy is low and where the yield per acre of different crops are uniformly unsatisfactory to feed the multitude of growing population, co-operative farming has been heralded as the only panacea for all agricultural problems and handicaps. The Congress Party lit the torch of joint farming at Nagpur and, in a resolution passed, it declared that, "The future Agrarian pattern, 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 Farming. As a first step, prior to the introduction of Joint Farming, Service Co-operatives 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." (Hindu, March 19)

Co-operative Farming is an endeavour to tackle the problem of inadequate holdings more directly. The aim here is to expand the cultivation-holding to economic proportions, thereby reducing the cost of cultivation and increasing agricultural efficiency. It also facilitates greater division of organised leisure in the subsidiary occupations such as Bee-keeping, Dairying etc. These advantages are based on the fundamental assumption that increased production can be obtained only under large-scale farming. This is not convincing from facts either from our country or other countries. In Japan production increased even under small-scale farming under intensive cultivation. Further, in countries like Russia where large scale farming has been adopted, the results are not striking.

In addition, co-operative farming in general has many theoretical and practical difficulties. They are ably summarised by the Andhra Law Reforms Committee as follows:

"1. The average farmer is fanatically attached to his land and is unwilling to pool his land along with lands belonging to others. He is individualistic in outlook and prefers to cultivate his holding himself. Joint Farming is alien to his feelings and traditions.

"2. The harmonious working together of a large number of persons is extremely difficult to achieve, especially where such persons happen to enjoy unequal status and hail from

different communities. The position would be greatly aggravated if factions exist in the groups from which these persons are drawn and unfortunately factions do exist in most villages today.

"3. The organised and efficient working of such societies would call for honest, capable and disinterested leadership on the one hand, and a high degree of Industry and Discipline on the other, qualities which are not likely to be sufficiently available in an average village.

"4. Administrative and technical difficulties will arise in particular, the assessment of the work turned out by each member will not be easy, especially work of a supervisory nature.

"5. No Co-operative Joint Farming Societies exist at present to demonstrate the tangible benefits that accrue to farmers as a result of Joint Farming."
("Report of the Land Reforms Committee", Andhra. p. 70).

Other difficulties may be, where management is democratically elected, discipline is poor and efficiency suffers and where management is authoritative, the co-operatives lose their co-operative character. Expenditure increases as the discontented members resort to go-slow methods.

Though foreign experiences are cited in India to support the case of co-operative farming, it is rarely that right lessons are drawn from them. It is necessary to study the precise degree of co-operation that prevailed in them, the conditions under which they succeeded and whether similar circumstances exist in India, rather than to point out to the existence of farming co-operatives in other countries. Joint Farming succeeded only in a few countries, and when only backed by strong religious faith. After a survey of agricultural co-operation in different parts of the world, Prof. J. A. Venn of Cambridge concluded as long back

as 1933 that "...Co-operative agriculture, pure and simple, has everywhere proved a failure from the philanthropic efforts of individual land-owners of the early 19th century down to post-war colonies provided for ex-servicemen by the State." ("Foundations of Agricultural Economics", p.349).

The phenomenal growth of farmers' co-operatives in China during the last 3 or 4 years has aroused interest in some quarters in India. A very earnest effort has been made by the Government of India through two high-level delegations to study these developments. The information collected by them is valuable. But the significant facts relevant to the formulation of our agricultural policy are already available and their reports revealed nothing new. Co-operative farming in China has been described as a new form of colonial imperialism by Dr. Chandrasekhar, which is certainly unwelcome in India.

Before we adopt joint farming we have to consider the psychology of the peasant. Productivity depends more upon personal interest and attention of the worker in agriculture than in industry. The love of land is so deep-rooted in the minds of the Indian peasant and his attachment to land is so strong that any proposal which deprives the farmer's right of cultivation and cropping in land arouses his deep and instinctive hostility. The very fact that at every succession a Joint Family holding is subdivided among the descendants is enough proof of this. Further evidence is, peasants stick to their small plots of land even when they barely yield their minimum subsistence, even when they are heavily in debt, sometimes even when more remunerative employment is available.

We may here review briefly experience with co-operative farming in some States in India. Although more than 1,000 Co-operative Farming Societies are said to exist in India, most of them have been established on Government

land with Government capital for the settlement of refugees or landless people. It is easier for the Government to impose the co-operative pattern of farm organisation when its adoption can be made a condition for the grant of land and capital; if the people settled are in distress and have no resources of their own and have never held and cultivated their own land before. It is the attitude of the peasant proprietor and the tenant which is relevant for determining whether co-operativisation can be an answer to the problem of small holdings. Very few societies in India have demonstrated that the farmers willingly take to co-operative farming. In majority of the cases compulsion by the Government officials, unwillingness of the cultivators, interminable quarrels in the management of the societies, party and communal politics in the affairs of the society are the order.

The Planning Commission recently carried out a survey of 20 co-operative farming societies, selected by the State Registrars. In 13 Societies members have pooled their own land, but in 10 of them all of the members did not do any farm work. It appears, therefore, that the so-called co-operative farming societies are merely either settlement societies or societies run on capitalist lines by groups of absentee landowners having all the work done by hired agricultural workers—a kind of joint-stock estate farms established to secure the concessions given by Government to co-operative farms. In two of the societies where owned land was pooled and under bye-laws was withdrawable after 5 years some of the members withdrew their land immediately after the expiry of the period.

Therefore joint farming can be confined at present to temple lands, reclaimed lands, lands obtained under *Bhoodan* which do not involve rights of ownership. Co-operative farming should not be introduced with any sort of compulsion, because compulsory co-operation is a contradictory

concept. But in India peasants do not pool land and will not do so except under pressure. If they are pressed to do so, they will resent it and work reluctantly and inefficiently. There would be a slow but sure, overt or covert, regression to individual farming. The impracticable policy of Democratic co-operativisation may imperceptibly degenerate in future into a policy of undemocratic regimentation of the peasantry by the State machine. It is doubtful whether it has yet been possible in any state in India to persuade a majority of land-holders to pool their lands. The whole approach of extending compulsion for co-operativisation seems to be unjustifiable. So in the beginning in order to generate an atmosphere for co-operative farming, we should first organise better farming societies. We should leave the initiative to the cultivator for his individual cultivation.

There is nothing wrong in the ideal of co-operative farming. The trouble lies with our tradition-bound people in the rural sector. Unfortunately, no effective vehicle exists at present which will rouse these people into action. If socialism is to bring about an increase in the living standard of the peasant and to give sufficient opportunity for the development of his personality in freedom, collectivisation goes against these objectives. The peasant can be free only when an appropriate land-rights environment is created by the State, and he can independently cultivate his land and harvest his crop with the assistance of service co-operatives---an agreement that may be called Co-operative Individual Farming or Co-operative Peasant Farming. This type of farming not only gives the peasants the freedom that is his due after centuries of oppression—but has also been found to be the best guarantee of maximum agricultural production, in all parts of the world.

A newspaper report says, "It is understood that the Special Committee on Co-operative Farming appointed by the

Government of Andhra Pradesh have expressed the view that the results of the Joint and Collective Farming Societies should be watched." (*Hindu* 26-11-1959).

Thus the time has come for the co-operators to have the courage to say where co-operation shall stop and where the State shall stop, lest in the name of co-operation and using its terminology, the State may gradually reduce the peasant to a New Servitude.

II

R. Venkata Ramana Rao

The object of any good system of farming must be to maximise the yield with the minimum of expenditure. This requires the best utilisation of resources and the use of latest technique of cultivation. The problem of increasing agricultural production is of utmost importance for a country like India where nearly 80% of the population lives in villages and about 48% of the national income is derived from agriculture. It is a sad fact that in spite of spending hundreds of crores of rupees in the first Five-Year Plan, which declared itself to be an agricultural plan, and a further colossal sum in the second Five-Year Plan, which is in the course of its implementation, for the development of agriculture, self-sufficiency in the food front has not yet been achieved. Thus the Planning Commission and the Government have realised their failure in the food production front. They thought that the construction of huge dams and reservoirs will step up agricultural production. It is true that water is essential for agriculture. But even more important than water, for increased production, the cultivator must be given adequate incentives to produce

more. These incentives can take shape of cheap credit facilities, supply of good seeds and better implements, and assuring the cultivator of a market for his produce, and a fair price to his products. Having failed to accomplish these provisions, the Planning Commission and the All-India Congress Committee have diverted their attention to a new system of farming and a new system of land holding, which in their view, will increase agricultural production. Accordingly, at the Nagpur Congress session, a resolution to introduce joint co-operative farming and a scheme of ceiling on landholding was passed. Thus the most controversial problem of the day, namely, co-operative farming, gained momentum after the passing of the Nagpur Resolution.

The main features of the Nagpur Resolution are:—

1. The future agrarian pattern should be that of co-operative joint farming, in which the land will be pooled for joint cultivation, the farmers retaining their property rights and getting a share from the nett produce in proportion to their land. Further, those who actually work in the field, whether they own the land or not, will get a share in proportion to the work put in by them on joint farm.

2. Ceilings should be fixed on existing and future holdings and legislation to this effect should be completed in all States by the end of 1959. Such surplus lands should vest in Panchayats managed through village co-operatives.

3. As a first step, prior to the institution of joint farming, service co-operatives should be organised throughout the country within three years and joint cultivation may be started where the farmers generally agreed.

From the resolution, it can be deduced that co-operatives, in all its forms, should be started and especially in the field of farming. Past experience and present conditions do not encourage one to believe that co-operative farming

can be immediately taken up in India. Co-operative organisations even in small spheres like credit, purchase, and sale have not at all a bright record of success. Indian co-operatives are directed and supported by the Government and the withdrawal of such support will mark the end of ninety per cent of the societies. The Resolution has failed to envisage the growth of co-operatives as a voluntary activity that must grow in a natural way, because the Resolution says that within three years service co-operatives should be organised throughout the country to achieve quick results. Thus co-operation is made a handmaid of the Government in the achievement of its economic goals.

Collective farming is more or less the same as co-operative farming, because both of them present the same problems, namely, joint management and largescale farming. Co-operative farming has never succeeded in any part of the world, except in the case of certain countries where the economic, political and social conditions are altogether different from those of our country.

In Palestine, co-operative farming has been reported to be a success, mainly due to spirit of service backed by strong religious sentiments. Even then huge financial aid is needed which is made available by the Jewish Foundation Fund. Each candidate immigrant undergoes a training in farm work, physical work and group living for two years and later on in preparatory settlements for 4 to 5 years. Thus the lessons of Jewish colonies in Palestine cannot be applied to India where conditions are quite different.

In the U.S.S.R. collective farms are called co-operatives, but actually managed by the Government. After the great October Revolution, Russia had large areas of land and vast natural resources for development of agriculture and industry. Large man-power was required for industries and people were forcibly taken in large numbers where

industries were developing. Thus there was no alternative before the country except large-scale mechanised farming, which released large number of workers for industry. If mechanical farming is adopted in India, it will result in the displacement of agricultural labour and thus aggravate the already existing unemployment problem. So co-operative farming cannot mean large-scale farming with mechanised resources in India.

In China, farming is done by "Communes", which consist of labourers who are assured of three meals a day and whatever is available for clothing, housing, medical aid, education, etc. But the application of co-operation in that form cannot but be backed by compulsion as in Russia and China. So we can say co-operative farming is an attempt to bring collective farming through back-door methods.

In Yugoslavia and Poland collective farming was abandoned on the ground that it had shown negative results—loss of interest by the peasants, and decrease in production. And the tax concessions given to co-operatives have been taken away to ensure a fair competition between co-operatives and individual farmers.

The implementation of co-operative farming in India will result in the wiping out of individual ownership and the eradication of the class of self-employed peasant proprietors who form the backbone of our agricultural economy. Co-operative farming is only multiple ownership which reduces the individual owner to a nullity. Cultivation of land requires constant, continuous personal attention which can be given only by an individual owner of the farm. Crops and cattle require 24 hours' attention. Growing of crops is a biological process and not a mechanical one, which can be done successfully on a large scale. Since the success of agriculture depends on nature, it becomes necessary to take quick decisions and a capacity to accept

responsibility both of which can be rendered only by individual farmers.

It is contemplated that surplus lands that will be released from the substantial land-owners on the fixation of ceilings will be vested in the Government chosen "co-operative officers". There are not lands enough for distribution among the landless, and it will not be done. Perhaps a few favourites may benefit generating jealousy all-round. It will result in the vast increase of administrative jobs, waste of public money and inefficiency. Moreover, the compensation paid to substantial land-owners will increase the supply of money and aggravate the already existing inflationary tendency.

Joint co-operative farming will deprive the peasant of his present status and convert him into a sort of daily paid labourer, if not actually a slave. Collectivisation inevitably involves complete abolition of private property system. In India, individual ownership of land has been in existence from times immemorial. There is a deep attachment to the ownership of land; so any proposal which involves the abolition of this valued right is bound to be severely opposed by the present owners. A democratic Government representing the people cannot think in terms of coercing the vast mass of peasantry. Under the existing conditions, therefore, collective farming will not be suitable for India.

By co-operative farming, it is intended that all the evils of sub-division and fragmentation of holdings can be overcome and the advantages of large-scale farming can be reaped. But it is a fallacy that bigger farms produce more. The lesson of farm management studies all over the world shows that small economic units of lands produce more per unit of area than large-scale farming. Thus it is remarked, that the cheapest grain is sown today in Denmark and not in Kansas or Argentine.

The results of co-operative farming, it is stated in the Nagpur Resolution, shall be shared in proportion to the land contributed by each member and in proportion to the labour put in by each member. But this system of distribution of profits of farming cannot exist for a long time. Because after some time this question will be raised: "Why should a person get a large share simply because he owns some land?". Thus the ownership of land as a criterion for profit sharing will cease to exist.

When the boundaries of the farms have been uprooted and combined into one big farm, it will have a psychological effect on the peasants. They may think that they are working on somebody else's field and will not work as sincerely as they did before. As a result of this, production may fail to increase and thus defeat the very purpose for which co-operative farming was introduced. Moreover, collective farms make heavy demands on capital and on skilled technical direction which developing countries cannot afford. Finally, they displace labour, which is only good where industry is rapidly developing; and they disturb family relationships. Thus it will not be and cannot be regarded too much on our part, if we say that it is too risky and unwise to build our future on mere ideological foundation devoid of practical realities.

Thus we can reconcile ourselves by saying that, 'Co-operative Farming' though an ideal way of farming, cannot be implemented successfully in India because of the multifarious problems it presents.

III

B. P. Patel

The subject of co-operative farming has evoked considerable interest and discussion in India, since the Indian National Congress, the ruling political party, at its 64th Session held in Nagpur early in 1959, passed a Resolution on Agrarian Organisational Pattern, advocating Co-operative Joint Farming, as the ultimate goal to be reached. The resolution had left many vital points unclarified, but as strong countrywide opposition to it arose, the Prime Minister and the other responsible spokesmen of the Congress have tried to elaborate and elucidate the resolution, through platform and the Press. The people have, by now, a fairly good idea of the future agrarian pattern that the resolution seeks to establish.

Before examining the question of voluntariness or otherwise in the formation and working of agrarian co-operatives, it would be in the fitness of things, at the outset, to examine the relative merits of the individual or family farming and co-operative farming, against the background of conditions prevailing in India.

In India there are mainly three types of agricultural lands, viz., the *Kyari* land or the rice growing land requiring storage of water, the *Jarayat* land or the land growing wheat, cotton etc. and the Grasslands. So far as the rice growing land is concerned, it requires extensive contour building so as to make it suitable for prevention of erosion and for holding water. The economies of large-scale farming sought to be achieved by the adoption of co-operative farming will not be available here as it is not possible to remove the boundary lines which our Prime Minister considers wasteful. A co-operative farm will not be a compact area. So

far as the *Jarayat* land is concerned, the normal holdings are of sufficiently big size so as to admit of the economies of large scale and at the same time to make allowance for necessary boundary lines, depending upon the levels for protection against erosion. Finally, in the case of grasslands, it does not make any difference whether the plots are big or small, whether it is individually owned or co-operatively managed. In the case of irrigated lands, the disadvantages of waterlogging, which will be the common feature of large-scale irrigation under the co-operative system, will far outweigh the benefits of extensive and scientific irrigation system available therein. Thus, judged in these conditions, co-operative farming will not bring about the desired result of increase in the per acre yield of agricultural produce in India. The experience of the foreign countries also tells the same tale.

But it is against the background of the typically deep sentimental attachment of the Indian farmer to his land, trees, cattle and surroundings, that the proposal for co-operative farming should deserve the closest scrutiny of all concerned. It is here that basically conditions in India are unsuitable for co-operative farming. The Indian farmer carries on his agricultural pursuit, generally with the help of the members of his family and his animals; agriculture is a way of life to him rather than an activity giving him an economic return; he and his family members are under-employed with the result that he will try to get maximum return out of his small and scattered holdings of land; he knows best the peculiarities of his land, its suitability for particular crops, the habit of his cattle; usually the land is the ancestral property and he would be the last man to lose his ownership; in fact, land is his pride of possession which gives him social status; as far as possible, he prefers to work independently but at times, if necessary, he will

not hesitate to join hands with his neighbours at the time of sowing or harvesting.

Under such conditions, if the Indian farmer were asked to work under a co-operative system, the consequences cannot be anything but disastrous for Indian agriculture. He will lose his interest in land, and initiative and incentive in work. He will work slow, work less, with less care, like an automaton or a cog in the whole machine. Unlike in industry, spontaneity is the unique characteristic of agriculture. The crops and cattle need not only more intimate, affectionate and devoted care, but also twenty-four hours' care. Agricultural production will, therefore, receive serious setback under the co-operative system.

Another disadvantage resulting from co-operative farming will be the increase in unemployment in the rural areas. A co-operative farm implies mechanisation, which in its turn is bound to throw some labour out of employment. Now, it is a matter of common knowledge that in our country, where the man-land ratio is very high and capital too scarce, labour-intensive methods should be devised in agriculture, if the problem of unemployment in rural areas is not to be aggravated. Co-operative farming has no answer to this problem.

Still another disadvantage of no less magnitude, resulting from fixation of ceilings of landholding and purchase of the surplus land by the Government—a necessary concomitant of the co-operative farming—will be the inflationary pressure on the Indian economy. Large areas of surplus land will have to be purchased by the Government and distributed to the landless for formation of co-operatives. Even though the purchase price is proposed to be paid in the form of bonds, its overall effect will cause serious inflationary pressure at a time when efforts to arrest the inflation ought to deserve the highest priority. Incidentally, the proposal

to acquire surplus land by statutory legislation and to give it away to the landless, will cause heartburning among the bigger farmers, and will sow the seeds of class hatred and animosity in rural life.

Having considered the futility of co-operative farming for serving the ends which its protagonists have in view, it may now be examined how adversely it will affect the democratic way of life in India. As pointed out earlier, left to himself, the Indian farmer will hardly be willing to join the agrarian co-operative. Past history is an eloquent testimony to this contention. In the past, there was no bar or limitation on the farmers to form the co-operatives. Had there been spontaneous urge among them for forming co-operatives, hundreds of thousands of co-operatives would have been in existence to-day in India. But the fact that to-day hardly about a thousand co-operatives are functioning indicates that farmers in India are not really interested in them. Even the Planning Commission was constrained to observe that "the practical achievements in this field (of development of co-operatives) are, however, meagre". The tendency towards disintegration of the joint family system, which is the best form of co-operation is another evidence of growing awareness of individualistic outlook and freedom. If any further proof of the opposition of the Indian farmers to co-operative farming is needed, it can be found from the very unsatisfactory progress of the process of consolidation of holdings in some of the States in India, including Bombay. The tardy and the halting manner of the consolidation process despite legislative measures reflects an unmistakable tendency on the part of the farmers that they are deadly against even mutual exchange of their holdings, let alone giving them up to the co-operatives. The question of question, therefore, is: "Will the introduction of co-operative farming be voluntary and without coercion in India?" The answer is obviously 'No'. Despite the

promises and professions of the sponsors of the movement to the contrary, one cannot afford to be blind to certain compelling circumstances under which, in actual practice, coercion becomes inevitable. Thus, cooperative farming presents a potential threat to our democratic way of life.

Let us, for example, consider the emphasis being placed on mass propaganda, persuasion and the fixing of targets for co-operatives. This approach is basically wrong and contrary to co-operative awareness. Anyone who has the knowledge of the manner and method in which targets of small savings are reached can easily say that persuasion and propaganda by Government officers mean, in effect, compulsion. Anxious to reach their target quotas, the officers will never hesitate to bring pressure on people, directly or indirectly to join co-operative. The peasants have to come in contact with them at the time of registration of documents, grant of licences, permits and *Tagavi* loans, distribution of seeds, grant of quota of controlled materials etc. The peasants can afford to ignore them only on pain of either rejection of their demand or inordinate delay. Thus, if there is no legislative compulsion, there will be administrative one, and if that also fails, the legislative compulsion is but a step ahead!

The preferential treatment to be accorded to the co-operatives as against the individual farmer is nothing but an ingenious and subtle way of coercing him to join. While these favours may appear innocent on paper, in actual practice, the individual farmer will find it impossible to carry on his occupation independently. Apart from financial assistance in the shape of subsidy, loan, etc. which the co-operative society would get, its members would get preference in the matter of seeds, irrigation, transport, fertilisers: etc. over the individuals. For instance, the non-members would helplessly watch water being supplied to members, while their crops wither away; similarly, priority scheme

for delivery of sugarcane to the sugar factory will be operated in such a way that the non-members get their turn last—during which period, the sugarcane will lose much of its sucrose content.

Another proof of coercion in the formation of co-operative farming society is found from the provision in the legislation recently being enacted for fixing the ceiling area and acquiring the surplus land. It has been provided by the States that this surplus land will be distributed by the Collector to the landless labour only on the condition that they will form a co-operative.

There is yet another practical consideration which rules out the possibility of voluntariness and freedom of the individual in the formation of agrarian co-operatives. As it is, a peasant has his land, generally not at one place but at several places around the village. If only one or two of them decide to stay away, the co-operative farm will be anything but a compact area. How is this problem going to be tackled? There are only two alternatives; either the co-operative will not work or coercion in the name of persuasion will be brought upon him to bring him round.

A formidable and still greater threat to the individual liberty and dignity will arise from the working of these co-operatives. The State comes into contact with the co-operative movement at two points. Firstly, the movement is regulated by the State by means of co-operative legislation and the departments created by such legislation. Secondly, the movement is accountable to the State for finances it gives for development. The Registrar with his subordinate staff, including the audit staff, wields great authority over the co-operatives. It is not an uncommon practice now to appoint a departmental officer as the paid manager or secretary of the society, on the ground that no qualified person is available. In the case of agrarian co-

operatives, this practice will be more widespread because thousands of qualified hands who will be needed to manage the affairs of the societies, are not available to-day.

That is why many experts on co-operation say that the co-operative activity is slowly turning into *Sarkari*, rather than *Sahkari*. It is here that the State intervention, rather surreptitious, presents a potential threat to the democratic values of life which we so devoutly cherish.

In conclusion, to those who say that the criticism of co-operative farming stems either from ignorance or vested interests, the views of Acharya Vinoba Bhave on this subject should be an eye-opener. There is hardly any other person in India to-day who can speak with as much authority and impartiality as Vinobaji on the subject of our rural life, peasantry and agricultural problems of India. Even he has thought it fit to distribute the Bhoodan lands to the landless persons to be tilled individually. The lesson is obvious - Co-operative Farming is unsuitable and undesirable in india.

The 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

**HAVE YOU JOINED THE
FORUM ?**

Annual membership fee is Rs. 10/-
only.

Bona Fide students can get our
literature for a year by becoming
student associates on payment of
Rs. 2/- only.

Published by M. R. Pai, for Forum of Free Enterprise, "Sohrab
House", 235 Dr. Dadabhai Naoroji Road, Bombay 1, and printed
by P. A. Ranao at Inland Printers, Victoria Mills Building, 55,
Camdevi Road, Bombay 7.