CHAPTER IV

THE FOOD CRISIS OF 1965-67 AND US POLICY

The Food Situation: 1965-67

A record harvest of eighty-nine million tons was reaped in 1964-65. The production was ten per cent more than in the previous year. Even this increase in production could not offset the cumulative effect of low production of previous years as part of the increase was absorbed in replenishment of private stocks. Market arrivals had also shrunk further. The food position continued to be difficult. The rise in general wholesale prices of 8.7 per cent in 1964-65 was almost as high as in the previous year (nine per cent). This was attributed mainly to rise in foodgrain prices. This situation reflected a demand-supply imbalance which was corrected by increasing the volume of imports, despite a record harvest. In 1964 6.2 million tons of foodgrains were imported against 4.6 million tons in 1963.¹

Even as preparations were afoot for increasing the food production to ninety-two million tons in 1965-66, Food & Agriculture Minister Chidambaram Subramaniam informed Lok Sabha that the plans were upset on account of widespread

¹ India, Govt of, Ministry of Food, Agriculture, Community Development and Cooperation, Department of Food, Annual Report, 1967-68, p.3. This was partially revised estimate; Annual Report, 1965-66, p.1. The provisional figure estimated was 88.4 million tons; India, Govt of, Ministry of Food, Agriculture, Community Development and Cooperation, Department of Food, Review of the Food Situation, August 1965, pp.1,2; India, Govt of, Ministry of Finance, Department of Economic Affairs, Economic Survey, 1965-66, p.5.
failure of crops following a severe drought which was unprecedented both in terms of intensity and coverage. According to the supporting documents released to Parliament, the rainfall was not merely deficient over the monsoon period, but failed during "the critical period when the crops were reaching maturity". The worst hit States were Maharashtra, Gujarat, Rajasthan, Mysore and Orissa. The kharif production, especially of rice, was also seriously affected in parts of Uttar Pradesh, Andhra Pradesh, Bihar, West Bengal and Madras. This was followed by deficiency of winter-rainfall, both in sowing and watering seasons, in the Northern States. The worst affected States were Madhya Pradesh, Rajasthan and Punjab. Instead of the anticipated increase in output, there was a sharp fall of seventeen million tons in one single year, bringing the total output to about seventy-two million tons. To meet the domestic shortfall in output imports were substantially increased to 7.5 million tons in 1965 and 10.36 million tons in 1966.

The story was repeated in 1966-67, according to

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2 India, Lok Sabha, Debates, series 3, vol.48, session of 1965, col.4925, statement of C. Subramaniam, Union Minister of Food & Agriculture (1964-67) on 1 December 1965 during the course of debate on the food situation.

Government documents released to Parliament, when efforts to secure a crop of over ninety million tons were thwarted because of failure of monsoon. The production of kharif crop was adversely affected in several States, especially Bihar and East U.P. While hopes of a good rabi were revived on account of rains during the sowing season, lack of subsequent winter rain adversely affected the rabi crop also. While the preliminary estimate of crop for 1966-67 was put between eighty and eighty-five million tons, it finally turned out to be only seventy-five million tons. Even though domestic output was slightly higher than in the previous year, the food situation was even worse on account of absence of carry-over stocks and lower imports (8.67 million tons).\(^4\)

The two successive years of drought affected the entire economy. Apart from foodgrains, important commercial crops, namely, sugarcane, raw jute, oilseeds, raw cotton and tobacco were also adversely affected. This resulted in shortage of agricultural raw materials which affected the production of industrial goods. The industrial growth was affected since these agro-based industries account for a substantial part of Indian industrial output. Despite Governmental measures to check rise in prices, the wholesale prices moved up by 16.5 per cent in 1966-67 following

an increase of twenty-five per cent in the preceding two years. Substantial rise in prices of agricultural commodities pushed up industrial costs of production on account of higher raw material and wage cost. The balance of payments position was further strained on account of both larger food and fertilizer imports and lesser exports of agro-based industrial products, like jute, cotton, textiles and tobacco. This resulted in a sharp decline in foreign exchange reserves and consequent increase in borrowing from the International Monetary Fund. The foreign exchange position was difficult since the commencement of the second plan had become extremely tight.5

Ever since the commencement of the P.L. 480 programme, the major part of the domestic shortfall in foodgrains has been met from the United States on concessional terms. Whereas the grain flowed easily from the United States until 1964, the prospects for import under this programme became uncertain with the expiry of the Indo-US Agreement of 30 September 1964 on 30 June 1965. Even though finally 6.2 million tons of grains were imported in 1965 (almost a million tons higher than the previous year), as many as four supplementary agreements had to be signed between July and December.6 This policy of short term

releases continued throughout the period of the crisis. Even though 8.3 million tons of grain in 1966 and six million tons in 1967 came under the programme, eight different agreements had to be signed. The volume of imports was substantial even though still inadequate compared to the requirements. What was worse, however, as Subramaniam told the Lok Sabha, was the uncertainty caused by provision for supplies for the next few months only.

The Government's reserve stocks which were about 2.5 million tons around the middle of 1963 had been seriously depleted following two successive crop failures. The tenuous nature of stocks situation was reflected by the disruption of supplies in early 1965 as a result of strike by longshoremen on the East Coast and the Gulf ports of the United States, explained Subramaniam in the


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<th>Wheat/Flour (in lakh tons)</th>
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<td>20.00</td>
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<td>(Annual Report, n.1, 1966-67, p.15)</td>
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<td>1967</td>
<td>20 February</td>
<td>12.00</td>
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<td>30 December</td>
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8 Debates, n.2, col.4929, that the uncertainty of imports was making the situation worse, was stated by C. Subramaniam on 1 December 1965.
Lok Sabha. He further argued that this had adversely affected the supplies in the month of March and the Government had to make special arrangements by diverting shipments on the high seas from other destinations to India, as also alternative supplies from other countries.9

All foodgrains including those imported, are distributed through fair price and ration shops at reasonable prices. The primary purpose is to protect the poorer sections of society from the impact of rising prices. As the crisis advanced in 1965, a larger number of people became dependent on this system of supplies, thus necessitating larger supplies. To some extent this demand of grains from the fair price shops was met from increased internal procurement. However, internal procurement of grains was about four million tons a year during 1965-67, whereas volume of distribution ranged between 10-14 million tons. The balance was met from imports. The supply line was thus dependent on timely arrival of ships at ports. Any delay in shipments for any reason, such as a strike at ports in the US or India, or delay in signing of agreements, could disrupt supplies. A breakdown in supplies at a time when a large number of people were dependent on this supply could have disastrous consequences.

The food crisis of 1965-67, caused by the unprecedented droughts in two successive years, complicated by the shift in American policy of food assistance to India, was nevertheless handled without the apprehended consequences. An attempt will be made in subsequent sections to analyse the reasons of change in American policy and attitude. The reaction of the Indian people and the response of the Government of India to meet this new challenge will be discussed in the following chapter.

Changes in Global Farm Situation and Shifts in US Policy, 1965-67

Right at the time when the Indian dependence on US grain was growing, according to President Johnson's message to Congress, the US was adopting measures to control the surpluses both by expanding domestic and foreign uses and curtailing production. The crop adjustment programme had resulted in diverting sixty million acres of crop land to conservation uses. As stated by Allen Ellender in the Senate, the US domestic demand was growing along with increase in human and livestock population. Foreign demand for concessional sales under Title I and donations under Title II was also increasing. The entry of the Soviet Union and China in the world market as large scale buyer following poor crops had changed the position of commercial exports. The result was the disappearance of surpluses that were a source of concern to the United States in the 'fifties. The wheat stocks which had risen from 933 million bushels to 1.4 billion

bushels from 1954 to 1961 came down to 536 million bushels on 1 July 1966. Similarly, foodgrain stocks after increasing to two billion bushels in 1961 from 920 million bushels in 1954 fell to 950 million bushels on 1 October 1966. There was general depletion of stocks of all other commodities too, with the exception of cotton. 11

The depletion of stocks did not mean the end of American abundance in agriculture. The sixty million acres of retired crop land could be brought back into cultivation. This combined with technological progress constituted the agricultural productive capacity which could, after providing for domestic needs, commercial exports and critical reserves both for emergency and price stabilisation, be still used for providing food assistance to developing countries. However, as indicated by President Johnson in his message to the Congress, his Administration felt that even if the United States' agricultural capacity was fully utilised and massive

shipments were made to these countries, the ever growing deficit could not be filled. The deficit was ever growing because the growth of population was fast outstripping the food production. The population was growing with the reduction in death rate following successful public health measures without corresponding reduction in the birth rate. Agriculture in these countries was still using primitive technology. The transformation of traditional agriculture was too slow. Consequently, the world faced "the threat of mass hunger and starvation".12

The deepening Indian food crisis, despite massive food shipments from abroad lent credibility to the theory that the world's food resources would run out soon, unless drastic measures were adopted to reverse the trends. Several studies conducted during the period took an alarmist view. George Borgstrom, for instance, held the view that even to maintain current nutritional standards, present production of foodstuff would have to increase eightfold within the next 120 years to cope with the doubling of the world's population every thirty-five to forty years.13 The annual report of the United Nations Food and Agriculture Organisation on "The State of Food and Agriculture, 1966" reporting


declining trends in world agricultural production in 1965-66, after a virtually stagnant 1964-65, and a gloomy forecast for 1966-67, received wide publicity. Gunnar Myrdal saw in the food crisis of India signals of a threatening world food crisis and pleaded for adopting urgent measures to increase food production to avert social catastrophe. The most dramatic presentation was by William and Paul Paddock in their book, "Famine 1975 - America's Decision: Who will Survive?". They propagated the view that "collision between exploding population and static agriculture is imminent". "There is neither an agricultural method nor is there a birth control technique on the horizon which can avert the inevitable famine." The solution of the problem would require draconian effort in the hungry nations for which no one was prepared. That left the only hope of the world to save the threatened regions from the impending calamity of famine in the hands of the developed world, they argued.

While the Johnson Administration did not take the extreme view of the Paddock brothers, as explained by Secretary Freeman, they had no doubt that the United States cannot continually feed the developing countries, with its depleting stocks, even after bringing back all the


retired crop-land into cultivation. The underdeveloped countries must, therefore, help themselves by adopting measures to increase their own production of food. If this is not done, even the combined production of all the food surplus nations will not be able to avert the impending disaster. 17 In India alone shipments may have to be increased from the level of one-fifth of the US wheat crop in the 'sixties to one-half by 1971, Policy Adviser to the Secretary for Agriculture, Lester Brown urged. 18 To encourage "self help" in these countries, both food and foreign aid programme should be given new directions. President Johnson stated in his message to the Congress that food shipments would be increased to countries where "self help efforts" were being adopted. To help "self help" efforts of such countries capital and technical assistance would be expanded. A major portion of the foreign aid programme was also devoted to assist farm production and population control measures. To ensure that both food and economic assistance programmes relate to improving agriculture, closer administrative link between the State and Agriculture Departments and the Agency for International Development was introduced. 19

17 Richard P. Stebbins, ed., n.11, p.453. See also, Orville L. Freeman, "Malthus, Marx and the North American Bread Basket", Foreign Affairs (New York) vol.45, July 1967, pp.579-93. Stocks which were increasing at an average rate of 9 million tons a year between 1955 and 1961 were declining at an average rate of 14 million tons a year between 1961 and 1967.


19 Richard P. Stebbins, ed., n.11, pp.451-452-8 and pp.428-30 (President's message in the Congress on 1 February 1966 on the foreign aid program for fiscal year 1967. The Agricultural Program was to have been increased by one-third to $500 million).
The second major departure in food aid policy was encouraging multilateral efforts especially through the Food and Agriculture Organisation of the United Nations and the United Nations Development Programme. The United States could not cope with this problem alone. Explaining this departure from earlier policy, President Johnson said, "Hunger is a world problem. It must be dealt with by the world. We must encourage a truly international effort to combat hunger and modernize agriculture."²⁰ To organise multilateral efforts, the United States took the lead in organising a meeting of the Development Assistance Committee of the Organisation for Economic Cooperation and Development to review "the world food and population crisis" in the middle of 1966. It was clarified at this meeting by Secretary of State, Dean Rusk, that the United States would welcome international efforts from all nations, including the Soviet Union, and support creation of a World Food Reserve, apart from stepping up assistance to the World Food Programme. The point was emphasised in almost all international forums dealing with development of poor countries as, for instance, by US Ambassador to UN, Arthur Goldberg, while addressing a session of UNESCO on "Problems and Challenges of the

²⁰ Richard P. Stebbins, ed., n.11, p.458.
The third major departure of policy was gradual transformation of sale of foodgrains for local currencies by long term dollar credits to emphasise the building of cash markets. One of the primary concerns in the US international economic policies, as elaborated by President Johnson in a message to the Congress, was to correct the US balance of payments deficit and to restore the strength of the dollar. Balance of payments consideration required even greater concentration on development of agricultural exports in the commercial market. The accumulations of local currencies were becoming embarrassing. The US was being criticised in recipient countries for acquiring control of their economies through owning a sizeable proportion of their money supply.

On the other hand, American officials and Congressmen were concerned with the unnecessary accumulation of this currency which had no use for them. Moreover, as Senator Humphrey


23 See, for example, John P. Lewis, Quiet Crisis in India (New York, 1964), p.348. See also section below for further discussion of the issue from Indian standpoint.
pointed out in a Senate debate, on account of restrictive policies followed by recipient countries for the use of such currencies, the funds were continuously soaring.\textsuperscript{24} The transformation of local currency sales into dollar credits would prevent future accumulation of these currencies and would further encourage self-help measures by making the terms of obtaining U.S. grain harder.

Even though the provisions for Food for Freedom proposals of the Johnson Administration were the subject of Congressional debate almost throughout 1966, the basic approach of utilising productive capacity for meeting the needs of developing countries, emphasis on self-help dollar credit sales and multilateralism had wide bipartisan support.\textsuperscript{25} The Congress was equally affected by the fear of the world running out of food supplies if the present trends of population growth and food productivity were not reversed, as pointed out by Congressman Harold Cooley, Chairman of the House Committee on Agriculture.\textsuperscript{26} The disappearance of

\textsuperscript{24} \textit{US. Congressional Record}, 88th Congress, 2nd session, vol. 110, p. 20417, for views of Senator Hubert Humphrey. See also pp. 20420-1 for document prepared by the American Embassy, New Delhi on "The Costly Paradox of our American Owned Indian Rupees".

\textsuperscript{25} Gilman G. Udell, ed., \textit{Agricultural Trade Development and Assistance Act of 1954 and Amendments}, p. 84; \textit{US Congressional Record}, n. 11, pp. 12579-93, 12599-95, 21102-12, 21118-30, 21186-7, 21200-4, 21205-14, 21218-26, 21454-60, 21461-73, 25308-25, 28533-12, 28424-7 (Debate on Food for Freedom Act of 1966 in the House and the Senate).

\textsuperscript{26} ibid, see for instance the statement of Harold D. Cooley, Chairman, House Committee on Agriculture, on 8 June 1966 on the basis of testimony presented to the House Committee during the Hearings on the bill (Food for Freedom), p. 12581, and Senator George McGovern (South Dakota) on 29 August 1966 on the Senate floor, pp. 21116-17.
surpluses had actually robbed the programme somewhat of its original purpose, which was primarily disposal of surpluses. Senator Fulbright, the Chairman of the Senate Foreign Relations Committee, in fact, proposed closing of the independent existence of the programme and its merger with the Foreign Aid Program. While conceding the increasing importance of the foreign policy objectives of the programme the proposition was not acceptable. Senator Allen Ellender, Chairman of the Senate Committee on Agriculture and Forestry, explained:

Food Aid cannot be treated as dollar aid simply because this would present too great a risk to American farmers and consumers. Domestic needs and supplies, together with price supports and acreage allotments that affect agricultural production, must be integral in our food aid program.

The powerful farm interests, therefore, supported continuance of food aid as part of the farm programme. Moreover, even looking at it from the foreign policy angle, it was still a relatively less expensive form of aid. As Senator George McGovern pointed out, the US was spending $1.6 billion a year to the farmers to withhold production on idle cropland, which could be reactivated for an additional investment of $900 million.

The strongest critic of the programme was Senator Fulbright who, increasingly concerned with aid programmes leading to US involvement and interventionist activity abroad,
wanted both to limit the extension of the Act to a year and reduce the authorisation to a billion dollars only. He doubted the very purpose of the bill as he was disillusioned with "happenings in other countries, such as in South East Asia". In his view the aid bill would make the United States regard itself as the mentor of the world and lead it to become imperialistic. To limit US responsibilities from global expansion he now proposed that aid, including food aid, be given only through international agencies. His views, echoed by Senator Wayne Morse, reflected the growing disillusionment with aid which won no sympathy in the recipient nations and was becoming increasingly unpopular at home.

While the Senate rejected the Fulbright amendments, it adopted a very much harder line on terms for dollar credit sales. While the House had accepted the liberal forty year credit terms with a ten year grace period proposed by the Administration, the Senate had reduced it to twenty years repayment period and only two years grace. The Conference accepted the House line on period of repayment but inserted a provision by which the interest proposed to be increased on foreign assistance loans would be made applicable to dollar credits for food. The stiffer terms of aid, hotly debated, reflected the growing weariness over aid.

30 Congressional Record, n.11, pp.21106, 21124.
31 ibid, pp.21205-7, Senator Wayne Morse of Oregon. See also Gunnar Myrdal, n.15, p.668.
The disappearance of surpluses and US involvement in the Vietnam War had produced yet another hard-line tendency in the Congress, especially in the House. The House Committee proposed imposition of restrictions on food aid recipients for trading with "hostile Communist regimes" in Cuba and North Vietnam. The Senate had recommended that the President be authorised to waive these restrictions in case he considered such waiver to be in national interest. The House was not prepared to accept any softening of the proposal or delegation of authority to the executive. The Administration, as is evident from a letter written by Dean Rusk to John McCormack, Speaker of the House, also tried to persuade the House to accept the Senate proposal. The reason for seeking this discretion was apparently to secure powers for the President to enable him to continue grain supplies to India, which had no trading relations with North Vietnam but was exporting some jute to Cuba. However, the House did not agree until the provision was amended to limit the Presidential discretion to trading with Cuba only and with other suitable restrictions. The exception, however, included non-strategic agricultural commodities like jute.32

32 Congressional Record, n.11, pp.21218, 21226, 28426, 12580, 25312, 25318-19, 25322, 28534-42. The final provision in the Second Conference Report accepted by the House reads as under: "The Conference substitute contains the House language, plus a proviso giving the President very limited discretion with respect to countries dealing with Cuba. No exception is permitted with respect to countries dealing with North

(Cont'd on next page)
Thus, while the food aid programme was neither scrapped nor merged with the foreign aid programme, the Administration and the Congress did serve notice of a gradual phase out of the programme. While the US would do its best in the near future to tide over the current difficulties, it was no more willing to take the entire responsibility of feeding the hungry people of the world on its own. Other surplus nations, as also recipient nations, must accept their share of responsibility. The gradual abandonment of the local currency sales and the hardening terms of dollar credit further strengthened the belief that the intention was to phase out the entire foreign aid programme. The dissenters' only lament was that "...this is being done well before the job of developing the poorer countries has even approached any signs of completion".33

Vietnam. The limited exception would permit sales to countries dealing with Cuba only if: First, such dealing is limited to furnishing, selling, or selling and transporting medical supplies, non-strategic raw materials for agriculture, or non-strategic agricultural or food commodities; Second, the President funds with respect to each such agreement with each such country that the agreement is in the national interest of the United States; Third, the President informs the Senate and the House of Representatives of such findings and reasons therefor; Fourth, such findings and reasons therefor are published in the Federal Register." (p.28540).

Shifts in Global Situation  
and US Policy in India

With the elimination of surpluses, the foreign policy consideration in the Administration of the Food for Peace programme became relatively more important. The administration of the programme was transferred to the State Department towards the end of 1965. The principal foreign policy concern of the US during this period was Vietnam. Outlining the US position to the press, Vice-President Humphrey stated that the struggle in Vietnam had become a testing ground of US commitment to the security of South Vietnam, based on treaty obligations. "Congressional action, as the August 1964 resolution and upon the solemn declarations of three US Presidents." Moreover, as Secretary of Defence, Robert McNamara, pointed out in a memorandum to President Johnson, it was important to keep South Vietnam free from communist influence, for if South Vietnam fell to the Communists, the whole of South East Asia would be under grave pressure. "Even the Philippines would become shaky, and the threat to India, to the West, Australia and New Zealand, to the South and Taiwan, Korea and Japan to the

34 Bulletin, n.11, vol.53, 6 December 1965, p.926. The transfer was effected by Executive Order No.11252 dated 20 October 1965 to be brought into force on 1 November 1965.

North and East would be greatly increased". 36

The primary objective in the region was the containment of China and prevention of the "communication" of Indo-China. While the Vietnam war was the most important task on hand, Defence Secretary McNamara regarded it as "one of the three fronts that required US attention. In a memorandum to President Johnson, the Secretary named the other two fronts as "Japan-Korea, India-Pakistan". 37 Carefully assessing the course of Sino-Soviet differences, proceeding with détente with the Soviet Union and extracting some concessions from the latter in Europe, the American policy makers believed that the Chinese would sooner or later seek a reduction of US hostility and pressure concentrated on them. There had been some trial balloons launched by the Kennedy Administration and while the shooting war in Vietnam slowed down, developments in that direction, it did not end them. As early as February 1965, Thomas Gates, Secretary of Defence under Eisenhower, had urged that efforts should be made to promote discussions between the United States and China looking towards a settlement of outstanding issues in Asia, including the "border dispute" between China and India. 38

36 The Pentagon Papers, p.286, based on excerpts from the memorandum "South Vietnam" from Secretary of Defence McNamara to President Johnson, 16 March 1964.

37 Ibid, p.595, from draft Presidential Memorandum prepared by the Defence Secretary McNamara on 19 May 1967, entitled "Future Actions in Vietnam".

television address on 12 July 1966 President Johnson emphasized that "a peaceful mainland China is central to peaceful Asia". He continued this theme and declared in a speech at Lancaster on 5 September 1966 that "beyond the present conflict we must prepare for the task of reconciliation which leads to lasting peace". The policy of reconciliation with China became an accepted policy since then. Having announced this policy it was quite clear that South Asian and Indian problems would be seen from a different perspective.

While reconciliation with China was a major longer range goal, the immediate purpose was to attain a decisive victory against "Communist aggression". This was described by Secretary Rusk as important to check the further advance of Communist insurgency in South East Asia, including the Northern borders of India. President Johnson himself asserted that the abandonment of the commitment in Vietnam "would bring vastly great dangers in Laos, Cambodia, Thailand and elsewhere, including India and Pakistan, than


40 ibid, vol.57, 21 August 1967, p.235, from "Asian Perspectives" by Harold Keplan, Deputy Assistant Secretary of State for Public Affairs. Address before the University of Maryland.


would a policy of seeing our commitment through in South East Asia. American policy makers assumed that their Indian counterparts believed, even if they did not publicly acknowledge that, deeper Chinese involvement in Vietnam contributed to ease off Chinese pressure on Sikkim and other areas on the Sino-Indian border.

Aware also of the Indian stand against military intervention in Vietnam, the United States Government had not expected active support of their policies from India. They had, on the contrary, taken into consideration possible Indian reaction to "strong action" by the United States in Vietnam. However, the Johnson Administration was concerned at the strong position adopted by India and various members of the Security Council immediately after its commencement in February 1965. While they had decided to carry out military actions regardless of Security Council deliberations, talks or negotiations, the climate of international opinion was still a matter of some concern. Since hostile Indian opinion and its possible influence on the third world would create an adverse climate of opinion for the United States, restraining Indian opposition could serve an extremely important foreign policy purpose. At a time when India

44 The Pentagon Papers, n.36, p.530, Memorandum of Assistant Secretary William Bundy to the Secretary of State, Dean Rusk on 6 January 1965.
45 ibid, p.438, excerpt from Cable from the Department of State to Ambassador Taylor of 13 February 1965. The message was reportedly drafted at the White House.
needed the US grain to avert disaster, food could also be used as an effective diplomatic weapon to promote this objective to the extent possible.

**Lyndon Johnson's "Short Tether" Policy**

Chester Bowles, the then US Ambassador to India, who holds the view that Lyndon Johnson used grain shipments to India for securing political advantage, writes:

During India's food crisis of 1965-66, President Johnson rather obviously attempted to use our wheat shipments to persuade India to take a more tolerant view of our military activities in Vietnam. Determined to demonstrate their sovereignty, the Indians predictably stepped up their criticisms of our bombing of North Vietnam. Angered President Johnson responded by slowing down our wheat shipments at the very moment when they were most needed. This left scars. 46

During the critical years of the food crisis, Lyndon Johnson, who had assumed personal charge of the programme of shipping wheat to India, 47 adopted a policy of withholding grain until the last moment, interrupting supplies and causing needless ordeal on at least five occasions. 48

The first such delay took place in the summer of 1965 when the question arose of a new food agreement on expiry of the 1964 Agreement. On the basis of a private

46 Chester Bowles, "America and Russia in India", *Foreign Affairs* (New York), vol.49, July 1971, p.646.


48 Chester Bowles, *Promises to Keep: My Years in Public Life, 1941-69* (Bombay, 1972), pp.525, 534. He has given a detailed account of the manner of withholding supplies on each of these occasions during the period in the book at pp.499-500, 505, 523-35.
message from friends in the State Department, Chester Bowles believed that the delay "was a direct result of President Johnson's annoyance at Shastri's criticism of our increasing military involvement in Vietnam and his resentment towards Indian press criticism of his abrupt cancelling of Shastri's visit. 49 Dribbling of food on month to month basis immediately before and after the Indo-Pak conflict of 1965 was also interpreted both in the Indian and American press as a US attempt to "use food as a lever to force Indian concessions on Kashmir." The speculation regarding resumption of US military aid to Pakistan after the ceasefire tended to give this theory greater credibility. 50

Lyndon Johnson, on the other hand, explains in his memoirs that he had put food aid to India on a short term basis not "to haggle about sending food to starving people" but because he was "convinced that unless India changed its farm policy it risked far greater difficulties for its population in the years to come". Even though this "short

49 Chester Bowles, Promises to Keep: My Years in Public Life, n.48, p.500. Prime Minister Shastri had been invited by President Johnson to visit the United States in March 1965. This was postponed to June and later the invitation was withdrawn, ostensibly on the ground that he was preoccupied with the Vietnam War and pressing work in Congress. The real reason for cancellation of this visit was believed to be Shastri's plea for cessation of bombing in Vietnam. See, for example, The Nation, vol.200, 3 May 1965, pp.461-2, Editorial on "Diplomacy of Johnson.

50 India, Govt of, Ministry of External Affairs, World Press Review, Despatch No.742 of 5 October 1965 citing Selig Harrison, "Leverage of Aid: India Grows Cool Toward U.S" from the New Delhi despatch in Washington Post of 5 October 1965. This was also responsible in his view in creating "a wave of bitterly nationalistic 'go it alone' sentiment" in India.
"tether" approach was neither popular in India, nor among many of his own aides and advisers, he continued the lone battle to encourage self-help and to multilateralise aid to India. Walt Rostow, his Special Assistant for National Security Affairs, corroborates his view and records:

Johnson decided to use his margin of influence and leverage actively to encourage an increase in agricultural productivity and an expansion in population control policies in the developing world. 52

This policy was applied in India during the drought of 1966-67 when, as Rostow acknowledges, Johnson personally guided the negotiation of each tranche of food aid as well as the Indian performance in re-allocating its own resources to agriculture and population control. 53

51 Lyndon B. Johnson, n.43, p.225. His views on the handling of Indian drought situation are contained in Chapter 10, pp.222-31 of this book. He describes his lone battle thus: "What we called the 'short tether' policy was profoundly unpopular among India's leaders, especially the staunch advocates of industrialisation. It was hardly more popular with those in our own government who considered aid to India essential to the survival of that country and to its continued existence as a democracy. I stood alone, with a few concurring advisers in this fight to slow the pace of US assistance, to persuade the Indians to do more for themselves and to induce other nations to lend a helping hand. This was one of the most difficult and lonely struggles of my Presidency."

52 W.W. Rostow, n.47, p.422.

53 ibid, p.423.
The "Self Help" Criterion

The philosophy of "self help" was new neither to the US nor to India. India while accepting US grain proclaimed its goal as "self sufficiency" in food. "Self help" conditions in P.L. 480 Agreements had been incorporated since the days of Eisenhower. Johnson, however, with a new sense of urgency, challenged the emphasis in respect of their implementation.\(^54\) As has been noted in the last chapter, Freeman visited India in April 1964 to secure Indian acceptance to policy changes to improve agricultural performance. While changes policy were initiated following his visit, there was no visible impact on food production. In fact, the situation worsened with the failure of the monsoon in 1965. As India needed much larger wheat shipments to meet its current deficit, there were increasing pressures from within the Johnson Administration "to use all possible leverage to improve India's performance," as pointed out by Under Secretary of Agriculture, John Schnittker in a memorandum to the President.\(^55\) Freeman met the Indian Food Minister, Chidambaram Subramaniam, in Rome in November 1965. At these talks Ambassador Bowles informed Secretary of State, Dean Rusk, complete understanding was reached on adopting specific measures to hasten the process of

\(^{54}\) John P. Lewis, "Continuity and Change in U.S. Economic Aid to India", *Commerce* (Annual Number), December 1966, p.89.

\(^{55}\) Memorandum, John A. Schnittker to President, 23 October 1965, Executive Files, Lyndon B. Johnson Library, Austin (Texas).
agricultural development in India. Apart from substantial stepping up of investment in agriculture, the package included a specific commitment by India to improve the availability of fertilizer, both by improving distribution arrangements and increasing domestic output with greater participation of foreign private investment. 56 Freeman, in a memorandum, communicated to President Johnson his confidence in Indian Government's new resolve and capability to improve agricultural performance, following concrete and specific commitments made by Subramaniam. Nevertheless, to ensure that the Government of India implements the Rome Agreement, Freeman recommended that aid arrangements, including the duration of P.L. 480 agreements, should be conditioned on the Indian Government meeting its agricultural commitments and future aid negotiations should work out precise criteria to measure performance. 57

Once basic understanding was reached on performance conditions, no effort was spared by the US Administration to ensure speedy movement of grain to India. It was estimated that Indian requirements may be as high as twenty-seven million tons. Shipments of this order would need enlargement of port capacity and augmentation of internal transport system in India. Why should the United States commit itself

56 Memorandum, Chester Bowles to Dean Rusk, 4 November 1966, Chester Bowles Collection, Box No. 99, Sterling Memorial Library, Yale University, New Haven (Connecticut).

57 Memorandum, Freeman to President, 1 December 1965, Executive Files.
to such a gigantic task at a time when global policy considerations were generating scepticism about deepening US commitment? Walt Rostow spelled out the justification in a memorandum to the President on 11 December 1965. Helping India in crisis was important not merely to demonstrate 'humanitarian' aspects of American policy but was seen both (1) as a balancing measure in Asia to the psychological and political impact of war in Vietnam and (ii) dramatisation of global necessity for encouraging a world food and population control programme. The Indian crisis was seen as an opportunity to get wider acceptance of Johnson's food, fertilizer and population control programmes.\(^{58}\)

Freeman conveyed to the President the programme that was planned and the contingency arrangements that were contemplated. Grain shipments in 1966 were to be at the rate of a million tons a month. This programme was based on sea transport and maximum use of Indian port capacity. If the worst estimates of Indian crop turned out to be correct, the rate of shipment would have had to be doubled. In such an eventuality, conventional transport would have had to be supplemented by extraordinary measures, such as use of smaller ships and smaller ports as well as even airlifting. Even though the American airlift capacity was limited by military commitments, contingency plans were to be drawn up for mobilising planes from the Civil Air Reserve Fleet and

\(^{58}\) Memorandum, Walt Rostow to President, 11 December 1965, Executive Files.
charters. Willing Indian cooperation was essential both in conventional and emergency shipping and distribution, Freeman reported. The cooperation was forthcoming and grain shipments at the rate of a million tons a month commenced satisfactorily soon thereafter.59

Freeman informed the present writer that without Lyndon Johnson's "emphasis on rectifying the basic problem, the Congress would have been very cool on authorising effort of such enormous volumes of grain." The President himself called a number of meetings with Senators and Congressmen to widen the area of support.60 Allen Ellender, in a letter to the President, expressed his doubts on the US policy of continually spending "vast sums" in India as it had"...not even made a small dent in alleviating the misery that has existed there for countless years". While US "is called upon to take the lead and bear the burden of assistance," they were not able to secure cooperation or "even adequate consideration when it comes to a matter of political relations," he added.61 Harold Cooley, in a letter to the President, expressed his concern "... that the United States, with its great food and fiber abundance and potential, may do 'too little too late' to meet urgent

59 Memoranda, Orville L. Freeman to President, 20 December 1965, 22 March and 30 March 1966, Executive Files.

60 Orville L. Freeman's reply to the questionnaire circulated by the author, 1 April 1974.

61 Letter, Allen J. Ellender to President, 4 February 1966, Executive Files.
famine needs and to narrow the world food gap." He further suggested that the President took "...dramatic steps" such as "airlift of food by our Air Force to those isolated provinces of India where communists are leading food riots".62

The President, however, did not formally approach the Congress till he had had personal discussions with the Indian Prime Minister, Indira Gandhi, towards the end of March 1966, during the latter's visit to the US. On 30 March 1966 he sent a message to the Congress recommending 6.5 million tons of grain for the remaining part of the year. In this message he told the Congress that India faced "an unprecedented drought," and "unless the world responds, India faces famine." India's suffering could be alleviated if US takes the lead in mobilising international support to meet this crisis. On the "self-help" measures adopted, he declared:

The Indians are a proud and self-respecting people. So are their leaders. The natural disaster which they now face is not of their making. They have not asked help needlessly; they deeply prefer to help themselves. The Indian Government has sound plans for strengthening its agricultural economy and its economic system. 63

The Congress responded immediately. The President having

62 Letter, Harold D. Cooley to President, 3 February 1966, Executive Files.

63 Richard P. Stebbins, ed., n.11, pp.184-86, Emergency Food Aid Program to India. Message from President Johnson to the Congress on 30 March 1966.
got the wide support he wanted, exercised control over food shipments by withholding releases till the last moment throughout the major part of the year. 64

As the food situation in India deteriorated with failure of rain in major parts of the country for the second successive year, continued dependence on US became unavoidable. Except for cotton, the US surpluses of agricultural products disappeared. This was especially so in case of wheat and foodgrains. The Food and Agriculture Act of 1965 was being used to increase production instead of retiring crop-land for providing support to the farmer. Wheat production was likely to increase by almost twenty-five per cent. However, Freeman informed the President that the growing requirement of foodgrain in deficit countries (both developing and communist bloc) without matching progress in production elsewhere, called for concentrated effort in increasing production in food shortage countries. 65 Since India was a major contributor to the growing global deficit, it became even more important to ensure that Indian performance improved, the Administration believed.

Ambassador Bowles strove hard to convince Washington that the Government of India was exerting itself to the utmost extent and that the results were creditable.

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64 Chester Bowles, n.48, p.525.
65 Memorandum, Orville L. Freeman to President, 18 August 1966, Executive Files.
In a memorandum to Secretary Rusk he stated that during the year following the Subramaniam-Freeman agreement, India had made considerable progress in adopting sound measures for increasing agricultural production. The domestic fertilizer production of 615,000 tons (nitrogen) was supplemented by an import of 650,000 nutrient tons (n.t.). Substantial headway had been made in creating additional capacity for fertilizer production. Plants under construction had a capacity of 640,000 n.t. New contracts under negotiation amounted to another 1.2 million n.t. Plantings under high yielding varieties were proceeding according to plan. Adequate attention was also being given to other parts of the package, namely, plant protection, improved mechanism for extending credit to the farmer and population control programme.66

The World Bank team, assisted by the field staff of Ford and Rockefeller Foundations, corroborated the Ambassador's evaluation.67 The US Department of Agriculture itself sent a team of experts to evaluate agricultural self-help efforts and review the food situation. The team was also impressed by the performance. In its report to Freeman, the experts noted that the public investment in agriculture was to have doubled in the fourth plan as compared to the third plan. The pace of expenditure was in accordance with this policy announcement. Impressive steps were adopted in

66 Chester Bowles to Dean Rusk, n.56, Chester Bowles Papers.
respect of providing incentives to cultivators, increasing fertilizer output and availability, high yielding varieties programme, agricultural credit, soil and water management and establishing an agency for providing price support to the farmer, viz, the Food Corporation of India. But for the drought, the American team stated, the food production would have gone upto 90 million tons, compared to 72.3 million tons in the previous year. The crop was estimated around 78.5 million tons despite a bad monsoon. The total import requirement was placed at eleven million tons. This could be reduced to ten million tons if extraordinary measures, like use of armed forces, were adopted to procure more grain from domestic sources. The basis of the team's evaluation was accepted by the Secretary of Agriculture. In a memorandum to the President he recommended a prompt interim allocation of two million tons until mid-February. Half of this grain could be despatched at once and the other half could await the confirmation of the Congressional team.

A Congressional Committee, consisting of W.R. Poage and Robert Dole from the House of Representatives, and Senators Jack Miller of Iowa and Gale McGee of Wyoming, visited India in December 1966 at the request of the President. The move was designed to mobilise Congressional-

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69 Memorandum, Orville L. Freeman to President, 28 November 1966, Executive Files.

al support, according to John Schnittker. Despite the fact that the Committee was convinced both of the steps taken by India to improve food production and the need for providing further assistance, resistance on the Hill required careful handling. Poage demanded inclusion of some provision in the resolution for requiring India to divert land under cotton to the production of grains. Allen Ellender protested that the arrangement was too liberal. Freeman and his colleagues had to spend considerable time and effort in mollifying the critics and winning Congressional support for the Administration's course.

Burden Sharing

Lyndon Johnson also used the opportunity provided by the Indian crisis to dramatise his policy of encouraging multilateral efforts in respect of food aid. The Congressional joint resolution on emergency food for India endorsed "... the President's initiative in organising substantial American participation in an urgent international effort..." and urged him "...to join India in pressing on other nations the urgency of sharing appropriately in a truly international response to India's critical need." The 1966 programme,

71 Interview with John Alvin Schnittker, Under Secretary Agriculture (1965-69) in Washington D.C., on 8 August 1974.
72 Memorandum, Orville L. Freeman to President, 31 January 1967, Executive Files.
Freeman told the House Committee on Agriculture, visualised assistance from other countries "equivalent" to about three million tons of foodgrains, valued at about half a billion dollars. Canada could supply one million tons. The balance had to come from other donor countries. Many of these countries did not have spare food. They could, however, contribute fertilizer, machinery or other elements that helped Indian agriculture. The stipulated contribution was about the same as the US was expecting to provide in the remaining part of the calendar year.74

As many as 35-40 countries participated in the international effort in 1966. They contributed about 180 million dollars worth of commodities - mainly foodstuffs but also other items, including fertilizer and port and farm machinery. Canada alone contributed a million tons of foodgrains valuing about 380 million. This was very much short of expectations.75

Before committing US food during the second year, President Johnson sent Eugene V. Rostow, Under Secretary of State for Political Affairs, and John Schnittker, Under Secretary of Agriculture, on a major diplomatic assignment to mobilise international support for helping India in crisis. The team visited eight major capitals of the world in January 1967. They exchanged views with seven members of the Aid India Consortium as well as with the Government of India. The message conveyed was, as Rostow put it, that in the present

74 Hearings, n.73, p.15, from the testimony of Orville L. Freeman. See also, Orville L. Freeman to President, n.59.
75 USDA Team to Orville L. Freeman, n.68.
race between food and population, the US "...can no longer be counted on to supply inexhaustible reserves of food-grains for the hungry..." and all nations must join the "world's fight against hunger and malnutrition". The response was good. There was not merely a general acceptance of international responsibility but agreement to use the Consortium, set up in 1958 and used so far for coordinating economic aid, for coordinating food aid needs as well. This linkage, apart from ensuring truly multilateral effort, would ensure that aid flows from all other countries. The emergency aid was to supplement and not supplant the normal flow of aid. 76

Secretary Freeman testified before the House Committee on Agriculture that according to Administration's assessment India needed about ten million tons of foodgrains in 1967. 2.3 million tons, including US supplies of 1.6 million tons, Canada's 200,000 tons, Australia's 300,000 tons (on a half grant, half cash basis), and Soviet Union's 200,000 tons, was already in the pipeline. Considering the gravity of famine situation, President Johnson had made a special allocation of two million tons. This still left a balance of 5.7 million tons.

Under the "matching" clause introduced in the Congressional resolution of 1967, US would release about

76 Hearings, n.70, pp.13-14, statement of Eugene V. Rostow.
three million tons of grain only if such releases were matched by contributors from other industrialised countries of the world. The "matching" clause along with the Consortium approach was adopted to ensure that other nations shared the burden, Freeman explained. 77

Despite all these moves, when as late as 11 August 1967, there were no positive indications of other countries fully matching their contribution, pressure mounted within the Administration for release of grain to India without insisting on matching contribution. George Christian, for instance, recommending release of the full three million tons without insisting on the "matching" clause, argued:

I realise the Indians are an ungrateful lot. However, I think they have such a terrible feeling of insecurity that it is reflected in everything they do. Despite all their shortcomings, they constitute the nearest thing to a democracy in Asia, and they are not going to succeed without help. We inherited them and I don't think there is much we can do about it, any more than we could leave Malaysia and Indonesia to the communists. 78

**Food Aid as Leverage**

Notwithstanding Lyndon Johnson's style of diplomacy, United States shipped twenty-one million tons of foodgrains in calendar years 1965-67. This amounted to eighty per cent of food shipped to India from all over the world and a

77 Proceedings, n.70, pp.5-8.

78 Memorandum, George Christian to the President, 11 August 1967, Executive Files.
little more than a third of total grain shipped under P.L. 480 programme. Commenting on the grain shipments to meet the Indian food crisis and President Johnson's role, Bowles wrote in his memoirs:

Despite our best efforts in India to maintain India's trust in our intentions the impression developed that the United States was more interested in gaining a political advantage or forcing a change in India's foreign policy than in helping fellow beings who were in desperate need of help.

President Johnson explains in his memoirs that the drought situation in India contained an explosive potential.

Unmitigated, it would have resulted in a tragedy affecting "the lives of millions of people". Like most Americans, he felt a responsibility to save disastrous consequences of an avoidable famine situation.

Having accepted the


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The total foodgrains programmed during 1951-71 were 59.5 million tons (USIS, Fact Sheet no.23, US Economic Assistance to India, June 1951-April 1971 (New Delhi, 1971), p.27.

80 Chester Bowles, n.48, pp.534-5.

81 Lyndon Johnson, n.43 & 51, p.492.
responsibility, he had to organise massive grain shipments involving advance and detailed planning. This he did after mobilising opinion in Congress and publicly accepting responsibility. Under these circumstances, the scope for exercising leverage on India on Vietnam or other issues by withholding grain temporarily was extremely limited. As one of the officials of his Administration told the present writer in an interview, that once President's style of functioning became known, it was possible for the officials in the Administration to continue shipments in accordance with the overall plan, even as specific release of shipment could only be made after approval by the President.\(^{82}\)

On the basis of several interviews with officials of the time, including Rusk and Eugene Rostow, the present writer is of the view that Lyndon Johnson did not attempt to link food shipments with Indian statements on Vietnam, even though he expressed resentment at some of the criticism of US policy on some occasions.\(^{83}\) He probably realised that if he had tried to restrain Indian criticism by applying pressure, he would have failed. As his "short tether" approach became evident, there was increasing criticism from the opposition in India alleging that the Government of India was softening its attitude to US in order to secure grain. To counter

\(^{82}\) Interview with Dan Tierney of the US Department of Agriculture in Washington, D.C. on 6 August 1974.

\(^{83}\) Interview with several officials of US Administration, including Dean Rusk, Secretary of State (1961-9) at Athens, Georgia on 4 September 1974; Eugene V. Rostow, Under Secretary for Political Affairs at Yale University on 15 October 1974 and Orville L. Freeman's reply to the author's questionnaire on 1 April 1974.
the opposition, Government leaders made even stronger statements criticising the US policies.84

The use of leverage for securing improved performance in Indian agriculture was more likely to yield result over a long period and not overnight. Making it difficult for the recipient to secure food from abroad would certainly strengthen his resolve to produce more at home. This, in fact, had been the policy since the time of the Freeman-Subramaniam agreement. Over-emphasis on monthly evaluation for monthly releases of foodgrains was, however, hardly likely to add any greater self-help effort. On the other hand, it was more likely to cause resentment and thus become counter-productive.85 Richard Reuter, the then Director of Food for Peace, told the present writer in an interview that Lyndon Johnson was personally involved with minor details of implementation of policy.86 Busy as he was in day to day affairs of crisis management across the globe, he perhaps never realised this implication of his policy.

According to Assistant Secretary of Agriculture, Dorothy Jacobson, he was convinced that India will not adopt measures for improving agriculture unless he made it

84 Chester Bowles, n.48.

85 Interview with Dr. John P. Lewis, Minister-Director of U.S. Aid Mission, on 19 July 1974 at New Delhi.

86 Interview with Richard W. Reuter, Director, Food for Peace Program and Special Assistant to the President (1962-66) on 24 & 25 September 1974 at Chicago.
difficult for them to secure US grain. He wanted evidence of the improvements made before releasing each shipment. To people who were more aware of the problems involved in increasing agricultural production in India, his attitudes seemed irrational and even perverse, as John Lewis, Minister Director of US Aid Mission, told the present writer in an interview.

Even the American press took notice when wheat shipments to India were delayed. While Lyndon Johnson's policy did have some support from papers like Washington Daily News on the grounds that diplomatic pressures were required to ensure adequate efforts to increase Indian food production and improve mobilisation of available resources, there was considerable sympathy for India. The Washington

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87 Interview with Dorothy Jacobson, Assistant Secretary of Agriculture (1964-69) at Washington on 22 August 1974.

88 Interview with John P. Lewis, n.85.

89 Despatch no.1024 of 29 December 1966, n.50, citing the Journal of Commerce of 21 December 1966, and Despatch no.1027 of 31 December 1966, along with Washington Daily News editorial of 29 December 1966; Congressional Record, n.11, p.7682, editorial on "Aid for India" marked by Senator Fritz Mondale from the Washington Post of 31 August 1966. See also:

1) Despatch no.363 of 5 April 1966, n.50, quoting from Baltimore Sun, 31 March 1966;

ii) ibid, no.364 of 5 April 1966 citing New York Times of 31 March 1966;

iii) ibid, no.369 of 6 April 1966 citing New York Journal American of 31 March 1966;

iv) ibid, no.370 of 6 April 1966 citing Philadelphia Inquirer of 31 March 1966;

v) ibid, no.375 of 7 April 1966 citing Washington Evening Star of 6 April 1966;

Post and the New York Times, for instance, continually published several reports explaining the self-help measures being undertaken in India, as also the necessity of immediate despatches of wheat to save human lives. Such reports, with additional support from papers like the Christian Science Monitor and the Baltimore Sun, helped in mobilising public opinion. The consistent expression of liberal opinion was necessary in view of the attitude, not only of the President, but conservative elements in the Congress and the press. Such views found expression frequently as Indian criticism of US policy in Vietnam increased.

Congressman Speedy Long (Democrat, Louisiana) declared on the floor of the House on 8 March 1967:

Mr Speaker, we in America are being all too naive, we feed India, and she calls us 'imperialist aggressors'. We feed India and she demands of us peace without honor or victory. We feed India and she plays footsy with Moscow and Nasser.  

Democratic Representative Joseph Resnick of New York stated on 16 June 1967: "...I am tired of being kicked in the pants every time I bend over to load another sack of food to ship to a hungry nation". The Chicago Tribune, in an editorial entitled "Food for Peace - or Food for Rats," dramatically brought the fact that while US is despatching wheat to save

90 Chester Bowles, n.48, pp.528-30. Apart from these two papers, support for aid to India was also expressed by the Christian Science Monitor and the Baltimore Sun. See, for example, Despatch no.1012 of 22 December 1966, n.50, citing the Baltimore Sun of 21 December 1966 and despatch no.972 of 26 November 1966 citing Christian Science Monitor of 26 November 1966.


92 ibid, p.16187.
human lives, rats with a population of ten times that of human population were fattening on more than eight million tons of foodgrains.\textsuperscript{93} Chesly Hanly, in an article in the \textit{Chicago Tribune}, criticised the Indian Government's "socialist centralised planning" and emphasis on heavy industry and consequent neglect of agriculture, while continuing to receive US food shipments.\textsuperscript{94}

\textsuperscript{93} \textit{Hearings}, n.70, pp.33-34, from a reprint of the editorial in \textit{Chicago Tribune}, 21 February 1967.

\textsuperscript{94} \textit{Congressional Record}, n.91, pp.10379-80, reprint of article entitled "Beggars Bowl Takes Place of Lions as Symbol of India" by Chesly Hanly in \textit{Chicago Tribune}, 20 April 1967.

\section*{CHAPTER V}

\textbf{INDIAN POLICY DURING THE CRISIS OF 1965-67 AND AFTER}

\textbf{Indian Reaction to Changes in US Policy: Public Opinion}

The widespread belief in India that food shipments were being delayed by the Johnson Administration as a technique to pressure evoked sharp criticism. Anti-American sentiment, hitherto limited to left wing propaganda, crossed
especially in the event of outbreak of war with Pakistan or China. This concern was voiced, among others, by Acharya J.B. Kripalani in the Lok Sabha after the Indo-Pak conflict of September 1965.¹

The US reluctance to enter into a long term agreement after the expiry of the 1964 agreement, and release of grain on a month-to-month basis, was generally interpreted in the Indian press, including daily newspapers like Hindustan Times and economic weeklies like Commerce, as use of food leverage to exert political pressure on India to improve relations with Pakistan.² Since the Indian request for a long term agreement had been pending for a long time, the metropolitan press, like the Indian Express, linked the coolness of American Administration to India's opposition to US bombings in North Vietnam.³ Irrespective of the difference of opinion on the US objective for using political pressure, there was a widespread belief, as expressed in such diverse newspapers as Times of India, Free Press Journal and Northern India Patrika, that the United States

¹ India, Lok Sabha, Debates, series 3, vol.42, session of 1965, col.9976, statement by P. Venkatasubiah and Ram Manohar Lohia during discussion on calling attention motion on "postponement of the Prime Minister's visit to US on 20th April 1965, and also the statement of R.S. Tewari during the debate on the Ministry of Food & Agriculture's demand for grants on 29 April 1965, col.11864; col.11856, statement of Jena; vol.49, col.5916, statement of J.B. Kripalani during the food debate on 6 December 1965.

² See, for example, i) Commerce(Bombay), vol.3, 9 October 1965; ii) Hindustan Times (Delhi), 8 October 1965; iii) Northern India Patrika (Allahabad), 23 October 1965.

³ Indian Express (New Delhi), 30 September 1965.
was using food for obtaining foreign policy gains. There was no question of yielding to foreign pressures; such a course would have been politically suicidal. But the Government could not, in view of the reality of the food shortage, strike a heroic pose and reject American aid. No serious thought appears to have been given to such a course. The course pursued, as earlier, was to resist pressures without endangering the food arrangements and, at the same time, to gear the economy to attain self-sufficiency quickly and mobilising internal supplies by streamlining internal procurement and distribution arrangements.4

In Parliament, the Government was criticised for neglecting agriculture and thus encouraging dependence on the United States. Demands were raised for radical alteration of domestic policies to raise farm output. While some demanded stoppage of food aid, most side-stepped the issue, obviously in the belief that food would have to be imported when the country was passing through the crisis.5 Food & Agriculture Minister, Chidambaran Subramaniam, told Lok Sabha that the Government had to launch an all out diplomatic effort to secure the much needed grain from the

4 See, for example, i) Hindustan Times, 8 October 1965; Times of India (New Delhi), 22 October 1965; iii) Northern India Patrika, 23 October 1965; iv) Free Press Journal (Bombay), 11 December 1965.

United States as the food crisis deepened in 1966.6

While these efforts to deal with the serious food situation were generally appreciated in Parliament, there was also increasing criticism of the Government on grounds of softening attitude to the United States. The critics, mainly leftists, charged that the Government was timidly exercising restraint in criticism of US military activities in Vietnam. It had yielded to pressure in permitting US fertilizer interests to set up plants in the country, others resented. These fertilizer deals were criticised, among others by Renu Chakravarty (Communist), as a retreat from the spirit of socialist policies implied in the Congress resolutions (especially Bhubaneshwar) and were facilitating entry of big business in a key industry. On the other hand, the Government was also criticised by N. Dandekar (Swatantra) for its allegedly extremely slow pace of negotiations for the establishment of fertilizer plants which were badly needed for raising domestic output. Some issues were raised to the effect that India should mind its own business and not agitate over the Vietnam issue, which would be resolved by the protests of the American people against their own Government's policy. Anyhow, "... our opinion on Vietnam has already been expressed. If the war in Vietnam still continues, it does not mean that we should assume the role

of an international chatterbox, going about and advising people do this, do not do that," declared Lakshmikanthamma (Congress). 7

The continuance of the policy of supplying grain in dribs and drabs, despite what was believed to be an appeaseful US policy to secure grain, produced even sharper reaction in the press, as expressed by Indian Express, National Herald, the Tribune and the Hitavada. 8 What became a matter of special concern was delay and squeeze applied even on the release of limited quantities during the end of 1966. In response to a calling attention notice by Tarkeshwari Sinha, Food Minister Subramaniam told Lok Sabha that in August 1966 only two million tons of wheat and 0.25 million tons of rice were requested for to meet the requirements until the end of 1966. In October, funds were released for purchase of two lakh tons of foodgrains. The request for 1967 made in September 1966 evoked no response. This brought the situation on to a point where there would have been breakdown of supplies in January 1967, he

7 India, Lok Sabha, Debates, series 3, vol.50, session of 1966, cols. 1525-41. See, for instance, statement of Shrimati Renu Chakravarty during the debate on the President's address on 22 February 1966. She even cited the then Congress President K. Kamaraj describing the fertilizer deals as anti-national (col.1531); col.1548, statement of N. Dandekar; col.1549, statement of Harish Chandra Rathur; col.1646, statement of Shrimati Lakshmikanthamma.

added. While no link with the Vietnam issue was officially acknowledged, there was a growing conviction, as reflected in questions raised in Parliament by Hem Barua and comments in the Hindustan Times, that the freeze was applied on account of Indian criticism of US bombings at the New Delhi non-aligned summit, right at the time when President Johnson was busy mobilising Asian opinion at the Manila Conference. The proximity of the squeeze to the forthcoming general elections also gave rise to the belief, as expressed in the Hindu and in Parliament by Madhu Limaye and Hem Barua, that President Johnson would hold tight till the election results are known and that US aid would depend on who came to power and with what policies.

The view that US food aid meant surrender of sovereignty gained ground as the situation was explained in election campaigns. Continued acceptance of aid under the amended Food for Peace Act of 1965 was described by the Statesman and Hindustan Times as surrender of sovereign rights to trade with Cuba and Vietnam. The facts that

9 India, Lok Sabha, Debates, series 3, vol.61, session of 1966, cols. 5915-16, statement by Minister for Food & Agriculture, C. Subramaniam in response to a calling attention notice by Shrimati Tarkeshwari Sinha on "Reported likelihood of suspension of US grain shipments".

10 See, for example, Hindustan Times, 20 October 1966 and Debates, n.9, col.5917, views expressed by Hem Barua.

11 The Hindu (Madras), 19 January 1967. See also Debates, n.9, cols. 5917 and 5920 for remarks of Hem Barua and Madhu Limaye respectively.
India had discontinued trade with Vietnam since 1962, as the traded items might find their way to China, and that India could continue to export its jute to Cuba under the amended law, were explained by the Minister for Planning Asoka Mehta to the press. Nevertheless, V.K. Krishna Menon, who had initiated the controversy, continued to describe acceptance of aid under this "condition" as a "national humiliation" and a "blatant subordination of our sovereignty". This logic was not only expounded by the leftist press, but was accepted as submission to American pressure by sections of the press, such as Times of India, which were otherwise not known to be anti-American. Still others, like the Indian Express, were concerned about the invisible strings rather than the stated conditions in the new law in view of what was believed to be "the secrecy enveloping US aid diplomacy in India".

The use of P.L. 480 funds by the American Embassy further caused apprehensions that these funds were used in the general elections and were being used by the United States Central Intelligence Agency (C.I.A.) for encouraging subversive activities. This concern was expressed in the

14 Times of India (New Delhi), 26 January 1967.
15 Indian Express (Delhi), 24 January 1967, editorial, "Aid Diplomacy".
Lok Sabha by H.N. Mukerji. It was further alleged in Parliament by the leftists, such as S.M. Banerji and Indrakirti Gupta, that the C.I.A. were financing several organisations and foundations. That the rupees generated by sale of grain could be so utilised became an additional reason for considering P.L. 480 an "imperialist" weapon. The suspicion that the funds were so used became strong as T.T. Krishnamachari, an ex-Finance Minister, had reportedly stated that during 1960-65 the US Embassy had drawn Rs 95 crores. Of this amount, Rs 57 crores were unaccounted for and nobody knew how the Embassy had spent them. Doubts persisted, despite the categorical assurance given by the Minister for External Affairs, M.C. Chagla, in Parliament, that counterpart funds cannot be used for political subversion. The American Embassy was not answerable for the expenses it retained for its use; nevertheless, they had supplied broad information which was supplied by Chagla to Parliament.17

As the national realisation of use of food for political purposes was increasing, the view that the P.L.

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16 India, Lok Sabha, Debates, series 3, vol.38, session of 1965, col.719. H.N. Mukerji alleged that P.L. 480 funds were being used for subversive activities especially in Nagaland and Kashmir. The question of use of these funds in the general elections 1967 was raised by leaders, including Indrakirti Gupta, S.M. Banerji, George Fernandes and Madhu Limaye on 29 March 1967. See, India, Lok Sabha, Debates, series 4, vol.1, session of 1967, cols.1465-75.

480 assistance was producing adverse economic consequences was also gaining currency. Criticising the Government for mismanagement of the economy, Minoo Masani stated in the Lok Sabha that foreign aid has been used as a "convenient crutch for our own inefficiency". Doubts were also raised regarding the impact of grain imports on food production.

The other view was that the manner of use of P.L. 480 funds, instead of curbing inflation, had aggravated it. B.R. Shenoy's views on the subject, that the financial procedure of handling these funds gives rise to two sets of transactions, one through use of funds by the Government for budgetary support and the other expenditure through the US Embassy and thus produces an inflationary effect, received publicity both in the metropolitan press and through a seminar organised in New Delhi towards the end of 1967. On the other hand, it was explained, among others by A.S. Bhaskar in an article in the Times of India, that this impression is only because of complicated book-keeping procedure and, in fact, these imports had no inflationary impact. The actual use of funds is only once by the Government through the budget. When joint projects under US aid are approved, they are merely

18 Debates, n.17, cols.581-2, statement of R. Masani during debate on President's address on 31 March 1967.
adjusted against certain projects already under way or completed. 21 The issue was also raised in Parliament where the inflationary impact was refuted by the then Finance Minister, Morarji Desai. 22

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21 Times of India (Delhi), 18 November 1967, article by A.S. Eshaar, entitled "P.L. 480 Imports have no Inflationary Impact, Complicated Procedure Result of American Law".

22 India, Lok Sabha, Debates, series 4, vol. 9, session of 1967, cols. 953-4, question by Indrajit Gupta (q. 724). The Government reply was: "If the two transactions relating to P.L. 480 Assistance, listed below, are considered together there is no inflationary or deflationary impact of the P.L. 480 funds on the monetary system of the country -

i) Payment by Government to US Authorities for the import of foodgrains.

ii) Government's receipts arising from investment in special securities of funds received by US authorities mentioned in i) above.

iii) Government's receipts from sales in the domestic market of foodgrains so imported.

iv) Government's expenditure on the development projects, included in the Budget and earmarked for financing by P.L. 480 funds.

v) Government's receipts from loans etc. given by the US authorities for financing the development projects mentioned in iv) above.

vi) (a) Government's expenditure resulting from the encashment by the US authorities of the special authorities mentioned in ii) above, for purposes of financing their loans to Government mentioned in v) above.

(b) Government's expenditure resulting from retirement of special securities mentioned in ii) above for purposes of making payment to the US authorities of their share of P.L. 480 funds.

Items i) and ii), which are simultaneous, balance. Items v) and vi)(a) also balance. Item iii) is equal to the sum of items iv) and vi)(b)."
The point to note is that the criticism against the P.L. 480 imports, both on political and economic grounds, reached its peak almost at a time when the US Administration had resorted to the "short tether" policy of releasing grain. The uncertainties of import brought home a unanimous call for concentrating on raising domestic output in order to make the country self-sufficient. Under such a situation, all possible arguments were brought forth to convince the Government that in order to preserve national self-respect, emergent steps be taken to end imports of foodgrains. While there were no two opinions on this issue, there were differences on timing. Whereas the general view was against any precipitate action while the crisis lasted, extremists wanted greater emphasis on domestic mobilisation of resources by stricter controls and rationing. Some, like Dinen Bhattacharya, even went as far as advocating the view that we should rather starve than continue to import on what were considered to be humiliating terms.23

The Government's Approach

The Government of India's primary concern during the crisis was to avert a disastrous famine. At a time when domestic output had declined sharply and both public and private inventory depleted, the only way to increase

23 Debates, no.9, cols.1879-82. For an example of extremist view, see statement of Dinen Bhattacharya on 23 February 1966 during the debate on President's address. The view that we should starve rather than suffer humiliation was also repeated in Parliamentary debates. See, for example, Debates, no.7, vol.48, col.5303, statement of Shrimati Lakshmikanthamma during the course of debate on the food situation and drought conditions on 2 December 1965. "Already a national tempo has been created that we should prefer to starve rather than accept any national humiliation in any way."
the food supply was by arranging for additional imports. Failure to increase supply of foodgrains would have resulted in breakdown of the rationing system, further acceleration of prices and finally in starvation deaths. The poorer people with relatively limited purchasing power would have been the worst affected. Commercial imports on a large scale were impossible in view of the scarcity of foreign exchange resources. The Government was, therefore, left with no option but to organise a diplomatic offensive to obtain larger supplies under US P.L. 480. Explaining this position in reply to a debate on food and drought situation on 7 December 1966, the then Union Minister for Food and Agriculture, C. Subramaniam, stated in the Lok Sabha that:

> Even if there is self-respect at stake, at this time I attach greater importance to the lives of the poorer sections of the people. That should be safeguarded first. On the other hand, it is going to be my effort to get from outside sources as much as possible. It is only by increasing our availability from outside sources that we will be able to tide over the situation.

The Government, moreover, was hopeful of obtaining increased supplies from the United States. Despite difficulties, they were still supplying grain at the rate of five lakh tons per month. Orville Freeman, US Secretary of Agriculture, had shown appreciation of the difficulties faced in

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24 Debates, n.5, vol.48, cols. 4924-41 and vol.49, cols. 6061-111, from the opening statement and the reply to the debate on food and drought situation on 1 and 7 December 1965 respectively.

25 ibid, col.6063.

26 ibid, col.6064-5.
India during Subramaniam's discussion with him in November 1965 at Rome. Following these discussions, the US released 1.5 million tons of wheat along with a $50 million loan for purchase of fertilizer. President Lyndon Johnson also showed appreciation of the difficulties caused by the unprecedented drought, as well as self-help efforts undertaken in India, both to increase production and to control population. After discussion with Prime Minister Indira Gandhi, during her visit to the United States in March 1966, he obtained Congressional approval for generous additional supplies. 27

There was no difficulty for India to accept either of the two ostensible shifts in US policy, viz self-help and multilateralism. The Government of India, explained C. Subramaniam in the Lok Sabha on 7 December 1965, was itself committed to the objective of attaining self-sufficiency within the shortest possible time which was now fixed as the end of 1971. A new strategy involving the use of appropriate seed, fertilizer and other modern inputs had not only been announced, but effective steps were being taken to implement the same. The Government had accorded top priority to agriculture and had no intention to generate perpetual reliance on P.L. 480, Subramanian added. 28

The food and agriculture situation was appropriately mentioned in the President's address to the Joint Session of


the two houses of Parliament on 14 February 1966. In his address it was stated that the difficulties caused by the drought further re-emphasised the need for increasing domestic output. The Government adopted the agricultural strategy which would produce immediate result by concentrating on the use of improved varieties of seed which were especially responsive to the application of fertilizer. Apart from importing fertilizers, it was expanding domestic fertilizer production and adopted measure to attract foreign capital.

The expansion of private sector in selected areas like fertilizer was considered justifiable as it helped the country to attain self-reliance, Planning Minister Asoka Mehta told the Lok Sabha. While foreign capital was welcomed, the Government's approach was "to secure the best possible terms," explained Prime Minister Indira Gandhi. The Government had

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29 Debates, n.7, cols.5-7, from the President's address on 14 February 1966.
30 ibid, col.2204, from the statement of Asoka Mehta, Minister for Planning on 24 February 1966 during the debate on the President's address.
31 ibid, col.3059, from the Prime Minister's reply to the debate on 1 March 1966. The relevant para is reproduced below: "We must do everything possible to attain self-sufficiency in foodgrains within the shortest possible time. This I realise depends not only on the fullest utilization of traditional resources, but also on the application of modern methods of agriculture. Fertilizers are the most important ingredients in this strategy. Some concern has been voiced about the terms on which foreign capital participation in setting up fertilizer plants. While we must do whatever we can to realise and recognize that it is better to buy fertilizer from factories in India using Indian labour, Indian raw materials and a good proportion of Indian capital rather than buy it from abroad, we must make every effort for the fullest use of our own resources in capital, in managerial skills, in technological talents, in indigenous material and machinery. We must, at the same time, make every effort to increase our exports to increase our exports to increase our earnings in foreign exchange."
also decided to place new emphasis on its already existing population control programme, she added.

To tide over the present crisis, Subramaniam explained that it was the policy of the Government to obtain "food-grains from whatever sources they [were] available". The difficulty here was that no other country had the grain to spare on the scale required by India. Even so, grain supplied in small quantities by other countries, especially Canada, did help tide over difficulties during the periods of acute scarcity caused by US squeezes. The Government of India also did not object to a proposal of the US Government to channel food aid through the Aid India Consortium. Replying to a question in Parliament, the Deputy Prime Minister Morarji Desai explained that since the forum already existed for discussing development aid, it has been agreed to discuss food aid also at the next meeting of the Consortium to be held in April 1967. At the Consortium meeting held in April 1967, the members agreed to meet "India's immediate requirements of food imports ... without jeopardising essential imports". it was subsequently clarified by him. While Canada

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32 Debates, n.9, cols. 5919-20, from the statement of C. Subramaniam in the Lok Sabha in December 1966 in connection with calling attention notice on reported likelihood of stoppage of grains; col.7400, Subramaniam's statement on 5 December 1966 regarding food aid from Canada.

33 India, Lok Sabha, Debates, series 4, vol.2, session of 1967, cols. 3122-3, statement by Morarji Desai, Deputy Prime Minister in response to a question (Q.21) by C.C. Desai and others on 6 April 1967; col.3170 from statement of Morarji Desai on 8 April, 1967.
promptly fulfilled its pledge, the Government had to strive through diplomatic and other means to secure the food assistance promised by the Consortium countries. Desai told the Lok Sabha on 22 June 1967 that:

Government is also trying to obtain indirect assistance in the form of financing fertilizers, pesticides, etc for growing more food, as also other types of assistance, such as debt rescheduling which would release foreign exchange resources for purchase of food in world markets. 34

With all these efforts, however, the Government of India could secure only 20-25 per cent of import requirements from other sources. 35 For the balance, it had no option but to negotiate supplies from the US under P.L. 480 agreements.

Apart from diversifying sources of aid, the Government also adopted a policy of restraining consumption through controlled distribution of foodgrains. This meant introduction of statutory rationing in "urban areas having a high purchasing power" and opening a network of fair price shops throughout the country. Simultaneously, measures were adopted to intensify internal procurement to meet the requirements of ration and fair price shops. 36 The controlled

34 India, Lok Sabha, Debates, series 4, vol.5, session of 1967, cols. 6726-9, Morarji Desai's reply to Question 672 by Y.A. Prasad and others.

35 India, Govt of, Ministry of Food & Agriculture, Department of Food, Annual Report, 1966-67 and 1967-68, pp.14 and 12 respectively for all figures.

36 India, Govt of, Ministry of Food & Agriculture, Department of Food, Review of the Food Situation, February 1966 (New Delhi, 1966).
distribution of foodgrains enabled the poorer sections of society to get grain at fixed prices at a time when grain prices were rising. 37

Consumption was restrained too. There was a fall of fifteen per cent in per capita availability of foodgrains in 1966 and somewhat lower than that even in 1967. Even this level would have, however, been impossible to sustain without larger imports. The proportion of imports to net availability of foodgrains increased to 14.1 per cent and 11.7 per cent in 1966 and 1967, compared to 8 per cent and 8.8 per cent in 1964 and 1965. 38 It was obvious that diversification of sources of supply and domestic mobilisation of available grain, though necessary, would not alleviate distress. The question was one of allowing starvation or taking recourse to ensuring P.L. 480 supplies through month to month negotiations. The Government opted for the latter course. During the course of reply to the debate on the President's address, Prime Minister Indira Gandhi stated in the Lok Sabha on 5 April 1967:

> Some have said that we would rather starve than import food. I am afraid, I cannot agree with this and I feel that it is an irresponsible statement to make in the present conditions. 39

Under the circumstances, efforts to obtain P.L. 480 grain to the extent available continued throughout the period.

37 India, Govt. of., Ministry of Finance, Department of Economic Affairs, Economic Survey, 1967-68, p.12. Prices had risen at an average rate of twelve per cent during three years ending 1966-67 and primary pressure was on foodgrain prices.

38 Ibid, p.3. Also see p.410, table 1.7. (The per capita food availability which had fallen from 16.72 oz per head per day in 1965 to 14.17 oz in 1966 and 14.14 oz in 1967); p.411, table 1.8.

39 Debates, n.33, col.3007.
of the crisis.

Yet there is no evidence of compromise on vital issues of foreign policy, viz Vietnam or Kashmir. The policy pronouncements by leaders hardened as criticism of Government softening its policy to appease US for securing grain increased. During the course of the visit of Vice-President Hubert Humphrey to New Delhi in February 1966, when allegations were made by S.M. Banerji and others in Parliament, based on newspaper reports, that the Government of India was compromising its stand on Vietnam, Prime Minister Indira Gandhi replied:

...It is true that the Vice-President asked us for our support on US policy in Vietnam as elsewhere. He also mentioned that this would lead to strengthening the friendly relations between our two countries, but we reiterated our stand, specially on the Vietnam question in the context...of our policy and our special responsibilities as the Chairman of the International Commission for supervision and control.

On the issue of settlement of the Kashmir issue, Indira Gandhi stated: "The only way Kashmir came in was in his appreciation of the Tashkent Agreement." She further assured the Parliament that the Government "will not be forced into taking any position which is not consistent with our national honour and interest." 41

The US concern at this time was not Kashmir but support on Vietnam. But neither in Delhi, nor later in

40 Debates, n.7, col.1505, remarks by Shri Daji and col. 1506 for similar remarks by S.M. Banerji on 22 February 1966 during discussion on calling attention notice on recent talks between Prime Minister of India and Vice-President of U.S.A. and Prime Minister's reply.

41 ibid, col.1507.
Washington during the Prime Minister's visit, was the
Johnson Administration able to secure what it sought. The
misgivings of the critics were finally removed by a categorical
statement by the Prime Minister restating details of India's
policy after her return from the Soviet Union on 25 July
1966:

...A peaceful solution can be reached only at a
conference table and hence the necessity for the
co-Chairmen to convene a Geneva type conference
to which we attach the greatest importance. It
would be unrealistic to expect a conference
until the bombing of North Vietnam is stopped.
India has always been against such bombing. 43

Debate on the subject, however, continued. Silence
was advocated by those who felt that avoiding unnecessary
irritation to the US would be helpful in maintaining the
steady flow of grain. Communist M.P. Hiren Mukerji and
others continued to level the allegation that the Government
was soft pedalling on the issue which was tantamount to
surrender of self-respect to secure grain. Answering this
view, the Prime Minister stated on 5 April 1967, "...I do
not think we are silent, nor have we overstated the case.
We have expressed our view whenever it was necessary to do
so." 44

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42 Debates, n.19, cols.10013-14, Prime Minister's state-
ment in the Lok Sabha on 7 April 1966 regarding her
talks with President Johnson. The relevant extract is
reproduced below: "The situation in Vietnam was briefly
discussed. I reiterated India's continuing desire to
see a just and peaceful solution to this problem."

43 India, Lok Sabha, Debates, series 3, vol.57, session of
1966, col.222, statement in the Lok Sabha by the Prime
Minister on her visit abroad - Soviet Union, Egypt and
Yugoslavia.
"Green Revolution" and P.L. 480: 1968-71

The two successive years of crop failure, accompanied by recession in industry, had thrown the economy out of gear. The fourth plan which should have normally commenced in 1966 was postponed. While announcing major economic policy objectives, the President, in his inaugural address to the Parliament on 18 March 1967, said that the Government "have resolved to end our dependence on food assistance from abroad by the end of 1971". To ensure that the food import requirements were reduced in each successive year, efforts initiated to expand agricultural output were to continue.

The new strategy of agriculture with its emphasis on introduction of high yielding varieties of seed had commenced in 1966-67. However, the 1966-67 plans were upset on account of drought. Nevertheless, the new seeds when used with "the entire complement of superior inputs, an assured water supply, intensive fertilizer application and use of plant protection materials," showed high promise and explained the new confidence. In the following year when rainfall was good a record harvest of ninety-five million

46 India, Govt of, Planning Commission, Fourth Five Year Plan, 1966-74(Draft), (New Delhi, 1969), p. x. The Fourth plan was shifted to 1969-74 instead of 1966-71. For further elaboration of the reasons of postponement of the plan, see the draft plan.
47 Debates, n.16, cols. 91 and 92, from the President's address to Parliament on 18 March 1967. Among the specific measures listed were: "(i) Adequate availability of fertilizers and improved seeds and credit to the farmers, (ii) Greater emphasis on minor irrigation and energisation of wells, (iii) Further utilisation of irrigation potential created".
tons was reaped.\textsuperscript{48}

Even though production increased by about twenty-one million tons, it was not possible to dispense with all imports straightaway. Consumption was increasing on account of growing population. Private stocks depleted during the years of drought were to be replenished. Moreover, the public distribution system built during the crisis was to have continued both to ensure price stability and to provide for the weaker sections of society. It was not possible to meet the requirements of this system only from the enlarged internal procurement in view of the competing claims on the grain mentioned above.\textsuperscript{49}

In addition to the current needs, the Government, on the basis of recommendation of the Agricultural Prices Commission, decided to build a buffer stock of at least three million tons during the year to ensure price stability as well as to provide for a future emergency. As against 10.4 million tons in 1966 and 8.7 million tons in 1967, the Government planned to import 7.5 million tons in 1968.\textsuperscript{50}

The actual imports in 1968 were only 5.7 million tons, including 4.1 million tons from the United States under


\textsuperscript{49} India, Govt of, Ministry of Food & Agriculture, Department of Food, Report of the Agricultural Prices Commission on Price Policy for the Kharif Cereals for 1967-68 Season (New Delhi, 1967).

\textsuperscript{50} Review of the Food Situation, n.36, p.9. The Agricultural Prices Commission had recommended a target of two to three million tons for building a buffer stock during the year
P.L. 480. The shortfall in imports slowed down the pace of building buffer stocks. Yet at the close of 1968 the total public stocks were 3.8 million tons of which about 2.0 million tons were deemed to be buffer stocks. 51

The successful trends in agriculture set in the 1967-68 crop year continued until 1970-71 crop year when a record harvest of 108.42 million tons was reaped. 52 There was a drop of a million tons in grain output in 1968-69 on account of failure of rain in some parts of the country. The shortfall, however, was more or less compensated by better crop in other areas, where weather conditions were not so unfavourable. 53 The total imports in 1969 were reduced to 3.9 million tons, with US P.L. 480 supplies being limited to only 2.5 million tons. Nevertheless, stocks increased by 5 lakh tons in 1969, principally because of lower offtake from fair price shops in view of improved open market availability. 54

Imports in 1970 were kept at more or less the same level as 1969 and another million tons was added to the public stocks.

51 Annual Report, n.35, 1968-69, pp.16-17, 21. The balance of one million tons was considered operational stocks required for feeding the public distribution system.

52 Economic Survey, n.37, 1972-73, p.96. The figures of grain output in 1968-69 were 94.01 million tons and in 1969-70 99.5 million tons.


stocks. 55

The record harvest of 1970-71 enabled further reduction of imports in 1971. The total imports were only two million tons and those from the US under P.L. 480 were only 1.2 million tons. The buffer stocks increased by another two and a half million tons, a little more than the total quantity imported. The total public stocks were 7.9 million tons crossing the target of five million tons of buffer stocks set in the fourth plan. The concessional imports of foodgrains under P.L. 480 were stopped from January 1972. In fact, the last P.L. 480 Agreement signed on 1 April 1971 provided for purchase of 15.7 lakh tons of wheat, of which only 11.32 lakh tons were purchased and the balance surrendered. 56

After the food crisis of 1965-67, about ten million tons of foodgrains were imported until the end of 1971, under the P.L. 480 programme. Of this total, about four million tons were imported in 1968 when the grain was still needed, at least in part, for requirements of current consumption and replenishing the depleted stocks. The remaining six million tons could have been dispensed with, if we did not require a buffer stock.

During this period there was no particular difficulty in obtaining grain from the United States, except in 1968.

55 Annual Report, n.35, 1970-71, pp.16-17, for figures of imports and p.21 for stocks.

Under the agreement signed on 30 December 1967, 3.5 million tons of foodgrains were to be supplied until the end of June 1968. The additional import required for the second half of 1968 was 2.3 million tons. An additional P.L. 480 agreement to cover this grain was not authorised till November and finalised until 23 December 1968. According to Chester Bowles, the Indian request for grain was made at his instance and after much discussion to enable India build a large reserve stock and allow for flexibility in grain distribution. He had himself taken the initiative hesitatingly at the instance of the US State and Agriculture Departments. The wheat shipments were expected to arrive in September. The non-arrival of these supplies even upset the Government of India's plans to increase the food rations. His cables explaining the situation produced no effect. He records in his memoirs: "President Johnson, for reasons that no one could fathom, was continuing to withhold the authorisation which would send the grain ships on their way."

57 India, Lok Sabha, Debates, series 4, vol.12, session of 1968, cols.958-9, information supplied by A.P. Shinde, Minister of State for Agriculture on 15 February 1968 in response to Question no.548.

58 Review of the Food Situation, n.36, July 1968.

59 India, Lok Sabha, Debates, series 4, vol.21, session of 1968, col.107, Morarji Desai, Deputy Prime Minister, informed the Lok Sabha on 16 November 1968 that 2.3 million tons of grain under P.L. 480 have been authorised and are under negotiation; Annual Report, n.35, 1968-69, p.18.

60 Chester Bowles, Promises to Keep: My Years in Public Life, 1941-69 (Bombay 1972), p.552. (The full story is related in pp.531-2).
Johnson had, of course his own personal problems at that time. The landslide victory of 1964 had blundered into the quagmire of Vietnam; swelling public discontent over the unending war had forced him to compromise that he would not seek a further term. With his political career ending with widespread odium directed at him, he had probably decided to withhold the grain until the new President and the new Congress were installed. Then, all of a sudden, the authorisation was made in November, the day before the US elections, for immediate wheat shipments. It is difficult to explain this instance of late 1968, as release of additional grain would have stiffened "American grain prices in an election year," except as a whimsical act of a retiring President to whom Vietnam had become an obsession.\(^{61}\) It is apparent that no US political purpose could be served in India\(^{62}\), even the intensity of Indian need for grain had been substantially reduced.

The steep decline in food aid to India was apparently much faster than American anticipation. According to the report of a Science Advisory Committee, set up by President Johnson to analyse the world food problem at the height of Indian crisis, self-sufficiency by 1971 was not a feasible proposition. They had further prognosticated that India will need to import about 5.8 million tons of foodgrains

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\(^{61}\) Chester Bowles, n.60, p.536.
in 1971.62 This was almost three times the actual imports in that year. As Senator Humphrey pointed out, declines in food aid resulted in large carry over of wheat stocks with the US Commodity Credit Corporation. The stocks increased from 539 million bushels in 1967 to 819 million bushels in 1968 and further to 885 million bushels in 1969. Stocks stabilised around this level during the next few years.63 This increase in US stocks had occurred, despite reduction in acreages of foodgrains. The allocation of wheat acreage, expanded in 1967 to cope with increasing requirement, was reduced by thirteen per cent in 1968 and twelve per cent each in 1969 and 1970. Similar reduction took place in rice acreage.64

The policy of continuing imports for building buffer stocks, even after the bumper harvest in 1968, was not easily comprehended in the Parliament and the press. P.L. 480 imports were continuously described as an instrument of political blackmail by even Independent Members of Parliament like Karni Singh of Bikaner.65 While allegations of the Government's silence on bombing of Vietnam by the United States continued to be made in Parliament, the main point

63 US, Congressional Record, 93rd Congress, vol.119, 1st session, June 1973, Senate proceedings, statement of Senator Hubert Humphrey.
of criticism revolved around intrusion of American influence through spending of accumulated P.L. 480 rupee funds. 66

Criticising the Government for its policy of permitting imports totalling Rs 2122 crores under P.L. 480, Communist

M.P. Jyotirmoy Basu stated in the Lok Sabha on 10 April 1969:

I will tell you that those 2122 crores are being used extensively for infiltration of Americanism into this country ... these 2122 crores have been planted into this country by blackmailing this country and several US missions have been forced into this country. Today, this money is finding its way into every sphere of our life through foreign missions. Go to Delhi University and have a look at that book they have written on American Politics in education in our country. All this money is coming from P.L. 480. 67

0.P. Tyagi, moving a half-an-hour discussion on utilisation of P.L. 480 funds on 1 April 1970, repeated the familiar criticism on both economic and political grounds, namely, the adverse affect on agricultural production and that the P.L. 480 funds helped to generate inflation, as well as insurgency in Nagaland and Mizoram. 68

C.K. Chandrappan, moving a similar motion on 12 July 1971, alleged that these funds, "earmarked for educational activities, are being used for ulterior motives". 69

66 Debates, n.57, col.1114, statement of Genesh Ghose on 15 July 1968 during the debate on the President's address.


68 India, Lok Sabha, Debates, series 4, vol.38, session of 1970, cols. 302-6, statement of O.P. Tyagi during the course of half-an-hour discussion on utilisation of P.L. 480 funds.

69 India, Lok Sabha, Debates, series 5, vol.5, session of 1971, col.251, statement of C.K. Chandrappan during the course of half-an-hour discussion on utilisation of P.L. 480 funds for educational activities.
Similar criticism was levelled in the press too. Harsh Deo Malaviya, writing in the *National Herald*, for example, contended that P.L. 480 funds are:

...utilised for large scale C.I.A. and espionage activities in India, for surreptitiously financing reactionary anti-progressive, anti-Soviet and anti-communist journals in India ... and even for interfering in elections through large scale financing of reactionary candidates or for defaming progressive ones.

The *Times of India*, commenting on the signing of a fresh agreement in 1969, took the view that fresh imports will strain the limited storage capacity and consequently result in crash of prices hurting the farmer.71

The difficulties experienced during the crisis years, continuous criticism of the policy of imports and suspension of external economic assistance by the United States "in the wake of the hostilities in December 1971 ... further intensified the national urge to do without external aid".72 The President, in his address to the joint session of the Parliament on 15 March 1972, announcing the stoppage of P.L. 480 imports, declared:

Our economy showed resilience in coping with the unexpected strains of the year. The tempo of growth and development was maintained. Production of foodgrains rose by more than 6 per cent reaching a record level of 108 million tons in the agricultural year 1970-71.

70 National Herald (New Delhi), 10 July 1969.
71 Times of India (New Delhi), 18 October 1969.
In the current year production is expected to be even higher. As a result, the Government has stopped concessional imports of foodgrains.73

The national press hailed the decision. The event was described by the Indian Express as "... the end of an era of long dependence and sometimes painful dependence on food imports". The Statesman also welcomed the decision as P.L. 480 aid had "caused many political tensions" and that the entire arrangement was viewed in India as an infringement of its sovereignty." The Motherland stated that the decision would be "welcomed by every self-respecting Indian" as American food assistance had "smothered the natural creative genius of a great nation and its resourceful people and bred a paralysing psychology of dependence".74

73 India, Lok Sabha, Debates, series 5, vol.11, session of 1972, col. 3.