FOREIGN AID
and the LEGACY of
HARRY S. TRUMAN

Edited by
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To Mike Devine and Bob Wolz

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Harry Truman was a great president, but he was not perfect. One of the things you are instructed to do as an executive, whether you are mayor of a small town or president of the United States of America, is to stay focused. You have to decide what your priorities are, and you have to be disciplined, organizing your time and your resources to accomplish those priorities. You must avoid at all costs being distracted into a wide range of issues where you are almost certain to be unsuccessful because you’ve diluted yourself.

Harry Truman violated every one of these principles. Forty years after his death, his biographer David McCullough, author of the Pulitzer Prize–winning *Truman*, wrote a summary of Truman’s achievements that demonstrates that the rush of events during his presidency did not permit him to focus on one thing at a time. “It was the watershed time of the century,” McCullough writes, “and Truman stands forth now . . . as a figure of utmost importance. He is the president responsible for the Truman Doctrine, the Marshall Plan, NATO, the amazing Berlin Airlift. It was Truman who first recognized Israel, who established the Defense Department, started the CIA, who decided to proceed with the hydrogen bomb. He sent the first civil rights message ever to Congress and desegregated the armed forces. He was the ‘gone goose’ who in 1948 pulled off the biggest surprise in our political history. He was the president who decided to intervene in Korea and who, when he fired General MacArthur, upheld the principle of civilian control over the military.” This list is already a long one, and it contains only the headlines of Truman’s presidency. There is much more in McCullough’s thousand-page book about the many problems Truman faced and the many decisions he made.
It’s clear that Harry Truman didn’t—couldn’t possibly—follow the admonition of staying focused on a narrow agenda. The turbulent post-war world had too many surprises in it to permit orderly agenda building. Truman and his advisers—especially his foreign policy advisers—would have to face what came to them and improvise.

*Foreign Aid and the Legacy of Harry S. Truman* addresses one element of the Truman administration’s broad agenda—foreign aid, in both its economic and military forms but particularly the former. Truman believed the United States must overcome its long isolationist history. America’s isolationist tradition, Truman knew, went back to the country’s earliest days, and it was still powerful when Truman began his presidency. A story about one of Florida’s best-known politicians illustrates this. Senator Claude Pepper was called to the White House in 1940 by President Franklin D. Roosevelt. Roosevelt said something like this to Pepper:

> I have a request to make of you, and I think it’s urgently important. Great Britain is hanging on by its fingertips. They’re running out of ammunition, of armaments, of all those things necessary to defend themselves. Although the United States is not at war with Germany, I want to do something to help Britain survive this greatest peril in its long history. My idea is what I’m going to call Lend-Lease, which would allow the United States to send Britain military equipment and supplies in exchange for the use of certain British properties around the world. I think we must do this for the survival of the free world.

Senator Pepper agreed to help the president, and he introduced a Lend-Lease bill in the senate. When it came before the Foreign Affairs Committee, of which he was a member, he made an eloquent argument why the legislation was necessary. When the vote was taken in the committee, there were seventeen votes against the bill and one vote—Pepper’s—for it. This was in 1940, only about a year before the attack on Pearl Harbor. This shows how strong the isolationist tradition was on the very eve of United States entry into World War II.

Now shift to 1946. Truman is beginning his first full year as president, and the world is crumbling around him. Europe, in the words of Winston Churchill, is a rubble pile. The Soviet Union saw the dire situation there as an opportunity to expand its influence and control. Greece, heavily damaged by the world war and torn by civil war, was especially inviting. If Communism could succeed in Greece, the entire eastern Mediterranean—and the Middle East—would open to Soviet penetration. Turkey too would be in danger, and perhaps Western Europe would
become vulnerable to Soviet expansionism as well. Truman responded with a foreign aid program that came to be called the Truman Doctrine. This program provided immediate aid to Greece and Turkey and appeared to promise much more aid to other parts of the world. It was closely followed by a much larger aid program—the Marshall Plan. By the end of 1948, foreign aid had become an important part of American foreign policy. A revolution had occurred. Isolationism had given way to internationalism, and the United States would become, in the postwar era, what came to be called a superpower.

One of the opponents of Truman’s new foreign policy was the same Senator Claude Pepper who had supported aid for Britain at a time when isolationism was dominant. What had changed? Pepper was still an internationalist, but he admired the Soviet Union and believed it was possible that the United States could, if the right policies were followed, become reconciled with it. The Truman Doctrine, Pepper thought, was too adversarial toward the Soviet Union.

If an internationalist like Pepper opposed Truman’s new foreign aid policy, a former isolationist supported it and became one of Truman’s most important allies in the Senate. Senator Arthur Vandenberg of Michigan believed that isolationism had died on December 7, 1941. As chairman of the Senate Foreign Relations Committee in 1947 and 1948, he advocated a bipartisan foreign policy—this at a time when the Congress was becoming increasingly partisan—and gave crucial support to Truman Doctrine and Marshall Plan legislation. Vandenberg believed that the foreign aid measures Truman advocated were right not only from a humanitarian point of view, but from a national security point of view as well. President Truman and Senator Vandenberg formed a powerful duo who worked together to build a national security architecture that helped the West to win the Cold War.

Truman believed the United States must use its great economic and military strength to achieve a free and peaceful world in the aftermath of World War II. He also believed that United States foreign policy must emerge from its values of empathy for and generosity toward peoples of the world who were in need. Truman was a thoroughly American American who shared in his innermost being the best values of his country. He always looked to those values when he had hard decisions to make. And because he was not—as I irreverently pointed out earlier—as disciplined in keeping a tight focus on a few goals as he should have been, he had a hell of a lot of those decisions to make, and he made them very well indeed.
FOREIGN AID AND THE LEGACY OF HARRY S. TRUMAN

FOREIGN AID AND THE LEGACY OF HARRY S. TRUMAN includes the papers presented at a symposium held in Key West, Florida, on May 18 and 19, 2012. A number of documents and photographs relating to the Truman administration’s foreign aid initiatives are also included. This book is the
tenth volume of a series published by Truman State University Press that explores various aspects of the legacy of the Truman administration. Dr. Raymond Geselbracht of the staff of the Harry S. Truman Presidential Library helped to coordinate the symposium and edited this book. Barbara Smith-Mandell has been a valued colleague at Truman State University Press for ten years now. She has skillfully transformed the many unruly manuscripts the volume editors have sent her—including the one for this book—into handsome published volumes. I would like to acknowledge too the contribution made to this book by Jennifer Creer, a copyeditor new to the Truman Legacy project.

Among those who helped organize the program in Key West and provided essential financial and logistical support are Ed Swift, president of the Key West Harry S. Truman Foundation and of Historic Tours of America; Chris Belland, Piper Smith-Belland, and Monica Munoz of Historic Tours of America; and the Spottswood Companies, Inc., which provided an excellent venue for the conference sessions. As in past years, the Monroe County Tourism Development Council helped market the symposium throughout South Florida; and, of course, Bob Wolz, the director of the Harry S. Truman Little White House, and his assistant Paul Hilson, were essential in making the symposium a success.

Michael J. Devine
April 2014
One of the essays in this book opens with an epigraph, a quotation from an interview with the former head of one of the Truman administration’s foreign aid agencies. The official is recalling a conversation he had with Truman in 1952. “If I’m ever remembered fifty years after I’m dead,” Truman told him, “it will probably be because my name is associated with some of these [foreign aid] programs.” This is a surprising statement. The president who, among other things, ended World War II, took a leading role in the founding of the United Nations, authorized the Berlin airlift, recognized Israel, desegregated the armed services, set up the Department of Defense, the National Security Council, the National Security Agency, and the Central Intelligence Agency, won a spectacular victory in the 1948 presidential campaign, helped establish NATO, and took the country into the Korean War—this president, Harry S. Truman, says he will be remembered, if remembered at all, for setting up foreign aid programs!

But maybe he’s right. Maybe, in a long list of important accomplishments, Truman’s initiatives relating to foreign aid are his most important legacy. The Marshall Plan, of course, is renowned, even revered. When 450 historians and political scientists were asked in 2000 to identify the greatest achievements of the government of the United States from the end of World War II to the end of the twentieth century, the first item on their list was “Rebuild Europe After World War II.”

So Truman was right to think he would be remembered for the Marshall Plan. But his foreign aid legacy also includes two other important foreign aid measures—so-called Truman Doctrine aid to Greece and Turkey, and Point Four. Neither of these has the appeal of the Marshall Plan, or had in their day anything like the Marshall Plan’s resources committed to their
implementation. Did Truman think he would be remembered for these two initiatives as well—that they were as much a part of his foreign aid legacy as the Marshall Plan?

The Truman Doctrine has perhaps been difficult to judge as an aid program because it combined with its modest package of aid for Greece and Turkey a magnificent if somewhat outsized statement of commitment. “I believe that it must be the policy of the United States,” Truman told a joint session of Congress, “to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures. I believe that we must assist free peoples to work out their own destinies in their own way.” This manifesto prefigured the policy that would soon be called containment and that seemed to apply—in practice it wouldn’t—to the whole world. The aid package that was yoked together with this manifesto had implicit within it another powerful message—that the United States would take on itself the burden of replacing the failing western European imperial powers, particularly Great Britain, in maintaining an international system that was favorable to these now largely bygone world powers and to the United States. Specifically, in the instance of the Truman Doctrine aid, the United States would take an important first step toward taking Britain’s place as the dominant power in the eastern Mediterranean. The United States would, as Britain had done formerly, prevent the Soviet Union/Russia from breaking through to the Mediterranean and spreading its influence through the entire region. These two grand but vague messages that the Truman Doctrine put together—the “free peoples” manifesto and the modest aid package that appeared to pledge the United States to assume Europe’s role in the world—appear at least partly contradictory. The sense of contradiction is increased by the fact that while a third part of the “free peoples” manifesto holds that aid should be primarily economic, the aid for Greece and Turkey was primarily military.

Point Four, named after this initiative’s place in a list of actions comprising what Truman called in his inaugural address “our program for peace and freedom,” is in many ways the most interesting of Truman’s foreign aid programs, and it was one for which Truman personally felt a great deal of enthusiasm, which can be felt in the rhetoric he used when announcing it in January 1949. “We must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas,” he said. “I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life.” Point Four would leverage its resources with those of other nations and of international and private institutions
to create what Truman described as “a worldwide effort for the achievement of peace, plenty, and freedom. . . . What we envisage is a program of development based on the concepts of democratic fair-dealing.”

Point Four combined deep roots in traditional American values of exceptionalism and mission with a rational self-preservation calculus that equated development and prosperity in underdeveloped countries with freedom, stability, and peace—all of which enhanced the national security of the United States. But the State Department didn’t share Truman’s enthusiasm for Point Four, the Congress wouldn’t give it much money, and by the end of Truman’s presidency its achievements were unimpressive.

It’s not easy to make a single story out of these three disparate programs—the Truman Doctrine, the Marshall Plan, and Point Four—but Truman clearly felt they were all part of one story. When he was asked during a press conference held shortly after his announcement of Point Four what were the origins of this new program, he said this: “The origin of point four has been in my mind, and in the minds of members of the Government, for the past 2 or 3 years, ever since the Marshall plan was inaugurated. It originated with the Greece and Turkey proposition. Been studying it ever since. I spend most of my time going over to that globe back there [at the opposite end of the Oval Office from Truman’s desk, near the fireplace], trying to figure out ways to make peace in the world.”

All three of his major foreign aid initiatives, Truman is claiming, had the same origin—in his fervent desire for peace. Peace was intrinsically desirable, and it was also essential to American national security. If world peace were maintained, Truman believed, the Communists could not win the Cold War. But for peace to be maintained, following the self-preservation calculus backward, the countries of the world that were not already Communist—developed and underdeveloped countries alike—must be prosperous or achieving prosperity. United States foreign aid programs were intended to help countries that were not prosperous to become so, and thus, Truman believed, to help prevent a new, unimaginably horrible world war. If the Truman Doctrine, the Marshall Plan, and Point Four could help achieve this fundamental goal of his presidency, Truman believed, then maybe he would be remembered—if remembered at all, he would add with customary modesty—for these programs.

Perhaps the biggest challenge for scholars who seek to understand Truman’s foreign aid legacy is to incorporate Point Four, with its late entrance and meager funding, into a narrative that includes the complex glamour of the Truman Doctrine and the grandeur of the Marshall Plan. The State Department is part of the problem. The Truman Doctrine aid program, the Marshall Plan, and Point Four all emerged from State
The Truman Administration’s Foreign Aid Legacy
From the Cold War to the War on Terrorism

Louis A. Picard and Zachary A. Karazsia

“If I’m ever remembered fifty years after I’m dead, it will probably be because my name is associated with some of these [foreign aid] programs.”

Harry S. Truman, comment when telling Stanley Andrews that he would be appointed director of the Technical Cooperation Administration, ca. April 1952

There is no doubt that international technical assistance and financial support systems, in terms of both successes and failures, are part of the legacy of Harry S. Truman’s presidency. This chapter examines that legacy from several perspectives. First, we examine U.S. systems of foreign assistance that existed when Truman became president, including systems that developed during Franklin D. Roosevelt’s presidency and during World War II. We then go on to examine the policies developed during Truman’s administration, including the Truman Doctrine aid for Greece and Turkey, the Marshall Plan, and the Point Four program. Following this, we examine the legacy of the Truman administration in the foreign assistance area during the now-sixty years since he left office. We discuss the growth in the number of less-developed states, the impact of the Cold War, and the growth of international tensions in the period after September 11, 2001. We consider foreign aid in a context that includes its relationship to trade.

The authors acknowledge the assistance of Haven and Jeanne Foote North in the preparation of this chapter. We have drawn extensively on W. Haven North’s oral interview on U.S. international assistance and his work on the Foreign Affairs History Project and on their written work: North and North, “Foreign Aid and Foreign Policy,” 263–301; North, “U.S. Foreign Economic Assistance.”
and commercial interests, international security, and perceptions of the moral dimensions of international interests.

Two questions are of particular concern here. First, Is foreign aid the best method for inducing economic growth, as was assumed by most in the Truman administration? Second, Does the technical assistance and human resource development model introduced by the Truman administration continue to be a best practices model for international cooperation and development in the second decade of the twenty-first century, some sixty-five years after the announcement of the Truman Doctrine and when a period defined by continuities in a world of confrontation with the Soviet Union and the Cold War has given way to increasing levels of religious extremism and the war on terror?

**Foreign Aid Prior to 1933**

There were four key components of foreign aid programs prior to Truman’s presidency. Many of them go back a long time. The first component, focusing on motives, can be traced back to the fifteenth century’s most notable political strategist, Niccolò Machiavelli. Machiavelli contended there are two primary methods that leaders can use to persuade their counterparts: rewards and retributive measures.

Ordinarily referred to as the “carrot and stick” approaches, the first entices one’s antagonists with rewards or incentives meant to align their actions with those of the donor, while the second involves the use of punitive measures, such as military action, designed to force the recipient into alignment with the state’s interests.2 Foreign aid incorporates the first methodology, while war and the threat of war incorporate the second.3

The second component of foreign aid originated in eighteenth-century mercantilist banking and finance sectors through the use of submarket or concessional loans and grants (in contemporary terms) and the exchange of gifts between states. This set of actions gave a commercial twist to international relations that would continue to be important into the modern era of foreign aid and international development.4

During the nineteenth and early twentieth centuries, countless poor countries were inundated with missionaries espousing particularly Christian values.5 Missionaries of the nineteenth century, who contributed a third component of international assistance as a concept, were responsible for spreading the word of God throughout the globe; however, they often assumed in this role a secondary capacity, bringing forth an experiment in development. Their focus was on basic health, education, and the elusive concept called values. Missionaries saw their activities such as proselytizing, as life changing
for indigenous peoples. The nineteenth-century legacies of Quakerism and pacifism also played a role for some who became involved in international assistance. As important as the specific activities sponsored by missionaries were, their organizational structure—the creation of not-for-profit organizations to promote a spiritual and material agenda—had the most profound impact on foreign aid. The nineteenth century bore witness to the third component of foreign aid thinking, the rise of nonprofit and faith-based organizations dedicated to social transformation.

The fourth component of foreign aid prior to 1948 arose from World War I humanitarian aid in both governmental and nongovernmental capacities, epitomized by Herbert Hoover’s work in Europe during and after the war. The focus was human security in the context of worldwide war. Food security and access to shelter and clean water in a time of international conflict remained important components of the international assistance in the years after World War I.

Human security remains a significant component of international assistance around the world in times of natural, or most importantly, human-caused catastrophe: witness the multitude of human security crises in various conflicts in Africa. The focus on human security issues suggested a direct link up between security systems, international development efforts, and non-state actors. Skeptics at the time asked how this combination would operate in the aftermath of World War I. After 2001, the focus on “defense, diplomacy, and development” would further clarify this issue.

**Franklin Roosevelt, World War II, and the Beginnings of American Foreign Assistance**

U.S. technical assistance programs, some of which go back to the late nineteenth century, had provided technical assistance and financing primarily to beneficiaries in Europe and the Near East. These programs included provision of short- to medium-term technical expertise, training, and education to individuals from the recipient countries. Technical assistance includes the provision of temporary skilled personnel to a recipient country, providing such services as agency-to-agency training, agricultural, educational, and financial guidance—and in some cases strategic military assistance.

Prior to 1933, the U.S. government, along with several international organizations, financed a number of American faith-based, educational,
Today when we think of foreign aid, we think in terms of Africa or other poor regions of the world. We wonder whether such assistance is critical to development, or has had any effect. Aid conjures images of Bono and rock concerts, or women building small businesses by drawing on micro-financing in Bangladesh. Suffice it to say that foreign aid, or the transfer of money, goods, and services from one nation or organization to other countries or citizens, has been around a long time.

Foreign assistance programs in the Cold War period bring to mind not exclusively President Harry S. Truman’s administration, but also that of John F. Kennedy, which created the United States Agency for International Development (USAID), the Alliance for Progress, the Peace Corps, and other organizations that shifted the focus of U.S. aid from postwar recovery in Europe and Japan to the development needs of emerging nations. But stretching back farther, nearly every major power has granted some form of assistance to needy countries during, say, military campaigns. The Prussians were good at providing assistance to their military allies in the nineteenth century, the British, French, and Germans were big donors to their colonies in the following century, and the Americans have followed suit, both in official government channels and through transnational organizations.

President Truman must receive credit, however, for being the first president to make foreign aid a key component of U.S. foreign policy. The European Recovery Program (the Marshall Plan) is the most famous representative of this policy. By the time this four-year plan ended in 1951, the Western European nations were not only on their way to recovery from the war, but even more significantly for the long term, they had put in
place the first institution of Continental economic, political, and social integration—the European Coal and Steel Community—that birthed the European Common Market. Building on the success of the Marshall Plan, Truman proposed the Point Four program for international development assistance to the Third World in his 1949 inaugural address. Point Four focused on two goals: creating markets for the United States by reducing poverty and increasing production in developing countries, and diminishing the threat of Communism by helping countries prosper under capitalism.

Since Truman’s time, the debate over foreign aid has been vigorous. Aid is motivated—or as economists argue, distorted—by the donor’s desire to seek a commercial or political advantage.1 Surely aid has been used for development and has brought benefits to the recipient. But oftentimes aid is embedded in political strategy goals (think of the Marshall Plan and anti-Communism) or in ideological constructs, such as Western modernization models that lead to liberal democracy and market capitalism. This should not be surprising, and in no way vitiates a positive view of Truman’s intentions and policies, but it should give pause to hagiographers and patriots who might place these programs in a context of pure generosity. The president’s assistance programs can also be embedded in history. They are like the gifts given by emperors or medieval monarchs to each other to effect change—desired outcomes such as alliances and the like. In this way, Truman was both farseeing in his vision of the world and America’s place in it, but also a realist who used assistance to further American (and Free World) interests.

By the time he took office, Truman could draw on a history of aid programs, although foreign aid had met with public and political approval only recently, during the World War II era. For instance, although preoccupied with a war with Britain, Congress in 1812 authorized fifty thousand dollars to be sent to Venezuela for relief from a massive earthquake. Such legislation was uncommon, and this legislation did not set much of a precedent throughout the nineteenth century, as Congress more often than not rejected the pleas of victims abroad. But nongovernmental institutions, such as churches and missionaries, theater troupes, farm organizations, and chambers of commerce, stepped in with assistance ranging from cultural visits to food and money. During the 1820s private citizens supported Greek independence, and in the 1840s they helped victims of the Irish famine. Philanthropic arms of corporations, such as Standard Oil’s Rockefeller Foundation, followed at the turn of the twentieth century. This was a different approach than that taken by Great Britain and France. By the 1870s and into the 1940s, those two countries sent loans
and grants to their colonies for the express purpose of boosting manufacturing at home by increasing the supply of raw materials from overseas territories. By World War II, Britain did send aid to help colonial social sectors, but most largesse went abroad for the purpose of expanding (or preserving) British power.

Regardless of disaster relief by individuals and organizations, the Americans were not far removed from the self-interested British model. In 1896, the U.S. Department of Agriculture began to send food surpluses overseas, with the express intention of developing new markets to rid the country of gluts that had undercut prices. This helped bring on the Populist farm revolt. But it nonetheless began a new era of American giving in which the president often issued appeals for aid. In the run-up to the Spanish-American War of 1898, the government and citizens were involved with aid to the Cubans, who were seeking their independence. The president then urged Americans to make donations to ease the effects of natural disasters in Martinique in 1902. President Theodore Roosevelt both asked for private donations and sent official help in the form of transportation (a common method of U.S. payment) to Martinique, and he took similar action in 1908 when an earthquake struck Sicily. Other aid was later sent to address crises caused by floods in France in 1910 and, in tandem with the Red Cross, in China a year later. At about this time, the American Friends Service Committee and the Jewish Joint Distribution Committee were formed to raise and coordinate aid on a large scale. During and after World War I, the U.S. government became directly involved in disaster relief by providing aid to German-occupied Belgium and sending about $20 million to victims of the Russian famine in 1921. Americans and their government also helped to rebuild Europe following the World War I.2

By the end of the 1930s, the American government was routinely coordinating relief and aid agencies and groups. At home, under the New Deal, the precedent of giving aid to citizens was set. The Tennessee Valley Authority, for example, was a domestic assistance program to a multistate region that was indistinguishable in intention from foreign aid programs. The domestic side of aid under the welfare state thus acclimated Americans to official giving abroad as well. World War II later focused the U.S. government on overseas needs. During the war, the President’s War Relief Control Board came into being, and lasted into the early postwar years as the Advisory Committee on Voluntary Foreign Aid (ACVFA).

Defense and security now took center stage. While military aid had been given to friendly regimes in Latin America in the interwar years, it really picked up under Franklin D. Roosevelt’s Western Hemisphere Defense Plan, whose purposes were to bolster trade and cultural ties in
President Harry S. Truman was responsible for figuring out how to handle unprecedented challenges inherited from World War II and the administration of Franklin D. Roosevelt. Truman was the first president to deal with the atomic age, and he led the United States into the United Nations (UN) organization. But he did more than simply inherit the mantle of UN leadership; he embraced it, and the new president decided to partner with the United Nations and its specialized agencies in developing and promoting the international development agenda that he enunciated most famously in Point Four of his 1949 inaugural address. This early postwar period was a key moment in human history—what I have termed “the birth of development”—which occurred “when discrete groups of people with international stature, expertise, money, power, influence, and the best of intentions began working to better the lives of other human beings whom they had never met or known, for no reason other than the desire to improve the fate of the human race.”¹ The actions of the Truman administration—especially its commitment of American resources—ensured that all of this was possible. For empowering these new international actors, the president suffered a backlash from both the Republican Party and an emerging group that would later call themselves “environmentalists” who shared concerns about America’s finite resources. While Republicans primarily criticized the financial costs of Truman’s foreign aid program, environmentalists argued that the White House’s Keynesian goal of developing the Third World—raising health and living standards there to increase production and consumption at home—would increase the already alarming rate of planetary population growth and exhaust the earth’s resources. Yet Truman responded to these criticisms, crafted an
international agenda with significant popular backing, and as a result of his persistence, shaped the development agendas of the World Bank, Food and Agriculture Organization (FAO), and World Health Organization (WHO) for the next quarter century. In doing so, he ultimately helped shape the modern world we live in today—our expectations about what nations owe one another and the international community as a whole, our expectations about what countries should be doing for their citizens, and our dreams and aspirations for the world.

Even in the midst of World War II, the Allies (who actually called themselves the United Nations throughout the conflict) decided that more vigorous efforts were needed to head off yet another global cataclysm and decided to replace the discredited League of Nations with a new organization called the United Nations. The first international organization that the Allies created—the Food and Agriculture Organization of the United Nations (FAO)—was intended to put substance behind one of Roosevelt’s Four Freedoms—“Freedom from Want.” The 1943 Hot Springs Conference—which created the FAO—convened just days after the Axis surrender in North Africa, when the war was far from over, and Hot Springs became the model for establishing what would become the UN specialized agencies. The 1944 Bretton Woods Conference established the World Bank and International Monetary Fund to overhaul the international economic system, and the United Nations Organization proper emerged from the San Francisco Conference that convened only two weeks after Truman assumed the presidency. But American zeal for establishing new global organizations waned shortly after the war ended, especially as congressional Republicans began to question the costs that the United States would bear for each organization’s budget. As a result, the World Health Organization, the last specialized agency of the United Nations to be created in the immediate wake of World War II, struggled to gain needed congressional approval. 

Although the World Bank and FAO were not Truman’s creations, he strengthened the newborn organizations, because he believed they were absolutely necessary if the world was to avoid another world war and if the postwar fate of humankind was to be improved. Truman had come to believe that the Second World War was at least in part the result of America’s return to isolationism and failure to join the League of Nations following World War I. He reiterated this theme throughout his 1943 Midwest speaking tour, which was sponsored by the United Nations Association. When Truman became president, serendipitously the very first decision he made was that the San Francisco Conference to create the United Nations—scheduled to begin on April 25, 1945—would convene as scheduled, and when he addressed
Congress on April 16, 1945, he averred that in a post–Pearl Harbor world, the safety of the United States required a “strong and lasting United Nations Organization” in which those who had “learned to fight with other nations in common defense of our liberty” would “learn to live with other nations for our mutual good.” The new president, foreshadowing Point Four, then said, “We must learn to trade more with other nations so that there may be—for our mutual advantage—increased production, increased employment and better standards of living throughout the world.”

Truman also spoke at the official signing ceremony for the United Nations Charter on June 26, 1945, after working hard to ensure the success of the San Francisco Conference. Two days before America celebrated its independence, Truman visited the Senate chamber to ask his former colleagues for “prompt ratification” of the Charter, which pointed “down the only road to enduring peace.” Later that month, speaking from the territory of the defeated German enemy during the Potsdam Conference, Truman addressed the world as a representative of the wartime alliance that had called itself the United Nations and that would soon form the backbone of the new international organization of that name. “We want peace and prosperity for the world as a whole,” he said. “We want to see the time come when we can do the things in peace that we have been able to do in war. If we can put this tremendous machine of ours, which has made victory possible, to work for peace, we can look forward to the greatest age in the history of mankind. That is what we propose to do.”

Indeed, Truman pushed the United Nations—through his Point Four program—to increasingly focus on this “work for peace,” which came to be called “development.” And while we recall Point Four of Truman’s 1949 inaugural address, which lent its name to his development agenda, we frequently forget that his very first point was support for the United Nations. The primary key for building “our program for peace and freedom,” he stated, was “unfaltering support to the United Nations and related agencies,” including searching “for ways to strengthen their authority and increase their effectiveness.”

Truman certainly took this work of strengthening the authority of the new United Nations seriously in his administration’s dealings with the World Bank. It had been founded with the initial task of reconstructing the postwar world, but the Marshall Plan quickly preempted this mission. Nonetheless, the new bank president, Eugene R. Black, dove headfirst into the task of development. Given the bank’s independent source of funding—it could sell its bonds in world financial markets—it was less dependent on contributions from member countries and perhaps therefore more confident in criticizing national lending policies that seemed disadvantageous to the mechanisms of the global economy. The Truman administration lent credence and authority to the World Bank by making
Harry Truman’s second inaugural was a call to arms. International questions were at the forefront. As the president ticked off a number of initiatives that would define American policy, a clear statement emerged that the United States would bear the burdens of the rapidly chilling Cold War. But the January 1949 speech saved the dramatic point for last. His fourth point offered what Truman himself called a “bold new” program for worldwide American aid to promote economic and social development.

Fourth, we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas. . . . We invite other countries to pool their technological resources in this undertaking. . . . This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies whenever practicable. . . . With the cooperation of business, private capital, agriculture, and labor in this country, this program can greatly increase the industrial activity in other nations and can raise substantially their standards of living.¹

It was to be a cooperative offer, not only between countries, but drawing in the efforts of the UN, business, and nongovernmental organizations (NGOs) to assure these peoples a better standard of living and with it a better life. It was also a positive statement of what the United States could offer the world as it confronted the specter of Communism worldwide.

The fourth point morphed into what quickly became the Point Four program, perhaps the most heralded and, in certain respects, far-reaching element to emerge from the speech. The global program of development

¹David Ekbladh, Harry S. Truman, Development Aid, and American Foreign Policy.
aid it inspired was quickly absorbed into U.S. foreign policy. Its apparent connection to the political questions of the day and recent past, particularly the legacy of the reforms of the New Deal, generated instant boosters and, just as quickly, ranks of detractors. However, there were those at the time who took a longer view and saw that Truman’s offer of aid based on technical assistance was hardly new. Various groups in American society had been doing just this sort of work globally for decades. However, this legacy was mostly obscured over time, and aid continues to this day to be yoked to questions of government activism that were powerful issues in the late 1940s. This binding was done early as partisans and opponents hurried to respond to the president’s high-profile proposal.

This intense attention to the initiative is just what Benjamin Hardy, the man who suggested the Point Four idea to Truman, had hoped for. A former press officer with the Institute of Inter-American Affairs (IIAA) from 1944 to 1946, he had been impressed with the effect technical assistance programs sponsored by the IIAA had on areas of Latin America. After moving to the State Department, Hardy, like so many others, was inspired by the success of the Marshall Plan. In the fall of 1948, he composed a report, “Use of U.S. Technological Resources as a Weapon in the Struggle with International Communism” built around this premise.2

Hardy felt that American foreign policy was too easily tarred as anti-Communist and unconstructive—essentially negative. He felt a wide-ranging aid program could silence this critique while building on the momentum of the Marshall Plan that already appeared to be making great strides in reconstructing Western Europe. The United States already possessed an “excellent instrument” in “America’s immense technological resources” to fulfill such a plan. Its “affirmative use” placed American strength against comparative Communist weakness. An extended program of technical aid “would show the common peoples of other countries how the application of techniques and procedures that have proved themselves in this country can directly benefit them.” A “definite promise of a better life” was sure to appeal to poorer nations. While dramatic, Hardy’s proposition was hardly new, departing from existing development thinking and activity only in scale.3

When his plan bogged down in State Department bureaucracy, Hardy skirted superiors, talking directly with George Elsey, a close Truman adviser. Elsey was instantly taken with Hardy’s ideas, feeling the plan “was exactly what I had been searching for.” That search had been for a central theme for Truman’s forthcoming inaugural address. Truman’s key White House advisors gravitated to the proposed addition to the inaugural address, although the president only heard of it on January 12, 1949, when the inauguration
was only a little more than a week away. Truman decided to include the plan in his address, although he wanted it linked to a call for increased private investment in underdeveloped countries. The president understood that such a plan would be controversial and knew he would have to be attentive to political considerations. Truman wanted his technical assistance program clearly defined as a program to help people help themselves. Qualifications aside, Truman embraced the program because he thought it bore a strong resemblance to New Deal efforts to develop parts of the South. Still, State Department officials were leery of the vague and rather formless proposal. The late date of its appearance and the speed with which it emerged as a policy statement left many out of the loop. Secretary of State Acheson claimed he was introduced to the plan at the inauguration (although prominent Truman staff disputed this). Emphasis on the surprise of Point Four has fed a belief that the program was more of a departure than it actually was.

Nevertheless, as it was supposed to, Truman’s fourth point grabbed attention and built support for his new foreign policy initiative. There was a burst of enthusiasm among liberals—and among the growing genus of Cold Warriors that crossed the political spectrum. Truman had put forward a positive, global program that put one of the United States’ great assets, its power in science and technology (and, by extension, its economic capacity), up against the international appeal of Communism, which we should not forget was very real in the 1940s.

There was more tempered and considered praise as well. A former head of the Rockefeller Foundation, Raymond Fosdick, who had long supported development projects, noted, “In President Truman’s Point Four program it [international development] has been given a sharp focus. While neither the problem nor the basic methods to deal with it are new, Point Four is both bold and new.” At the Council on Foreign Relations a set of prominent figures on the issue called Point Four the “phenomenon of the year.” But they also saw it as just “a catalyst that led to the coalescing of many ideas, projects, and drives.” In essence, they thought it “nothing really new,” about the program, pointedly noting that “our fathers were engaged in private point fours for a long while.”

In this the commentators were right: The ideas and many of the practices that would comprise the development programs, and even the government agencies that came out of Truman’s initiative, were already on the table and had been for some time. Development—that is, extending capacities beyond what had existed in a society—had been combined with the ways in which various groups had dealt with the world for some time. There was a development element in the ways the United States had interacted with various parts of the world from the nineteenth century onward.
The Truman administration transformed the role of foreign aid in American foreign policy. After World War II ended, profoundly troubling and destabilizing circumstances—the need for European reconstruction, fears of growing Soviet power and influence, the crumbling of old colonial empires—generated deep concerns among American policy-makers. They responded by greatly expanding the role of U.S. foreign aid. The largest endeavors—the Truman Doctrine and the Marshall Plan—helped to rebuild Western Europe and shaped U.S. policy vis-à-vis the Soviet Union throughout the Cold War. Never before had federal economic and security assistance played so central a role in U.S. foreign relations.

While these transformative aid policies have become central to the memory of the Truman years, the administration’s smallest foreign aid initiative in terms of federal dollars—the so-called Point Four program—also had a tremendous impact on the ways in which the United States interacted with the rest of the world. Point Four was named after the fourth numbered course of action in what Truman called “our program for peace and freedom” in his 1949 inaugural address. It was a modest government program that sought to provide technical assistance for the economic development of “underdeveloped” areas of the globe—the emerging nations, many of them newly released from colonial control, of Africa and Asia, the Middle East, and Latin America. It was the first program of its kind undertaken by Washington. Past efforts at encouraging economic development, such as agricultural improvement policies and education reform in the Philippines in the early twentieth century, and the so-called Good Neighbor assistance to Latin America in the 1930s and 1940s, had been localized, ad hoc efforts. Point Four built on these disparate experiences and expanded the United
States’ developmental mission to the rest of the world. The program sought to use economic aid to meet the challenges of the early Cold War. Strong, liberal, open economies, according to the Point Four theorists, could provide markets for recovering European producers while also persuading citizens of developing nations—especially those in newly independent nations—that market capitalism and liberal democracy could better protect their interests and create abundance than could the autarchic, centralized command-economy model offered by the Communist world. Point Four explicitly married economic aid to grand strategy.

Point Four set the stage for the more aggressive and expensive programs of foreign assistance and nation building that were put in place during the 1950s and 1960s, when “modernization theory” was on the rise. The notion of economic development as a linear process that could be quantified, measured, and guided was an inchoate concept in the 1940s. During the Kennedy and Johnson years, however, efforts to modernize nations through a heavy influx of economic aid, expertise, and security assistance became central to U.S. Cold War foreign policy. A general set of principles guided this effort, as economic theory and social science research introduced schematic approaches and abstract models for using aid to transform entire societies. Intellectuals and policy-makers believed that foreign aid—given in the right amount, guided by the right kind of enlightened civil service, focused on the right sectors of the economy, and predicated on building the right kind of big infrastructure projects in the most strategically important nations—could engineer, in the end, what one historian has called “the right kind of revolution” worldwide. Modernization theorists believed they had found ways to make intelligible and to control the dynamic processes of economic expansion with a very visible hand.

By the early 1970s, however, many of the basic assumptions of this modernization theory had come under attack. Critics assailed existing models from a variety of viewpoints. Women, environmentalists, and Third-World intellectuals all found fault with the existing aid policies of the Western powers. These policies, they claimed, led to the degradation of the natural world, disempowered minority populations, and often favored strategic Cold War objectives over basic human rights and needs. It was also clear to these critics that rapid economic growth in the developing world, where it had been achieved, had not eliminated poverty. Data from the 1960s, the first decade in which modernization policies were fully embraced, showed that vast rural sections of the globe had been left behind. Nations across the world witnessed high growth rates during the 1960s, unprecedented material abundance, and a revolution in social
expectations. But these years also generated rising unemployment, stresses on natural resource stocks, staggering pollution, and widespread disappointment, dislocation, and enmity among the people in these countries. This frustrating experience gave rise to demands for new ideas.3

These experiences generated a renewed emphasis on smallness in U.S. foreign assistance policy and international development more broadly. Alongside the old goals relating to economic growth were new ones relating to community participation and the satisfaction of individual needs. National aggregate measurements, such as GDP, gave way to metrics of human development and ecological degradation. Also, the old emphasis on heavy federal funding and bilateral initiatives gave way to a renewed interest in the private sector, and a new reliance on multilateral development banks as key conduits for foreign aid. This change was not a complete transformation; rather, it was a shift in emphasis.

Scholars have created a framework for thinking about U.S. development policy that designates the 1970s as an era of crisis quite distinct from the previous period.4 It is clearly distinct from the years when modernization theory dominated foreign aid policy development in the 1960s, but the relationship of the 1970s to earlier postwar years is more problematic. On the one hand, there is no coherent narrative leading directly from Point Four to the modernization theory of the 1960s; on the other hand, there are deep similarities between Point Four foreign aid of the 1950s and the foreign aid policy that emerged from the period of criticism and change in the 1970s.

A shared set of principles undergirded both Point Four in the 1950s and the reform of modernization theory in the 1970s. In both periods U.S. policy-makers placed emphasis on public-private partnerships rather than aggressive, centralized state planning; in both periods officials stressed the value of small, local projects; in both periods policy-makers eschewed high economic theory for pragmatic policy design. The emphasis on smallness, the rhetoric of “self-help,” and a general belief that government should simply create conditions for private enterprise to thrive are common themes in U.S. foreign aid policy from the Point Four program to the present day, the years of modernization theory notwithstanding. The legacy of Point Four was to enshrine into government policy a set of principles of public-private cooperation, self-determination, and faith in liberal institutions that set the stage for the “crisis” years of the 1970s as much as for the ascendance of modernization theory. Paradoxically, then, Point Four contained within in it both the assumptions that led to modernization theory and the principles that would lead to the theory’s undoing and reform in the 1970s.
In the fourth point of his 1949 inaugural address, President Truman called for a “bold, new program” to redress the economic problems and political instability that plagued underdeveloped regions of the world. He envisioned an innovative policy to replace the “old imperialism,” which the president defined as “exploitation for foreign profit,” with a constructive project designed to develop foreign domestic productive capabilities. Economic growth in nations abroad, Truman thought, would foster global prosperity and stability. To nurture this process, Truman suggested that experts from the United States should share their “technical knowledge” with underdeveloped countries to create domestic environments in which a mixture of private capital, domestic leadership, and local labor could spark economic growth and improve standards of living. Under such a program, the United States would help “stir the peoples of the world into triumphant action, not only against their human oppressors, but also against their ancient enemies—hunger, misery, and despair.”

Though it was indeed bold and new for Truman to commit the United States to the development of the rest of the globe, policy precedents for the Point Four program date back to the nineteenth century. The earliest conceptual precedents were ad hoc agricultural exchange programs between Western Europe and the United States in the 1840s that shared scientific information and techniques. Programs of agricultural reform, piecemeal aid for infrastructure, and education reform in the Philippines at the turn of the twentieth century represented a more coherent approach for promoting development in a single nation, as well as an early instance of linking economic development to social change and political reform. Bilateral technical aid missions designed to offer American agricultural and economic consulting to many Asian and South American countries proliferated through the interwar years, as did programs that sent financial experts abroad to help strengthen economies during the years of “dollar diplomacy.” Regional efforts in Latin America expanded in the 1930s under the auspices of two creations of the Roosevelt years—the Institute of Inter-American Affairs (IIAA) and the Interdepartmental Committee on Scientific and Cultural Cooperation (ICSCC). Though each of these programs incorporated some of the components later employed under Point Four, they lacked the latter’s broad purpose, global scope, and federal coordination.

The most salient intellectual and policy precedents for programs of postwar relief, recovery, and development lay in the New Deal and World
War II. The Tennessee Valley Authority’s (TVA) program of dams, rural electrification, and community development provided a concrete example of how to raise standards of living in an impoverished region through methods consonant with democratic principles. TVA officials taught farmers how to increase crop yields, developed new fertilizers, laid new power lines, and constructed hydroelectric dams that used available water resources to provide power for the region. The TVA appeared to be a solution to many social, political, and economic problems. The TVA’s reliance upon government oversight, private investment, and technical expertise provided a powerful example of a large-scale technocratic undertaking that would one day shape thinking about economic reconstruction programs abroad.10

While large-scale infrastructure projects like the TVA became a central component of international development policy, and though Point Four officials lauded the benefits such projects could bring, in practice the Point Four program prized relatively small-scale projects. Point Four officials drew inspiration from one such type of project, called the servicio, which was based on a series of programs carried out in Latin America under the Institute of Inter-American Affairs (IIAA). The servicio operated as an exchange program whereby U.S. agricultural, health, or other scientific experts traveled to Latin American countries to help satisfy immediate relief concerns or basic needs. These experts taught local farmers and entrepreneurs how to use new agricultural equipment, offered new types of seeds, introduced new cultivation techniques, built new roads, and provided information for other similar projects. In return, the United States maintained access to raw materials from potentially unstable areas that were vital to its national security, such as rubber from Brazil.11

In the servicio model, American government officials worked collaboratively with private investors and academic experts throughout Latin America. Rarely did the United States government itself undertake actual development projects; American experts instead used government funds to promote projects that would cultivate an ethos of self-help in the host countries. Moreover, the point of the servicio was not to allow American officials and private investors to exploit foreign lands for profit—that would represent the “old imperialism” that Truman deplored in his 1949 inaugural address. Rather, the servicio proposed to train local government officials and entrepreneurs to encourage a collective philosophy of self-reliance that would encourage future development independent of ongoing foreign investment. This model of technical assistance based upon national self-help also appeared in the 1946 Philippine Rehabilitation Act.12

This approach came to shape many aspects of the Point Four program. Officials crafting the Point Four initiative stressed that “modest but well-
Stephen Macekura

designed projects were more likely to succeed than were large, ambitious ones. According to one State Department official, the servicio offered “good opportunities for close understanding, cooperation, and integration” with foreign communities. Henry Bennett, the former president of Oklahoma State University chosen to lead Point Four, celebrated such small-scale educational activities that married local needs to American expertise. Bennett described how Point Four officials were successfully adopting the servicio model in their own work:

A community in Chile recently celebrated the completion of a sewage system, built with the help of a young American sanitary engineer. . . . They [the American technical advisers] are helping to set up clinics among people deep in the jungle who have never known medical care. They are training nurses and midwives, who, in turn, are teaching women how to bear and raise healthy children. . . . They are showing the advantages of improved seed, contour plowing, of crop rotation, and of growing legumes to enrich their soil. They are helping the people to organize farm extension services and 4-H Clubs.

Point Four officials demonstrated how limited aid activities could spark material improvements in living conditions. They often emphasized the dual tenets of “know-how and show-how.” If their teaching methods sometimes veered toward a denigration or outright rejection of indigenous ways of knowing, local custom, and generations of accumulated knowledge, they usually recognized the problems of such an approach and the limitations inherent in any effort to engineer social change in a foreign country. “Assistance and encouragement from abroad can help,” a State Department report claimed of Point Four, “but real achievement must depend fundamentally upon the will and determination of the people and the government involved.” While officials hoped and believed many nations would turn to U.S. aid to help them realize an increasingly normative goal of a high standard of living together with a healthy level of industrial development, they acknowledged that imperious, top-down, coercive tactics would not get far. Christian Herter, a congressman from Massachusetts and future secretary of state, noted in 1950 that Point Four “is not a program we can impose or should try to impose on anyone,” and encouraged the administration to let nations request projects from the United States, not the other way around.

Out of such sentiments came a consistent rhetorical and policy emphasis on self-help. “Self-help” implied that the United States offered technical advice to promote indigenous development that could continue indefi-
President Harry S. Truman’s foreign aid programs for East Asia played a pivotal role in U.S. foreign policy in the postwar world. U.S. foreign aid enabled Japan, China (pre-1950), and Taiwan (post-1949) to engage with the United States in the Cold War against the Soviet Union and its allies. In Japan and Taiwan, it also helped bring about political and economic reforms that laid a foundation for an extended period of stability and prosperity. Truman’s aid policies resulted in the demilitarization and democratization of Japan and, by neutralizing the Taiwan Strait, stopped the Chinese civil war before the last great battle—the battle for Taiwan—could be fought. In retrospect, Truman’s foreign aid policies in East Asia not only significantly contributed to shaping the character of the Cold War, but helped create conditions that would keep the Cold War from ever turning into a new world war.¹

Truman’s policies toward Japan had the effect of marginalizing Japan within the context of East Asian international politics. Germany, in contrast, quickly became and remained crucially contested territory between the two great power blocs in Europe.² The legacy of Truman’s foreign policies in Japan was political stability and economic prosperity, conditions that helped make Japan a quiet corner of an otherwise noisy and threatening East Asia. Japan never featured prominently in the rivalry between the superpowers in East Asia.

Note on transliteration: Except within quoted material, Chinese names of persons, places, organizations, and publications are Romanized according to the Hanyu Pinyin system. Within quoted material, the Romanization system used in the original document or publication is retained, usually with the Pinyin equivalent added in brackets, as “Chiang Kai-shek [Jiang Jieshi].”
In the years 1947 to 1953, the Truman administration’s aid to the Republic of China (ROC) had the effect of disengaging both the ROC and the new People’s Republic of China (PRC) from their civil war and thrusting them into the Cold War struggle. Although the PRC gave up its plans for an amphibious invasion of Taiwan in 1950, its presence in East Asia turned this new Cold War battlefield into an odd buffer between the United States and the Soviet Union. The PRC stood in the middle, between the two superpowers, thus helping to ensure there would be no military confrontation. The Cold War in East Asia remained cold, at least in part because of the PRC.

During the early years of the Cold War, the alliance between Beijing and Moscow was the cornerstone of the Communist alliance system. Yet beginning in the late 1950s, because of complicated domestic and international factors, the Sino-Soviet alliance began to crack apart. In addition, a polemical ideological debate between the PRC and the Soviet Union following Stalin’s death in 1953 helped to weaken the bonds between the two countries. The mutual hostility reached a new peak in 1969 when two bloody clashes occurred on the Sino-Soviet border. Reportedly, Soviet leaders considered using a preemptive strike against the PRC. Moscow’s threats motivated the PRC to make a rapprochement with the United States. All of this paved the way for President Nixon’s historic visit to China in 1972.

This paper offers a Chinese Communist perspective on the impact of Truman’s foreign aid to the ROC during the period of 1947 to 1952. It looks into the relatively neglected Cold War propaganda of the Chinese Communists who fought against the ROC in mainland China in the period of 1946 to 1949. Although Chinese Communist leaders watched angrily as the Truman administration increased its aid to the ROC, they were able to use the American involvement in China to mobilize the Chinese masses and to undermine the ROC war effort. As recently available Chinese documents—including documents from Chinese Party archives, PRC archives, and the papers of key leaders—show, Mao Zedong, the chairman of the Chinese Communist Party (CCP), used propaganda to change the perceived character of the civil war from one between two Chinese sides to one between the Chinese Communists and “U.S. imperialists and their puppets.” The newly available documentation provides a solid foundation for an analysis that clearly defines the foreign policy of the CCP and clarifies the reasons for the deterioration of the relationship between the Chinese Communists and the United States. The analysis presented in this paper will show that the aid that the Truman administration gave to the ROC hardened the division between it and the Chinese Communists and created the circumstances that resulted in
It is in the interest of each American that there be a far greater measure of well-being in other lands. Other countries must be able to produce and procure from us and each other those things which will enable their people to have the food, health, and housing necessary to maintain economic and political stability.

President Harry S. Truman, in a letter to the chairman of the House Committee on Foreign Affairs urging enactment of the Foreign Assistance Act, March 25, 1950

Mark Twain is credited with saying that “history does not repeat itself, but it does rhyme.” This whimsical proverb most certainly applies to the foreign policy and national security challenges of both Harry Truman and Barack Obama. Perhaps the best way to demonstrate this is by posing a question: Which president of the United States came to office and early on had to wrap up one war and push another into its final stages; relieve a high profile general while in the midst of conflict; charge a secretary of defense with making deep cuts to the Pentagon budget; stand accused by critics in Congress of using the military to promote social policy; and deal with a Europe in a crisis in which Greece figured prominently? Of course, each of these challenges faced both Presidents Truman and Obama. Likewise, for both Truman and Obama there was a need to balance a focus on Europe with the need to pivot toward emerging challenges in Asia. Each also experienced pressure from those on both sides of the Atlantic who felt that such a shift to Asia ignored the primacy of the relationships between the United States and Europe. Indeed, both presidents also learned how to manage the...
NATO alliance—albeit one during the alliance’s infancy and the other as it struggled with a dynamic strategic landscape that had, for some, eroded its raison d’être.

Historians of U.S. foreign policy and the presidency will undoubtedly write one day of the similarities in context, style, and substance of the Truman and Obama administrations. There is already a case to be made, perhaps to a degree not yet realized by the public, that the national security policies of the current administration have been and are being shaped by people who have been influenced by the “progressive” defense policy symbolized by the Truman administration—specifically by the perceived ability to develop a robust defense establishment without forsaking the domestic agenda of the Democratic Party.¹ Both Truman and Obama shared a felt need for continued and sustained international leadership abroad, and they shared too a belief that Congress should give bipartisan support for their foreign and defense policies. Both presidents, though, learned that such bipartisan support would be hard to get from a Congress fractured by partisan divides regarding the nature of U.S. domestic and foreign policy.²

In considering the efforts of the Truman administration in terms of its foreign aid strategies and their “lessons” for today, I will address two broad themes: First, the context within which Truman and his administration developed their strategy; and second, the nature of these programs as part of a larger “war of ideas” designed to challenge the Marxist-Leninist doctrines espoused by the Soviet state. It’s important to consider the political contexts within which Truman and Obama engaged in the global arena. They are not quite analogous, but posed some similar challenges to each leader. For Truman, there was not only the specter of four years of global conflict, but also the shadow of Franklin Delano Roosevelt, a brilliant leader who had led the nation through both domestic and international turmoil. For Truman, breaking with the past could pose political challenges but would be a necessity as the United States shifted its focus from the threat posed by fascism to that posed by Communism. President Obama similarly faced a challenge posed by years of war and the legacy of the previous administration. But for Obama it was a deliberate and public break with most of the tenets of the Bush administration foreign policy that was the preeminent theme of his 2008 presidential campaign and a driver of his administration’s policies during the first term in office.
Like most U.S. leaders, President Truman was shaped not just by his own experience but the collective experience of the nation—most notably by the end of World War II and the country’s sense of its proper role in the world. In other words, there was not just an objective assessment of how to maximize U.S. power and maintain our national security, but a subjective (if not emotional) judgment about what a country fatigued by years of war, preceded by an even longer period of economic depression, could do to defend itself. A foreign policy responsive to the national desire to sit on the sidelines following the defeat of Germany and Japan was easily more popular than one espousing the idea that the United States had a continuing global role to play. As Assistant Secretary of State Dean Acheson said to a public audience in November 1945, “I can state in three sentences what the ‘popular’ attitude is toward foreign policy today: 1. Bring the boys home; 2. Don’t be a Santa Claus; 3. Don’t be pushed around.” No doubt the same can be said for public sentiment about American foreign policy today when the country is again tired of war and uncertain about its economy. Likewise, just as during the period after World War II, the United States today is faced with the desire to focus on the home front, but the reality is that it cannot disengage from the world.

At the end of 1945, most of Europe lay in waste, with tens of millions killed or displaced, the economy in ruin, and the infrastructure shattered. The physical and human destruction caused General George Patton to remark after flying over Germany in 1945, “You who have not seen it do not know what hell looks like from the top.” It did not take much time for the Truman administration to make the connection between the need to rebuild Europe’s productive capacity and stabilize its national economies, and the ability to counter the human and political pressures that were allowing Communist ideology to gain adherents across the continent, particularly in southern Europe. When Secretary of State George C. Marshall spoke at Harvard University in June 1947, he emphasized how damaged Europe was and concluded that Europe’s requirements for basic needs were so much greater than its capacity to produce goods and services that it would require “substantial additional help or face economic, social, and political deterioration of a very grave character.” In what would come to be known as the Marshall Plan, the United States proposed to remedy this situation and restore the confidence of the European people in their own...
THE FOREIGN AID LEGACY OF HARRY S. TRUMAN
A Graphic Essay Based on the Holdings of the Harry S. Truman Library

Raymond H. Geselbracht
In his first speech as president, given four days after the death of Franklin D. Roosevelt, Truman foreshadowed the important foreign aid initiatives that would come later in his presidency. The bitter experience of war weighed heavily on him, and he knew people all over the world felt as he did. He said that the nations of the world, unless they wanted to suffer future wars, must be “united in their determination to keep the peace under law.” He called for the creation of “a strong and lasting United Nations Organization” and promised to find a “new passage to a far better world, a kindly and friendly world, with just and lasting peace.” Truman went further than the sentiments expected from a new president and made an argument that would later serve as a justification for an important departure in U.S. foreign policy. “We have learned to fight with other nations in common defense of our freedom,” he said. “We must now learn to live with other nations for our mutual good. We must learn to trade more with other nations so that there may be—for our mutual advantage—increased production, increased employment and better standards of living throughout the world.” Despite his narrow emphasis on trade, Truman was more importantly linking the security of the United States to improved economic conditions and living standards everywhere in the world. This assumed relationship between peace and what the foreign aid community would later call “development” was given increased urgency by a Cold War that did not exist in April 1945 and would later be used to justify the Truman administration’s increasing use of foreign aid as an instrument of U.S. foreign policy.1

Just before Truman left for Germany to meet with Joseph Stalin and Winston Churchill at the Potsdam Conference, four senators just back from a trip to Europe came to share with him the disturbing things they saw there and the terrible worries they had regarding the future shape of that continent. Truman thought their whole presentation overdone. After the senators left, he wrote a personal memorandum in which he mocked their naive fears that Europe was finished and that “Russia is a big bad wolf.”

It would take time and a good deal of hard experience before Truman changed his mind about the condition of Europe and the true purposes of the Soviet Union in the postwar world.
The President
The White House
Washington, D. C.

Dear Mr. President:

We have completed your instructions to survey the principal nations affected by food shortages which have resulted, or may result, in widespread famine; to evaluate the minimum needs of these areas until the next harvest; and to discover such additional food resources as possible. In accordance with your instructions, we have also presented the American point of view on the food problem to these nations and the interest and understanding of our people in their plight. Finally, we have constantly advised American officials and the American public as to the situation as we found it.

We have traveled some 35,000 miles, visited twenty-two countries which have a deficiency of food, and informed ourselves of the situation in several others. The only country of large reported deficiency we did not visit was the Union of South Africa. We visited five self-sufficient or surplus countries and informed ourselves of the situation in other consequential surplus nations.

The dominant need of the world in this crisis is cereals, particularly wheat and rice. There is great need of full and special food for children, but as cereals can furnish 68 per cent of an emergency diet, we considered cereal requirements the first concern, and the best indicator. If a foundation of bread can be assured, and as much fat and children's food as possible, mass starvation can be prevented.

At the time of our departure, the Combined Food Board's estimate of the available cereal supplies from surplus countries showed a deficit as compared with stated requirements of 11,000,000 tons, or 68 per cent.

We wish to express our especial appreciation of the unfailing aid and courtesy of the Secretaries of Agriculture, State, and War, and the American officials abroad. We are also deeply indebted to Generals George and Fairly of the Air Transport Command, their efficient crews, and for their provisions for our comfort and safety.

Yours faithfully,

[Signature]
On April 26, 1945—two weeks after he became president—Truman met with the director of the Bureau of the Budget, Harold Smith.

[We] took up the proposed Lend-Lease appropriations concerning which I had already had a talk with Leo Crowley, administrator of the Foreign Economic Administration. The amount suggested by [Harold] Smith was slightly below that of the previous year, one reason being that resistance to Lend-Lease was growing in Congress. This was fostered by the isolationist bloc, which grew bolder as victory in Europe approached. The country was being flooded with isolationist propaganda under various guises, and many of us were apprehensive lest the isolationist spirit again become an important political factor. Under broad interpretations of what constituted material, however, some supplies were diverted to civilian use and industrial rehabilitation, and this became one of the targets at which the critics aimed.

Editorial Note: Omissions are indicated by ellipses; additions to the text—to identify someone or to clarify—are placed in brackets; minor changes to spelling or punctuation have been made without notice. Editorial summaries are in italics.
The original Lend-Lease Act was introduced in the House of Representatives and Senate on January 10, 1941. After hearings and debate, it was passed by both branches and signed by President Roosevelt on March 11, 1941. Thereafter it was extended twice, and on April 17, five days after I had become president, I signed the third extension. . . . Smith recalled that a Republican-sponsored amendment which would have prohibited the president from contracting for use of the Lend-Lease program for postwar relief, rehabilitation, or reconstruction had resulted in a 39–39 vote, and that I, as vice president, had cast the deciding vote which defeated the amendment. . . .

I understood that if we were to use Lend-Lease funds for rehabilitation purposes we would open ourselves to a lot of trouble with the Senate. However, Leo Crowley also recognized this fact and had suggested that a better way to handle rehabilitation would be to enlarge the Export-Import Bank so as to make funds available for that purpose and also to encourage more use of the International Bank. I explained Crowley’s suggestion to Smith, with whom I then discussed the problem of making unilateral loans to foreign countries. Such loans . . . would lead to repercussions at home and might cause Allied suspicion of our moves. They might even provide Russia with an excuse, if she needed one, to undertake unilateral arrangements of her own. For these reasons I was opposed to unilateral action in any field. Loans to some countries, however, were so essential to their survival that I felt it necessary to make them even at some risk that they would not be fully repaid.

When the war in Europe came to an end on May 8, 1945, the administrators of Lend-Lease considered how to end this wartime measure.

Leo Crowley, [administrator of the] Foreign Economic [Administration], and Joseph C. Grew, acting secretary of state, came into my office . . . on May 8 and said that they had an important order in connection with Lend-Lease, which President Roosevelt had approved but not signed. It was an order authorizing the FEA and the State Department to take joint action to cut back the volume of Lend-Lease supplies when Germany surrendered. What they told me made good sense to me; with Germany out of the war, Lend-Lease should be reduced. They asked me to sign it. I reached for my pen and, without reading the document, I signed it.

The storm broke almost at once. The manner in which the order was executed was unfortunate. Crowley interpreted the order literally and placed an embargo on all shipments to Russia and to other European nations, even to the extent of having some of the ships turned around and brought back to American ports for unloading. The British were hardest
hit, but the Russians interpreted the move as especially aimed at them. Because we were furnishing Russia with immense quantities of food, clothing, arms, and ammunition, this sudden and abrupt interruption of Lend-Lease aid naturally stirred up a hornet’s nest in that country. The Russians complained about our unfriendly attitude. We had unwittingly given Stalin a point of contention which he would undoubtedly bring up every chance he had. Other European governments complained about being cut off too abruptly. The result was that I rescinded the order. . . . It was perfectly proper and right . . . to plan for the eventual cutting off of Lend-Lease to Russia and to other countries, but it should have been done on a gradual basis, which would not have made it appear as if somebody had been deliberately snubbed. . . .

With this situation in mind, I clarified the government’s attitude. In a press and radio conference on May 23, I explained that the order behind Crowley’s action was intended to be not so much a cancellation of shipments as a gradual readjustment to conditions following the collapse of Germany. I also made it clear that all allocations provided for by treaty or protocol would be delivered and that every commitment would be filled. . . .

The Russians were always inclined to be suspicious of every action taken by either Great Britain or the United States. . . . The sudden stoppage of Lend-Lease gave the Russians another chance to accuse the United States of trying to interfere with a three-power approach to peace at their expense. . . . The British also showed immediate signs of anxiety over the prospect of diminishing assistance from the United States after [Victory in Europe] V-E Day. The chief point in the British arguments for continuation of Lend-Lease was based on a conversation between Prime Minister Churchill and President Roosevelt at their Quebec meeting on September 14, 1944. At that meeting, although President Roosevelt generalized on the willingness of the United States to give all possible aid to the British after Germany was overcome, he made no specific commitments other than those contained in the Lend-Lease Act. He and Churchill agreed, however, to set up an American committee . . . to consult with a British committee on the international financial position of Great Britain and the Lend-Lease arrangements for the empire.

The British addressed an appeal to this committee, arguing that projected Lend-Lease appropriations would not cover Britain’s needs. In addition to this appeal, Prime Minister Winston Churchill on May 28 sent a telegram to Truman in which he asked that his agreement with President Roosevelt be honored and that Britain’s needs be met.

Three days after he received Churchill’s message, Truman got a letter from five
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President Harry S. Truman once said that if he were remembered for anything, it would be for his foreign aid programs. Despite the fragmented appearance of the Truman administration’s various foreign aid programs, they were all inspired by a clear policy “to assist free peoples to work out their own destinies in their own way,” and with the clear purpose of helping create conditions throughout the world compatible with American values and interests. From the Marshall Plan to the Truman Doctrine to the Point Four program, this volume explores the legacy of Truman’s institutionalization of foreign aid as a central feature of American foreign policy. Truman’s idea that the United States should assist underdeveloped or developing countries to build up their economies is an enduring legacy that shapes United States foreign policy to the present day and beyond.