PREFACE

From 1947, the year of attainment of independence, till 1971 India received from the United States of America fifty-three million tons of wheat and eight million tons of other foodgrains. Of this quantity, two million tons of wheat was provided on "special and easy" terms in 1951-52, and the remainder was provided under the Public Law 480. This, undoubtedly, represents a large scale transaction covering a period of over two decades. It poses the question as to the factors that influence a major power to enter into massive "aid" arrangements with another country, especially when that country, over a period of years, has taken positions on a number of issues on international affairs, that have been at variance with its own position. At the same time, it also raises a related question concerning the recipient of aid, what were the factors and circumstances that induced a country committed to "non-alignment" and opposition to military blocs and which, in addition, expressed serious reservations concerning several courses of action adopted by the major power, to seek and accept aid from the latter? And the aid was in the form of foodgrains. Of the varieties of problems that a government may confront, a crisis on the food front may be viewed as among the most serious. Dependence on an external source will pose its own problems for a government, depending on the nature and extent of dependence. It was India's lot during the period under review to be placed in the position of being a seeker and a recipient of food aid from the United States.
It is a truism that in relations among nations altruism plays little or no part. No country extends assistance of any kind to another country unless it serves some perceived purposes of its own. By the same token, a country will solicit and receive assistance from another despite reservations it might have regarding the motives of the latter, only if it feels that the non-availability of such aid will be injurious to its own interests. The effort of the recipient country will be to minimise to the extent possible the disadvantages that would inevitably flow from a donor-recipient relationship with the other nation. The astuteness and skill of the recipient country will determine the extent to which it succeeds in minimising efforts of the donor to exert its influence on it and to maintain essentially unimpaired its independence of action in domestic and foreign affairs. Despite the rhetoric to the contrary on both sides, the donor-recipient relationship provides some leverage to the donor and some constraints on the recipient. There cannot be in the real world any such thing as "aid without strings".

As the American policy makers viewed the post-war world in the context of the "cold war" with the Soviet Union, the acquisition of a nuclear capability by the Soviet Union, and the establishment of a communist regime in China, the issue of "containing" what was characterised as "communist expansionism" became their overriding objective. While taking upon itself the self-styled leadership of "the free world", the United States was anxious that the critical raw materials
of the developing countries outside the communist orbit and the markets those countries offered should continue to be available to the United States. It was further believed that given the huge land and population base of the Sino-Soviet bloc, it would be seriously damaging to US interests if any other major concentrations of population were to turn hostile to the West. It is in this context that the evolution of the American attitude towards India needs to be viewed.

The enunciation of the concept of "non-alignement" by the Indian Prime Minister Jawaharlal Nehru, the vigorous espousal by India of the cause of the national liberation of countries under French and Dutch colonial rule, the reservations that India voiced concerning US policy towards China, the sharp criticism that was made by India of US assistance to France in Indo-China, and Indian criticism of the American action in respect of the Kashmir issue and in expanding the war in Korea, these were among the issues that aroused mutual criticism and recrimination between India and the United States. It is noteworthy, however, that they did not basically change the perception of American policy makers that the maintenance of reasonably good relations with India would serve America's own interests. They recognised the importance of the continued existence of a stable democratic political system in India that was clearly seen to be not only non-communist but showing no disposition to accept undue influence or control from any external source - communist or other.

When the infant Republic of India turned to the United States
in 1950 with a request for the supply of two million tons of wheat on "easy and special" terms, the Truman Administration saw in it an opportunity to obtain some dividends by a prompt and positive response. That the Indian side, even on this occasion, was by no means unconscious of the implications of such a request is also borne out by the record.

The extension of a US sponsored military alliance system in Asia, the conclusion of a bilateral military pact between the United States and Pakistan early in 1954, and Pakistan's membership in SEATO and the Baghdad Pact, introduced severe strains in the relations between India and the United States. But when the spectre of serious food shortage emerged once again in India, the Government of India was again constrained to approach the United States for assistance under the newly enacted Public Law 480. Faced with a serious foreign exchange problem, taking note of the fact that only the United States was in a position to supply on concessional terms the large quantities of grain that were needed, and assessing the implications for internal stability if the food distribution machinery was not sustained by the needed imports, the Government of India made its approaches to the United States. Thus began in 1956 the first of the series of P.L. 480 agreements between the two countries. The succeeding period of fifteen years witnessed foreign policy issues on which the two countries differed, as for instance, the continuing US role in the military pacts and the US course towards Indo-China and in Formosa. During a spell in this period there was a certain shift, caused by the intensification of differences
between India and China on the border issue that eventually culminated in the Chinese attack on India in 1962. The relatively short period of time, in which because of the Chinese problem, the Indo-US relationship became somewhat closer, was followed by a period of heightened differences over the US role in Vietnam during the Johnson Administration. During the same period the relations between India and the Soviet Union became increasingly closer. Despite the ups and downs in the relations between the two countries owing to these factors, successive P.L. 480 agreements had continued to be made between India and the United States.

On the Indian side the decisive considerations were meeting serious shortages caused by monsoon failures and building buffer stocks in order to buy time as India strove to achieve its goal of "self-sufficiency". The donor country had its own strong reasons not only to respond to successive Indian requests, but at least in one phase, even to encourage such requests being made. This interesting situation was due to the accumulation of large surpluses in the United States and the high cost of storage. Clearly, however, the American bonanza was bound to diminish as and when the United States could find alternative purchasers of its grain at regular commercial prices. Thus, when the process of detente with the Soviet Union and the cautious moves towards normalisation with China opened up opportunities for substantial sales of grain to those two countries, the United States was ready to move towards ending the P.L. 480 relationship with India. For its part India, reinforced in its determination to move
towards self-sufficiency and thereby end the irritants and disadvantages inherent in the donor-recipient relationship, was ready and prepared for the end of the P.L. 480 programme. The present study is concerned with a critical examination of the evolution and course of food aid in the relations between the United States and India.

India has been able to obtain aid from varying sources to supplement its own efforts in mobilising domestic resources as well as to meet the continued shortages of foreign exchange. Such assistance was, however, kept to the minimum feasible extent as primary emphasis of Indian policy makers has been to rely on domestic efforts. Almost all industrialised and developed countries of the world have provided aid to India on a governmental basis, both through multilateral agencies as well as on a bilateral basis. India has been assisted in its development plans both by countries of the "free world" and the communist bloc. Nevertheless, for two decades between 1951 and 1971, a significant proportion of this aid came from the United States which, in fact, was the largest single contributor of bilateral aid, quite apart from providing major support financially and otherwise to international aid giving institutions. Almost half the American aid to India, amounting to about five billion dollars, was in the form of food aid.

Food is a basic necessity of life. India has depended on imports of food ever since the separation of Burma in 1936. Lack of timely imports and organising of supplies had resulted in the worst famine of the twentieth
century, namely, the Bengal Famine of 1943. Despite efforts to improve food production since then, the food deficits continued to plague the nation. Food production provides sustenance to seventy per cent of the population. Food shortages in terms of rise in prices hurt everybody. But for a sizeable part of India's population living on the margin of subsistence, serious shortages of food and spiralling prices could spell disaster. Hunger could trigger discontent and lead to disorders. No sensible government could afford to remain inactive if faced with the prospect of mass hunger even in scattered sections of the country.

Apart from the question of sheer survival, foodgrains have a special significance in the Indian economy. Despite technological improvements in agriculture, the output of foodgrains depends heavily on the monsoon. Failures of monsoon, especially if they come in a row, result in a rise in food prices. Since food constitutes a high proportion of the average family budget, the rise in food prices results in general inflation. Inflation, in turn, has serious implications of an economic, social and political nature. Thus when shortages threaten, food imports become necessary to stabilise the economy.

As already mentioned, the United States viewed itself as the leader of "the free world" and its guardian against "international communism". The Indian world view was different. After succeeding in its own struggle for independence, India vigorously espoused the cause of liberation of
peoples who still remained under colonial rule. As India evolved the policy of "non-alignment", it encouraged the other newly independent countries to follow a similar course. The ruling elites in both countries started to perceive "leading" roles for themselves in the international community. Being new to these self-styled roles in the comity of nations, governmental, legislative, business, media and academic elite groups in both countries were highly sensitive to the mutual criticism and recrimination that followed sharp differences on international policies. At the same time, they also recognised in varying degrees at various times the importance of not allowing the differences to reach such a point as to threaten a serious rupture. This consciousness was more evident among the officials of the executive branch in both the countries than among the legislators and the media.

On the American side the present study focuses on the complex decision-making process in the executive branch of the government and examines whether the basic initial approach was affected by changes in the Administration over the years. The assessment of the executive branch as to the response of the Congress to a projected course of action and its strategy to mobilise Congressional support, has been examined in the context of evolving American concerns in South Asia and India, the problem of the disposal of surpluses and views on aid and development. The attitude of Congress is examined on the basis of Congressional hearings, speeches and statements, speeches on the floor and correspondence with
the executive branch. An attempt has been made to analyse Congressional influence on decision making by the executive branch. The response of the media and of interest groups has also been discussed.

The decision making process in India has its own complexities. The leaders of all Indian political parties have had a commitment to achievement of "self-sufficiency in food" ever since independence. There has also been a broad consensus on the policy of non-alignment and acceptance of aid without attachment of political conditions. The study seeks to analyse how the Indian Government coped with the difficult and elusive goal of self-sufficiency and the reasons that made it accept "foreign food on concessional terms", despite growing public apprehension that foreign aid might involve payment of a political price. Did India pay a political price? There has been much controversy on this issue both in Parliament and the national press. Various views on this issue have been examined.

Indo-US relations have been subjected to various strains and stresses and have undergone many phases. In both countries policy formulation and aid negotiations were conducted, by and large, in an "open environment". How much was policy influenced by expression of free opinion in both countries? Did US policy-makers at any stage contemplate a stoppage of aid because of adverse criticism of their policy in India? Did controversy and criticisms of policy accompanying food aid create fresh political tensions between the two nations? While no final answers may be possible, an attempt
is made to analyse the impact of issues relating to food on Indo-US relations. A brief review of the contents of the various chapters of the work may be appropriate at this point.

The first ever food aid given by the US to India was in 1951. A loan on "special and easy" terms amounting to $190 million was provided to enable India to purchase two million tons of foodgrains in the United States to help meet the first major food crisis after independence. Since no general legislation yet existed, the Truman Administration had to seek Congressional approval before wheat shipments could commence. This provided an opportunity for public discussion in the US whether food aid should be given to India which was not an ally, but was following an independent foreign policy and was publicly opposed to the US position in the Korean War. The development of American and Indian approaches to food aid and connected policy issues have been examined in Chapter I.

The US Agricultural Trade and Development Assistance Act of 1954, popularly known as P.L (Public Law) 480 was enacted in 1954. The law provided a mechanism for the sale of surplus agricultural commodities in "foreign currency" which was to be reinvested for developmental purposes in the recipient countries. India signed the first P.L. 480 agreement in August 1956 and the second significant long-term agreement in May 1960. The early phase of enactment of legislation in the US and commencement of P.L. 480 assistance by the Eisenhower Administration on a continuing basis are examined in Chapter II.
India's growing dependence on US food in the early sixties, following the new thrust given by the Kennedy Administration for the use of American grain surpluses in promoting economic growth, is reviewed in Chapter III. The compulsions of the Indian Government in accepting this form of assistance for direct consumption, building buffer stocks and buying time for improving agricultural performance have also been reviewed in this chapter. The reasons for the concern over inadequate development of food production in India expressed in both the countries have also been analysed.

Even as attempts were being made to revamp the agricultural policy to improve productivity, a spectre of famine haunted India during 1965-67 following failure of rains for two consecutive years in most parts of the country. India imported twenty-one million tonnes of foodgrains (approximately a third of all such grain) under P.L. 480 during this period.

How the Johnson Administration viewed the problems faced by India is studied in Chapter IV. President Lyndon Johnson reversed the policy of long term food aid agreements in favour of short term agreements. What were the considerations that led him to change the policy? What were the views of various agencies like the State Department, Agriculture Department and the White House Staff, leading to this change in approach? How did Congressmen and Senators react? What were the trends of public opinion in the US as expressed through media? These are some of the questions which are considered in this chapter.
How did the Indian press, Parliament and Government react to this change in the policy of supplying grain in "driblets"? The considerations that led India to import ten million tons of foodgrains even during the years of bumper harvest (1968-71) and the reasons why US food aid became a source of some irritation in the public mind in India are among the issues examined in Chapter V.

The major conclusions of the study on the issues discussed above have been summarised in Chapter VI.

The development of American and Indian policies and attitudes on the subject has been traced from a variety of unpublished and published sources. During the course of a field trip to the United States, the present writer had the opportunity of examining relevant material in the Presidential libraries, including recently declassified documents, throwing light on the thinking of the executive branch of the United States Government. The present writer also had the opportunity of interviewing several senior officials who were involved in the decision-making process of the two governments at critical periods.

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