

Eisenhower's Mutual Security Program and Congress: Defense and Economic Assistance for Cold War Asia

Eric Setzekorn



President Eisenhower reviews troops on Taiwan, 1960

Upon entering office in January 1953, President Dwight D. Eisenhower struggled to balance military requirements and budget imperatives during a tense period of the Cold War. In East Asia, Eisenhower adopted a policy of military and economic aid to build security partnerships that would limit American costs and ease the United States out of direct military confrontation with Mao Zedong's People's Republic of China (PRC). In the aftermath of the bloody stalemate in Korea, President Eisenhower sought to create a deterrent force of local allies rather than rely on American soldiers. Although the military and political strategy Eisenhower adopted was implemented by the Department of Defense and State Department, congressional opposition to what was perceived as "foreign aid" threatened to derail the program.

From the beginning of his term until his last days in office, Eisenhower struggled to explain his program to a skeptical Congress that felt mutual security allocations were

Eric Setzekorn is a historian with the U.S. Army Center of Military History at Ft. McNair, Washington, D.C.

poorly managed and nontransparent. The Eisenhower administration used personal appeals, created bipartisan committees of experts, and published reams of glowing statistics, but it achieved only marginal success in protecting its policies from congressional opponents. Throughout the 1950s, the Eisenhower administration was forced to cajole, plead, lecture, and sometimes deliberately mislead Congress to get money for mutual security spending. Despite these tactics, mutual security requests were routinely cut, and in some years over 20 percent of the president's request was slashed from the budget.¹ Historical analysis of Eisenhower's mutual security program highlights enduring tensions between the executive branch and Congress over foreign policy programs that are both long-term and highly dependent on repeated budget allocations. In the 1950s, administration desires to insulate policy from political intrusion and invest in expensive foreign programs contrasted with congressional prerogatives that emphasized domestic spending, short-term goals, and transparency, all of which made creating a consensus between the two branches of government nearly impossible.

From a strategic perspective, the overall result of the Mutual Security Program (MSP) was the creation of a network of robust defensive forces that greatly benefitted American foreign policy in the Asia-Pacific region by serving as a credible deterrent without requiring expensive U.S. combat troops. From a domestic perspective, the program was less successful, and the Eisenhower administration was forced to spend a great amount of time and political capital defending its policies from domestic critics. Moreover, by 1960 the acrimonious debate over mutual security funding had led to suspicion of military aid programs, and the incoming Kennedy administration sharply reduced its funding and importance, leaving security assistance bureaucratically divided between the Defense and State Departments. The fracturing of security assistance after the Eisenhower administration has continued to be evident in U.S. security assistance, with poorly coordinated aid and defense support efforts negatively impacting American foreign and defense policy in nations like Afghanistan.

This article is divided into two core sections. The first examines the Mutual Security Program as conceived by Eisenhower and as it was implemented in East Asia. The second examines congressional interactions with the Mutual Security Program and the domestic political response to administration policies. This historical analysis suggests that in evaluation of programs, executive department efforts to achieve policy success must be weighed against intergovernmental relationships.

¹ David Truman, "The Domestic Politics of Foreign Aid," *Proceedings of the Academy of Political Science* 27 (January 1962): 148.

Although the Eisenhower administration was able to complete its policy goals of building a low-cost defense force in East Asia through military aid, the political tactics it used against Congress resulted in limited funding of the program despite the ongoing need for consistent security assistance to U.S. foreign partners.

Eisenhower's Mutual Security Program

The Eisenhower administration's decision to combine economic, technical and military assistance into one, expansive "Mutual Security Program," was a conscious choice to integrate foreign aid to achieve a greater impact. During his presidency, Eisenhower would use the MSP to distribute billions of dollars of military and economic aid, especially to countries in what was known as the "Far East."² Eisenhower's large investment in mutual security, his attempt to increase the efficiency of the program, and the redirection of American national security interest toward East Asia were linked to greatly expanded U.S. objectives in the region.

Eisenhower's decision to invest a large amount of time, effort, and political capital into creating an Asia-centric mutual security policy was in many ways a risky endeavor. Eisenhower was faced with an American foreign policy establishment that was highly Eurocentric. Shortly before he took office, the Committee on the Present Danger, composed of Eastern establishment luminaries such as Vannevar Bush, William J. Donovan, Robert Oppenheimer, Edward R. Murrow, and James Conant, issued a report supporting a mutual security program, but only referred to its utility in Europe.³ Rather than attempt to help Asian nations merely survive, the Eisenhower administration sought to create sustainable economies, political stability, and adaptive indigenous military institutions throughout East Asia. This goal significantly raised the threshold of success and entailed the development of long-term relationships in East Asia.

Eisenhower's expansion in military aid to Asian countries reflected his earlier personal experience with war and military development in Asia. During the 1930s, Major Eisenhower had been responsible for the training of a nascent Philippine Army. Serving as an aide to Gen. Douglas MacArthur, Eisenhower developed a plan for a Philippine armed forces with a comprehensive military school system, air force, and large reserve forces. Central to Eisenhower's plans was the

² The Far East included: Japan, South Korea, North Korea, Communist China (PRC), China/Taiwan (ROC), the Philippines, Mongolia, South Vietnam, North Vietnam, Laos, Cambodia, Indonesia, Burma, and Thailand.

³ Committee on the Present Danger, *A Study of Certain Military and Economic Aspects of the Proposed Mutual Security Program* (Wash., DC, 1952).

establishment of a Philippine “West Point” at Baguio, which would train a cohort of technically sophisticated and professional officers.⁴ A key element of Major Eisenhower’s support for the Philippine Army program was its cost-effectiveness compared to U.S. forces.⁵ The cost-effectiveness of Asian military forces was again demonstrated during Eisenhower’s inspection of the Korean battlefield in December 1952. He noted that the Republic of Korea (ROK) soldiers had been trained and equipped to a high standard, significantly aiding UN efforts.⁶

In May 1953 Eisenhower delivered a special message to Congress asking for an expansion of the existing mutual security funding and goals. Eisenhower argued that America needed to continue to supply military resources to allied nations as part of an overall global defensive strategy. Eisenhower developed two primary arguments that he would use until the end of his administration: honor and economics. He was blunt in arguing that one of the largest benefits from a mutual security program would be to “enable the United States to carry out its responsibilities of leadership in building up the security of the free world” and demonstrate American resolve. Military and economic aid would tangibly show that the United States was prepared to do more than honor treaty agreements: it would seek to lead a vibrant, prosperous “Free World.” Second, Eisenhower maintained that mutual security was cheaper than relying solely on U.S. armed forces. “Unequivocally, I can state,” said Eisenhower, “that this amount of money judiciously spent abroad will add much more to our nation’s ultimate security in the world than would be an even great amount spent merely to increase the size of our own military forces in being.”⁷

To increase the public appeal of mutual security, Eisenhower appointed Harold Stassen, a former governor of Minnesota and signer of the United Nations Charter, as director of the newly created office of Foreign Operations Administration that would manage all mutual security programs.⁸ It was hoped that a centralized

⁴ Kerry Irish, “Dwight Eisenhower and Douglas MacArthur in the Philippines: There Must Be a Day of Reckoning,” *Journal of Military History* 74 (April 2010): 447.

⁵ Daniel Holt, ed., *Eisenhower: The Prewar Diaries and Selected Papers, 1905–1941* (Baltimore: Johns Hopkins University Press, 1998), 312–25; Carlo D’Este, *Eisenhower: A Soldier’s Life* (New York: Henry Holt, 2002), 236–45.

⁶ Dwight D. Eisenhower, *Mandate for Change* (New York: Doubleday, 1963), 93, 95.

⁷ Dwight D. Eisenhower, “Special Message to the Congress on the Mutual Security Program, 5 May 1953,” in *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953–1961* (Wash., DC, 1960), I: 256–58.

⁸ Dwight D. Eisenhower, “Special Message to the Congress Transmitting Reorganization Plan 7 of 1953 Relating to the Establishment of the Foreign Operations Administration, June 1, 1953,” in *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953–1961*, I: 348–49.

Foreign Operations Administration would better coordinate military aid, which had previously been handled by the Department of Defense, with economic aid, which had been directed by the Department of State. Stassen, a politician rather than a bureaucrat, was much more adept at dealing with Congress and the American press than previous administrators of the organizationally fractured mutual security programs, who had been drawn from the ranks of the military or the Foreign Service. Stassen was also decisive with the government bureaucracy, and after being appointed as director, he sent an unambiguous signal of change to government officials by firing 10 of the top 12 managers of the Mutual Security Program.⁹ To lend support to the program, Stassen was appointed to the National Security Council (NSC) and attended cabinet meetings as a primary participant.¹⁰

The Eisenhower administration sought to link the MSP to a larger policy process, integrating the MSP with NSC policy guidance to create a “whole-of-government” approach to Asian affairs and military assistance. In November 1953, NSC 166/1 on U.S. policy toward Communist China determined that “the primary problem of U.S. foreign policy in the Far East is to cope with the altered structure of power which arises from the existence of a strong and hostile Communist China.” To handle this new “structure of power,” the NSC determined that building regional allied capability was both possible and essential because “Non-Communist Asia, with the possible exception of Indochina, can, under conditions of continued Western assistance, cope with the present level of Chinese Communist and native Communist pressures.”¹¹ The NSC determined that rather than take offensive action, reducing the “relative power position” of Communist China through developing non-Communist countries was more sustainable.¹²

This new focus on helping allies and the development of a consistent policy were exactly what ambassadors and leaders in Asia wanted to hear. NSC assessments made perfect sense to American military officers, who noted that for \$300 per year, the United States could pay for all expenses for a soldier in Korea, Republic of China, or Indochina while an American soldier was estimated to cost \$5,000

⁹ Samuel Hayes, Truman Library Oral History Interview, July 16, 1975, 102, <http://www.trumanlibrary.org/orallhist/hayessp.html> (accessed Oct. 22, 2016).

¹⁰ Richard M. Leighton, *Strategy, Money, and the New Look, 1953–1956* (Washington: Historical Office, Office of the Secretary of Defense, 2001), 490.

¹¹ Statement of Policy by the National Security Council, November 6, 1953, *Foreign Relations of the United States, 1952–1954, China* (Wash., DC: GPO, 1985), 14: 278–308. (Hereinafter cited as *FRUS*, followed by the appropriate year).

¹² *Ibid.*

per year to supply and train. A Military Assistance Advisory Group briefing from South Korea stated that “the cost of this [ROC] force is trivial compared to maintaining a like sized U.S. force in this area.”¹³ The massive difference in the cost of fielding military forces, made further mutual security assistance a good financial as well as military investment.¹⁴ On Taiwan, the American *charge d'affaires* Karl Rankin (no ambassador was appointed to the ROC by the Truman administration) had continually argued that because of the indifference and sometimes outright hostility shown by the Truman administration, “the Chinese [ROC] do not trust the United States.” Rankin felt that “this situation can best be remedied by an effective prosecution of our military assistance program on this island,” and that rather than words, Asians would require American “effort, money, understanding, tolerance and a consistent policy from us” before they would become real allies.¹⁵

The Mutual Security Program and East Asian Security

With a newly centralized organizational structure and a clear policy established, funding became the next challenge for the Eisenhower administration. During the Truman administration, U.S. economic and military aid to Europe had been extensive, with the Marshall Plan and other U.S. economic assistance programs dispersing \$12.5 billion between 1949 and 1952. Military assistance to European nations contributed another \$2.9 billion between 1950 and 1952. In contrast, the administration had directed little funding or political attention to the Asia-Pacific region. Even after the outbreak of fighting in Korea, the administration severely restricted military aid to Asian allies. From June 1950 through June 1951, the administration allotted only \$163.4 million to the “Far East Program” that encompassed Taiwan, Indochina, the Philippines, Burma, Indonesia, and Thailand. Of these six countries, Taiwan received the majority of the funding, \$98 million, but this was less than the amount allotted to Austria, \$114 million, and only twice the amount allotted to tiny Denmark. Between July 1949 and July 1952, Taiwan received a grand total of \$179.5 million, compared to \$294 million for strategically insignificant Belgium.¹⁶ By early 1953 the Truman administration’s extremely miserly approach to military and economic aid in East Asia had left

¹³ MAAG Taiwan Brochure for the Committee of Citizen Advisors on the Mutual Security Program (1956), box 7, Fairless Committee, Dwight D. Eisenhower Presidential Library (DDEPL).

¹⁴ Memorandum of Conversation by Leonard H. Price of the Office of the Special Assistant for Mutual Security Affairs, February 20, 1952, *FRUS, 1952–1954, China* (Wash., DC: GPO, 1985), 10.

¹⁵ Letter from Charge d'affaires Karl L. Rankin to Gen. William C. Chase, October 9, 1951, box 5, Karl Rankin Papers, Seeley G. Mudd Manuscript Library, Princeton University Library.

¹⁶ “Monthly Report of the Mutual Security Agency to the Public Advisory Board,” Mutual Security Agency (June 30, 1952), 4, 57.

many U.S. allies in the region struggling to develop military forces from their own poorly developed economies, which were often still recovering from the damage of WWII.

The new administration immediately began to reorient mutual security funding to give East Asian partners on the frontlines of the Cold War a greater share of total funding. The first Eisenhower budget of fiscal year (FY) 1954 showed a 27 percent overall reduction in mutual security funding, to \$3.5 billion, with European allotments bearing the brunt of cuts. In contrast, allocations for the Far East jumped by 34 percent.¹⁷ In effect, Eisenhower's first mutual security program budget reversed the relative priority of Asia and Europe, with Asia now receiving \$1.77 billion compared to only \$900 million for Europe.¹⁸ This trend of increasing aid to Asia at the expense of Europe continued from 1954 to 1957, and by 1957 Europe received less than 30 percent of the military aid allocated to Asia.¹⁹

While the Eisenhower administration's focus on East Asia was clearly evident from the military funding allocations, it was difficult for outside observers and Congress to identify large amounts of economic aid hidden inside "military" portions of the MSP. East Asia in the early 1950s suffered from tremendous challenges due to a large population that relied on poorly developed agricultural sectors, very small industrial sectors, and legacies of colonialism and war that had often limited infrastructure development. Fortunately for the administration, travel to East Asia in the 1950s (before the introduction of passenger jets) was slow and uncomfortable, meaning that congressional delegations and fact-finding missions were uncommon. In addition, language barriers meant that foreigners needed to rely completely on translators, often arranged by the host nation or the embassy. This allowed the administration to mislead Congress through the use of arcane semantics in the budget, without having to worry about investigations of what kinds of goods actually arrived in East Asia. For example, transferring a tank or rifle from the United States to South Korea or Japan would be included under the heading of "direct forces support," but all other products, most commonly fertilizer, gasoline, or electrical power equipment, could be included under the

¹⁷ Leighton, *Strategy, Money, and the New Look*, 492.

¹⁸ Message from the President of the United States Transmitting Recommendations Relating to the Mutual Security Program, June 23, 1954 (Wash., DC: GPO, 1954).

¹⁹ Compilation of data comparing Europe (Belgium, Denmark, France, Federal Republic of Germany, Italy, Netherlands, Norway, Portugal, United Kingdom), and Asia (Burma, Cambodia, Japan, South Korea, Philippines, Republic of China-Taiwan, Thailand). USAID, U.S. Overseas Loans and Grants, Military Assistance, Constant Dollars, <http://gbk.eads.usaidallnet.gov/data/detailed.html> (accessed Aug. 20, 2014).

heading “defense support.” Defense support referred to economic assistance that was required to “secure a contribution to the common defense” by a foreign military establishment. This ambiguous language was intentional, and in effect, defense support was used to develop the local economy by building the roads, power infrastructure, and basic sanitation projects. The goal of defense support was to gradually increase the long-term ability of host nations to support the often large military forces they kept on active duty. This was a special problem in South Korea and Taiwan, both of which maintained armies of over 500,000 personnel that could not be clothed, fed, or housed if they relied solely on their own governments’ fiscal expenditures.

The Eisenhower years saw a 10-fold expansion in military assistance, compared to the Truman era. For example, on Taiwan only \$25 million was actually expended by the United States on Taiwan-related material or training in 1952. After Eisenhower’s election, this number increased steeply to \$80 million in 1953, \$198 million in 1954, and a staggering \$332 million in 1955, which represented 75 percent of total ROC military spending.²⁰ In South Korea, the mutual security military assistance of \$356 million was over three times the South Korean domestic defense budget of \$143 million in 1958.²¹ Much of this military assistance was used to bolster key infrastructure and the civilian economy, providing a foundation for economic recovery and later growth.

In addition to massively expanding the total budget and the scope of assistance in the 1950s, the Eisenhower administration was very careful to ensure that military officers were heavily involved in the Mutual Security Program. Throughout the 1950s, Military Assistance Advisory Groups (MAAGs) were used to introduce American weapons and training techniques to foreign military forces. The Eisenhower administration’s usage of MAAGs was not a radical innovation. MAAGs had been created in the Philippines (December 1947), the Republic of Korea (March 1949), Indonesia



President-elect Eisenhower reviews South Korean troops (undated)

²⁰ MAAG Taiwan Brochure for the Committee of Citizen Advisors, DDEPL.

²¹ Chung-In Moon and Sangkuen Lee, “Military Spending and the Arms Race on the Korean Peninsula,” *Asia-Pacific Journal: Japan Focus* (Mar. 29, 2010), 3, <http://www.japanfocus.org/-Sangkeun-Lee/3333/article.html> (accessed Oct. 9, 2015).

(March 1950), Thailand (October 1950), and Vietnam (September 1950) by the Truman administration.²² The Eisenhower administration established additional MAAGs in Japan (April 1954) and Cambodia (June 1955). Although the MAAG idea was not new, the Eisenhower administration massively increased the size of MAAG organizations and gave them increased authority to distribute U.S. funds and equipment. Using military organizations to prepare mutual security budget estimates, disperse funds, and work with local partners was another clever administrative technique to associate American aid decisions with nonpartisan military officers rather than political appointees.

In East Asia, Eisenhower's expanded and strengthened MSP included economic assistance in the form of direct transfers of American dollars, agricultural goods, machinery, and technical training. For many of the poorer nations of East Asia, such as South Korea, economic aid could be used for the purpose of aiding general health, by providing wheat, corn, and animal fats to balance the diet and boost caloric intake. Economic assistance also provided unprocessed goods, most importantly raw American cotton, which could then be processed by the recipient country into textile goods for the local market or sold back to the United States. Although outright grants of American dollars, an important source of foreign exchange reserves for many Asian nations, became less common after 1957 (due to congressional opposition), the administration was able to adjust in two ways. First, "loans" could be given to Asian nations, and according to the terms, no repayment was required until years or decades later, and without adjustment for inflation. Because many East Asian nations suffered from high inflation in the 1950s, this reduced the final repayment of the American loans to essentially zero. Second, the administration began repeatedly moving economic aid programs from one funding category to another, making budget analysis by Congress or outside observers effectively impossible.²³

Mutual security allocations also funded technical cooperation, which often involved the signing of contracts between MSP administrators and a U.S. company or school to provide training to a foreign country. American schools such as Michigan State University, George Washington University, Johns Hopkins, Pennsylvania State University, and the State University of New York, Buffalo, among others, all worked closely with East Asian nations by training foreign students and

²² Benjamin Williams, *The Economics of National Security, Volume XVII, Mutual Security* (Wash., DC: Industrial College of the Armed Forces, 1959), 13–17.

²³ Charles Wolf, *Foreign Aid: Theory and Practice in Southern Asia* (Princeton, NJ: Princeton University Press, 1960), 186–91.

conducting studies.²⁴ Education, training, and personnel exchanges were designed to help increase the economic growth rate of foreign nations emerging from colonialism, and possibly lacking in well-educated engineers or specialists. The Eisenhower administration's decision to fund technical and educational training in East Asia was a significant change from the Marshall Plan programs in Europe, which had not sought to increase human capital to boost production.²⁵

To bolster the organizational changes the administration was making in East Asia, MSP administrators in Washington displayed great urgency in expending funds that were authorized by Congress.²⁶ Truman administration expenditures had been slowed by a shortage of personnel and poor bureaucratic procedure. John Ohl, special assistant for Mutual Security Affairs in the Office of the Secretary of State from 1951 to 1952, criticized the "extraordinarily poor delivery record" during the Truman administration.²⁷ In 1950, out of a total authorization of \$1.3 billion, only \$51 million was actually spent. In 1951 expenditures similarly lagged, with only \$933 million expended out of a staggering \$5.2 billion authorized. The year 1952 was an improvement, with \$2.3 billion expended out of \$6 billion authorized, but this was still a less than 50 percent usage rate.²⁸ The Eisenhower administration was able to significantly improve the authorized-to-expenditure ratio by streamlining the budget process, simplifying accounting procedures, and appointing Harold Stassen to exercise clear, unified authority in place of a divided State/Defense arrangement. Between 1953 and 1956, military assistance funds were expended at roughly the same level as authorization levels. In total, the Eisenhower administration expended \$9.87 billion in the three-year period from 1953 to 1955, while the Truman administration had spent only \$3.8 billion, despite virtually the same amounts of spending authorized by Congress during both periods.²⁹ The difference in actual spending between the two administrations was stark, especially in Asia. By 1954 the Eisenhower administration was spending and shipping \$75 million worth of aid to the Far East every month.³⁰

²⁴ Jake T. Alster, "Spartans in Vietnam: Michigan State University's Experience in South Vietnam," *Grand Valley Journal of History* 3 (October 2014), 1.

²⁵ *The Mutual Security Program: Fiscal Year 1960* (Wash., DC: GPO, 1960), 48–50.

²⁶ "Authorized" refers to funds that are approved by Congress through legislation. "Expenditures" refers to actual payments of bills and cash made by the U.S. Treasury at the behest of executive departments.

²⁷ John H. Ohl, Truman Presidential Library Oral History Interview, November 30, 1971, 84, <http://www.trumanlibrary.org/oralhist/ohl:htm#50> (accessed Nov. 12, 2014).

²⁸ United States Congress, Senate Committee on Foreign Relations, *Trends in Mutual Security, Fiscal Year 1948–49 to Fiscal Year 1957: Authorizations, Appropriations, Obligations, and Expenditures, Hearings*, April 23, 1956, 84th Cong., 1st Sess. (Wash., DC: GPO, 1956), 2–3.

²⁹ *Ibid.*

³⁰ The President's Report to Congress of the Mutual Security Program for the Six Months Ended June 30, 1954 (Wash., DC: GPO, 1954), 36.

Overall, the pattern of mutual security spending developed by the Eisenhower administration was a complete rejection of the Eurocentric focus of the Truman administration. Mutual security budget allocations, and more importantly actual dollars expended shifted massively toward East Asia. By 1957 the results of the program were obvious, with U.S. mutual security funding directly supporting 6 divisions in Japan, 20 divisions in Korea, 21 divisions in Taiwan, 2 divisions in the Philippines, 10 divisions in South Vietnam, and 2 divisions in Thailand. This force of over 60 divisions cost the dollar equivalent of only 5 American divisions forward deployed in Asia.³¹ In his first term, Eisenhower's goal of creating a low-cost deterrent force of local security allies in East Asia had been achieved; the challenge of his second term would be sustaining these accomplishments by defending the program from an increasingly skeptical Congress.

Congressional Opposition to Eisenhower's Mutual Security Program

Eisenhower's decision to pursue a robust military and economic aid policy presented the administration with the difficult political challenge of building congressional support for what was often referred to as "foreign aid." A major hurdle for Eisenhower was the complicated internal party divisions on the issues of military and economic aid, making the creation of a durable majority in Congress that would support the MSP nearly impossible. In the early 1950s, the Republican Party included many members with lingering isolationist feelings and a general suspicion of foreign aid. Despite Eisenhower's internationalist views, his own party's 1952 platform stated that spending on foreign aid, as mutual security appropriations were commonly labeled, was "incompetently spent for vague and endless purposes."³² Eisenhower could count on the support of many Democrats, who had backed President Truman's aid programs, but numerous conservative Democrats were opposed to any form of foreign economic assistance, even if it was military-related. These conservative Democrats were often from districts in the southern states that retained their elected members of Congress for decades, ensuring their rise to important positions as committee chairs. Throughout the 1950s, Eisenhower would struggle to convince this fractured Congress of the merits of his MSP program, and lacking firm support, he often resorted to more devious methods.

³¹ MAAG Taiwan Brochure for the Committee of Citizen Advisors on the Mutual Security Program, DDEPL.

³² Republican Party Platform of 1952, July 7, 1952, <http://www.presidency.ucsb.edu/ws/?pid=25837> (accessed Oct. 22, 2015).

To defend the MSP from public critics and, more importantly, from the budget-relevant committees in Congress, the Eisenhower administration, and often Eisenhower himself, pursued a multifaceted campaign that had three key elements. First, senior administration officials and the president conducted broad public relations outreach in support of mutual security spending, which stressed the need for a global strategy and integration of government efforts. Second, working with Congress, administration officials leaned heavily on the testimony and reports of U.S. military officials, who they hoped would be seen as objective and nonpartisan. The administration also sponsored the formation of multiple blue-ribbon commissions of former officials and military officers to provide independent analysis that would support the program. Lastly, the Eisenhower administration used a wide range of sometimes questionable accounting methods to limit scrutiny and hinder criticism.

Early in the Eisenhower administration many Democrats and even some Republicans hoped the new administration would curtail foreign military and economic assistance. Senator Robert Taft, majority leader in 1953, openly called for the new administration to “wind up” economic assistance programs because “this Congress is thru [*sic*] with foreign aid.”³³ More bluntly, Congressman Otto Passman, a Democrat and chairman of the House Appropriations Subcommittee on Foreign Operations during most of the Eisenhower administration, declared, “I don’t smoke; I don’t drink; my only pleasure in life is to kick the shit out of the foreign aid program of the United States.”³⁴



Representative Otto Passman, a staunch opponent of Eisenhower’s policies

Eisenhower’s optimism about the MSP was bolstered by Republican control of Congress during his first two years in office. Riding on Eisenhower’s coat-tails Republicans gained a slight majority in the House, 221 Republicans to 213 Democrats, and a razor-fine majority of 48 Republicans to 47 Democrats in the Senate (plus Independent Wayne Morse of Oregon). Individual support of congressional leaders was a more complicated picture. Early in the Eisenhower administration, Senate Majority Leader

³³ “This is the End of Foreign Aid, Taft Asserts,” *Chicago Daily Tribune*, July 5, 1953.

³⁴ Robert David Johnson, *Congress and the Cold War* (Cambridge: Cambridge University Press, 2006), 72.

William Knowland (R-CA) contributed energetic support to mutual security programs, especially related to East Asia. Despite these advantages during Eisenhower's early years in office, Congress cut deep into his requested mutual security budget. Passage of the 1953 Mutual Security Act renewal took a large amount of presidential arm twisting through personal meetings with prominent members of Congress, a public speaking tour, and media interviews.³⁵ In spite of extensive presidential lobbying, Congress still cut nearly \$700 million from Eisenhower's request.³⁶

When the next major battle over the Mutual Security Program began in 1955, Eisenhower could point to real accomplishments in the previous two years. Within the Eisenhower administration, the MSP was viewed as a clear success. The president himself noted that "While this effort [MSP] is not well understood by the public there can be little doubt that without it our international situation would be much more dangerous than it now is."³⁷ In mid-1955, MSP Director Stassen began planning for an expanded program of technical assistance and economic aid designed to support a broad program of Asian industrialization.³⁸ Economic and technical assistance was heavily focused on the development of infrastructure, such as ports, hydroelectric power plants, and bridges, which had military and civilian uses. President Eisenhower asked Congress to "redouble" efforts to assist Asian countries and specifically referred to economic development as the long-term goal.³⁹

Military officers provided a tremendous boost to Eisenhower's policies. Throughout the 1950s, the Joint Chiefs of Staff openly defended the Far East allocations of the MSP from congressional cuts and helped maintain funding levels for the Far East at roughly \$1 billion per year.⁴⁰ In his memoirs, Chairman of the Joint Chiefs of Staff Admiral Arthur W. Radford regarded the mutual security program as a tremendous success in securing American security interests at reasonable cost. He wrote that "indigenous military power was the heart of America's prime objective in the East, to develop the purpose and capability of the noncommunist countries to act collectively and effectively in opposing the threat of communism."⁴¹ In testimony to Congress in 1956, Admiral Radford argued that the

³⁵ "Cheapest Way to Security Is Thru Aid: Ike," *Chicago Daily Tribune*, Aug. 5, 1953; "Senate Group OK's 5½ Billion in Foreign Aid," *Chicago Daily Tribune*, June 10, 1953.

³⁶ "Conferees O.K. 6.6 Billions in Foreign Aid," *Chicago Daily Tribune*, July 31, 1953.

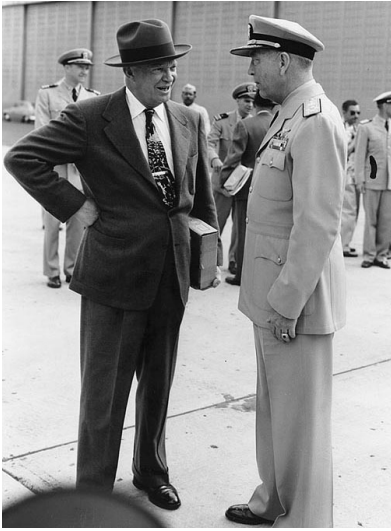
³⁷ Dwight D. Eisenhower, *Waging Peace*, (New York: Doubleday, 1965), 623.

³⁸ "Stassen Plans Multi-Billion Aid for Asians," *Chicago Daily Tribune*, Mar. 18, 1955.

³⁹ "Eisenhower Asks 3½ Billion in Aid, Mostly For Asia," *New York Times*, Apr. 21, 1955.

⁴⁰ Kenneth Condit, *History of the Joint Chiefs of Staff: The Joint Chiefs of Staff and National Policy, 1955–1956* (Wash., DC: Historical Office, Joint Staff, 1992), 257, 264.

⁴¹ Arthur W. Radford and Stephen Jurika, eds., *From Pearl Harbor to Vietnam: The Memoirs of Admiral Arthur W. Radford* (Stanford, CA: Hoover Institution Press, 1980), 432.



President-elect Eisenhower with Admiral Radford, December 1952

Mutual Security Program had proven itself: “By cooperation with our allies, we obtain a better defense at lower cost to ourselves than if we tried to do the job ourselves.”⁴² Army Chief of Staff Matthew Ridgway, a trenchant critic of many of Eisenhower’s security policies, grudgingly praised MAAG units that coordinated the MSP as a valuable tool for developing allied military capabilities. In testimony to the House Appropriations Committee, Ridgway stated that he “did not know any place where an individual member of the Army [provided] a greater yield to the nation than those [MAAG] people.”⁴³

Despite the glowing assessments of senior military and administration officials, Eisenhower appeared to have little faith that congressional critics and the general public would support long-term mutual security spending. In his memoirs, Eisenhower freely admitted that “to defend the Mutual Security Program to the general public would be a nearly impossible task . . . no one had succeeded in having the public understand that mutual security was not philanthropy; it was defense.”⁴⁴ Time and again, Eisenhower would refer to the fact that the cost of maintaining an American soldier for a year was roughly 10 times the expense of supporting an allied soldier. The president issued instructions that the words “foreign aid” were not to be used by anyone in the administration, and insider accounts of the administration noted that Eisenhower’s famous temper would “boil over” if the phrase was used.⁴⁵

A continuing problem for the Mutual Security Program was that public critics and congressional opponents often only needed to restate issues reported by internal auditors and supervisors. Within the Defense Department, Wilfred McNeil, assistant secretary of defense, and the comptroller, continually attacked what he

⁴² United States Congress, House Committee on Foreign Affairs, *Mutual Security Act of 1956, Hearings*, 84th Cong., 1st Sess. (Wash., DC: GPO, 1956), 333

⁴³ United States Congress, House Committee on Appropriations, *Department of the Army Appropriations for 1955, Hearings*, February 8, 1954, 83rd Cong., 2nd Sess. (Wash., DC: GPO, 1954), 63.

⁴⁴ Eisenhower, *Waging Peace*, 132–33.

⁴⁵ Robert Bowie and Richard Immerman, *Waging Peace: How Eisenhower Shaped an Enduring Cold War Strategy* (New York: Oxford University Press, 1998), 210; Robert Donovan, *Eisenhower: The Inside Story* (New York: Harper Bros., 1956), 147.

perceived as loose accounting of mutual security spending. In particular, McNeil felt that the U.S. Army was abusing the system: "They sold second-hand material [to allies] but billed for and subsequently purchased first-hand equipment."⁴⁶ The comptroller also found that U.S. Army planners were making grandiose equipment projections to bring Asian forces up to NATO standard, a very expensive and unrealistic assumption that served to pad the Army share of the defense budget.⁴⁷ A subsequent special congressional report on the military assistance program agreed that "in a number of countries the United States has programmed and is delivering military equipment in excess of that which can be effectively absorbed and utilized by the recipients at their existing stage of development."⁴⁸

The MSP was also hurt when Republican control over the budget ended in 1955, as Democrats returned to power in Congress, retaking the Senate with a slim 48 to 47 majority and a more solid 232 to 203 control of the House. This election result was not an indictment of Eisenhower's foreign policy, and was largely a natural midterm election swing compounded by public concern over the overreach of Senator Joseph McCarthy (R-WI). The Democratic majority would grow slightly in the 1956 election before expanding massively in the 1958 midterm elections due to a brief economic recession that negatively impacted President Eisenhower's approval rating.⁴⁹ After the 1958 election, Eisenhower was forced to contend with a Democratic-controlled Senate, with a 65 to 35 majority, and a staggering 283 to 153 Democratic majority in the House of Representatives.

In an attempt to deflect criticism and promote more constructive discussion, President Eisenhower used an array of independent commissions and studies in an attempt to bolster the Mutual Security Program's nonpartisan credentials. In fall 1956 the Fairless Commission, named after its chairman, former U.S. Steel CEO Benjamin Fairless, spent six weeks traveling around the world collecting testimony and reports. Its primary finding, released in March 1957, called for continued aid and funding and argued that mutual security programs "are proving their worth, and we should hold firmly to them."⁵⁰ This same finding was provided by the Draper Committee, established in

⁴⁶ Wilfred J. McNeil, Assistant Secretary of Defense (Comptroller), Office of the Secretary of Defense Oral History Interview Collection, May 1, 1974, 61.

⁴⁷ Henry Glass, Assistant Secretary of Defense (Comptroller), Office of the Secretary of Defense Oral History Interview Collection, Oct. 23, 1987, 41.

⁴⁸ Report to the Congress of the United States, *Examination of the Military Assistance Program, Department of Defense*, Mar. 31, 1957 (Wash., DC.: GPO, 1957), 3.

⁴⁹ "President Dwight D. Eisenhower: Presidential Approval Ratings," *Gallup*, <http://www.gallup.com/poll/116677/presidential-approval-ratings-gallup-historical-statistics-trends.aspx> (accessed Oct. 23, 2016).

⁵⁰ Edwin L. Dale, "Aid Study Backs Outlays Abroad at Present Pace," *New York Times*, Mar. 6, 1957.

1958 and staffed by retired Chairman of the Joint Chiefs Admiral Radford and former National Security Advisor Dillon Anderson. The Draper Committee determined that “in asking for \$3.9 billion for foreign-aid funds in fiscal 1960, the President is asking for too little, and not—as his knife-whetting congressional foreign-aid enemies are saying—too much.”⁵¹ Management consultants were also hired to review the organizational relationships of the MSP and offer the lessons of business for managing large complex organizations.⁵² While none of these initiatives appear to have influenced Eisenhower’s thinking, they were a useful tool to use against Congress and generate public support, or at least public acquiescence to administration policies.

The turning point for Eisenhower’s Mutual Security Program came in 1957, when the congressional vote on his MSP budget request led to massive cuts by skeptical members of Congress. To assure the passage of the bill, Eisenhower gave a prime-time radio and television address to the nation solely on the topic of mutual security. The president stated bluntly, “The common label of foreign aid is gravely misleading—for it inspires a picture of bounty for foreign countries at the expense of our own. No misconception could be farther [*sic*] from reality. These programs serve our own basic national and personal interests.”⁵³ Eisenhower’s appeal for \$4 billion—\$3 billion for military and \$1 billion for economic assistance—was cut by over 60 percent by Congress, down to \$1.5 billion. Through personal appeals and a helpful Senate, where Eisenhower had an ally in Foreign Relations Committee Chair Senator Theodore Green (D-RI), an eventual total of \$3.5 billion was authorized, representing only a 12 percent cut. Despite this half-victory, Eisenhower was clearly angry at a press conference in August when he openly challenged critics to compare 135,000 American casualties in Korea from 1950 to 1953 with \$800 million in military aid to Korea from 1954 to 1957.⁵⁴

The backlash against mutual security spending that became evident in 1957 arose from a variety of issues, with the patronizing tone of the administration exacerbating the problem rather than solving it. By 1957 Congress increasingly perceived dishonesty in Eisenhower’s aid programs. For example, congressmen

⁵¹ “To the Aid of Aid,” *Time Magazine* Vol. LXXIII, no. 13, Mar. 30, 1959. n.p.

⁵² Cresap, McCormick, and Paget: Management Engineers, *Survey of Major Department of Defense Organizational Relationships in International Security Affairs, 1956* (Chicago: Cresap, McCormick, and Paget Management Engineers, 1956).

⁵³ Dwight D. Eisenhower, “Radio and Television Address to the American People on the Need for Mutual Security in Waging the Peace,” in *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953–1961* (Wash., DC, 1960), V: 386.

⁵⁴ Dwight D. Eisenhower, “The President’s News Conference of May 22, 1957,” in *Public Papers of the Presidents of the United States: Dwight D. Eisenhower, 1953–1961*, V: 605–6.

were concerned about the administration's tactic of deliberately confusing categories and names of the mutual security program. Otto Passman remarked during a hearing that

from the inception of this program every 2 or 2½ years, they find a new name for it. I do not know the purpose. Your evaluation of that situation would be as valid as mine, but it appeared to me when a particular name became threadbare they would change the name. They finally got to mutual security.⁵⁵

Compounding this distrust, the testimony of administration officials was vague, and they attempted to confuse rather than clarify key issues. When asked a simple question if “defense support” was military or economic aid, John Hollister, director of the International Cooperation Agency responded, “It is a terribly complicated thing you are asking me.... All I can probably tell you, Mr. Chairman, is that there is an area in defense support which is obviously military.”⁵⁶ In addition, administration officials commonly only released vital data on the MSP just a few days before congressional hearings would begin, limiting the ability of members of Congress to study the material. Moreover, large amounts of the most vital data were classified as “secret,” making it hard for congressional staffers to prepare questions and inquiries. Congressman Winfield Denton remarked in a hearing that

Here is the difficulty I have with the program, and which I have had every year: These Books [briefings and plans] are marked “Secret.” They are brought in here and brought out after the committee starts. We have no chance to study them. I would like to have some idea as to what I am doing. I know the amount of money you want, but I have not the slightest idea what is going to be done with it. The Federal Accounting Office has complained about it, we have complained about it, and the Government Operations Committee has complained about it.⁵⁷

Despite Eisenhower's repeated personal attempts to explain the national security benefits that accrued to the United States from the Mutual Security Program, it continued to be unpopular with the public and Congress throughout the 1950s. Public opinion polling consistently showed that both general defense spending and

⁵⁵ United States Congress, House Subcommittee on Appropriations, *Mutual Security Appropriations for 1958, Hearings*, 84th Cong., 2nd Sess., Apr. 2, 1957 (Wash., DC: GPO, 1957), 6.

⁵⁶ *Ibid.*, 40.

⁵⁷ *Ibid.*, 247.

foreign aid were unpopular. Foreign aid programs were consistently identified as the least popular government program during the Eisenhower administration.⁵⁸ Voting analysis trends in Congress also show that negative votes on bills associated with mutual security and “foreign aid” increased from 18 percent of the total in 1953 to 26 percent in 1959.⁵⁹

Conclusion

President Eisenhower’s policy of developing long-term security partnerships through mutual security assistance was a financially responsible alternative to the deployment of American armed forces. Unfortunately, previous studies of military aid in East Asia have often focused on highlighting failures in South Vietnam rather than successes in Japan, Taiwan, South Korea, and the Philippines.⁶⁰ In the past 50 years, Asian militaries have continued to develop military and economic strength as American allies with broadly similar conceptions of civil-military relations and robust industrial sectors. Eisenhower’s strategic rebalance toward an Asia-centric security program should be seen as a crucial element of post-WWII East Asian political and military development and as the creation of an enduring security partnership between the United States and Asia.

While President Eisenhower was able to use his personal prestige and influence with Congress to achieve partial success, his successors lacked the military credentials and public trust to continue the mutual security program as a coherent policy. The passage of the Foreign Assistance Act of 1961 clearly bifurcated military and civilian funding, in stark contrast to the centralization and comingling of mutual security funds during the Eisenhower years. During later crises, such as in South Vietnam, U.S. military and economic aid was so uncoordinated that by 1965 over 60 civilian and military aid programs were running simultaneously, with some reporting to military officers, some to the ambassador, and many directly to their headquarters in Washington, DC.⁶¹ In contemporary Afghanistan, the integration

⁵⁸ Samuel Huntington, *The Common Defense: Strategic Programs in National Politics* (New York: Columbia University Press, 1961), 242–43.; H. Field Haviland, “Foreign Aid and the Policy Process: 1957,” *American Political Science Review* 52 (September 1958), 700.

⁵⁹ David Truman, “The Domestic Politics of Foreign Aid,” 150.

⁶⁰ Michael R. Adamson, “Delusions of Development: The Eisenhower Administration and the Foreign Aid Program in Vietnam, 1955–1960,” *The Journal of American-East Asia Relations* 5 (Summer 1996), 157–82.; Douglas C. Dacy, *Foreign Aid, War, and Economic Development: South Vietnam, 1955–1975* (Cambridge: Cambridge University Press, 1986).

⁶¹ Robert Komer, *Bureaucracy Does Its Thing: U.S.-GVN Constraints on Institutional Performance* (Santa Monica, CA: RAND, 1972), 77.

of military and civilian support to allied nations continues to be poorly coordinated and aligned into one strategic effort, resulting in what one internal report called a “confused labyrinth,” leading to waste and fraud.⁶² As in the 1950s, the issues of budgetary and bureaucratic control have continued to be the source of tensions between the executive and legislative branches. The lessons of the Eisenhower era suggest that an engaged, active president, can generally accomplish administration policy objectives, but at the same time congressional pushback is likely to consume a great amount of time and political capital.

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⁶² “Waste in U.S. Afghan Aid Seen at Billions of Dollars,” *Reuters*, December 20, 2010, <http://www.reuters.com/article/usa-afghanistan-reconstruction-idUSN2020577920101220> (accessed Oct. 23, 2016).