

Mikko Laaksonen

FOOD FOR LEVERAGE
UNITED STATES FOOD AID AS A POLITICAL WEAPON
OF THE COLD WAR

Faculty of Social Sciences
Master's Thesis
November 2023

ABSTRACT

Laaksonen Mikko: Food for leverage – United States food aid as a political weapon of the Cold War
Master's Thesis, 65 pages.
Tampere University
History
November 2023

As World War II came to an end, the United States of America had boosted its food production to such a level, that they could be seen as having a food regime, a dominating status in the world market for food. During the Cold War, The United States of America used its massive quantities of food surplus to create a system of global food aid to countries in need, under the program known as Public Law 480. This program was used to provide food aid assisting these countries to fight famine and poverty, but simultaneously it was used to persuade, blackmail, and force them into political and economic dependency of the United States during the Cold War era.

The purpose of this thesis was to study how Public Law 480 came to be, and how it was used during the Cold War as a political tool to influence other nations. This study covers the founding of Public Law 480 and how that ties in with the American food regime, how American food aid effected the recipient countries development and economy, in what ways was food aid used to gain political leverage and dependency, and how this all ties into the larger picture of the Cold War. This goal was achieved by studying food aid delivered under Public Law 480 to different countries, and the decision making behind those deals, and then looking into how the food delivered from these deals impacted the recipient nations in different cases.

The findings of the study showed that Public Law 480 food aid was in many cases continued far beyond the initial goal of famine prevention, and used to create dependency, and influence political behavior, decision making and development of the recipient countries in order to serve Cold War goals of U.S. foreign politics. This was most blatant in Asian countries, as their strategic value during the Cold War was high, and food aid was an effective tool considering these countries developmental state and need for food aid. The overflow of American food delivered to the recipient countries in most cases caused them to neglect their local food production, as the recourse freed up by American food was in most cases directed towards industrialization or military projects, depending on the individual country's current needs. This strategic leverage gained from Public Law 480 food aid was used to block Soviet or other communist influence in these countries and to make these countries align themselves more strongly to the U.S.

The study shows that food aid deals done under Public Law 480 during the era of American food regime that lasted until the 1970's were used in multiple ways to achieve political goals of the United States during the Cold War. Public Law 480 deals were used to either directly influence the policies and decision making of the recipient country, or to create a relationship of dependency towards the United States, that would affect the recipient's behavior in a more naturally evolving way. Public Law 480 food aid deals also had a long lasting and a significant impact on the recipient countries development and industrialization, altering much of the geopolitical landscape of Asia. Public Law 480 food deals were used to create and uphold multiple nations alliance status towards the United States, therefore playing a role in the Cold War era global politics, and how our world politics would be in the modern era.

Keywords: food aid, Cold War, USAID, Public Law 480, food regime, Food for Peace, famine.

The originality of this thesis has been checked using the Turnitin Originality Check service.

TABLE OF CONTENT

1	INTRODUCTION	1
1.1	BACKGROUND.....	1
1.2	RESEARCH QUESTIONS AND THESIS STRUCTURE.....	3
1.3	PREVIOUS RESEARCH.....	5
1.4	TIMEFRAME	6
1.5	PROBLEMATIC ASPECTS.....	7
2	ON THE BIRTH AND DEVELOPMENT OF U.S. FOOD AID	11
2.1	U.S. FOOD REGIME AND PUBLIC LAW 480.....	11
2.2	DEVELOPMENT OF THE PROGRAM AND ITS USAGE	15
2.3	THE END OF U.S. FOOD REGIME.....	17
3	FROM FAMINE TO PROFUSION	19
3.1	TOO MUCH AID?.....	20
3.2	EFFECT ON LOCAL PRODUCTION.....	24
3.3	EFFECTS ON ECONOMY AND DEVELOPMENT	28
4	FOOD AID AS A CARROT AND STICK	30
4.1	FOOD FOR PEACE.....	31
4.2	FOOD FOR WAR.....	35
4.3	WHEN AND WHY WAS AID GIVEN OR TAKEN AWAY	38
4.4	FOOD AID LEADING TO DEPENDENCY.....	41
5	THE BROADER PICTURE OF U.S. FOOD AID AS A PART OF THE COLD WAR ERA	46
5.1	FOOD VERSUS COMMUNISM	47
5.2	DEVELOPMENTAL AID OR POLITICAL OPPORTUNISM?.....	50
5.3	FOOD AID DIVIDING THE WORLD	54
6	CONCLUSIONS.....	57
	BIBLIOGRAPHY	62

1 INTRODUCTION

Once a President who lived there sent us to Vietnam for whatever reason he deemed right and profitable for his nation. International prestige, perhaps, or an expression of gratitude to the U.S for their helping us during the Korean War. Or national welfare. Whatever the reasons. The blood money we had to earn at the price of our lives fueled the modernization and development of the country. And owing to our contribution, the Republic of Korea, or at least a higher echelon of it, made a gigantic stride into the world market. Lives for sale. National mercenaries.

AHN JUNGHYO — White badge: A Novel of Korea

Food. The reason why hundreds of thousands of Korean men served in the Vietnam War was largely due to food. Food-aid given by the United States to the South-Korean military dictatorship was promised to continue as usual, even ramp up, if they would participate more into the U.S. war in Vietnam. This was the U.S. leaderships way of circumventing the restrictions set upon the usage of troops in Vietnam by the U.S. congress. This is one of the clearest usages of U.S. food-aid as a political weapon, instead of a tool of peace in the world. And this is only the tip of the iceberg of the United States food aid programs usage in the political power struggle of the Cold War era.¹

1.1 Background

Food and the political power associated with it have always been a part of human history, from the ancient Romans starving out an enemy city, to angry Parisian's being motivated to revolt due to lack of bread. Food has and will forever be important to us, and therefore it will also be a tool of power and influence.

¹ Foreign Relations Of The United States, 1964–1968, Volume XXIX, Part 1, Korea. Document 76: Telegram From the Department of State to the Embassy in Korea.

In modern days our relationship towards food has changed a bit, as less and less of our populations works in the production of food, and therefore we don't care that much about where and how our food gets to our tables. Due to climate change becoming a popular issue among many, we have started to pay more attention towards the food industry again, but even then, the focus is not on the massive economic and political machinery that is behind the global food industry. In short, we all need food, therefore the control of food has massive power over people's lives.

Food regime is the phenomenon that happens when one government or similar entity has the control over what is the dominant way agriculture and usage of food is done in general over the world, it means the entity has hegemony over what foods are used and what crops are farmed. The so called second food regime rose after the world wars, and lasted from 1947 to 1973, it was a mainly U.S. led system, that relied in the controlling of the food markets by having the government buy and control a lot of the food industry, simultaneously using control of import and export to control the system more globally. This food regime led to the food aid period of U.S. history, where they managed to influence other countries agricultural development and economy to fit into their ideal and control of the situation.²

The main idea of the U.S. food regime was to boost its own production of wheat and barley, and then flood other countries' economies with cheap American food, in order to crush their local competition with food, and eventually become an irreplaceable trade partner with the country that needs its food from the U.S., as it doesn't have its own production anymore.³

The importance of the second food regime and the general U.S. hegemony of the post-World War II world is how the U.S. managed to develop most of the world in the way it wanted. After World War II, the United States had gotten tremendous amounts of political power and influence around the world and was competing for total world dominance against the Soviet Union. One of the ways the U.S. decided to boost its influence over other countries was creating its own food regime, in order to influence other countries development through their diet and agriculture. With the food regimes hegemony, the U.S. was able to influence other countries even more by deciding how they organized their agriculture, or did they even need to focus any national resources towards agriculture at all. The United States used the basic concept of development as a most urgent and

² Friedmann 1993, 5–6.

³ Friedmann 2014, 1–5.

needed progress for a country, in order to take over many countries need for food in general, letting them focus into the “more important” industrial development. At the same time the U.S. had gotten a massive control over these countries, as food is truly the one thing we need to live.⁴

The Cold War is a part of human history that has to do with the power and influence over others more than any other conflict in human history, therefore it is no surprise that food and its possibilities of power and influence also play a part in the conflict of capitalism and communism.

The United States begun its food-aid to developing countries as a way to unload excess food surplus of the U.S. under Public Law 480 (1954) after the Second World War, but after elected President John F. Kennedy transforms the loosely organized food-aid into the United States Agency for International Development (USAID), that gets its orders from the president, secretary of state and the security council.⁵

This new organization gives the U.S. a possibility of organizing large scale food-aid programs, with minimal amounts of people being there to decide on their usage. Therefore, begins the era of U.S. food programs that can be used to influence countries not seen as having a vital need for foreign food-aid, opening the doors for a possibility of using food-aid as a tool of political influence.

In this thesis I will investigate how the USAID/P.L. 480 affected the different countries this aid was given to, with special emphasis on developing countries like South-Korea, Vietnam, India, and Pakistan. What marks it left into these countries and their futures on the world political stage and what was the U.S. gaining from all this.

1.2 Research questions and thesis structure

The subject of this thesis is to try and understand the effects of P.L. 480 and American food aid has had on our world during the Cold War era. My mission is to study what was the part that P.L. 480 played in this era and how it's how effects can be seen in our modern society, as the effects of the Cold War and the division of the world into competing camps of different ideologies and economic systems have been a major part of how our world and politics of today are. My emphasis will be mainly in Asia, as it is an important battleground of the Cold War filled with developing countries

⁴ Friedmann 2014, 4–6.

⁵ Wallerstein 1980, 38–40.

ripe for foreign influence, and therefore P.L. 480 usage there is the most observable. However, countries from around the world will be used as examples throughout this thesis, if P.L. 480 food aid had a significant impact on them, or they showcase the different ways it was used as a Cold War weapon. In this thesis I will answer the question of how American food-aid was used as a cold war weapon of the U.S., and what effects did it have, using the following questions to achieve a broad understanding of the studied phenomenon.

1. How and why was the P.L. 480 program founded?

In this study I have gone through the start of the program and the aspects of creating a centralized program for food-aid in the U.S., based on the P.L. 480. I will bring forth the reasoning behind its creation, and its development throughout the timeframe of U.S. food regime and the Cold War.

2. To what extent and why did the USAID continue pumping food into countries after initially relieving them from famine?

To bring forth the numbers of cereal taken to countries with no more acute need for it and ponder the reasoning behind these decisions, and what effects did they have in the recipient countries development and other aspects of society in general.

3. What means of political influence the P.L. 480 program was used for?

Research the role of P.L. 480 in ways of political influence, how was P.L. 480 used to influence the recipient nations development, allegiances, political actions, and other aspects of society. For example, to answer the questions of what P.L. 480 had to do with getting South-Korean troops into Vietnam and supporting South-Vietnam during the Vietnam War era.

4. Did P.L. 480 food aid create dependency? And if so what sort of elements did this entail?

Try to understand what could be seen as a relationship of dependency, what different forms it can take, and what the effects are on the recipient country.

5. How has U.S. food aid during the Cold War era affected our world?

What are the long-lasting effects of food aid during the Cold War era, and how much effect has it had in the ways the world divided into new camps during the Cold War.

The structure of this thesis is as follows; The second chapter will go through the birth of the American food regime and the development of American food aid programs into P.L. 480 after the Second World War. Followed by the transitions of the P.L. 480 program and the status of the American food regime, and the events that ended the American food regime and the usage of P.L. 480 as a Cold War weapon. The third chapter focuses on the aspects of food aid continued beyond famine relief, and what sort of effects this continued P.L. 480 food aid has on these recipient countries in a multitude of ways. The fourth chapter is about direct and indirect usage of P.L. 480 deals as a part of global politics, how P.L. 480 was used for both peace and war, why was food aid given to some countries or denied from others and how American food aid created a relationship of dependency. In the fifth chapter this all is reflected against the backdrop of the Cold War in order to better understand how and why P.L. 480 was a Cold War weapon. In the sixth and final chapter, conclusions, about all that was previously presented about P.L. 480 as a Cold War weapon, are made.

1.3 Previous research

The previous research on U.S. food aid during the Cold War has been conducted by a variety of scholars, including historians, political scientists, and economists. Most of this research is done from the U.S. perspective and is either long term economic study about the food aid in a longer period of time or focuses solely on the U.S. political climate of P.L. 480 usage, and not so much on the effects it had on the recipient countries. Therefore, most studies of American food aid are not about the political weapon aspect, or the multitude of effects it had on these recipient countries. There are exceptions of course, as for example Mitchel Wallerstein's *Food for war - food for peace: United States food aid in a global context* (1980). among many other things, notes food aids usage as an instrument of diplomatic and strategic leverage. Many of the studies of P.L. 480 effectiveness done during the Cold War time period are used in this thesis, as they give us valuable data of how the effects of P.L. 480 were seen during its time, and provide us with raw data, of how much aid was given and where. These include the *Agricultural Economics Report No. 156* of Michigan State University, *Food for Peace Annual reports* and the *Foreign Agricultural Economic reports* to the congress of the United States. These documents give us the valuable data on how much aid was given and where in different years of the program, allowing us to compare these numbers between different countries and years. Most of the U.S. food aid studies done after the Cold War era focus more on the larger picture of U.S. food aid throughout modern history, and often dismiss the era of

the Cold War era weaponization that this paper will focus on or ignore the political aspects of food aid in whole.

A lot of great research about P.L. 480 effects on recipient countries has been done in some of these countries themselves, and South-Korean studies about the effects of P.L. 480 into Korea are rather excellent, and have greatly inspired this thesis, to study this phenomenon in a more global scale. The local studies, however, usually focus on just one P.L. 480 recipient countries' experience, usually not noticing the patterns and differences that can be seen when studying multiple countries at the same time.

A lot of political study has been done about P.L. 480, usually focusing on different presidential eras, and how the program was used during these times, such as Kristin Ahlberg's *Transplanting the Great Society: Lyndon Johnson and Food for Peace* (2008). These studies focus more on the political climate of the U.S., studying how P.L. 480 was a part of U.S. politics of the time, and what the internal effects of the program were in U.S. politics.

One other part of previous research on food and the Cold War relevant to this thesis is the work of Harriet Friedmann and Philip McMichael, as their food regime theory is used heavily in this paper. Even as their research is not focused at U.S. food aid, their theory works remarkably well with the usage of P.L. 480 during the Cold War.

Even though much research has already been done, this viewpoint of cold war usage of P.L. 480 is still rather new, and much is yet to be discovered. What separates this thesis from the earlier research on this subject, is that this thesis will focus on P.L. 480 in the broader view of Cold War politics, and what the effects of P.L. 480 were on the recipient country, and what differences and similarities can be found on P.L. 480 usage on different countries. Much of the earlier research focuses solely on the viewpoint of U.S. politics or the program itself, therefore I see the possibility of making a thesis focusing more on the broader aspects of food aid programs from the viewpoint of usage of political power and shaping the world as a part of other cold war era struggles of U.S. vs Soviet Union.

1.4 Timeframe

The timeframe of my research comes from three important aspects of what this study is about, the first being the time period of U.S. food regime, from the end of World War II to the collapse of the

food regime in around 1973. This marks the time period when the U.S. had such a strong position in the world food market, that P.L. 480 could effectively be used as a political weapon. The second aspect is, of course, P.L. 480 itself, as the program itself came to be in 1954 and is ongoing till this day (however in a very different form and use than what we are studying), however the food aid delivered in the years right before it being centralized under P.L. 480 can already be seen effecting its future effects, and therefore our starting point will be the end of World War II. The third aspect that influences the timeframe of this study is the post-initial effects of P.L. 480 food aid given to the recipient country, that in many cases exceeds the time period of 1973, therefore on some occasions we must venture beyond the ending of the food regime, in order to see the whole picture of how these deals effected the recipient countries. However, the 1970's can be seen as the decade, in which the usage of P.L. 480 as a political weapon mostly ends, so it will mark the ending point of this studies timeframe, as P.L. 480 food aid given after this decade can be seen as entirely different, both in quantity and motive.

1.5 Problematic aspects

This thesis deals with many subjects, that are either ones I wish for the reader to understand my viewpoint on before reading further, or that are best said here, so that they do not have to be repeated all through the pages of this thesis.

Development

The term “development” will play a large role in my thesis, but due to its controversial nature, I feel the need to explain my view on the term itself and explain why it is used throughout my thesis.

The modern idea of development comes from the colonial powers ruling over most of the world and using them for resources and labor, in order to boost their own industries and economy. Due to the nature of the world view based on economic growth and technological innovations and bettering of existing systems, these industrializing western countries started to see themselves as developing, as if these changes were a natural phenomenon. As the western countries saw themselves as being developing, they begin to see the other countries as not as developed as they were and started to

“oversee” and “monitor” this “natural development” these countries also would have to go through with.⁶

After World War II, the term development starts to truly form, as the issue of deciding how to deal with formerly colonized countries, and other countries that they had started to call “underdeveloped” rises. The major change about the concept of development happened at that point, as the division of developed and underdeveloped changes the meaning of development drastically. The idea that an area can be underdeveloped means that it can be developed, instead of all areas just developing as it would be a “natural” thing that just occurs at all areas. This new division of the world into developed and underdeveloped, led to multiple projects to “develop” the other nations of the world.⁷

Even as the term development is controversial and somewhat wrong in itself, I use it throughout my thesis because it is a simple and understandable way of explaining the difference between countries at the time period being studied, like the U.S. (developed) and countries like South-Korea and Vietnam (underdeveloped).

Working with aid programs

One point I feel obligated to go through before we delve any deeper into the question of U.S. political usage of food and food aid during the cold war, are the motives and work done by many people working for these organizations. This paper is in no way undermining the sincere and altruistic actions of people working with aid programs in order to help the starving and give the people living in underdeveloped countries a fighting chance in this life. The main argument of my thesis is in the larger picture, and the political actions and decisions of world leaders and others playing the complicated game of world politics, not on the individual workers and people who participated in these programs in order to do what they felt was right.

In no way I am also undermining the good things that these aid programs did. If we look at the wellbeing of the populations of these developing countries that have lived in this capitalist society, one can hardly argue that they wouldn’t be far better off than their ancestors were. My arguments

⁶ Rist 2002, 47–68.

⁷ Rist 2002, 80-92; McMichael 2000, 75–83.

are not that these programs wouldn't have been a thing that created a lot of good in this world, but that they were simultaneously used as a way to get power and influence over other countries of the world. I want to prove that this part wouldn't had been a necessary part of helping the developing countries, but more off a trade of extra food and wellbeing brought by it, paid by giving the U.S. political and economic leverage over these countries.

The intention of this paper is also absolutely not meant to be seen as anti-American and/or pro Soviet, as this papers intention is to study and observe the phenomenon of U.S. food regime and P.L. 480 as a political weapon, and not to ponder upon the moral questions of global politics and superpowers influencing smaller nations futures.

Proving the intentions of others in history

One other major issue I face in this thesis is the concept of proving something. This paper could never come to the definitive conclusion in every instance we will observe that ' "the United States of America intentionally used the food-aid programs to get control over other nations in certain matters" as there simply is no definitive proof of this. These are power aspects that are still relevant in today's world-order, a clear admitting of guilt is not an option that we would see happening in the close future. However, as archives of the Cold War era become more and more open as the years go by, more concrete evidence of the actions of those in power become more available, and future research into the decision making behind the actions of P.L. 480 could provide more concrete proof of some of the actions.

Overall, this is a common thing in research handling historical events that are still relevant today, but as we saw a lot of historical suspicions confirmed by Russian officials as the Soviet Union collapsed, perhaps one day we will get more data from the U.S. government regarding the intentions and planning behind these aid programs. Until that, all we can do is collect the info that is out there, lay it in front of us, and make solid arguments of possibilities backed up by the data we have.

Therefore, this thesis will be focusing more on how the U.S. gained political influence towards the recipient countries of P.L. 480 aid, and not on what the U.S. used this influence on. In some cases, where clear correlation towards P.L. 480 and other political happenings can be seen, we can but bring forth the data that we have and create before us those situations where the possibility of intentional actions is a lot higher than the possibility of things simply being the result of mishaps,

luck, or stupidity. And with situations like that, we can make our own educated guesses about why these things went as they did and challenge our views of food-aid in the developing countries.

2 ON THE BIRTH AND DEVELOPMENT OF U.S. FOOD AID

The possibility of exporting significant amounts of food became an opportunity due to the rapid advancements of the industrial era, where the moving of food from other areas to support the local populous elsewhere was something we had done throughout human history, the possibilities of railroads and shipping containers allowed those with surplus food, to sell and transport it on a global scale. A new global market of transporting food and other goods around the world was born, and those with the production capacity and potential, could start shipping food to other places around the world in order to exchange it for economic profit, or political power.

2.1 U.S. Food regime and public law 480

AN ACT To increase the consumption of United States agricultural commodities in foreign countries, to improve the foreign relations of the United States, and for other purposes.

-The beginning words of Public Law 480⁸

A food regime is the phenomenon when one government or a similar entity has the control over what is the dominant way of agriculture and usage of food is done in general over the world, it means the entity has hegemony over what foods are used and what crops are farmed. The first food regime was the British empire with its multiple subordinates, it lasted from about the 1870s till World War I. The British empires food regime consisted of a world wheat market, comprised of specialized export zones like the plains of Northern America, Argentina, Australia etc. These areas could focus on the production of wheat, that could be transported elsewhere due to the possibility of transportation provided by the increased building of railways and naval trade routes in the British empire. The technological advancements of steam power revolutionized the shipping industry on a

⁸ Public Law 480. From the U.S. Government Publishing Office. 1954.

worldwide scale, and in the first time in human history a true world market was possible. And as the British empire controlled this world market on food, the first food regime was born. The first World War interrupted this trade, as the war interrupted export by ships, and there was fighting in the colonies where the food was produced. After the war there was a collapse in the world wheat market in the 1920s, and the soon to follow financial and economic depression marked the end of the British empire's food regime. The so called second food regime rose after the world wars, and lasted approximately from 1947 to 1973, it was mainly a U.S. led system, that relied in the controlling of the food markets by having the government buy and control a lot of the food industry, simultaneously using control of import and export to control the system more globally. This food regime led to the food aid period of U.S. history, where they managed to influence other countries agricultural development and economy to fit into their ideal and control of the situation.⁹

After the Second World War the U.S was in a position of being able to create its own food regime that would define the dietary development of mostly all the countries that didn't fall under the USSR sphere of influence. In order to achieve its status as a world food superpower it would require two things, means of production and means of distribution.

During the Second World War U.S had experienced massive growth of its food production capabilities, mostly in order to feed its troops, and to assist the populations of countries associated with the United States of America. during the war. But in the early 1950's the recovering European nations were no longer in dire need of agricultural exports, so the U.S. was starting to sit on an increasing amount of farm surpluses.¹⁰ These surpluses from American farmers were purchased by the U.S. government and operated by the United States Department of Agriculture (USDA).¹¹

⁹ Friedmann 1993, 5-6; Friedmann 2014, 1-4.

¹⁰ Agricultural Economics Report. Report No. 156 February 1970 FOOD FOR PEACE, PL: 480 AND AMERICAN AGRICULTURE. Department of Agricultural Economics Michigan State University East Lansing 1970, 1.

¹¹ Ahlberg 2008, 19.

This problem of surplus and what to do with it was halted for a moment by the needs of the Korean War (1950–1953) and the Emergency aids to India (1951) and Pakistan (1953), as these situations required much of the U.S. surplus of the time.¹²

The U.S. had the means of production to become a food regime superpower, but still lacked the proper and unified means of distributing its massive surpluses of food out into the world, as the current U.S. legislation was not that precise on how to deal with situations of food distribution to other countries. As a way to achieve a more stable and precise way of handling this situation the U.S. needed a program which would allow and handle the distribution of food into other nations it wanted to receive U.S. crops.

The Agricultural Trade Development and Assistance Act of 1954 (ATDAA), or as referred from this point onwards, Public Law 480 (P.L. 480) was signed into law by President Eisenhower on July 10, 1954. This law allowed the Common Credit Corporation (CCC) a subordinate of the USDA, to broker congressional sales of U.S. food to any nation except the USSR and its subordinates.¹³

The discussion around P.L. 480 during the time was surprisingly positive across the aisle, though a lot of concerns about its effects in the U.S. economy and the number of resources spent on the operations made possible by the law were raised, it was seen as a way of boosting U.S. economy and local farmers. It was also complimented on getting rid of the somewhat useless surplus of food rotting in warehouses, a fact that the USSR had used in its propaganda against the U.S., claiming that they were sitting on piles of rotting food as the people of the world starve. The new law was also seen as a way of creating new grounds and opportunities for the U.S. trade in foreign countries, which could prove useful in years to come. As one of the more interesting factors of congressional conversations around P.L. 480, it was seen as a weapon to use against the spread of communism, stabilizing and supporting countries in order to keep them away from the influence of the communist movement. The only other concerns about the program were also related to the fight against communism, as many members of the congress wanted to make sure none of these recourses could in any way slip into communist hands.¹⁴

¹² Agricultural Economics Report. Report No. 156 February 1970 FOOD FOR PEACE, PL: 480 AND AMERICAN AGRICULTURE. Department of Agricultural Economics Michigan State University East Lansing 1970, 5–6.

¹³ Ahlberg 2008, 19–20.

¹⁴ congressional record, vol 100, part 6, june 15, 1954, 8268–8301.

With proper use these surpluses can be made a far more potential means of combating the spread of communism than the hydrogen bomb.

-Brooks Hays, United States House of Representatives, June 15, 1954¹⁵

P.L. 480 was comprised of three main titles (I, II, III) that each stated a different way of using U.S. food in regards of other countries.¹⁶

Title I allowed the President to negotiate sales of American food surplus to friendly nations not under the USSR¹⁷, and private entities in said countries, the friendly nation would pay for these deals with long term payments and low interest. The payment would be done in local currency, that the U.S. would use mostly for development of said country and its own payment needs there. Title II allowed the President to grant the U.S. surplus as emergency assistance to any friendly nation or friendly population under non-friendly government, the food aid would be distributed to the friendly people directly, through NGO's or by other means. This way of distribution bypasses the local economy. Title III allowed the distribution of domestic food aid during times of national disaster, and for voluntary organizations to accept surplus for their own use in domestic and foreign programs, and most importantly, it allowed the president to exchange food aid with foreign countries for strategic materials.¹⁸

This first version of P.L 480 gave rather massive amounts of power directly to the president in handling the usage of U.S. surplus, but the amounts of money for the program were still relatively low, with title I being capped at 700 million USD and title II at 300 million USD.¹⁹ In the beginning of 1955 president Eisenhower stated in his State of the Union address that the United States had transported over 2.3 billion USD worth of food to P.L. 480 recipients and by doing so reduced CCC storage costs greatly. The major parts of the U.S. surplus issue seemed to be solved by P.L. 480.²⁰

¹⁵ congressional record, vol 100, part 6, june 15, 1954, 8291.

¹⁶ Public Law 480. From the U.S. Government Publishing Office. 1954.

¹⁷ However, this part of the deal was controversial even as early as 1955, in an attempt to support the Yugoslavian leader Joseph Tito for severing his ties with the Soviets, but this will be discussed in more details in chapter 4.

¹⁸ Public Law 480. From the U.S. Government Publishing Office. 1954.

¹⁹ Public Law 480. From the U.S. Government Publishing Office. 1954.

²⁰ Ahlberg 2008, 22.

2.2 Development of the program and its usage

In the following years Public Law 480 went through multiple studies that were conducted to seek out what were its weaknesses and how it could be improved. The Law saw its second version in 1959, with the addition of title IV, which allowed long-term (over a 10-year period) credit sales using USD as the currency. This would open the program for countries not able to do title I sales.²¹ Overall during its first years the programs funding was rather stable as it was renewed and raised and was obviously seen as a stable and useful part of the U.S. government's actions.

President Kennedy took great interest in revitalizing the P.L. 480 program, and created the United States Agency for International Development (USAID), that made the programs status more solid, and asserted its chain of command closer to him, as the food aid program now answered more directly to the president, secretary of state and security council.²² In 1961 P.L 480 was already given amounts of 4.5 billion USD under Title I and 900 million USD under Title II for three years period.²³

The solidification of P.L. 480 and its increased funding enabled the program to make great impacts on the food economies and “development” of countries that the U.S. president deemed in need of such assistance and influence. This marks the beginning of the U.S. food aid as a political weapon, expanding the U.S. sphere of influence towards recently independent, or otherwise “developing” countries, making them dependent on U.S. food supplies and ignoring their own agricultural growth.

During 1964 the congressional discussion around P.L. 480 and its future development was mainly circling around the usage of title I currency in “common defense”, as for example in Vietnam 90% of the local currency made was aimed towards the war effort, and in the discussion of should Cuba and countries in trade with Cuba be made ineligible for P.L 480 aid.²⁴

²¹ Food for Peace, 1954-1978: Major Changes in Legislation. U.S. Government Printing Office 1979, 4–7.

²² Riley 2017, 215.

²³ Ahlberg 2008, 34–35.

²⁴ Wallerstein 1980, 43; Food for Peace, 1954-1978: Major Changes in Legislation. U.S. Government Printing Office 1979, 8.

In 1966 P.L 480 was revised once again, adding restrictions on aid to countries shipping to Cuba and North-Vietnam, and changing some key aspects of the program. From 1966 the program was no longer restricted on using only food designated as surplus, this meant that, if necessary, food could be produced specifically for the needs of P.L. 480. The second important change of 1966 was that the sale of title I food for local currency was to be faded out in the next five years, in order to support payments in USD or currencies that were convertible.²⁵

During the Nixon presidency P.L 480 remained rather unchanged, but its focus shifted more and more towards U.S interest in Asia, for example from 1968 to 1973 South-Vietnam received twenty times the food aid that was given to the five African countries most affected by drought.²⁶

The cost of the P.L. 480 program (Table 1) started off comparably slowly, but as the program proved to be a useful tool to the U.S. the program received significantly more recourses. As the Cold War competition for influence ramped up around the globe and was at its peak in the 1960s. During the 1970s the program started to accumulate more and more criticism in the U.S. senate, and we can see significant decrease in the total P.L. 480 expenditure and especially in the highly impactful Title I foreign currency sales.

TABLE 1 GROSS COST (INCLUDING TRANSPORTATION COSTS AND OTHER COMMODITY COSTS ETC.) OF FINANCING PROGRAMS CARRIED OUT UNDER P.L. 480, 1955–1976 (MILLIONS OF U.S. DOLLARS)

YEAR	TITLE I FOREIGN CURRENCY SALES	TITLE I LONG-TERM DOLLAR AND CONVERTIBLE CURRENCY SALES	TITLE II FAMINE AND OTHER EMERGENCY RELIEF	TITLE II VOLUNTARY AGENCY PROGRAMS	TITLE III BARTERED MATERIAL FOR SUPPLEMENTAL STOCKPILE	TOTAL P.L. 480
1955	129,5	0,0	86,9	214,5	0,0	430,9
1956	642,2	0,0	93,6	271,2	0,0	989,0
1957	1396,4	0,0	124,9	234,1	217,3	1972,7
1958	1144,7	0,0	121,4	254,3	83,9	1604,3
1959	1113,3	0,0	97,9	178,7	314,7	1704,6
1960	1308,0	0,0	95,5	130,8	192,4	1726,7
1961	1557,3	0,0	198,6	169,3	200,5	2125,7

²⁵ Wallerstein 1980, 44–45.

²⁶ Wallerstein 1980, 46.

1962	1606,1	29,0	241,9	191,7	193,3	2262,0
1963	1739,4	80,3	215,6	238,8	99,7	2373,8
1964	1636,2	65,1	228,2	341,6	37,7	2306,6
1965	1505,8	211,0	147,2	174,6	40,6	2079,2
1966	1287,8	350,0	222,5	148,3	25,8	1959,0
1967	1067,8	495,4	335,9	34,2	32,5	1692,1
1968	784,8	560,0	344,6	<-*	25,9	1505,3
1969	373,0	625,9	364,2	<-	1,7	1234,3
1970	335,3	614,9	351,0	<-	0,2	1246,5
1971	225,2	736,3	395,7	<-	0,1	1246,9
1972	155,0	577,8	524,4	<-	0,0	1294,3
1973	8,2	736,3	396,1	<-	0,0	1140,6
1974	0,3	577,8	348,8	<-	0,0	962,9
1975	0,6	767,9	460,4	<-	0,0	1227,7
1976	0,0	645,3	327,4	<-	0,0	972,7

* Starting January 1st, 1967, all new voluntary agency program deal are consolidated into general title II. Source: Food for Peace 1977 Annual report on public law 480. Department of agriculture office of the secretary Washington, D.C. 66.

During the beginning of P.L. 480 and its development, it received quite a lot of international criticism from many allies of the United States, as the sales of food at significantly lower rates than the world average, practically disabled all trade of other countries in the areas that were under P.L. 480 food aid, as other sellers of food had no means of competing with U.S. sales. This act of providing “free” food was not looked favorably upon by other nations having strong commercial exports of food around the world, and in the earlier years of P.L. 480 these complaints were mostly ignored by the U.S. However, during the development of P.L. 480, the U.S. trade deals were eventually taken under a practice where the U.S. would first consult other major food suppliers that would be directly affected by these deals.²⁷

2.3 *The end of U.S. food regime*

In 1973 an enormous grain deal happened between the U.S. and USSR, that changed the world food markets massively, and suddenly the world food prices tripled almost overnight. The food prices didn't stabilize and therefore the U.S. food regime and its seemingly endless possibilities of global

²⁷ Bateman 1965, 22–24.

food trade were gone, the days of dumping U.S. food supplies around the world were at its end, and P.L. 480 funding received some major cuts. In order to maintain its political usefulness most of the title II food aid was redirected into Southeast Asia and other areas deemed politically more important. This usage of government funds for political benefits in Vietnam and other areas in Southeast Asia led to a congressional backlash concerning P.L. 480, and throughout the 1970s the program was given more and more congressional oversight that focused the food aids effort on more humanitarian purposes.²⁸

During the Gerald Ford presidency, P.L. 480 food aid took the course of international co-operation, deciding the need of food aid on international standards, instead of U.S. political interests.²⁹ For the purpose of this thesis, this marks the end of the significance on P.L. 480, as a means of usage as a political weapon of the United States on the rest of the world.

The development of P.L. 480 takes it from being a simple tool of allowing U.S. to deal with its surplus problem, into becoming the largest and most powerful usage of food as a mean of influencing other nation's development, economy and their dependence on others the world has ever seen. P.L. 480 has had massive effects on multiple countries around the world, changing their sovereignty in the Cold-War era, influencing their cultures and economies in ways that define them to this very day. P.L. 480 grew into a massive powerhouse, only to eventually come crashing down with the unpredictable winds of world economy.

²⁸ Wallerstein 1980, 46–49; Friedmann 1993, 6–7.

²⁹ Wallerstein 1980, 49–51.

3 FROM FAMINE TO PROFUSION

The core objective behind every food aid program is to combat or prevent incoming famine and provide the necessary nutrition that the local population needs. There is no denying that this rather noble goal has been achieved by many food aid programs throughout history, and aid under P.L. 480 is no different in this regard. The saving of human lives is the first and foremost achievement of food aid, and in most cases studied in this paper, the initial cause of U.S. food aid being offered to the recipient country. But what happens after the initial crisis of famine has been fought off, and the local situation has been pacified to a level where immediate aid is no longer needed? The effects of transitioning from famine, a lack of food, to profusion, an overwhelming supply of food, has rather severe and long-lasting effect on the recipient country, and its relationship with the providing country.

The main part of the basic objectives of P.L. 480 were stated to be the following: "to expand international trade; to develop and expand export markets for U.S. agricultural commodities; to use the abundant agricultural productivity of the United States to combat hunger and malnutrition and to encourage economic development in the developing countries, with particular emphasis on assistance to those countries that are determined to improve their own agricultural production; and to promote in other ways the foreign policy of the United States."³⁰ In this chapter, I will be focusing on cases where the part about promoting U.S. foreign policy seems to have taken the main objective of the mission, and the part about combating hunger and improving the recipient countries own agricultural production seems to have been rather ignored, or in some cases even sabotaged to some level.

In this chapter I will explain the effects of receiving continued food aid on the recipient country in general and focus on P.L. 480 food aid in Cold War Asia, its continual effects, and the reasoning

³⁰ P.L. 480 Concessional Sales: History, Procedures, Negotiating and Implementing Agreements. Foreign Agricultural Economic Report No. 142. Washington D.C. 1977

behind it, and compare it to aid in Europe, in order to showcase the rather different solutions that were taken in the Asian region.

3.1 Too much aid?

The initial purpose of food aid is simple, to replace temporarily the original local food supply that has from one reason or other, become unavailable to the local populations needs. These reasons can differ from natural disasters to war destroying the field and disposing of the farmers, or any other situation that prevents the local food suppliers from feeding the country's population. The solution to the situation is to get that food from a supplier somewhere else, this can mean buying the food, or receiving it as a helping gift from other countries. The main issue with simply buying the required food supplies from international markets is in most cases the price of food, typically countries suffering from famine are in no shape to afford the economic burden of buying large quantities of food supplies from abroad, especially if having to use foreign currency to complete the transaction.

What differentiates U.S. agricultural exports under P.L. 480 from other food aid programs, was the massive surplus that the U.S. agricultural sector had, their food regime could supply their program far better than any other country. From the mid-1950's the American food aid programs could do what no other food aid could ever do, continuously push out agricultural produce not just to fight famine momentarily, but to continue to send aid to benefit its foreign policy status and achieve Cold War objectives deemed important for its national security.³¹ The quantity of production and shipping possibilities of U.S. under P.L. 480 had what could be called a monopoly of food aid in the world, at its peak in the 1960s, almost half of the world grain shipments were shipped under P.L. 480.³²

This made the United States the ideal supplier of food aid for a country in need, The U.S. could supply their country with almost limitless amounts of food and had the shipping capacity to deliver it steadily and whenever needed. Due to its massive surplus and production the U.S. could also supply the food with a lower price tag than any other country. P.L. 480 sales under original title I also made the deal more lucrative, as buying the necessary food in local currency would stress the

³¹ Riley 2017, 168.

³² Friedmann 2014, 6.

local economy significantly less compared to conversion to other currencies. Simply put, P.L. 480 was by far the best deal out there for any county requiring food aid.

The more intriguing part of P.L. 480 comes to play where the initial famine situation is over, as the original objective of the mission was to provide assistance where needed, help open new possible trade opportunities in the recipient county that are not under P.L. 480 and help the receiving country revitalize and improve its own agricultural production. In many recipient countries this was the case, if we compare P.L. 480 aid in Europe from 1955 to 1974 (Table 2) we can clearly see this mission being completed as planned. In the 10-year period of 1955 to 1964 some of the major recipients of aid in Europe were as follows: (in millions of dollars' worth of aid) Spain 604, Poland 535, Italy 403, United Kingdom 342 and West Germany 212. And if we compare that to the same countries aid received in the period of 1965 to 1974, we can observe a massive decline in P.L. 480 aid given: Spain 18, Poland 33, Italy 3, United Kingdom 11 and West Germany 3.³³ As we can see from these numbers, the mission of P.L.480 was achieved in Europe rather well, aid was given where it was needed, and European countries not under the influence of the USSR were able to recover and were no longer under the need of constant U.S. food aid. From these statistics we can see that the U.S. food aid mission for the major European recipients was to help them stabilize and when this mission was achieved, aid was gradually minimized, in order to use it elsewhere for strategic importance.

Table 2: Major recipients (over 200 million USD) of P.L. 480 aid, Title I, Title II, and total³⁴, years 1955–76, in millions of U.S. dollars.

Country	1955–64	1965–74	1975–76	1955–76 Title I	1955–76 Title II	Total
India	2084	2933	301	4406	836	5318
Pakistan	736	906	175	1688	129	1817
South Korea	493	1034	128	1339	310	1655
South Vietnam	130	1307	27	1308	156	1464
Egypt	690	222	220	976	143	1132
Indonesia	212	757	56	940	83	1025
Yugoslavia	783	238	--	848	153	1021
Brazil	501	385	7	607	224	893
Israel	289	375	24	621	21	688
Turkey	452	218	4	550	106	674

³³ P.L. 480 Concessional Sales: History, Procedures, Negotiating and Implementing Agreements. Foreign Agricultural Economic Report No. 142. Washington D.C. 1977.

³⁴ Total numbers also including Title III

Spain	604	18	--	474	117	622
Poland	535	33	--	498	60	568
Bangladesh	--	66	364	378	52	430
Italy	403	3	--	140	232	406
Republic of China	237	158	--	293	86	395
Morocco	97	264	24	155	226	385
United Kingdom	342	11	--	48	--	353
Chile	128	112	110	238	107	350
Tunisia	96	200	12	166	141	308
Khmer republic	--	207	91	295	3	298
Philippines	89	167	25	134	132	281
Colombia	118	131	18	110	142	267
Greece	202	43	--	144	88	245
West Germany	212	3	--	1	66	215
World total	11692	11463	1932	17853	5502	25087

Source: Major recipients of P.L. 480 aid, 1955-1976. P.L. 480

Concessional Sales: History, Procedures, Negotiating and Implementing Agreements. Foreign Agricultural Economic Report No. 142. Washington D.C. 1977.

If we compare numbers from the same period but this time in Asia (Table 1), we see a very different story, from 1955 to 1964 some of the major recipients in Asia were as follows: (in millions of dollars' worth of aid) India 2084, Pakistan 736, South Korea 493, South Vietnam 130 and Indonesia 212. And from 1965 to 1974: India 2933, Pakistan 906, South Korea 1034, South Vietnam 1307 and Indonesia 757.³⁵ Compared to the European numbers of P.L. 480 aid we see a very different story, the amount of P.L. 480 aid keeps on rising, not declining, as is the original intent of the aid program. This raises the question of what is different between P.L. 480 aid in Europe and Asia? how come in Europe the program operated more as a temporary solution, but in Asia it not only kept on going for tens of years, but even increased in size of aid? Later on, we will be taking a closer look on the reasons for this massive increase in aid towards these Asian countries, starting with Pakistan.

As P.L. 480 aid increased and kept on going in Asian countries for a longer period of time, we can see a shift from famine to profusion, as U.S. provided cheap aid transforms from a temporary solution of a country's food supplier, into a constant ongoing primary supplier. This is the point

³⁵ P.L. 480 Concessional Sales: History, Procedures, Negotiating and Implementing Agreements. Foreign Agricultural Economic Report No. 142. Washington D.C. 1977.

where P.L. 480 transforms from a temporary helping solution, into a more permanent dependency creating solution to the recipient countries food needs.

Case: Pakistan

To better understand the situation with P.L. 480 aid in Asia, let's take a closer look at one of the recipients of this aid, Pakistan. Pakistan's case works as a great example, as it was one of the early recipients of this aid, it had a clear initial need for food aid, and continued supply of food aid towards Pakistan was a topic of conversation in the early years of U.S. food aid.

Pakistan was seen in the United States as an important anti-Soviet ally, due to its location near the southern border of the USSR, and China, the risks of destabilization in Pakistan were seen as a potential path towards it falling into Soviet sphere of influence. In 1953, the foreign minister of Pakistan, Sir Zafrulla Khan approached the Eisenhower administration, as Pakistan was suffering from a serious drought, and was in a great risk of widespread famine. This fear of an incoming famine was quickly confirmed by U.S. officials, and action was taken to get American food aid into Pakistan, therefore avoiding the famine. The initial aid to Pakistan was easily justified, as Pakistan was seen as a friendly nation to the U.S. in dire need of assistance the U.S. could easily provide. However, the aid towards Pakistan continued after the initial famine risk was averted, and more and more Pakistani farmers began to shift from farming food, into farming cotton directly competing with U.S. farmers' cotton. This development raised some interesting conversation in the U.S. and in the House of representatives, the question of "how long would this aid continue?" was raised, and the answer given to this was rather clear: Until there is no longer a threat of the Soviet Union against the free world.³⁶

This statement marks a clear shift in the U.S. mission in Pakistan, as the initial threat of famine was gone, the missions main focus shifts towards U.S. Cold War interests, and the initial idea of aid and support transforms into something different, a political weapon. Pakistan was a country in need of aid, that was now receiving too much of it. From the initial goals given to P.L. 480 aid, the goal of combating hunger was achieved in Pakistan, but the promoting of U.S. foreign policy seemed to take primary focus over the goal of assisting local production, as Pakistan was transitioning towards less food production. The goal of expanding U.S. trade opportunities towards Pakistan would now

³⁶ Riley 2017, 170–171.

also not be achieved, as P.L. 480 would dominate the trade towards Pakistan, essentially blocking most of regular trade.

3.2 Effect on local production

Although food aid gives the receiving country an immediate respite from its current issues with local production, long term aid has a crippling effect on a country's food production. Food aid can flood local markets with cheap, imported food, making it difficult for local farmers to compete and sell their own products. This can lead to a decline in local agriculture and food production. Importing of large quantities of U.S. food either for free or at a significantly low price, lowers the local market price of food, thereby forcing the local farmers to either shift to non-food products, lowering their own prices and profit margins, or to abandon farming as a livelihood altogether.³⁷

The continued and even increased amounts of P.L. 480 aid into Asian countries during the period of 1955 to 1974 represent a noticeable chunk of consumption in these countries, and therefore noticeable chunks of local production no longer needed to sustain the local population.

This effect can manifest in the recipient country in multiple ways, the changing of local agricultural production, as we saw in Pakistan, towards non-food items, altering what produce the country supplies to the world market. Or causing the rural population to seek other means of providing for themselves, typically leading to immigration towards urban areas, accelerating the countries shift towards a more industrialized, urban society. Simultaneously contributing towards other aspects of urbanization, such as possible slummification, and unemployment.

The direct causality of P.L. 480 food aid in correlation towards these phenomena and the amount of impact is of course rather hard to directly evaluate, as P.L. 480 is not in itself the main source of developmental changes in Asian countries during the Cold War era, but rather a contributing factor along with all the other changes of post-World War II era and global industrialization. perhaps the clearest example of significant shifts in local production during and after P.L. 480 aid in Asia can be seen with South-Korea.

Case: South-Korea

³⁷ Yoon 2013, 57.

During the Japanese colonial period of 1910–1945 Korea was made into the breadbasket of Japan, and together with the colony of Taiwan, it supplied approximately 95% of Japanese rice imports. Korean rice farming was increased significantly in order to support Japanese industrialization and military reformation.³⁸ The initial impact of the division of the Korean peninsula at the 38th parallel caused some issues to the local production due to returning citizens from abroad and refugees from the north, but by 1946 the situation had stabilized, and South-Korea was 94,3% self-sufficient in domestic food production, and by 1949 this number had increased to 98.1%. The Korean war 1950–1953 demolished the local production and introduced the American food aid to South-Korea. However, the local production bounced back rather quickly, and by 1954, South-Korean food self-sufficiency stood at 94,5%, nearly back at its prewar value.³⁹

However, as P.L. 480 food aid kept pouring into South-Korea, we see some interesting changes both in local production and consumption. From 1961 onwards, the overall local production of grain has more and more issues keeping up with increasing consumption (Table 3). This creates a situation where South-Korea loses its status as a self-sufficient country considering food production, and in all situations has to fulfill its national consumption needs by other means than domestic production.

TABLE 3, ALL DOMESTIC GRAIN PRODUCTION VERSUS CONSUMPTION SOUTH-KOREA 1961–78 (1000 OF METRIC TONS)

YEAR	DOMESTIC PRODUCTION (A)	TOTAL REQUIREMENT (B)	A/B %
1961	4993	5463	91,4
1962	5429	5976	90,9
1963	4637	6138	75,6
1964	5996	6408	93,6
1965	6864	7313	93,9
1966	6715	7089	94,7
1967	6947	8014	86,7
1968	6486	7976	81,3
1969	6307	8573	73,6
1970	7097	8820	80,5
1971	6842	9856	69,4
1972	6807	9626	70,7
1973	6538	9715	67,3
1974	6674	9470	70,5

³⁸ Cwierka 2012, 15–19

³⁹ Kihl et al. 1981, 48–50.

1975	7295	9561	76,3
1976	7692	10271	47,9
1977	7970	12395	64,3
1978	8228	11089	74,2

Source: Kihl, Y. W., & Bark, D. S. Food Policies in a Rapidly Developing Country: The Case of South Korea, 1960-1978. The Journal of Developing Areas, 16(1) (1981), 52.

This shift in self-sufficiency is not however, due to significant changes in rice production and consumption, but wheat consumption (Tables 4 and 5). The cause of this shift in South-Korean food self-dependency was foreign wheat provided by P.L. 480 at a cheaper price than locally produced rice. As we can see from these tables, the local production in South-Korea can keep up with the increase in rice demand and even at some point exceed the local consumption needs, but cannot possibly compete with the amount of U.S. wheat being brought to the local market, leading to local wheat production declining over the years.

TABLE 4, ALL DOMESTIC RICE PRODUCTION VERSUS CONSUMPTION SOUTH-KOREA 1961-78 (1000 OF METRIC TONS)

YEAR	DOMESTIC PRODUCTION (A)	TOTAL REQUIREMENT (B)	A/B %
1961	3047	3062	99,5
1962	3463	3407	101,6
1963	3015	3138	96,1
1964	3758	3709	101,3
1965	3954	3925	100,7
1966	3501	3532	99,1
1967	3919	3954	99,1
1968	3603	3822	94,3
1969	3195	3946	81,0
1970	4090	4394	93,1
1971	3939	4777	82,5
1972	3997	4362	91,6
1973	3957	4296	92,1
1974	4212	4614	90,8
1975	4445	4422	100,5
1976	4669	4538	102,9
1977	6006	5715	105,1
1978	5797	5490	105,6

Source: Kihl, Y. W., & Bark, D. S. Food Policies in a Rapidly Developing Country: The Case of South Korea, 1960-1978. The Journal of Developing Areas, 16(1) (1981), 52.

**TABLE 5, ALL DOMESTIC WHEAT PRODUCTION VERSUS CONSUMPTION
SOUTH-KOREA 1961–78 (1000 OF METRIC TONS)**

YEAR	DOMESTIC PRODUCTION (A)	TOTAL REQUIREMENT (B)	A/B %
1961	172	508	33,9
1962	164	593	27,7
1963	139	978	14,2
1964	190	777	24,5
1965	184	682	27,0
1966	193	651	29,6
1967	191	991	19,3
1968	211	1342	15,7
1969	224	1479	15,1
1970	219	1421	15,4
1971	196	1828	10,7
1972	149	2008	7,4
1973	100	2086	4,8
1974	74	1484	5,0
1975	97	1789	5,5
1976	82	1819	4,5
1977	-	-	2,3
1978	-	-	2,1

Source: Kihl, Y. W., & Bark, D. S. Food Policies in a Rapidly
Developing Country: The Case of South Korea, 1960-1978. The Journal
of Developing Areas, 16(1) (1981), 52.

Due to wheat provided by the U.S. at a cheap price, we see a dietary shift in South-Korea, as the consumption of wheat increases year by year, as it was a cheaper available option compared to locally produced rice. from 1961 to 1972 the consumption of wheat has increased in South-Korea by almost four times, whereas the local production has stayed rather same, being unable to compete on the price market with P.L. 480 provided wheat. During that same time period, rural per capita income has decreased from being higher than that of urban income, to merely 50-60% of its urban counterpart.⁴⁰

The prolonged impact of P.L. 480 imports can be clearly seen in South-Korean production, and even its dietary consumption, during this era of American food regime. These changes would have long lasting effects on the development of South-Korea and affect far more than just the local food production.

⁴⁰ Kihl et al. 1981, 50–53.

3.3 Effects on economy and development

Encouraging development was one of the focuses mentioned in the creation of P.L. 480, and by standards of the 1950s what development meant was industrialization. What made P.L. 480 food aid so enticing towards its potential recipient, were the significant economic benefits it brought with it. As the original Title I sales were made in local currency, this meant that the money paid to the U.S. would stay in the recipient country and was used towards local projects or used to buy local produce.⁴¹ Furthermore the market price for food would be cheaper than on the open market, both for the state and the individual consumer, thereby saving money and freeing it to be used on other parts of society than food.⁴²

The negative economic aspects of food aid can be seen as the possible neglect of local production due to increased price competition, and the creation of a constant need to buy food from an outside market, but as long as this supply of cheap and easy food is available, it makes P.L. 480 deals an incredibly enticing idea, as it frees and increases national assets towards other endeavors. This is the main attraction of P.L. 480, why make it yourself, if the Americans can provide it for you for a far cheaper price?

The resources provided and freed up by P.L. 480 deals, create potential in the recipient country, potential that in most cases was used into industrialization, as these so called third world countries were eager to try and “catch up” with the more industrialized west. The potential given by continued P.L. 480 aid was rather universal, but the individual solutions and severity of these decisions varies by the particular country’s political regime.⁴³ For example the benefits of P.L. 480 potential can be seen both in South-Korea and Pakistan, but other individual differences and usages of this potential have led to rather different outcomes.

As we saw with both the case of Pakistan, and South-Korea, the continued profusion of P.L. 480 goods into the recipient countries economy can lead to changes in the local rural production, either shifting it towards different produce, or making it less profitable or even an impractical livelihood. This can lead to population leaving the countryside, contributing to urbanization and

⁴¹ Public Law 480. From the U.S. Government Publishing Office. 1954.

⁴² Seevers 1968, 630.

⁴³ McMichael 2000, 75–77.

industrialization of the recipient countries society. For example, in South-Korea, the portion of population working in agriculture fell from 63,1% in 1963 to 44,6% in 1976.⁴⁴

From an economic and development perspective, continued P.L. 480 food aid can be seen both as a potential catalyst, and an encouraging factor towards industrialization and economic growth, as relying on P.L. 480 for food, releases national assets for other purposes.

⁴⁴ Lee 1975, 226.

4 FOOD AID AS A CARROT AND STICK

The proverb of a carrot and a stick, originates from the ways for one to encourage their steed forwards with either the reward of the carrot, or the harsher way of using the stick to beat the animal forwards, this proverb works well with P.L. 480, as it could either be used as a soft or a hard force, depending on its needs. U.S. food aid under P.L. 480 was a diverse program that could be used in multiple ways, depending on the recipient countries needs and/or U.S. political need in that area. Food aid could be used as a positive lure for the recipient country, to encourage its political ties to the U.S. and encourage local development and stability. In this way, food aid could be seen as a carrot, a positive reward to induce cooperation with the U.S. government. On the other hand, food aid could be used as the stick, as aid given or taken away could either help keep a regime in power or encourage a change of regime. Furthermore, supplied food and the millions and millions of dollars coming with it could feed and arm men, turning food into a fighting force.

Often food aid was, of course, but one of multiple different ways of U.S. providing aid and assistance towards other countries and was not an omnipotent solution for all of Cold War politics. These other means include multiple tools such as capital, technical and even direct military aid and/or interference, and my intention here is to show the part that P.L. 480 food aid specifically played in all of this, and the scope that it played in the Cold War U.S. actions.

In this chapter, I will delve deeper into the usage of P.L.480 as a tool of U.S. political influence during the cold war, both as a tool of creating a positive encouragement towards the recipient country, but also on the harsher aspects of this usage, as a way of bankrolling war, extorting the recipients, and other more sinister aspects of food aid. My emphasis will once more be mainly in Cold War Asia, with the exception of the peculiar case of Yugoslavia, followed by the examples of India and Vietnam, as these clearly show both the usage of the carrot and the stick. In the end of this chapter, I will take a closer look into why aid was given or taken away from a country, using the example of Egypt to showcase the usage of P.L. 480 as a political tool, and how it may also be overused in some instances.

4.1 Food for peace

The greatest domestic challenge facing the next President will be the challenge of agriculture. The greatest challenge he faces abroad will be, of course, the challenge of peace - of strengthening the underdeveloped world against the instabilities that lead to either communism or war.

These two great challenges merge into a single challenge - at one point at least - summed up in three powerful words: Food for Peace.

-John F. Kennedy, April 29, 1960.⁴⁵

These were the words of the winner of the 1960 U.S. presidential election, president-elect John F. Kennedy, who had great interest in the P.L. 480 program, and its possible applications for peace. After his inauguration President Kennedy greatly strengthened P.L. 480 (as shown in chapter 2) and even termed P.L. 480 as “Food for Peace”. It is clear, that food aid under P.L. 480 could be seen as something more than just a tool of offloading surplus food, but as a way of achieving peace in the Cold War world.⁴⁶

The way P.L. 480 was used to achieve peace during the Cold War era can be seen both in using it as the stick and the carrot, as food aid is used to entice and manipulate states to do the actions wanted by the U.S. in both soft and hard means, in the pursuit of achieving peace or simply maintain a more neutral status quo. The case of Yugoslavia works as a great example of early P.L. 480 usage as a soft means of influence, trying to entice a country to shift its Cold War alignment closer to the U.S. or at least to a more neutral stance towards the USSR. Similarly, the case of India shows a great example of P.L. 480 usage as a tool for backing a reliable government for U.S. interests and how P.L. 480 could even be used to stop an ongoing military conflict.

Case: Yugoslavia

One of the first examples of P.L. 480 used as a tool for peace and combating USSR was seen in its early years, as in 1955 the second ever food aid agreement under the new law was made with Yugoslavia, worth 43 million dollars. 1955 Yugoslavia was a communist state under Josip Broz

⁴⁵ Remarks by Senator John F. Kennedy (D-MA), Edward County Courthouse, Indiana, April 29, 1960.

⁴⁶ Riley 2017, 170.

Tito, a European communist leader who was not under the direct sphere of influence of the Soviets, and therefore Yugoslavia was seen by the U.S. as a possible crack in the iron curtain over Europe. This first deal was a start of an attempt by the U.S. to use food aid to positively influence Yugoslavia to shift away from the Soviet Union, and toward more friendly relations with the U.S.⁴⁷

In the more than a decade long period of P.L. 480 aid to Yugoslavia, there was a lot of push and pull, as P.L. 480 aid was slowed down and decreased when Tito made pro-Soviet statements or political moves (for example, aid was slowed down in May 1955 when Khrushchev visited Belgrade), and increased again when he made anti-Soviet actions (like after Yugoslavia reacted to the brutal Soviet suppression of the 1956 Hungarian uprising). The continuation of these sales was also at times a hard sell towards congress, as Yugoslavia was a communist state that also did some levels of cooperation with U.S. enemies such as north-Vietnam and Cuba. The opposition from the congress towards P.L. 480 aid to Yugoslavia continued throughout President Kennedys years, as the 1962 amendments to the bill made it harder to give any aid to communist countries, but the President was allowed to circumvent these restrictions to some degree, however much of the possible impact of the aid deals towards communist countries was neutered due to congress opposition.⁴⁸

P.L. 480 sales to Yugoslavia during the Cold War are a prime example of the U.S. using soft force towards a country via food aid. Trying to encourage peace and positive relations towards the U.S. via food aid as a bribe of sorts. The effects of this were seen as largely positive by the U.S. government as in the 1966 Memorandum for the President concerning recommendation to approve P.L. 480 sale to Yugoslavia by the United States Department of State (declassified in 2007) they have the following to say about P.L. 480 in Yugoslavia:

We have invested 3-1/2 billion since 1950 in Tito's Yugoslavia. This investment made it possible for Tito to make good his break with Stalin. It paid off.

Tito's defection started the dissolution of the communist bloc. It led to riots in Poland, revolution in Hungary, and a new sense of national independence throughout

⁴⁷ Wallerstein 1980, 122.

⁴⁸ Wallerstein 1980, 122-125.

Eastern Europe. Your program of building bridges to the East takes advantage of the forces that Yugoslavia's independence set in motion.⁴⁹

The soft force usage of P.L. 480 with Yugoslavia had larger effects in Europe as a whole, proving that food aid can be used as tool of peacefully aiding the end of the Cold War and liberation of Europe from under Soviet rule.

Another interesting notion from the 1966 P.L. 480 sales to Yugoslavia was how they were rushed out before the end of the year, as in first of January 1967 this deal would not be legal due to Yugoslavia doing trade with Cuba. This interestingly shows how the U.S. had to maneuver around its interests in direct Cold War politics (as in this example, embargoing Cuba and its trading partners) and more indirect operations such as P.L. 480 aid.⁵⁰

The U.S. strategy of using food aid together with other economic assistance towards Yugoslavia and other east European countries in order to resist Soviet influence and economic domination gave overall positive results and is a prime example of U.S. using P.L. 480 as a soft weapon in Cold War politics. As food aid was used in Europe to entice countries to resist Soviet influence already upon them, in the Asian theatre its usage differs, as it focuses more on preventing possible communist influence and promoting stability. The case of India works as a prime example of food aid used for peace in Asia.

Case: India

India has been by far the single largest recipient of P.L. 480 food aid in this study, receiving 5 318 million dollars' worth of Title I and II aid during 1955–1976.⁵¹ A lot of this number can be explained by the sheer size of the Indian population and population growth, but none the less, the impact of P.L. 480 on India was rather significant. Food aid to India begun as early as 1951, as India had suffered from drought, floods and locust, and the countries grain ration system, feeding

⁴⁹ Memorandum Regarding PL-480 Sales to Yugoslavia. Box 232 National Security File Country File Yugoslavia 1966-11-30 United States Department of State Washington, 1.

⁵⁰ Memorandum Regarding PL-480 Sales to Yugoslavia. Box 232 National Security File Country File Yugoslavia 1966-11-30 United States Department of State Washington, 2.

⁵¹ Major recipients of P.L. 480 aid, 1955-1976. P.L. 480 Concessional Sales: History, Procedures, Negotiating and Implementing Agreements. Foreign Agricultural Economic Report No. 142. Washington D.C. 1977

about 45 million of the poorest of Indian people, was in dire need of outside food. The U.S. was more than happy to deliver on India's need, and furthermore continued its deals with India with the introduction of P.L. 480 deals.⁵²

In 1956 a three-year, 360-million-dollar Title I deal was made. The food, intended for a three-year period, was gone in two. The vast scale of the Indian food population problem started to come clear. Over the next two years (1958–1960), four more P.L. 480 deals worth almost 2 billion dollars were made.⁵³ It is clear that India benefited greatly from P.L. 480, as it found a cheap and easy solution to its problem of population vs. domestic food production.

Regime support, the act lending support to governments that the U.S. considered essential due to their geopolitical location (bordering communist countries) or due to some other more symbolically important reasons, was one of the soft ways of using political power through P.L. 480. The U.S. did not try to influence the decision making of the political leaders, or in other ways intentionally develop the countries future, this sort of P.L. 480 usage was solely in place to maintain the current situation, and ongoing U.S. interests. In the case of India, for example, a secret CIA report in 1965 predicted, that ongoing food shortages in India would be likely to damage the position of the ruling party in the upcoming 1967 elections, and end two decades of political stability. Furthermore, they estimated that the ensuing civil unrest would be exploited by Indian Communist, both Beijing and Moscow oriented ones, moving India closer to the communist sphere of influence. Therefore, it was in the U.S. best interests to maintain food aid towards India in order to maintain the current status quo.⁵⁴

Food aid was also used at some points as a direct incentive for peace between nations, as a great example, the aforementioned recipients of P.L. 480 aid India and Pakistan, were in dispute over the Kashmir border, and the situation culminated in the 1965 Indo-Pakistani war. During this disastrous event for U.S. Cold War interests, as two of its P.L. 480 allies were fighting each other, food aid was used as a bargaining chip in order to reach peace. At that time, P.L. 480 aid was keeping India afloat during its multiple years of crop disasters, while also providing Pakistan with food aid towards development. As a response to the hostilities between the two countries, U.S. stalled and

⁵² Riley 2017. 154–155.

⁵³ Wallerstein 1980, 132.

⁵⁴ Wallerstein 1980, 133.

suspended P.L. 480 aid, in order to encourage peace negotiations and only limited quantities of food aid were released in order to avoid starvation. The U.S. denied that this stalling of food aid was due to the war between the two, but a secret internal White House memorandum confirmed that this was indeed done on purpose. To what end this action helped with the peace negotiations between the two is hard to determine, but this shows that P.L. 480 could be used as a political lever by the U.S. to achieve what it wants.⁵⁵

Food aid could be used to achieve or maintain peace by multiple ways, it could be used as an incentive to maintain and develop more friendlier relations towards the U.S. and other countries, and for these countries to be seen as examples by others, perhaps under Soviet rule, to strive for independence in hopes of getting a piece of the abundance offered by the U.S. It could also be used to maintain peaceful and stable governments, therefore avoiding possible war and civil unrest that a new, more radical regime could cause. And if war was to break out, P.L. 480 could be used as a tool of leverage and extortion, in order to force peace upon others. The case studies of Yugoslavia and India are prime examples of how food aid could be used to achieve peace during the Cold War era, both promoting stability and pro-American relations, and as a tool of leverage, promoting positive actions, or sanctioning actions seen as negative by the U.S.

4.2 Food for war

We now see how food aid can be used for peace, both as a stick and a carrot to keep peace or encourage it, but if it can be used for peace, surely it can also be used for war? After all, even if P.L. 480 goals state for it to be used to combat hunger and encourage development in recipient countries, it can clearly also be used for goals far beyond these. With the case of Vietnam, we can see how food aid evolves in a situation where the recipient country ends up in a war it can't end at its own will, and how food aid resources can be used for far more than feeding the famished.

Case: Vietnam War

During the Vietnam war United States used nearly every tool it had available in order to win its war, were it chemical weapons like agent orange, or Operation Rolling Thunder, the longest sustained bombing raid in recorded history, or hundreds of thousands of U.S. combat troops on

⁵⁵ Wallerstein 1980, 136–138.

ground, it comes as no surprise that P.L. 480 was also used for this war effort. While the military campaign slowly intensified in Vietnam in the beginning, so did Americas hearts and minds campaign towards the south Vietnamese population, and food aid was a part of this effort of soft usage of power.⁵⁶ However, it quickly turned out that these soft used of P.L. 480 would not work in the case of Vietnam, and instead of development, war would be in the future of Vietnam.

Soon after the splitting of Vietnam into South and North, south-Vietnam became a recipient of P.L. 480 food aid. In the beginning this was similar aid to what other countries in the area received, developmental aid, but with the Vietnam war ramping up, so did the nature of P.L. 480 aid change. U.S. food aid agreements to South-Vietnam increased from a mere 2.5 million dollars in March 1961 to 15 million in December and another 14 million in November 1962. In a secret memorandum in 1962 it is clearly stated that, despite the U.S. being in violation of the ceiling of aid set by the Geneva Accords, the White House had authorized to inform the South Vietnamese President Ngo Dinh Diem, that they would be willing to provide far more aid, and that the purchase price of these P.L. 480 goods, would be granted back to the South Vietnamese government for their military budget. P.L. 480 was now used to fund the war.⁵⁷

In 1964, Two new Title I deals, and three amendments to prior existing deals were made, and after 50000 tons of rice arriving in South Vietnam in October 1964, local prices of rice dropped by 10 percent. Vice President Hubert Humphrey noted the importance of food aid in Vietnam during this time as follows: “life saver, and it is an inflation killer. Give me a few tons of rice to put in the port of Saigon, and a means of distributing it, and the inflationary spiral will go down. Rice is as important to Southeast Asia today as five divisions of troops and 1,000 airplanes.” However, P.L. 480 food aid would not be enough to end the conflict in Vietnam, and American troops entered combat in 1965.⁵⁸

The sales of food under P.L. 480 gave the U.S. a possibility to bankroll war, without directly locating assets towards military spending, with the use of Title I sales. What this meant was that the recipient country would pay for the food delivered by the U.S. in local currency, that would be used in that country, allowed the U.S. to give title I aid, and then immediately give the money paid by the

⁵⁶ Ahlberg 2008, 180–182.

⁵⁷ Wallerstein 1980, 134.

⁵⁸ Ahlberg 2008, 186.

recipient back, to be used in “mutual security” meaning military spendings. During the time period of 1955–1976 1308 million dollars’ worth of Title I aid was given to South Vietnam, and almost 90% that money was returned back to South Vietnam for military spending. Furthermore, the actual product of food aid, could contribute directly towards war, feeding the fighting forces, and freeing up manpower from agriculture towards the war effort.⁵⁹

In 1969 Richard M. Nixon took office. He had won the election last year telling he had a plan to end U.S. involvement in Vietnam. Nixon was, however, unable to make peace with the North Vietnamese, and the U.S. was stuck in a war rapidly losing popular support, therefore losing Congress support back home. Due to limiting military assistance allocated to South Vietnam, the Nixon administration was forced to seek out recourses elsewhere, and that’s where P.L. 480 resources came to play.⁶⁰

This way of bankrolling the war through P.L. 480 was virtually undetectable for the Congress or the anti-war movement back at the states, as far as anyone was concerned, these resources were used for food aid, not for the war effort.

Food aid was also used for the Vietnam war by obtaining troops, using food aid as payment. South-Korean forces made the second largest foreign force in the war, with some 350000 troops serving in the war. South-Korean military was supporting the U.S. troops for multitude of reasons, but one that piques my interest is the economic benefits that South-Korea gained via aid programs during the war. During the Vietnam war era, U.S. aid increased significantly, and even with P.L. 480 aid, South Korea was one of the largest recipients of that time. The Korean troops had become mercenaries of sorts, bankrolled by the U.S. via aid programs.⁶¹

The American people and Congress finally started to notice the blatant misuse on to the allocation of P.L. 480 recourses around 1972, while despite numerous global famines requiring aid elsewhere, 67% of Title I aid was directed to Vietnam, Cambodia and South Korea. For the following year of 1973 South Vietnams share of Title I sales even increased to about 40% of total Title I aid, as in the

⁵⁹ Major recipients of P.L. 480 aid, 1955-1976. P.L. 480 Concessional Sales: History, Procedures, Negotiating and Implementing Agreements. Foreign Agricultural Economic Report No. 142. Washington D.C. 1977; Wallerstein 1980, 43.

⁶⁰ Wallerstein 1980, 194.

⁶¹ Baek 2013, 1-5; FOREIGN RELATIONS OF THE UNITED STATES, 1964–1968, VOLUME XXIX, PART 1, KOREA Document 76 Telegram From the Department of State to the Embassy in Korea.

same year, U.S. direct military support to Vietnam fell by almost 61%. As the Vietnam war was being lost, the U.S. used P.L. 480 in order to allocate monetary resources towards assets it no longer could bankroll directly. In 1973, in order to prevent similar usage of P.L. 480 resources in future, Congress passed an amendment that would ban the use of Title I sales local currency, towards military spending without specific congress approval. This amendment however proved utterly useless, as virtually nothing could monitor the usage of this money after it entered the recipient countries general treasury.⁶²

With the example of the usage of food aid during the Vietnam war, we can now see more clearly just how versatile of a tool it can be. In this Cold War theater of Vietnam, P.L. 480 was used to supply the troops, purchase weapons, and even gain foreign troops as a sort of mercenaries, allowing the U.S. to pursue its Cold War political needs where regular means were unavailable, using food, as a weapon.

4.3 When and why was aid given or taken away

To consider why and when P.L. 480 aid was given to a particular country, we find ourselves once again at the core of P.L. 480 promises: to combat famine and improve U.S. foreign relations. In all situations of P.L. 480 aid is the basic concept, this aid was indeed at least somewhat needed by the recipient country, whether it was caused by any of the following: an immediate risk of famine, difficulties from rapid population growth or national interest being outside of agriculture: industrialization. To put it simply, initially aid was given where it was needed, as in other cases, it would not fall under the concept of aid, but would simply be considered international trade. However, as we can see from the statistics of where aid was given during the Cold War, the correlation is clear, aid is given more to places where it has strategical importance to the U.S. rather than evenly to places that would have need for it. As we can see from (Table 6) a whopping 62.7 percent of Title I aid during the years of 1965 till 1969, went to Asia, while mere 9.2 percent went to African nations, despite multiple sub-Saharan recently independent nations being prime targets for aid, suffering droughts and famines claiming millions of lives during just the Biafran famine and the Sahel drought. And P.L. 480 data from sub-Saharan Africa even shows us, that nations that had greater ties towards communist nations received more aid compared to their more neutral or U.S:

⁶² Wallerstein 1980, 195–196.

aligned counterparts.⁶³ The reason for this disparity of aid given can be clearly contributed to one factor, the recipient countries strategic importance to the U.S. as a part of the Cold War, P.L. 480 strategy in sub-Saharan Africa can be seen more focused on preventing communist influence, rather than developing and aiding nations there. This leads us to the conclusion, that aid was given where it was needed, and where it was strategically important.

TABLE 6. AMOUNTS OF TITLES I AND IV COMMODITIES, BY GEOGRAPHIC REGIONS, 1965–1969 (MILLIONS OF U.S. DOLLARS)

	ASIA	AFRICA	LATIN AMERICA	WESTERN EUROPE	EASTERN EUROPE
TITLE I \$ RECEIVED	7310,7	1071,2	806,4	1414,4	1065,2
TITLE I % RECEIVED	62,7	9,2	6,9	12,1	9,1
TITLE IV \$ RECEIVED	626,9	141,8	231,1	80,3	269,3
TITLE IV % RECEIVED	46,5	10,5	17,1	6,0	20,0

Source: Agricultural Economics Report. Report No. 156 February 1970
FOOD FOR PEACE, PL: 480 AND AMERICAN AGRICULTURE.
Department of Agricultural Economics Michigan State University East
Lansing (1970). 18.

Now as to the question of when aid was taken away, we enter a more complex subject, once again we have the simple answer as one possibility, that aid was ended when it was no longer required. Such as in the case of multiple European nations after World War II. Once P.L. 480 aid had done its job in these countries, and the recipients own economy could support itself without U.S. aid, the P.L. 480 aid concluded. However, as we have seen with multiple examples in this thesis, with many countries P.L. 480 became a more permanent solution than just mere temporary aid. In multiple cases, we can see P.L. 480 aid being used as a political sanctioning tool, where aid to a recipient country is ended, if this nations actions work against U.S. political interests. In this sort of action, we see the way P.L. 480 could be used as a tool of political leverage, if you wouldn't do as the U.S. wanted, you would suffer the consequences of P.L. 480 ending. A prime example of taking aid away from a nation comes in the case of Egypt, where the U.S. ended and restarted this aid multiple times, depending on the Egyptian actions towards the U.S.

⁶³ Vengroff 1982, 39.

Case: Egypt

U.S. food aid to Egypt began with the typical motive of famine prevention as early as 1953, with underlying motives of achieving strategic political gains towards the regime of Egypt. By 1956, the Egyptian regime of Gamal Nasser had received 19 million dollars' worth of title I food aid from the U.S. in order to gain Nassers allegiance in the Cold War bidding for influence. In that very same year, Nasser nationalized the Suez Canal, leading to the joint British-French-Israeli invasion of Egypt as a part of the Suez crisis. Among other results, this meant a freeze on all U.S. economic aid towards Egypt. However, by 1958 the newly formed United Arab Republic (UAR) between Egypt and Syria, was in need of aid towards challenges of industrialization and overpopulation, and so the situation had improved for the continuation of U.S. aid, and three new P.L. 480 agreements worth 164 million dollars were signed. The U.S. plan with the Nasser regime, was to provide modest amounts of aid, in order to entice them to see an alternative choice to full reliance on Communist Block assistance. In 1962, after Nassers request for aid, President Kennedy enlisted Harvard development economist Edward S. Mason, to make an estimate of the UAR development plans and their need for foreign assistance. Mason's report noted, that P.L. 480 assistance to UAR would be essential towards their plans of development, and a failure to provide this aid, would most certainly lead to unrest and increased dependency towards the Soviets. This makes the U.S. aid to Nassers regime have a twofold impact, both strengthening its own relations towards the UAR while simultaneously diminishing Soviet influence towards them.⁶⁴

However, the Nasser regime Intervened in Yemen after a coup in September 1962, putting pressure on Saudi Arabia, a more important U.S. ally, causing the U.S. to stop all aid once again, outside the food aid deals already in action towards Egypt, until 1967. Nasser requested aid once again in 1964 and was met by U.S. demands to modify Egypt's foreign policy to a more pro-U.S. stance, in order to receive aid. These requests were met by anger from Nasser, stating that if the Americans would think that by giving some aid, they can dominate the UAR policy they are wrong. That they are ready to reduce their consumption to maintain their independence. And if the Americans would complain about Egypt's behavior, their tongues should be cut off. These harsh words once again ended all U.S. aid to the UAR, but once again P.L. 480 aid continued in 1965 after Nasser agreed to stop weapon shipments to the then Belgian Congo. Nasser maintained a policy of moderation through 1965, for example agreeing to a ceasefire in Yemen, and reducing anti-U.S. commentary in

⁶⁴ Wallerstein 1980, 125–126.

the state-controlled media, and so two new Title I deals were made in January 1966, worth 56 million dollars (a much smaller amount compared by the 500 million requested by Nasser). However, these P.L. 480 deals were much harsher compared to the deals before, requiring payment in U.S. dollars, not local currency, and having only a 6-month payment period, marking clearly that future U.S. aid could depend on Nassers behavior in the near future. After these 6-month deals expired, Nasser continued his anti-U.S. rhetoric, and eventually all plans of P.L. 480 influence towards Egypt ended with the total break of diplomatic relations, caused by the Egypt-Israel hostilities of the Six-Day War.⁶⁵

The case of Egypt shows us clearly how U.S. food aid was given in order to achieve multiple goals regarding its recipients, to diminish Soviet influence over them, by providing alternative means of surviving and success, and to strengthen U.S. political interest towards the recipient country. This case also clearly shows how this aid could be taken away from the recipient, if this would conduct in anti-American activities, or did something else not in line with the U.S. Cold War political interest in the area. The case of P.L. 480 and Egypt also tells us the story of what happens, when the U.S. overused this tactic of both the carrot and the stick, as this continued push and pull with Egypt made it very clear to the Nasser regime, what was the intention of P.L. 480 aid towards Egypt, providing them with their own possibility of using this against the U.S. maneuvering their politics in order to gain aid from them, while not fully following the U.S. interests in world politics. We can learn from the example of Egypt and P.L. 480 aid, that while the program was a powerful tool of Cold War politics, it too had its flaws, and did not work in every single situation. The Nasser regime saw clearly what the result of relying too much on P.L. 480 aid could be, dependency on the U.S.

4.4 Food aid leading to dependency

Food-aid through congressional sales can also lead to significant changes in the overall program for development in the recipient country. The large-scale importation of P.L. 480 commodities can be used to maintain adequate or existing consumption levels while the recipient country diverts most of its attention to

⁶⁵ Wallerstein 1980, 126–129.

development of the industrial sector. Thus, the developing country could become very dependent upon U.S. congressional sales for a long period of time.⁶⁶

In order to understand the long-term impacts of P.L. 480 food aid, and the reason to why it was such a powerful tool in the Cold War struggle, we must understand the concept of dependency, and what implications it holds in the context of food aid provided by the U.S. during its Cold War era food regime. An individual, community, or a nation experiences dependency in a situation where it is unable to meet its immediate basic needs without external assistance. In the context of P.L. 480, this need would primarily be food. Short term dependency is of course built into the basic premise of food aid, as a famine or similar situation would not arise if these basic needs would be met by the nation in case. However, where dependency becomes an issue is, if the provision of required needs met by the outside provider becomes a long-term solution and starts harming the recipient countries future capacity of meeting their own basic needs without external aid.⁶⁷

Most studies on the phenomenon of dependency regarding food aid usually split its effects into two categories, short term dependency and long-term dependency, stating that while short term dependency is usual, long-term dependency on food aid is rather rare and uncommon.⁶⁸ To understand why in this thesis we have already seen rather different results, we must understand that most studies of dependency and food aid, are studying the era after the U.S. food regime food aid period being examined in this thesis. Furthermore, I see this viewpoint of “is a country dependent of food aid after a long period of time” as a measurement of dependency or not, as rather flawed, and in my opinion, it is missing the entire point of political dependency caused by even relatively short-term food aid dependency. I would see the concept of dependency rather linked with effort and cost, rather than time purely. In this papers view, true dependency on food aid occurs in a situation where it would be both expensive and logistically difficult to not receive outside aid, therefore closing political ties with the supplying country, and therefore simultaneously avoiding other outside aid. Furthermore, for examining these P.L. 480 recipients during the Cold War era, we can observe that even if some of these relationships of dependency on U.S. food aid can be seen as short lived on

⁶⁶ Agricultural Economics Report. Report No. 156 February 1970 FOOD FOR PEACE, PL: 480 AND AMERICAN AGRICULTURE. Department of Agricultural Economics Michigan State University East Lansing (1970). 30.

⁶⁷ Lentz et al. 2005, 10.

⁶⁸ Lentz et al. 2005, 11.

some scale, they occur during the post World War II time period of rapid industrialization and development, therefore having a significantly more impactful long-term ramification.

In this chapter I will introduce multiple ways in which we could see dependency being created by food aid. There are multiple different ways a country could be dependent on the U.S. due to circumstances created by P.L. 480 aid being given for prolonged periods of time; a recipient country could be affected by one or multiple of these at the same time. These types of dependency vary in whether they are short-term or long-term dependencies, for some types of dependency are more of a short-term solution, while others are meant to be there for a much longer time. It also has to be noted, that even if the initial dependency upon food-aid would be short-term, these short-term dependencies could easily be transformed into one of the more long-term dependency creating situations, where it was strategically beneficial to the U.S. These types of dependency have been chosen by taking a look at the countries previously examined in this thesis and categorizing under some clearly differentiating circumstances causing dependency on P.L. 480 food aid. For this thesis, I have separated four different types of dependency caused by P.L. 480 food aid during the Cold War era, direct food dependency, economic food dependency, regime stability dependency and cultural dependency.

The first type of dependency we have seen would be what I would call direct food dependency, where aid is required to fend off an immediate famine, facing an immediate humanitarian crisis were it to lose U.S. aid, as we saw for example in the cases of India and Pakistan facing possible famines, and overall, this type of dependency is the case in almost every single one of the recipient countries starting situation of receiving U.S. food aid. In the initial situation, this form of dependency is possibly the strongest one, as the ending of this aid would mean immediate catastrophe in the recipient country. Granted, this form of dependency is also one of the easiest to circumvent, as other providers of food aid are also possible, and the need for aid can be very temporary, not necessarily leading to long term dependency, as there are multiple ways of fixing and developing the nations own food production, therefore ending the need for aid. This is very much the case with the major recipients of U.S. food aid in Europe after World War II, as they were very dependent on U.S. aid in the aftermath of the war and rebuilding phase, but quickly got out of the dependency when their own productions were rebuilt. Nevertheless, we must note that even this small time of dependency solidifies the U.S. political interests towards its allies in Europe, strengthening them, and improving their bonds towards the U.S.

The second food-aid related dependency is an economic food dependency, where the initial monetary shock of having to switch to a different provider of food would be catastrophic for the country's economy and/or development. A prime example of this would be South-Korea during its rapid development phase, the "miracle of South-Korea" becoming an industrial powerhouse in Asia was relying heavily on the food aid provided by the U.S. via P.L. 480. If this aid was to suddenly stop, the alternatives of South-Korea would have been to either rapidly redevelop its own food industry, simultaneously sacrificing its rapid industrialization process, or to swap to an alternative, more expensive provider of food, possibly having to align itself towards less friendly nations, and paying a high price, that would again stump its economic growth. This type of dependency on food aid creates a strong bond between the recipient and aid giver, even though the initial ramifications of the aid ending would be catastrophic, an alternative is possible, but the long-term consequences are significant. This type of dependency gives great leverage to U.S. as there are no moral or image-loss issues if this aid would be ended, giving much of the political power of the situation to the aid provider.

The third kind of dependency would be a regime stability dependency, where the loss of food aid would lead to an instability leading to regime change. A prime example of this type of dependency would be the cases of India and Pakistan, where the ruling parties would have possibly lost power without U.S. food aid. This type of dependency is perhaps not as stable as the other types, as a regimes power is also dependent on multiple other things, and U.S. food aid in itself does not guarantee the regimes stability. This type of dependency also does not provide as much of political leverage towards the recipient country, as the regime receiving the aid is also in a position of power towards the aid giver, seeing as this form of aid makes it clear that the U.S. also needs this particular regime to stay in power. In this type of dependency, the aid giver needs the recipient regime to stay in power to further its own goals of global politics, giving for example the regime of Pakistan much leeway in its relationship towards the U.S., forming a not so stable relationship.

The fourth kind of dependency would be one of militaristic dependency, where the loss of aid would deteriorate one's capability of self-defense, as shown by the cases with both South-Vietnam and South-Korea. In both of these cases, the loss of U.S. aid would have been devastating towards their ability to bolster their military capabilities, as they were facing a military rival close by. The loss of aid would lead to possible loss of independence as a nation, as we saw in the case of South-Vietnam. Granted this type of dependency usually goes hand in hand very strongly with other types

of military aid and is not solely the provider of funding for one's national defense, nevertheless it's a clear form of one type of dependency towards food aid.

The last type of dependency I would like to add to this list is a form of cultural dependency. Where the recipient country of food aid simply grows accustomed to the produce provided to it, needing it for culture reasons, more than nutrition being the main issue. An example of this would be South-Korea, where wheat has over the years displaced rice in many aspects, for example wheat noodles being a big part of Korean food culture, made from wheat provided to it by the U.S. If the U.S. food aid of wheat towards South-Korea had stopped, its population would have faced a food cultural crisis, that would not have been as big of an issue as many of the other examples of crisis we have on this list, but a significant effect nonetheless. This type of dependency is a prime example of how the effects of food aid go far beyond just the basic needs of food as nutrition.

In these relationships of dependency lies the true power behind P.L. 480 as a U.S. weapon of the cold war era. The creation of these relationships prevents the recipients from sliding into other countries spheres of influence, and with time cements them to the U.S. in multiple ways, economically, culturally and politically, and with time, these bonds solidify into the way we see the world, us and them, friends and foes, and so, P.L. 480 has affected the status of how our world is and will be in the future.

5 THE BROADER PICTURE OF U.S. FOOD AID AS A PART OF THE COLD WAR ERA

After World War II, right as the Axis had been defeated, a new conflict emerged, this conflict would define much of the world stage politics for decades to come and reshape the world as we know it. The Cold War was a conflict of the ideologies of capitalism versus communism, mainly the United States and the Soviet Union. A time in world history, when these two massive superpowers competed against each other in almost every way possible, and influence on the other nations of the world was one of the biggest competitions there was. It is this competition of gaining the loyalty, influence, and allegiance of other nations, where P.L. 480 plays its role in the broader conflict of the Cold War, as the U.S. uses the food regime status it had acquired, to gain loyalty, bribe and create dependency, in order to keep its allies close, and preventing nations from slipping deeper into the USSR sphere of influence.

What differentiates P.L. 480 from many of the other weapons and tools used by both sides during the Cold War, is the U.S. status as a food regime. The other superpowers/emerging superpowers of the Cold War, The Soviets and China, simply couldn't compete with the amounts of food the U.S. could pump into the world market at any given time, anywhere around the globe it needed to. For example, in the aftermath of World War II, as the Korean peninsula was split into the North and South, the occupying Soviet soldiers extracted ten percent more food than the previously occupying Japanese army did, in order to ship this food back to the Soviet Union. For in the end of the war, the U.S. farming capability was in a great shape, allowing them to form their food regime, but the Soviet counterpart was not in any form to compete with the Americans, and would not be in the foreseeable future. If we look at this same example of South- and North-Korea for a longer period of time, the South-Korean regime begins to get massive amounts of P.L. 480 food aid, while the north suffers through multiple famines and difficult situations, that neither the Soviets nor the

Chinese were not able to prevent. This example underlines, how food aid was a Cold War weapon rather unique to the U.S.⁶⁹

If we only look at P.L. 480 food aid throughout the 20th century without the larger context of the Cold War era as a whole, its nothing but economics, trade deals leading to economical dependency. But if we observe it through the lens of Cold War U.S. politics, it becomes a noticeable part of much larger influencing operations, trying to collect power and influence across the globe in competition with the communist forces. The Cold War is filled with fascinating historical events from proxy wars to nuclear weapons and the space race, so it's no wonder that food-aid as a weapon of this era is less studied. Even if compared to the larger actors of Cold War history, P.L. 480 effects on world politics can seem rather miniscule, but we must remember, that large scale operations such as those during U.S. politics around the world during the Cold War, comprise from a large sum of smaller pieces. And as we have seen so far in this thesis's examples, P.L. 480 could be used in political bargaining as a powerful asset, and most importantly it had the potential to create dependency on the future of these P.L. 480 deals, and dependency in the long term, truly solidifies an alliance.

5.1 Food versus communism

Containing the spread of communism was one of the key selling points of P.L. 480 in its very beginning, as P.L. 480 found its way into the U.S. congress floor on June 15th 1954, multiple questions about the bill were immediately about communism, either about how this bill could be used to combat communism, or to make sure none of the recourses given out by P.L. 480 would find their way to communist hands.⁷⁰ These anti-communist objectives of P.L. 480 are also clear throughout the years it was effectively used as a part of the U.S. Cold War arsenal, as George McGovern, director of the P.L. 480 program during the Kenedy presidency said that “*(P.L. 480 is) a far better weapon than a bomber in our competition with the Communists for influence in the developing world.*”⁷¹

⁶⁹ Cwierka 2012, 100.

⁷⁰ congressional record, vol 100, part 6, june 15, 1954, 8268–8301

⁷¹ "Public Law 480: "Better Than a Bomber"," Middle East Report 145 (March/April 1987).

To understand P.L. 480 development as a tool for the cold war for the U.S. we need to take a look at the beginning stages of the Cold War in one of its first theatres, the splitting of Germany into U.S. and allies controlled west, and USSR controlled East, and how one of these first Cold War confrontations between the U.S. and USSR was a part of the story how food aid became to be used as a cold war tactic by the U.S.

Case: East Germany of 1953

In 1952, the Federal Republic of Germany (West-Germany) had rejected Stalin's proposal offering the reunification of Germany, as an independent and politically neutral state. Worrying about Stalin's future plans regarding Europe, the FDR instead signed the European Defense Community Treaty, aligning itself with the political West. After these events, it became clear to all parties of the Cold-War that Germany would stay divided.⁷²

The leadership of German Democratic Republic (East-Germany) approached Stalin, in order to get guidance, on what the future direction of East-Germany would be.

Comrade Pieck says that workers ask us, what is the social regime of the GDR? Is this socialism? Up to this point, we avoided answering this question, but the workers remained unsatisfied.

Comrade Stalin says that you should say to your workers: We have just entered socialism. This is not full socialism yet, because you have a lot of private capitalists. But this is the beginning of socialism, a little piece of socialism, and a road to socialism.⁷³

And so, under Stalin's instructions, in July of 1952, the Socialist Unity Party of Germany decided on the rapid socialization of the GDR, marking East-Germany as a Soviet satellite state.⁷⁴

The rapid socialization plan of the GDR affected the German middle classes the most, as the campaign was led by massive taxes against the private sector of trade and industry. Small business owners were punished by excluding them from the ration card system, forcing the purchasing of

⁷² Ostermann 1994, 4.

⁷³ Dmitri Volkogonov Collection: April 7, 1952. Conversation between Joseph V. Stalin and SED leadership. Library of Congress.

⁷⁴ Ostermann 1994, 4.

food from overpriced state stores. The growth of heavy industry was given priority above the populations needs, and forced remilitarization of the state was underway. In the farming section, collectivization forced local farmers into “agricultural production cooperatives”, those who refused to collectivize were given harsh state quotas of production. This crippled the farming industry of the socializing East-Germany, leading to severe food shortages.⁷⁵

The death of Stalin in early 1953 brought with it numerous strikes and demonstrations in over 400 German cities and communities, throughout the Soviet controlled GDR. This potential uprising from under recently established Soviet occupation was much fueled by American propaganda delivered to them by daily U.S. radio broadcasts into Eastern Europe, promising western support for such actions against the Soviets, it is estimated that about 70 percent of the population of GDR were regular listeners. It became clear to the West that the GDR was going through some major issues, as the massive increase of refugees into West-berlin and West Germany in general rose to more than three hundred thousand between February and May of 1953, bringing with them news of the widely spreading food shortages in the Soviet controlled parts of Germany. The Soviet leadership’s reaction to this situation was decisive and strict, martial law and military action, leading to multiple deaths.⁷⁶

This anti Soviet action in the GDR gave the U.S. an opportunity to disrupt Soviet-German relations and weaken the USSR’s grip on Eastern Europe, however more direct ways of effect, such as military aid, were off the table due to the risk of escalation. Therefore, a more indirect way of disruption was needed, and so, in 1953 the U.S. Psychological Strategy Board, agreed to the usage of food aid as a weapon to encourage the East Germans to continue and ramp up their resistance towards their Soviet backed government. With this plan, the U.S. started to hand out American food supplies in West Berlin, for any and all East Germans willing to pick them up. The citizens were encouraged to pick up these packages for themselves, and also to distribute them to others outside Berlin. A week from the start of this operation, more than two hundred thousand packages were picked up daily, and during its first two weeks, some 865,000 East Berliners had come to West Berlin to pick up more than 2.5 million of these aid packages.⁷⁷

⁷⁵ Ostermann 1994, 5, 26.

⁷⁶ Riley 2017, 173–175; Ostermann 1994, 2.

⁷⁷ Riley 2017, 175.

The East German and Soviet response to this operation was harsh, food packages and IDs were confiscated from the returning East Germans at the border crossings, passenger train lines from East to West Berlin were suspended, propaganda to condemn this “imperialist food aid program” were ramped up and attempts to establish a Soviet backed alternative to this food aid were made. These harsh reactions were exactly what the U.S. was hoping for, as harsh actions such as these were fuel to the fire that was the possible uprising of East Germany. The U.S. food aid operation in East Germany proved successful in intensifying the hostilities between the East German population and their Soviet overlords. It also, proved to the U.S. that food aid could be used as apolitical weapon effectively in situations such as this.⁷⁸

The British and French governments, however, were not as happy with the results of this program, fearing what the repercussions of the situations escalation might be to the East German population, and also to all of West Berlin. Eventually, the food aid program to East Germany was canceled, due to the concerns of Allies and the West German government, and largely due to the realization that the program in itself, would not force the Soviets out of East Germany, and so would in the long run, cause more trouble than it was worth.⁷⁹

The case of East-Germany in 1953, and food aids’ role in it, is a clear example of how the power of the American food regime would be used as a part of the larger conflict of the Cold War. As the tensions between the U.S. and USSR rose, it became inevitable that all resources of these societies would be used to achieve victory in this modern conflict, military might, culture, and the economy could all be used as a weapon to defeat their rival, and with the case of 1953 Germany, it became clear that food aid could also be a significant part of this arsenal against the USSR and its growing influence. These positive results of 1953 can be seen as a strong positive influence for the formation of P.L. 480 in 1954, when the American food regime would become a powerful weapon against communism around the world.

5.2 Developmental aid or political opportunism?

When discussing P.L. 480 in the Cold War era, the question of, was all of this a deliberate direct action of the U.S. leadership being used solely for political meanings or are many of the effects we

⁷⁸ Riley 2017, 175.

⁷⁹ Riley 2017, 175–176.

have examined during this paper more of a byproduct of real and honest food aid arises. To start off, at least in its core, P.L. 480 is a food aid program, in place to feed those who need the help, and prevent famine and humanitarian catastrophes around the globe. There is no doubt at all, that in many areas around the world, P.L. 480 succeeded in this mission. But when taking into all the evidence presented in previous chapters of this thesis, we can see that in multiple points during this program's history, a line has been broken, where P.L. 480 has shifted to a more weaponized and abusive motives on the subject of who aid was to be given and not given, and how much. Granted, to create this distinction between normal aid, and politically motivated aid is a subjective and conjectural undertaking, but nevertheless one that must be addressed in this thesis.

As we have seen, there are many ways that P.L. 480 aid can shift from aid to a political weapon. One such case we haven't yet discussed in this thesis, is the use for propaganda value. The overall act of providing large amount of aid has the immediate propaganda value of showing that the U.S. simply can do these kinds of projects. The U.S. and its agricultural sector are strong enough to give this aid, showing the recipient a glimpse of the raw economic strength, the U.S. can easily muster. Thereby showing the U.S. as a powerful nation and therefore, a possibly useful nation to be allied with. This factor makes all food aid in itself a show of power from the U.S., making it have an immediate political effect on the recipient country. This effect of P.L. 480 can however be seen as an unavoidable effect of food aid, and therefore much can't be said on its nature of being either deliberate or just a byproduct.⁸⁰

Instances where we can clearly see P.L. 480 crossing the line from aid to political influencing are when aid was used as a clear bargaining chip, such as we saw with the cases of Egypt and Yugoslavia discussed in detail earlier in this thesis. These cases and many others discussed throughout this thesis clearly show what the difference between normal aid and politically motivated one can be. Using P.L. 480 as a direct weapon as both the stick and the carrot can however have negative effects on the U.S., as these actions can portray the U.S. as power-hungry and insensitive to the real food needs of a nation, causing negative political effects from the recipient country. However, these direct and blatant usages of direct P.L. 480 power are rare during its history, as how U.S. ambassador to the UAR John Badeau said to President Johnson "the guillotine can only be used but once per victim", meaning that once P.L. 480 power was used once

⁸⁰ Wallerstein 1980, 206–207.

in such a strong way, the recipient country would be aware of its power, and be less receptive in the future.⁸¹

Therefore, most of the usage of P.L. 480 as a clear political weapon can instead be seen in more covert usage, such as with South-Korea and Vietnam, where this crossing of the line from aid to political influence is crossed with the massive amounts of aid given far after the initial needs of the recipient country are fulfilled. This is a much more difficult to pinpoint as not just normal aid, but politically motivated action, but one must presume the latter, as otherwise this dumping of P.L. 480 aid into these countries would just be incredibly convenient misplacing of food aid in places where it was not as needed.

Now as we have established that there can be seen a clear difference between normal aid and politically motivated aid, we must consider what even is normal aid, or is all aid in its nature somewhat politically motivated? Let's start on this subject by taking another look at the programs very beginning and motivation behind it. As discussed in chapter 2, the main driving force behind P.L. 480 was the U.S. food regime, and the need to dump surplus food supplies, rotting away in the U.S. warehouses. This surplus of food was due to the highly productive U.S. agricultural sector, that was motivated by the need of the U.S. and other nations engaged in World War II. By the early 1950's the allied nations in Europe no longer needed such high amounts of agricultural exports, and U.S. surpluses began to accumulate in high numbers. The Korean war, 1951 emergency aid to India and famine relief of Pakistan in 1953 solved the U.S. problems of initial surplus of food after World War II and offered a great example of how these surpluses could be used. However, these initial food aid programs were only a momentary solution, and so with the post-war recovery of Europe working out so well, the U.S. found confidence in its ability, to use its massive resources, in order to help other nations of the world advance economically. Attention was turned to the less developed countries of the world, and what could be described as a sort of moral commitment to develop the world was happening in the U.S. during this time period. With the resources and means to back up these "moral obligations" to aid and develop the world, P.L. 480 was to be formed as the centralized tool to achieve these goals.⁸²

⁸¹ Wallerstein 1980, 207–208.

⁸² Agricultural Economics Report. Report No. 156 February 1970 FOOD FOR PEACE, PL: 480 AND AMERICAN AGRICULTURE. Department of Agricultural Economics Michigan State University East Lansing 1970, 1–6.

In the subject of was P.L. 480 used as a political weapon, and how intentional was all of this, what seems to be the key, in my opinion is this “moral obligation” the U.S. felt it had. To understand this phenomenon and where it came from, we must look into the subject of development itself, and the U.S. as a part of what can be called the western world.

The modern idea of development begins with the colonial powers ruling over most of the world and using them for recourses and labor, in order to boost their own industries and economy. Due to the nature of the world view based on economic growth and technological innovations and bettering of existing systems, the western countries started to see themselves as developing, as if these changes were as natural as the growth of the grass. As the western countries saw themselves as being developing, they begin to see the other countries as not as developed as they were and started to “oversee” and “monitor” this natural development these countries also would have to go through with.⁸³

The system of colonization, where a superiorly powerful nation takes control of a weaker nation but does not attempt to make it into a part of its nation, but simply take control over it to exploit it for its recourses created a new and an interesting phenomenon in the history of humans ruling over humans, a situation where a nation would control the societal aspects of another nation, or its development, without the incentive to integrate or destroy it. This situation allowed the colonial masters to influence the direction their subordinates would take and created the idea of controlling another nations development.

The next massive step in the story of development is on the U.S., after being the de facto winner of World War II, taking up its new role as the one deciding how to deal with many formerly colonized countries, and other countries that they had started to call “underdeveloped”. The major change about the concept of development happened at that point, as the division of developed and underdeveloped changes the meaning of development drastically. The idea that an area can be underdeveloped means that it can be developed (by someone like the U.S.) instead of all areas just developing as it would be a natural thing that just occurs at all areas. This new division of the world into developed and underdeveloped, led to multiple projects to develop the other nations of the world. These aid- and development-projects combined with the interests of the Cold War ideological battle between capitalism and communism, led to a strongly U.S. led focus on making

⁸³ Rist 2002, 47–68.

the former colonies and other underdeveloped countries a part of the rising global economic system based on growth. This meant that the view of the world had shifted to one of the western-world as one that has achieved welfare and sufficient economic growth, and those that must be helped to achieve these things with the help of the western world. The idea of development had become the new ideology of the west, and its effects were spreading around the world fast.⁸⁴

This new U.S. lead rhetoric of spreading the system of economic growth to the underdeveloped countries is a lot like how the French and other nations based their arguments of keeping up the colonial system not that long ago. As controlling the world economy by the rules of the western world, and somewhat forcing the system upon other countries, while still having almost all of the control over the situation, does at the same time end the era of colonialism, but begins the era of economic colonialism.

The aspect of development for the non-western countries can pretty much be called economic colonialism, where western countries come and take not militaristic, but economic control over these countries, in order to change their systems and future to create economic growth for their selves and fit into their own ideas of future. If we take into consideration that this is the background of the “moral obligation” that much of P.L. 480 is based on, we can draw the conclusion that in a way, all of P.L. 480 aid already has the presupposition of political and developmental influencing at its core. As P.L. 480 aid is not a direct gift, it always has some ties attached to it, whether those be simple as “use these resources towards industrial development” or “remain a stable democracy”, the core aspects of P.L. 480 aid are always influencing the recipient nation in one way or the other, thereby making all of P.L. 480 a political tool of the U.S. during the Cold War era.

5.3 Food aid dividing the world

One of the main themes of the Cold War era is the division of the world into two opposing camps, the capitalist camp lead by the U.S. and the communist camp with the Soviet Union as its driving force. With these two superpowers at each other’s throats, the rest of the world was forced to choose their side at least to some degree or try to maintain some sort of neutrality if possible. This division of the world has had long term effect on each of these countries’ development, political climate, and cultural atmosphere. The role of P.L. 480 in all of this has been in one way either a

⁸⁴ Rist 2002, 80–92.

way in for other U.S. influence into the recipient country, as food aid opens up other channels such as industrial development projects, or as a direct influencer of the recipient nations economy and culture, for example by decreasing local food production, or altering local consumption culture altogether.

One of the ways P.L. 480 greatly affected the division of the world in the Cold War was its ability to block Soviet influence in the recipient country. As we have seen in the examples provided in this thesis, in multiple occasions, P.L. 480 aid was given to a country in order to keep it from slipping into soviet influence, as the regime stabilizing effect of P.L. 480 was used to at least ensure that the recipient country was well provided enough, that it had no immediate need for soviet supplies in order to maintain its growth or other projects.

In two interesting cases, P.L. 480 food aid has been also used as a part of a quid pro quo deal for military base rights. Throughout the programs lifespan up until the 1970's, small token amounts of food-aid have also been given to Iceland (about 800–900 thousand U.S. dollar per year) and Portugal, that can hardly be qualified as developing countries. The U.S. has had large military bases in both of these countries, and the P.L. 480 aid directed into these countries can be seen as a small bonus from these deals.⁸⁵

When discussing the Cold War era and food aid, we must take a look at the other major players of the time, and why they did not copy the success P.L. 480 had as a Cold War weapon, after all, the Soviets and Chinese did this with pretty much all other Cold War tactics, and the typical arms race situation of nuclear weapons or the space programs does not seem to happen with food aid. China was the prominent communist power of Asia during the Cold War, and as most of P.L. 480 focus was on Asia, why did the Chinese not compete with the U.S. in influence gained by food? The solution is rather simply that the Chinese food production was not in any shape to compete with the U.S. food regime, as the Great Leap Forward, Mao Zedong's program to rapidly industrialize their country from 1958 forwards devastated in their own food production, and the events of this shift into communal farming caused a massive famine estimated to have taken the lives of between fifteen and thirty million Chinese. The situation in China was so severe, that the U.S. seriously considered sending food aid to China, its communist rival, but these plans were eventually scrapped as it was deemed too risky, as this food aid would most likely just reinforce the Chinese communist

⁸⁵ Wallerstein 1980, 135.

elite. After China invaded the northeast border of India in 1962, all plans for food aid to China were officially off the table.⁸⁶

The reason why the Soviet Union could not compete with the U.S. in food aid politics was rather similar to the Chinese situation, state forced communal farms were failing to produce enough food. Soviet food production was never in a position to compete with the U.S. during its food regime era, as after World War II, Stalins regime was almost immediately faced with the famine of 1946, making its starting position in the cold war rather opposite to the U.S. and although they exported some amounts of grains until the mid-1960's, the Soviet union increasingly had to turn to foreign suppliers for its own food need, and by the 1970's even the Soviets were buying their grain from the U.S. , and ironically, the price surges caused by these large deals would lead to the end of the U.S. food regime altogether.⁸⁷

⁸⁶ Kang 1998, 45-46, 70-71.

⁸⁷ Blum 2003, 395; Friedmann 1993, 6.

6 CONCLUSIONS

The goal of this thesis paper has been to study the global effects of P.L. 480 food aid given by the United States of America during the American food regime period, in the context of the Cold War era. To understand how and why food aid was given to different countries in this time, and what possible effects this aid had on these countries.

The P.L. 480 program was founded for multiple reasons; getting rid of U.S. surplus, providing genuine food aid, and to politically influence other nations. United States had a problematically large surplus of food rotting away in warehouses and costing them significant amounts in storage fees alone, this was the initial motivation behind American food aid programs after World War II, that soon developed into P.L. 480. Public Law 480 was founded as a centralized program, that could process all American food aid under one agency. Need for such a centralized program, that could handle food aid more efficiently arose, because the initial experiments of using food aid to influence other nations political landscape proved successful, as we saw with the case studies of East Germany and Pakistan. With the founding of the P.L. 480 program, the U.S. leadership, especially the President, was then able to use the colossal quantity of food products of the American food regime, in a centralized and effective way. P.L. 480 made it possible for the U.S. to form new food aid deals quickly and easily, as there was less congressional oversight and decision makers involved in the process. These aspects were necessary for the U.S. to be able to politically weaponize the raw power given to them by their status as a food regime. P.L. 480 as a program capable of rapidly forming new food aid deals, and then delivering them to the recipient, is very useful in the goal of preventing famine, as speed is the key in those situations. However, as P.L. 480 had the ulterior motive to influence other nations politically, this aspect can't be ignored regarding the question of why the program was founded, as such a centralized and quick to action program also provides the aspects necessary for P.L. 480 to be used as an effective political weapon.

The United States of America used P.L. 480 to provide food aid around the world, in many cases this aid was genuinely used to fight famine and prevent humanitarian disasters. In other cases, P.L. 480 food aid continued in the recipient country far beyond the needs of famine prevention, usually

for decades to come. The major difference here was that food aid was mostly discontinued after the initial effect of aid was complete in western European countries, and overtly continued in mostly Asian countries. The reasoning behind this being that western European countries were already allied with the United States and were mostly democratic and capitalist nations. This meant that these nations did not require P.L. 480 aid to be used to bribe or influence them, as they already served their purpose for the U.S. Cold War strategy. Therefore, most western European nations required no further P.L. 480 influence than what was achieved by the short-term aid given to them in order for them to rebuild their own food economies after World War II. P.L. 480 recourses were instead used in nations where there was something new to gain from them, and in Cold War politics, this usually meant countries of strategic importance to both the U.S. and the Soviets. Most of these countries were located in Asia, and therefore Asia is the major recipient of P.L. 480 food aid during the Cold War. P.L. 480 deals for food were far cheaper than buying food from the open global market, and in most cases even making this food yourself in your own country, therefore the countries that were offered P.L. 480 deals by the U.S. were more than inclined to make these deals, as they would then be able to save their own national resources, not needing to worry about food production. Most of these deals were Title I sales, where the recipient country would pay in their local currency, that the U.S. would then use in the recipient country, therefore keeping the money in the recipient country's economy, making P.L. 480 an even more lucrative deal to the recipient. The United States continued to pump P.L. 480 food into these recipient countries, because they would not decline it, as it was an extremely good deal for them. The U.S. gained from this political leverage, local currency assets to spend in that country, and the formation of a relationship of dependency, all of these were then used by the U.S. to achieve whatever political Cold War goals they had concerning that country.

Political leverage gained from these continued P.L. 480 deals was used by the U.S. in multiple ways. In many cases, the U.S. used P.L. 480 as a bargaining chip when it needed something from another nation, such as was in the case of P.L. 480 used to coerce the South-Korean leaders to increase their military involvement in the Vietnam War. As P.L. 480 was such a lucrative deal to these nations, they were willing to do the United States bidding if that guaranteed the ongoing flow of cheap food for them. The threat of ending P.L. 480 aid was also used in multiple occasions, to influence a foreign nation's political decision making. Throughout the program's history, we can see multitude of differentiating usages of this bargaining chip, as these could be as petty as the attempts to influence Egypt to not make anti-American statements, or as major as brokering peace between India and Pakistan. This type of usage of P.L. 480 was one of the most interesting types, as it was

one of the most noticeable ways of P.L. 480 being used as a Cold War weapon. It was also the riskiest of them all, for it makes it rather clear to the recipient country, that the U.S. is using food aid deals to directly influence their actions as a free nation. Overusing this type of P.L. 480 influence could also backfire on the U.S., as removing or withholding food from the recipient country could cause their view of the U.S. to turn negative, as they would then seem like a power-hungry bully on the world stage. P.L. 480 also gave the U.S. a lot of more covertly hidden influence over the recipient countries of continual food aid. Title I deals gave the U.S. significant amounts of local currency to be spent in the recipient countries, that could be used for a multitude of projects. These projects ranged from developmental projects, altering the recipient countries future in ways beneficial for U.S. Cold War goals, to masking military spending and aid behind the budget of American food aid. The concealing of military spending behind food aid was a brilliant way of hiding actual military spending in a region from American domestic policy, meanwhile gaining the much-needed military supremacy over the Soviets and Chinese in these contested regions of the Cold War. The major long-lasting effect of P.L. 480 aid on these countries was of course the altercations that P.L. 480 aid had on their development. P.L. 480 resources and the resources that food aid opened up for use in these recipient countries were heavily targeted at development and industrialization. Industrializing and adopting the capitalist system has had major long-lasting effects on these countries, as we can see in our modern world. Countries that used P.L. 480 aid and industrialized and became capitalist countries, can be seen as being in a far better position in a multitude of measurable statistics, such as economic wellbeing, healthcare, and education. Nevertheless, this also integrated them heavily into the so-called western world, therefore serving the U.S. political ambitions in the Cold War and after. P.L. 480 had many short-term and long-term effects of political influence, and what many of them had in common was that they created what can be considered dependency.

Dependency was perhaps the strongest effect that P.L. 480 could cause in a recipient country, as this meant, that the removal of P.L. 480 would have major consequences in the day to day lives of the population. American food aid caused multiple different types of dependency that could either be short-term or long-term issue, depending on the recipient countries situation and individual paths of development. Dependency would vary from direct food dependency required to avoid immediate famine, to more convoluted forms of dependency such as American food aid keeping the recipient nations cohesion intact either economically, politically, or even militarily. The multitude of how food aid could create dependency was truly the aspect that made P.L. 480 into such a strong political weapon of the Cold War era. The leverage gained from one being dependent on the U.S.

for food enabled multitude of situations, where the U.S. could use this leverage to influence the recipient countries political decision making and developmental aspects. These relationships of dependency of the recipient countries of P.L. 480 towards the United States are one of the most influential effects that P.L. 480 has had, as these relationships would form into strong alliances that can still be seen in the world to this day.

American food aid delivered via Public Law 480, has affected our world in a multitude of ways. P.L. 480 was used in direct effect in multiple Cold War era situations, to modify the actions that nations would have taken during this influential era of history. In this thesis we have studied multiple occasions, where P.L. 480 was used to directly alter the actions taken by a recipient country. These decisions have played their part in larger Cold War history, that has shaped much of how the world order is today. The long-term effects of many of the decisions made by these recipient countries that P.L. 480 was in some way influencing, are far beyond the scale of this study, and in most cases, they would have to dabble in the amusing but mostly fruitless act of alternative history. However, what we can observe are many of the long-term political changes of the world, that P.L. 480 was in part influencing. The key aspect of P.L. 480 long term effects was how it created alliances. Food has been used throughout human history as an important tool of trade, and trade relationships create mutual trust and cooperation, and those are the key foundation of a proper alliance. Many of the nations where P.L. 480 usage was successful, became trusted U.S. allies, and are that to this very day. The political effects of P.L. 480 are a major part of what makes it an interesting part of Cold War history, but so are the cultural ones. Food aid delivered via P.L. 480 even altered the dietary and thereby cultural aspects of many of the recipient countries, for example wheat noodles, a concept throughout the world seen as a staple of Asian cuisine, only achieved this status because of American wheat delivered to these Asian countries. There is a plentitude of areal and local effects that P.L. 480 had in these recipient countries, that can alter from a dietary aspect to the way that the local population sees the United States, and their own standing in global politics and camps.

Overall, the history of P.L. 480 during the American food regime is a part of Cold War history. The program itself and what part it played in the grand scheme of Cold War politics often gets overshadowed by the multitude of other interesting parts of the Cold War. However, the historical significance of the part that P.L. 480 played can be seen and the effects of it studied, therefore giving us an interesting, less studied viewpoint of the Cold War era. Compared to earlier research on P.L. 480, this paper has combined many of these events into one entirety, that shows the history

of P.L. 480 as a Cold War weapon and shown both the short-term and the long-term ramifications of this usage in one entity. This paper has also shown how the usage of P.L. 480 as a political weapon goes hand in hand timewise with the timeframe of the theory of an American food regime.

Alliances and relationships formed via P.L. 480, and other similar developmental or aid programs like it, have formed stable camps of world politics, that are once again relevant as the world seems to be slipping into a new era, eerily similar to the Cold War. Food remains a key aspect of our lives and therefore also as a tool of global politics, and the acts of denying food from those in need, or sinister acts of influencing the world prices of grain, are ways of political influencing seen in today's world. A new food regime has not formed after the collapse of the U.S. food regime, and perhaps that's why there have not been any similar events such as P.L. 480 usage during the Cold War, and perhaps in our current economic models a government led food regime is not even possible. American food aid under P.L. 480 is still ongoing to this day, but now it works as a part of a global network of food aid to those who are in dire need, and not as a political weapon of the Cold War.

BIBLIOGRAPHY

Sources:

Agricultural Economics Report. Report No. 156 February 1970 FOOD FOR PEACE, PL: 480 AND AMERICAN AGRICULTURE. Department of Agricultural Economics Michigan State University East Lansing (1970)

Congressional record, vol 100, part 6, june 15, 1954, 8268-8301

Dmitri Volkogonov Collection. April 7, 1952. Conversation between Joseph V. Stalin and SED leadership. Library of Congress, fond (f.) 45, opis' (op.) 1, delo (d.) 303, list (l.) 179. <https://digitalarchive.wilsoncenter.org/document/conversation-between-joseph-v-stalin-and-sed-leadership> Accessed: 5.9.2023

Food for Peace, 1954-1978: Major Changes in Legislation. U.S. Government Printing Office (1979)

Food for Peace 1977 Annual report on public law 480. Department of agriculture office of the secretary Washington, D.C.

Foreign Relations Of The United States, 1964–1968, Volume XXIX, Part 1, Korea. Document 76: Telegram From the Department of State to the Embassy in Korea. <https://history.state.gov/historicaldocuments/frus1964-68v29p1/d76> Accessed: 20.5.2019.

Major recipients of P.L. 480 aid, 1955-1976. P.L. 480 Concessional Sales: History, Procedures, Negotiating and Implementing Agreements. Foreign Agricultural Economic Report No. 142. Washington D.C. 1977

Memorandum Regarding PL-480 Sales to Yugoslavia. Box 232 National Security File Country File Yugoslavia 1966-11-30 United States Department of State Washington D.C. <https://repositories.lib.utexas.edu/handle/2152/79556> Accessed: 3.2.2023

P.L. 480 Concessional Sales: History, Procedures, Negotiating and Implementing Agreements. Foreign Agricultural Economic Report No. 142. Washington D.C. (1977)

Public Law 480. From the U.S. Government Publishing Office. (1954)

Remarks by Senator John F.Kennedy (D-MA), Edward County Courthouse, Indiana, April 29, 1960
<https://www.jfklibrary.org/archives/other-resources/john-f-kennedy-speeches/racine-wi-19600319>
Accessed: 16.3.2023

Bibliography:

Ahlberg, Kristin L. Transplanting the Great Society: Lyndon Johnson and Food for Peace. University of Missouri Press. (2008)

Baek, Glenn. A Perspective on Korea's Participation in the Vietnam War. Asan Institute for Policy Studies, (2013)

Bateman, Charles Frederick, "An analysis of the activities under Public Law 480: the Food for Peace program". Master's Theses. Paper 1168. University of Richmond. (1965)
<https://scholarship.richmond.edu/cgi/viewcontent.cgi?article=2175&context=masters-theses>
Accessed: 27.11.2023

Blum, Alain. "Famine in the Soviet Union." Encyclopedia of Population, edited by Paul Demeny and Geoffrey McNicoll, vol. 1, Macmillan Reference USA, pp. 394-396. (2003)

Cwierka Katarzyna J. Cuisine, colonialism and cold war: Food in Twentieth-century Korea. Reaktion books (2012)

Friedmann, Harriet. The Political Economy of Food: A Global Crisis." New Left Review I/197 (1993)

Friedmann, Harriet. "Food regimes and their transformation." TANSEY, G.(ed.) (2014).

<http://foodsystemsacademy.org.uk/audio/docs/HF1-Food-regime-Transcript.pdf> Accessed: 26.12.2022.

Kang, J. S. Food for Communist China: A U.S. Policy Dilemma, 1961—1963. *The Journal of American-East Asian Relations*, 7(1/2), 39–72. (1998)

Kihl, Y. W., & Bark, D. S. Food Policies in a Rapidly Developing Country: The Case of South Korea, 1960-1978. *The Journal of Developing Areas*, 16(1) (1981)

Lee, Mun Woong. "Rural North Korea Under Communism: A Study Of Sociocultural Change." Diss., Rice University. (1975)

Lentz, Erin and Barrett, Christopher B. and Hoddinott, John, Food Aid and Dependency: Implications for Emergency. Food Security Assessments (December 2005). IFPRI Discussion Paper No. 12-2. (2005)

McMichael, Philip. Development and Social Change: a Global Perspective ed. Pine Forge Press. (2000)

Ostermann, Christian. The United States, the East German Uprising of 1953, and the Limits of Rollback. Working Paper No. 11. Washington, D.C. December 1994. (1994)

"Public Law 480: "Better Than a Bomber"," *Middle East Report* 145 (March/April 1987).

<https://merip.org/1987/03/public-law-480-better-than-a-bomber/> Accessed: 27.10.2023.

Riley, Barry. *The Political History of American Food Aid : An Uneasy Benevolence*. Oxford University Press, Incorporated. (2017)

Rist, Gilbert. *The History of Development: From Western Origins to Global Faith*. Zeb Books (2002)

Seevers, G. L. An Evaluation of the Disincentive Effect Caused by P. L. 480 Shipments. *American Journal of Agricultural Economics*, 50(3), 630–642 (1968)

Vengroff, Richard. Food and Dependency: P.L. 480 Aid to Black Africa. *The Journal of Modern African Studies*, Vol. 20, No. 1 (Mar., 1982), pp. 27-43. (1982)

Wallerstein, Mitchel B. Food for war - food for peace: United States food aid in a global context.

The MIT Press, Cambridge (1980)

Yoon, Byeong-Seon & Song, Wonkyu & Lee, Hae-jin. The Struggle for Food Sovereignty in South Korea. *Monthly Review*; May 2013; 65, 1; (2013)