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.11856; col.11855, 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, Chidambaram Subramaniam, told Lok Sabha that the Government had to launch an all out diplomatic effort to secure the much needed grain from the

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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. Any how, "... 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).  

The continuance of the policy of supplying grain in dribbles, despite what was believed to be an appease-US policy to secure grain, produced even sharper reaction in the press, as expressed by Indian Express, National Herald, the Tribune and the Hitavada. 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.1348, statement of M. 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

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9 *India, Lok Sanha, 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

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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 Indrajit 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.\(^{16}\) 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 Indrajit 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

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18 Debates, n.17, cols.581-2, statement of R. Masani during debate on President's address on 31 March 1967.
20 See 1) Times of India (Delhi) 24 & 25 October 1967 for Shenoy's article entitled "P.L. 480 and Inflation"; ii) Hindustan Times, 11 November 1967, "P.L. 480 and Deficit Financing" by B.R. Shenoy; Also see the following for reports on the two-day Seminar on "P.L. 480 and Inflation": i) Hindustan Times, 12 November 1967, ii) The Statesman (Delhi), 13 November 1967.
adjusted against certain projects already under way or completed.\textsuperscript{21} The issue was also raised in Parliament where the inflationary impact was refuted by the then Finance Minister, Morarji Desai.\textsuperscript{22}

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

\textsuperscript{22} \textit{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, n.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, n.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. 480.24 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. 25

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.26 Orville Freeman, US Secretary of Agriculture, had shown appreciation of the difficulties faced in

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

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.

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. 6728-9, 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.18. 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.A10, 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.A11, table 1.8.

39 Debates, n.33, col.3007.
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.\textsuperscript{42} 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. \textsuperscript{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."\textsuperscript{44}

\textsuperscript{42} Debates, n.19, cols.10013-14, Prime Minister's statement 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."

\textsuperscript{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.45 The fourth plan which should have normally commenced in 1966 was postponed.46 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.47

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, 1969-74(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

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.98. The figures of grain output in 1968-69 were 94.01 million tons and in 1969-70 99.5 million tons.


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 18 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. It is apparent that no US political purpose could be served in India 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. 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.

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.

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. 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. 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."

O.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. 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."

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


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 surreptitious-ly financing reactionary anti-progressives, anti-Soviet and anti-communist journals in India ... and even for interfering in elections through large scale financing of reactionary70 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 8 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.\textsuperscript{73}

The national press hailed the decision. The event was described by the \textit{Indian Express} as "... the end of an era of long dependence and sometimes painful dependence on food imports". The \textit{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 \textit{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".\textsuperscript{74}

\textsuperscript{73} \textit{India}, Lok Sabha, \textit{Debates}, series 5, vol.11, session of 1972, col. 3.

\textsuperscript{74} (i) \textit{Indian Express} (Delhi), 3 January 1972, editorial "End of an Era"; (ii) \textit{The Statesman} (New Delhi), 6 January 1972; (iii) \textit{The Motherland} (New Delhi), 7 January 1972.