**Destroying local markets; increasing hunger in the name of aid**

J. W. Smith, of the Institute for Economic Democracy, in his 1994 book titled the *World’s Wasted Wealth II*, has detailed research and summarizes the issue very well and is worth quoting at length:

Highly mechanized farms on large acreages can produce units of food cheaper than even the poorest paid farmers of the Third World. When this cheap food is sold, or given, to the Third World, the local farm economy is destroyed. If the poor and unemployed of the Third World were given access to land, access to industrial tools, and protection from cheap imports, they could plant high-protein/high calorie crops and become self-sufficient in food. Reclaiming their land and utilizing the unemployed would cost these societies almost nothing, feed them well, and save far more money than they now pay for the so-called “cheap” imported foods.

World hunger exists because: (1) colonialism, and later subtle monopoly capitalism, dispossessed hundreds of millions of people from their land; the current owners are the new plantation managers producing for the mother countries; (2) the low-paid undeveloped countries sell to the highly paid developed countries because there is no local market [because the low-paid people do not have enough to pay] … and (3) the current Third World land owners, producing for the First World, are appendages to the industrialized world, stripping all natural wealth from the land to produce food, lumber, and other products for wealthy nations.

This system is largely kept in place by underpaying the defeated colonial societies for the real value of their labor and resources, leaving them no choice but to continue to sell their natural wealth to the over-paid industrial societies that overwhelmed them. To eliminate hunger: (1) the dispossessed, weak, individualized people must be protected from the organized and legally protected multinational corporations; (2) there must be managed trade to protect both the Third World and the developed world, so the dispossessed can reclaim use of their land; (3) the currently defeated people can then produce the more labor-intensive, high-protein/high-calorie crops that contain all eight (or nine) essential amino acids; and (4) those societies must adapt dietary patterns so that vegetables, grains, and fruits are consumed in the proper amino acid combinations, with small amounts of meat or fish for flavor. With similar dietary adjustments among the wealthy, there would be enough food for everyone.

— *J.W. Smith, The World’s Wasted Wealth 2, (*[*Institute for Economic Democracy*](http://www.ied.info)*, 1994),p. 63-64*

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The United States lent governments money to buy this food, and then enforced upon them the extraction and export of their natural resources to pay back the debt…

Not only is much U.S. food exported unnecessary, but it results in great harm to the very people they profess to be helping. The United States exported over sixty million tons of grain in 1974. Only 3.3 million tons were for aid, and most of that did not reach the starving. For example, during the mid-1980s, 84 percent of U.S. agricultural exports to Latin America were given to the local governments to sell to the people. This undersold local producers, destroyed their markets, and reduced their production.

Exporting food may be profitable for the exporting country, but when their land is capable of producing adequate food, it is a disaster to the importing countries. [Note that many of the poor nations today are rich in natural resources and arable land.] American farmers would certainly riot if 60 percent of their markets were taken over by another country. Not only would the farmers suffer, but the entire economy would be severely affected.

Imported food is not as cheap as it appears. If the money expended on imports had been spent within the local economy, it would have multiplied several times as it moved through the economy contracting local labor (the multiplier effect) …

This moving of money through an economy is why there is so much wealth in a high-wage manufacturing and exporting country and so little within a low-wage country that is “dependent” on imports. With centuries of mercantilist experience, developed societies understand this well.

… [S]ubsidies, tariffs and other trade policies eliminate the comparative advantage of other regions to maintain healthy economies in the developed world. … The result of these First World subsidies [for export] are shattered Third World economies.

— J.W. Smith, The World’s Wasted Wealth 2, ([*Institute for Economic Democracy*](http://www.ied.info), 1994)