

Shadows in Asia: John Foster Dulles and the Perpetual Failure of U.S. Development Policies

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RESÜMEE

John Foster Dulles gilt nicht gerade als Befürworter einer aktiven amerikanischen Politik der Entwicklungskooperation. Diese Interpretation, so der Beitrag, bedarf einer Korrektur. Fragen der Entwicklungskooperation bewegten den amerikanischen Außenminister sehr wohl. Dies galt insbesondere mit Blick auf Asien. Der Beitrag beschäftigt sich mit seinen Vorstellungen über Entwicklung und Entwicklungspolitik, die sich an den Reformimpulsen Woodrow Wilsons und zeitgenössischen Überlegungen zur Rolle von Entwicklungspolitik im Kalten Krieg orientierten. Untersucht werden die Diskrepanz zwischen Rhetorik und politischem Handeln, die Zwänge des amerikanischen politischen Systems und die Bedingungen, unter denen eine damals noch experimentelle Entwicklungspolitik überhaupt möglich waren.

Between the idea
And the reality
Between the motion
And the act
Falls the shadow.
T. S. Eliot, *The Hollow Men*

T. S. Eliot, John Foster Dulles, and “development”: an odd combination? Can a poet join a U.S. secretary of state often associated with simplistic Cold War blustering to tell us something about one of the most complex of modern global issues? Yes. Eliot’s vocabulary and imagery (“hollow men” traversing “wasteland,” etc.) actually communicate all too well some of the tragic features of the 20th century – including those

generated by the political and international currents swirling around his troubled individuals. The notion of a “shadow” falling between “idea” and “reality” is certainly relevant to one of the key themes in scholarship concerning “development”: the almost constant gap between rhetoric and action, between promises and delivery. Consider Gilbert Rist’s elegant, historically sensitive explorations of the tension between pretensions and performance. On one hand, he cites a “collective hope of improving the conditions of life of the majority of mankind” through the encouragement of economic growth and equity – and recognizes that it is “mostly sincere.” On the other hand, however, there are “distinctive practices” as opposed to “feelings,” generating a functional definition that veers in a very different direction: “‘Development’ consists of a set of practices ... which require ... the general transformation and destruction of the natural environment and of social relations. Its aim is to increase the production of commodities (goods and services) geared, by way of exchange, to effective demand.”¹ Consider, as well, the powerful elaborations on an altruism / self-interest dichotomy offered by scholars like Arturo Escobar, Nils Gilman, and Wolfgang Sachs (with crucial indebtedness to Karl Marx, Michel Foucault, Edward Said, V. Y. Mudimbe, Juergen Habermas, and Michael Adas). Their landmark treatises have helped make it impossible to ignore the way the history of “development” has been perpetually plagued by arrogance and greed – in tandem with the impulse to control and homogenize.²

To turn to John Foster Dulles is to turn to a high-level policy maker whose calculations, actions, and inactions help illuminate the shadowed terrain of “development.” In spite of images that have often suggested otherwise, his perceptions of economic and geo-political currents had much in common with those of policy-making successors (and predecessors) in Washington. His sense of the importance of “development,” for example – and the reasoning behind his appraisal – means that the 1950s fit comfortably and revealingly within a long chronological continuum. This is also true with respect to Dulles’s impulses regarding appropriate responses. Though his precise approaches evolved through the years of Eisenhower’s presidency (nudged by accumulated experience), policy preferences reveal patterns and priorities of relevance far beyond this particular secretary of state’s tenure: e.g., the clear tendency to deliver much less than either altruistic or “Cold War” rhetoric implied.

Nudged by T. S. Eliot’s imagery, then, this article will use John Foster Dulles’s approach to “development” in Asia as a test case for exploring over-arching themes and controversies. Beginning with an overview of the 1950s policies that demonstrate Dulles’s engagement, it will move on to suggest the deep and complex roots of his interest before concluding with a discussion of longer-range and problematic implications.

1 Rist’s superb study was originally published in French. The quotations used here are from the English translation: Gilbert Rist, *The History of Development: From Western Origins to Global Faith*, London 2002, 13, 19-20.

2 Arturo Escobar, *Encountering Development: The Making and Unmaking of the Third World*, Princeton 1995; Wolfgang Sachs, *The Development Dictionary: A Guide to Knowledge as Power*, London 1992; Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America*, Baltimore 2004.

I.

Even now, after extensive re-examination of John Foster Dulles's role in the 1950s, it might still seem somewhat surprising that the secretary of state associated with massive retaliation, brinkmanship, and "pactomania" had an intensive interest in "development" issues. In fact, however, related problems and opportunities engaged his attention from the very beginning of his tenure – and he played a central role in the Eisenhower administration's nurturing of innovative policy initiatives, very much including those targeting Asia. There are many reasons to question the effectiveness or sufficiency of the U.S. efforts he helped to design and administer on this front (which is equally true, of course, for the efforts of others in succeeding decades), but there is no real justification for doubt regarding interest and activism.

Dulles's first extensive journey as secretary of state, for example, saw him spending three weeks in the Middle East and South Asia in May 1953. None of his predecessors had visited these regions while in office and Dulles believed it was "high time" to signal the new administration's determination to make a "fresh start." From Turkey "all the way around to Japan and Korea," he told the Senate Foreign Relations Committee, "all the areas are soft. They are full of all sorts of troubles" that required urgent attention.³ It quickly became clear that "development" was one of the most pressing concerns, figuring constantly in Dulles's discussions as he moved through Egypt, Israel, Jordan, Syria, Lebanon, Iraq, and Saudi Arabia.⁴ This was equally the case in India and Pakistan. Having arrived in New Delhi on the early morning of May 20, for example, Dulles stopped only to lay a wreath at the Gandhi Memorial and to make a quick initial courtesy call on Prime Minister Nehru before moving into an extended meeting with the Indian Planning Commission. Pointing out that the new U.S. administration supported the latest five-year plan, he

*explained that in order to obtain appropriations from Congress for foreign aid, he and others in his group wished to learn as much as possible regarding [the] actual working of [the] plan to justify American help.*⁵

When he moved on to Karachi on May 22, discussions with Prime Minister Mohammed Ali immediately echoed this. Nagging India-Pakistan tensions were placed into a specific "development" context, for instance, when Dulles said he had "told Nehru that it was difficult for the U.S. to justify the giving of economic aid when the economies of both

3 Executive Sessions of the Senate Foreign Relations Committee (Historical Series), (Washington D.C., 1977), April 29, 1953 (this series will hereafter be cited as FRCX). Relevant sources on "Dulles revisionism" include Richard Immerman, ed., *John Foster Dulles and the Diplomacy of the Cold War*. Princeton, N.J. 1990) and Ronald W. Pruessen, *John Foster Dulles: The Road to Power*, New York 1982.

4 The U.S. Department of State's published records of Dulles's Middle East and South Asian trip provides a valuable overview of many discussions: *Foreign Relations of the United States*, 52-54, IX, 1-167.

5 *Ibid.*, 113.

India and Pakistan were being dragged down by the maintenance of military establishments made necessary by the possibility of hostilities over Kashmir.”⁶

Such South Asian interests were reiterated – and then expanded – after Dulles returned to Washington. His testimony to the Senate Appropriations Committee regarding the Eisenhower administration’s first Mutual Security Program requests was clear in this respect. Citing the desirability of meaningful U.S. aid, he said

Both India and Pakistan have shown initiative in undertaking programs for economic development, despite the very limited resources at their disposal. Economic progress is demanded by the people in these new nations and the survival of free governments in them depends on whether such progress will take place.

In East Asia, as well, the secretary of state argued, the U.S. was seeking to “develop internal stability and strength.” Japan in particular, he said,

*possesses the most advanced industry and the greatest reservoir of technical skills and commercial experience. She is in a position to contribute substantially to the strengthening of the free nations of the Pacific and to the raising of living standards in the area.*⁷

As Dulles began, so he continued. By mid-1954, replying to a proposal for a “World Economic Policy” from C. D. Jackson (a Time-Life executive who had become something of an Eisenhower confidante), the secretary of state clearly sketched his over-arching concerns:

*I have become personally convinced that it is going to be very difficult to stop Communism in much of the world if we cannot in some way duplicate the intensive Communist effort to raise productive standards. They themselves are increasing their productivity at the rate of about 6% per annum, which is twice our rate. In many areas of the world such as Southeast Asia, India, Pakistan, and South America, there is little, if any, increase. That is one reason why Communism has such great appeal in areas where the slogans of “liberty”, “freedom” and “personal dignity” have little appeal.*⁸

Specific new proposals soon followed, if not on the scale that Jackson was urging. Dulles arranged presidential approval for an interdepartmental committee whose report urged a “bold, far reaching initiative” – and then worked to at least begin moving in that direction. Harold Stassen (Director of the Foreign Operations Administration within the Department of State) was allowed to pledge an expansion of U.S. aid to Asian countries at the October meeting of the Colombo Plan, for example. Dulles also pressed his de-

6 Ibid., 122.

7 The Importance of the Mutual Security Program to Our National Security, in: Department of State Bulletin, July 20, 1953, 88-92.

8 John Foster Dulles to C. D. Jackson, August 24, 1954, C. D. Jackson Papers, Dwight D. Eisenhower Library (Abilene, Kansas). (The Eisenhower Library will henceforth be identified as EL.)

partmental agenda in a way that helped produce Treasury Secretary George Humphrey's November announcement of U.S. support for the creation of an International Finance Corporation (IFC) – a projected affiliate of the World Bank that would facilitate local currency loans to private investors.⁹

Such steps suggest a clear gathering of momentum in late 1954 and both Dulles and Eisenhower soon gave signals about yet other initiatives. In the spirit of the Colombo Plan and IFC announcements, the secretary of state alerted Congressional leaders to his interest in devising a program for “stimulating economic development in underdeveloped countries” – and the president then used a December press conference to announce plans for a special fund specifically targeting Asian needs on this front.¹⁰ By January, a Department of State committee was suggesting an initial appropriation of \$200 million for what came to be called the “Asian Development Loan Fund” (ADLF). By April, Dulles was testifying on behalf of the proposal before the Senate and House committees reviewing all of the administration's Mutual Security Aid proposals.

Neither he nor the ADLF concept had an easy time of it. On one hand, the secretary encountered a by now standard cast of doubters and critics. Senator William Knowland (R-CA) complained about plans to include India among aid recipients, saying “it would be bad if the impression got around the world that we reward neutralism” – to which Dulles responded that “We are not awarding gifts for policies we dislike; we are simply trying to prevent India from moving towards Communism.” When others expressed concern about the potential lavishness of U.S. spending, he emphasized the modesty of a program that was not trying to duplicate the Marshall Plan: “This fund is a pump priming allocation,” he said at one point, “... not a grant operation [but] a matter of getting certain things underway.”¹¹ On the other hand, the end result of the tangles with Congress proved all-too-typical of the pattern that would hold throughout the Eisenhower years. More than half a billion dollars was cut from the administration's request – approximately 15 % – with the appropriation for ADLF being chopped in half (down to \$ 100 million).¹²

Such Congressional behavior did not prevent substantive executive branch movement on the aid and development front, however. Dulles – and others within the Eisenhower administration – proved determined to conceptualize and begin implementing initiatives that would be relevant across the breadth of Asia. Early attentiveness to Japan and Southeast Asia never weakened, for example. Dulles's 1950–52 work on the Japanese Peace Treaty had given him a particular interest in encouraging a productive linkage

9 A fine overview of the complicated aid, trade, and development terrain is provided in Burton I. Kaufman's *Trade and Aid: Eisenhower's Foreign Economic Policy, 1953–1961*, Baltimore 1982. For the 1954 initiatives with which Dulles was involved, see pp. 34–57.

10 Kaufman, *Trade and Aid* (note 9), 52–54 – and for Dulles's efforts to prepare Congressional leaders, see the minutes of the Bipartisan Leadership meetings, November 17, 1954 and December 13, 1954, “Legislative Meetings, 1953–1955,” Whitman Files, EL.

11 Kaufman, *Trade and Aid* (note 9), 54–55; Dennis Merrill, *Bread and the Ballot: The United States and India's Economic Development, 1947–1963*, Chapel Hill 1990, 111–117.

12 Kaufman, *Trade and Aid* (note 9), 54–55; Merrill, *Bread and the Ballot* (note 11), 116–117.

between the industrial capacity of the defeated enemy and the markets and raw materials of formerly colonial territories.¹³ It was freely admitted, however, that such a linkage would require the nurturing of Southeast Asian enterprise – which led to a range of mid-1950s efforts like the encouragement of mining and other raw materials development projects involving Japan, Thailand, and the Philippines and assistance in the negotiation of Japanese “reparations” agreements with Southeast Asian countries designed to jump-start useful trade patterns.¹⁴ South Asia offers abundant examples of concern and action as well. Dennis Merrill’s fine study of the U.S. role in India’s economic advancement details the many programs that continued even in the face of curtailed funding: by 1956, there were two hundred people working within the Technical Cooperation Mission that was housed within the U.S. embassy in New Delhi and its “Community Development Project” alone helped finance payments “for fertilizer, seed, jeeps, wireless radios, crop sprayers, well-drilling and irrigation equipment, and other basic supplies.”¹⁵ Nor did concern for Capitol Hill resistance keep Dulles from conceptualizing yet additional initiatives. Even before the end of 1955, he was urging steps that would provide greater “flexibility” and “continuity” in U.S. efforts – in particular, “the organization of an institution with substantial capital to make ‘soft’ loans as a sort of equity behind World Bank ‘hard’ loans.” What he had in mind was a request for Congressional authorization

*to use not more than 100 million dollars a year for 10 years for ‘soft’ local currency loans... The net result ... would be to enable the Administration to undertake long-term projects aggregating in value one billion dollars.*¹⁶

A Dulles visit to India the following March also helped to spark new thinking. Ambassador John Sherman Cooper had crafted a proposal to significantly expand U.S. support for the country’s development and the secretary tasked a Department of State study group with assessing possibilities to include in the president’s annual Mutual Security recommendations. Although Cooper would have been disappointed at the less than dramatic nods to his ideas, Eisenhower’s overall recommendations (sent to Congress in April) did reveal signs of the movement being urged by Dulles and others: an additional \$1.4 billion was requested, with increased attention to economic as opposed to military aid evident in the call for restoration of more generous funding for ADLF and the creation of a “President’s Emergency Fund.” While Congress again proved difficult, refusing

13 Pruessen, Dulles: The Road to Power (note 3), Chapters 16-17.

14 See, for example, the fine study by William S. Borden, *The Pacific Alliance: United States Foreign Economic Policy and Japanese Trade Recovery, 1947–1955*, Madison, WI 1984, 178-179, 193-195, 203-205 and passim.

15 Merrill, *Bread and the Ballot* (note 11), 121.

16 “Memorandum of Conversation at Luncheon,” December 8, 1955, “Meetings with President, 1955” folder, John Foster Dulles Papers, Seeley G. Mudd Library, Princeton University. (The John Foster Dulles Papers will hereafter be referred to as DP.)

two thirds of the additional funding request, 90% of the cuts required in administration plans came from military assistance.¹⁷

The pattern set in the first Eisenhower administration continued through the second: Dulles remained steadily engaged in efforts to expand U.S. development initiatives in Asia (and elsewhere), regularly using his key leadership position to steer ideas around sometimes doubting colleagues. In 1957, this meant advocacy on behalf of a “Development Loan Fund” (DLF). Dulles vigorously urged a significant expansion and broadening of 1955’s Asian Development Loan Fund, arguing that

*You have to achieve a certain minimum speed to take-off. It would not be prudent to invest our resources in development programs which are too small to offer any hope of achieving a self-sustaining rate of growth.*¹⁸

He also worked with the president to organize a high-profile public relations campaign to encourage grass roots support for foreign aid initiatives in general. One of his personal contributions to public discourse became an emphasis on the domestic economic value of loans, grants, and global development. At least three-quarters of “foreign” aid was spent in the U.S., he argued, providing employment to perhaps as many as 600,000 Americans. “To cut these funds would be to cut employment here at home.”¹⁹

By 1958, Dulles went to Congress to request an additional \$625 million in funding for the Development Loan Fund. This was three times greater than the sum requested for the ADLF just three years earlier – indicating how far and how quickly his “development” interests had grown. At the same time, the secretary of state also lent his support to a campaign to study the creation of what would become known as the International Development Association (IDA), intended to become an affiliate of the World Bank with a capacity to offer low-interest loans repayable at least in local currencies. He also supported an augmentation of U.S. contributions to the United Nations’ Technical Assistance Program.²⁰

II.

Why did “development” figure regularly in John Foster Dulles’s agenda of priorities during the 1950s?

Some might be tempted to touch base quickly with the question of motivation and rationale. Isn’t it relatively obvious, after all, that a famous Cold Warrior like Dulles would have turned to an interest in development because of the implacable struggle against international communism? In fact, however, the sources of this secretary of state’s interest are more complex than this. Dulles’s concern had deep roots that *predated* the Cold

17 Merrill, Bread and the Ballot (note 11), 127-128.

18 U.S. Congress, Senate, Foreign Relations Committee, Hearings: Mutual Security Act of 1957, 7.

19 Quoted in Kaufman (note 9), Trade and Aid, 136.

20 Ibid., 141-143.

War – and an appreciation for those deep roots can enrich our understanding of both the complexities of the 1950s *and* the overarching span of the post-World War II U.S. approach to “development.”

To point to tangled roots does not for a moment mean that the Cold War was irrelevant to Dulles’s interest in development – and his words and policy choices make it abundantly clear that it was, in fact, of great significance. In Dulles’s case, concern for a “Free World” vs. “Communist” struggle had emphatically stretched to Asia as early as 1949. With the Marshall Plan and N.A.T.O. bringing a measure of stability to Europe, he argued at that point, Kremlin leaders were realizing that “the going for them was not very good going” on that front and “their ambitions for the moment lie more in the Far East...” The end of the Chinese civil war was especially worrisome. “Most of China is under a Communist Government which today spearheads the Soviet Communist policy of inciting peoples of South Asia and the Pacific to violent revolution against their existing governments on the theory that these governments are merely the ‘lackeys’ of the West,” he wrote at one point.²¹

The Korean War seemed to confirm Dulles’s anxiety about an Asian front in the global Cold War. He had been in Seoul just days prior to the June 25, 1950 invasion across the 38th parallel and he offered regular public speculation about the nature of a new Kremlin move in “the world strategy of international communism.” On some occasions, he emphasized particular targets. “The Russians already hold the island of Sakhalin, just to the north of Japan,” he said at one point, “and Korea is close to the south of Japan. Thus... Japan would be between the upper and lower jaws of the Russian Bear.”²² At other times, he painted with more sweeping brush strokes. As he put it in a mid-1953 conversation with Syngman Rhee, for example:

*... the United States must take a broad view as the leader in the world struggle against communism. The Secretary explained the general strategic position in the Far East which required holding a position anchored in the north in Korea, which swung through the offshore island chain through Japan, Formosa, and the Philippines, to Indo-China at the other end. If that arc can be held and sufficient pressures developed against the communists, it might be possible eventually to overthrow communist control of the mainland. However, if any part of that strategic position is lost, the whole position will go under.*²³

Such Cold War concerns and conceptualizations helped to generate many of the explanations offered for his aid and development proposals during Dulles’s tenure as secretary of state – as witnessed by his telling C. D. Jackson that “it is going to be very difficult to stop Communism in much of the world if we cannot in some way duplicate the intensive Communist effort to raise productive standards” or his explanation to Senator

21 Dulles addresses, January 9, 1950; March 10, 1950, DP.

22 Dulles addresses, July 1, 1950; July 7, 1950; July 31, 1950, DP.

23 United States Minutes of the Second Meeting Between President Rhee and the Secretary of State, August 6, 1953, in: Foreign Relations of the United States, 1952–1954, Vol. XIV, Washington 1985, 1475.

Knowland regarding support for Nehru's five year plan because "we are simply trying to prevent India from moving towards Communism."²⁴ It is worth noting, as well, that Dulles was giving voice to such views in both a private letter (to Jackson) and a public Congressional hearing (with Knowland). The echoing of public thoughts behind closed doors would hold true for him throughout the 1950s and suggests real conviction as opposed to political posturing.

If Dulles's "Cold Warrior" impulses have relevance to his interest in "development," however, his identity as a whole must also be kept in mind. Like other policy makers of the 1950s, that is, the man who served as Eisenhower's secretary of state – like Eisenhower himself – had had a long career and a rich intellectual life before 1953 and before the onset of bitter conflict with the Soviet Union. While the Cold War often reinforced earlier concerns and priorities, a sufficiently wide-angle lens makes it clear that it did not create them. Dulles himself was very much aware of this. In executive session testimony to the Senate Foreign Relations Committee just prior to his spring 1953 journey to the Middle East and South Asia, he said the countries he was going to visit were "full of all sorts of troubles, some of which, many of which are not directly due to the Soviet Union but which they move in to take advantage of."²⁵

Dulles's long life and career helped to generate his interest in "development" in at least two ways. First, he had had decades of experience in the international economy by the time he became secretary of state – and there can be little question that "development" policies and strategies in the 1950s were intensively linked to calculations regarding the dynamics of global trade and investment. Dulles knew those dynamics like the proverbial back of his hand. He had worked on the War Trade Board in 1917; he had been an economic adviser at the Paris Peace Conference (and drafter of the notorious "war guilt" clause in the Treaty of Versailles); he had specialized in international work with major American and European corporations and banking houses as a Wall Street lawyer throughout the 1920s, 1930s, and 1940s. When Dulles thought and talked about matters like raw materials, exports, and investment in the Eisenhower years, there would have been few people in the administration – very much including the president – who could have matched his hands-on expertise.

Second, Dulles's interest in "development" also emerged under the influence of a president who held office long before Dwight Eisenhower: Woodrow Wilson. In 1917, Dulles had been coaxed to Washington from a prominent Wall Street law firm by his uncle Robert Lansing – to serve on the War Trade Board and then as a member of the U.S. delegation to the Paris Peace Conference. The young lawyer never really looked at the world in the same way after this. Both then and later, he evidenced intense interest in Wilson's dramatic wartime vision of a more peaceful world order – a reformed international system in which the horrors of modern conflict would not be repeated.²⁶

24 See above.

25 Executive Sessions of the Senate Foreign Relations Committee (Historical Series), Washington, D.C. 1977, p. 384.

26 Dulles's early experiences with Woodrow Wilson are discussed in Pruessen, *The Road to Power*, Chapter 3.

Dulles's career and the prolonged economic crises of the 1930s generated particular attentiveness to certain facets of a Wilsonian worldview. Contemplating the disasters of the Great Depression from his Wall Street vantage point, he more and more regularly emphasized the need to create a freer global *economic* environment: the liberal "open door" policies that had been important to Wilson were seen as simultaneously relevant to both an amelioration of severe production and trade crises and a prevention of their escalation into another world war. It was long past time to create "a world which is elastic and fluid in its organization," Dulles argued regularly, with "national monetary units in some reasonably stable relationship to each other" and a "substantial removal of barriers to the exchange of goods."²⁷

Such interwar views were a crucial springboard for Dulles's approach to many 1940s and 1950s issues. His vision of a reformed world order lost none of its centrality, for example, whatever his public reputation and ultimate abilities (or inabilities) to vivify the vision may suggest. Leading a high profile "study group" for the U.S.'s Federal Council of Churches, he became associated with a campaign to revive Wilson's earlier agenda during World War II: a new international organization and freer "interstate commerce" were identified as central tenets. In 1945–46, he emphatically urged the need to avoid a 1920s-like retreat from global responsibility. "We are at the beginning of a long and difficult negotiation which will involve the structure of the post-war world," he wrote, with an opportunity to avoid behaviors that had traditionally generated war and economic crisis. "This time we must break the cycle. We have what may be mankind's last chance."²⁸

The relevance of these Wilsonian convictions to Dulles's evolving thoughts on "development" emerged in tandem with the future secretary of state's strong conviction that "colonial reform" was a tool of great value for creating an "elastic and fluid" world. He regularly referred to Wilson's far-sightedness in calling for an end to traditional imperialism as a key step in the campaign to eliminate the sources of conflict that had plagued the international arena for centuries: eliminate colonies, it was argued, and there would be fewer reasons for powerful states to go to war with each other. With an eye on the cataclysmic economic environment in the 1930s, Dulles urged an especially energetic pursuit of "open door" policies in realms controlled by imperial powers. "When we move on to those nations which are less highly developed," he wrote at one point, "and particularly when we consider colonial areas, a much more ambitious program is practical... There would seem to be no insuperable obstacle to opening up vast areas of the world through the application of the principles of the 'mandate' system as proposed by President Wilson."²⁹

Such convictions remained of constant importance to Dulles as he contemplated Asian issues in the 1950s. His work on the Japanese Peace Treaty, for example, revealed a steady

27 Ibid., Chapters 5, 7, 8.

28 Ibid., pp. 178–217, 259–261.

29 Dulles's anti-colonialism is discussed in Ronald W. Pruessen, John Foster Dulles and Decolonization in Southeast Asia, in: Marc Frey/Ronald W. Pruessen/Tan Tai Yong, eds., *The Transformation of Southeast Asia: International Perspectives on Decolonization*, Armonk, N.Y. 2003, pp. 226–240.

search for ways of liberalizing the economic structure of the broad Asia Pacific region. "One of the things we must try to do is to help create in that part of the world, Asia and the Pacific, economic health," he said in 1951: "A greater degree of economic health... is a thing which is perhaps most of all wanted in that part of the world."³⁰ Japan could be very important here. He believed Tokyo and Washington between them could play a particularly important role in building "expanding economies in South and Southeast Asia": this would allow access to the "fabulous potential wealth" of the region's raw materials as well as rich markets for recovering Japanese industry.³¹ Much of the scholarly work on the Eisenhower administration's steady immersion in Indochina recognizes the ongoing resonance of precisely this kind of thinking.³² Nor did other Asian and more broadly global arenas lack for attention that sprang from Wilsonian as well as "Cold War" sources. In 1953 testimony on the administration's Mutual Security proposals, for example, Dulles explicitly highlighted what he called "the twin threats stemming from communism and instability." This was a theme he turned to regularly during his tenure as secretary of state. In his 1957 testimony to the Senate Foreign Relations Committee on behalf of expanded foreign aid appropriations, he said recently independent nations were both volatile and at risk: "These people are determined to move forward... If they do not succeed there will be increasing discontent that may sweep away their moderate leaders of today and bring to power extremist measures fostered by international Communism."³³ The sequence of steps suggested here makes it clear that the root cause of danger was not to be found in Moscow or the so-called "international communist conspiracy."

Dulles was explicitly conscious of the connection between "decolonization" and "development" – as demonstrated by the radio / television report he delivered on his May 1953 travels to the Middle East and South Asia. His concluding remarks in this broadcast highlighted several key conclusions that would guide his work in the years ahead (as they had in the past) and his very first two points highlight the sequential nature of his thinking. On one hand, he said, the United States must remain true to its anti-colonial roots: whatever ties existed with close allies like Great Britain and France, Americans would have to persuasively demonstrate their "traditional dedication to political liberty" to newly independent states. On the other hand, the United States would have to work for the "orderly development" of formerly colonial societies by supporting understand-

30 Dulles interview, September 12, 1951, *The Papers of John Foster Dulles* (Princeton University). Dulles's work on the Japanese Peace Treaty is discussed in Pruessen, *The Road to Power* (note 3), Chapters 16-17.

31 United States Summary Minutes of Meeting, November 9, 1954, in: *Foreign Relations of the United States*, 52-54: XIII, pp. 1779-1782. See also William S. Borden, *The Pacific Alliance* (note 14), 215.

32 See, for example, David L. Anderson, *Trapped by Success: The Eisenhower Administration and Vietnam, 1953-1961*, New York 1991 and Lloyd C. Gardner, *Approaching Vietnam: From World War II through Dienbienphu*, New York 1988.

33 The 1953 reference to "twin threats" is in: *The Importance of the Mutual Security Program to Our National Security Program*, in: *Department of State Bulletin*, July 20, 1953, 91; the 1957 testimony is quoted in Merrill, *Bread and the Ballot* (note 11), 145.

able drives for economic advancement. “The peoples of the Near East and Asia demand better standards of living, and the day is past when their aspirations can be ignored.”³⁴

III.

If John Foster Dulles had a clear, sometimes strong interest in “development” – an interest that emerged from various facets of his long career and intellectual evolution – what explains the severely limited “development” achievements of the Eisenhower years? And can an understanding of the failings of the 1950s help illuminate the more general problems and shortcomings of the later 20th century’s “development” efforts?

“Failings” is certainly the appropriate term. It would be hard to make a case for even modest success, that is, with respect to something like Gilbert Rist’s articulation of the altruistic reading of “development” as a “collective hope of improving the conditions of life of the majority of mankind.”³⁵ By the end of Dulles’s years as secretary of state, hunger, disease, poverty and the full panoply of problems associated with *underdevelopment* continued to plague Asia and other arenas. The United States, for its part – and the country was, of course, far and away the wealthiest in history – had at best *acted* only very tentatively on the kinds of initiatives increasingly *conceptualized and discussed* during the Eisenhower years. Much fine scholarship on the period makes this abundantly clear. Burton Kaufman’s study of “trade and aid” issues, for example, superbly lays out a year-by-year saga of struggles to expand the “economic” components of the Eisenhower administration’s “Mutual Security” program: although expansion did take place, “development” support consistently remained the tail on the dog of “military” assistance. Dennis Merrill’s work on Washington responses to Indian development plans reveals a similar pattern of rhetoric that significantly outpaced performance – as does Marc Frey’s fine article on South Vietnam and Indonesia in this issue of *Comparativ*.³⁶

Nor, to be sure, did Dulles-Eisenhower successors make up for all the short-comings of the 1950s. Far from it, indeed, as attested to by countless statistics concerning the ongoing prevalence of global poverty, hunger, and health care and education shortfalls in the early 21st century. Recently updated World Bank figures suggest 1.4 billion still live below a poverty line defined as an income of less than \$1.25 per day – with U.N. Food and Agricultural Organization estimates indicating that at least 20% of even India’s population continues to suffer from serious malnutrition problems.³⁷ Fine scholarly analyses have persuasively elaborated on the statistics as well: e.g., Arturo Escobar’s provocative

34 Department of State Bulletin, June 15, 1953, 833-834.

35 See above.

36 Kaufman, Trade and Aid (note 9); Merrill, Bread and the Ballot (note 11). For Frey’s “The Limits of Modernization: American Development Assistance and Southeast Asian Resistance during the 1950s,” see p. 44-60 in this volume.

37 World Bank statistics can be consulted at: <http://go.worldbank.org/33CTPSVDC0> – and Food and Agricultural Organization statistics at: <http://www.fao.org/publications/sofi/en/>

“Encountering Development: The Making and Unmaking of the Third World”, Gabriel Kolko’s “Confronting the Third World: United States Foreign Policy, 1945–1980”, and Jan Knippers Black’s revealing “Development in Theory and Practice: Paradigms and Paradoxes”,³⁸

What produced the “shadows” that fell so steadily between pretension and action regarding “development”? How can the gap between John Foster Dulles’s rhetoric and performance on this front be explained – and how does the mottled nature of his record suggest patterns of broader applicability to the “development” story? Although complexities would ultimately demand more expansive discussion, three particularly relevant factors can be identified and briefly explored within the confines of this article. In each case, specific grounding in Dulles’s experiences during the 1950s can be seen as opening windows onto a longer historical trajectory.

Tensions inherent in the U.S. political system

Whatever Dulles’s – or Eisenhower’s – personal inclinations may have been, each was forced to operate in a political arena that set clear limits to what might have been achieved. On one hand, this meant dealing with a *Congress* that was often more concerned with cutting expenditures and holding down taxes than with the “foreign aid” and “development” initiatives forthcoming from the Executive branch; on the other hand, it also entailed recognizing the indifference or skepticism of the *electorate* that reinforced a Congressional inclination to tilt toward obstructionism on spending proposals. Dulles spent an enormous amount of time trying to navigate this Scylla and Charybdis. He travelled to Capitol Hill to testify as regularly as he traveled abroad – which meant a great deal, considering his reputation for globe-hopping – and he took directly to radio and television airwaves to reach a yet wider audience more frequently than would be the case for almost all succeeding secretaries of state. Each annual budget messages turned into a multi-act drama that could stretch out over four to six months: testimony to relevant Senate and House committees regarding the core components proposed for the next fiscal year’s Mutual Security Program; phone calls and White House meetings of “Legislative Leaders” as hearings and Congressional votes unfolded; repetitions of the scripts as passage of amended and/or fine-tuned budget proposals went through later “appropriations” processes to determine what resources would actually become available. Occasionally, the administration would mount a particularly intensive “public relations” effort to improve results. In late 1957/early 1958, for example, prominent business leaders were brought to the White House for a series of dinners, Eric Johnston (head of the Motion Picture Producers and Distributors Association) was persuaded to organize an advocacy campaign, and there was outreach to the kinds of church groups Dulles had

38 Jan Knippers Black, *Development in Theory and Practice: Paradigms and Paradoxes*, 2nd edition, Boulder, CO 1999; Escobar, *Encountering Development* (note 2); Gabriel Kolko, *Confronting the Third World: United States Foreign Policy, 1945–1980*, New York 1988.

worked closely with during World War II.³⁹ Time and again, however, the best that could be said for all the administration's efforts was that Congressional cuts were probably somewhat smaller than they would otherwise have been.⁴⁰

Dulles gave no signs of severe agitation concerning Senate, House, and public reactions to aid and "development" proposals, drawing perhaps on decades of legal experience in which time- and energy-consuming maneuvering were seen as inevitable components of any pursuit of objectives. The secretary of state also drew on his high-power lawyer's imagination in order to devise ways around obstacles. In November 1957, for example, he helped soften the frustration mounting among advocates of a large loan to India as a result of Congressional opposition. Eisenhower, Treasury Secretary Anderson, and others were happy to follow his lead as he articulated a complex alternative strategy:

*We will not go to Congress for a special grant; we will try to break the problem down into parts; we will try to get the Germans to cover the Indian trade deficit with them; we will try to cover our deficit through the Ex-Im [Export Import] Bank, perhaps \$ 200 million; we will try to provide \$ 50 million or so from the development fund; we will talk with them [the Indians] about the bomber question; and we will talk with them about their internal condition which impedes the flow of private funds.*⁴¹

Eisenhower, it might be added, was not always so unflappable about Congressional obstructionism on foreign aid. "I am repeatedly astonished, even astounded," he wrote an old friend during one difficult round, "by the apparent ignorance of members of Congress on the general subject of our foreign affairs." Opposition to programs that helped control U.S. military costs while expanding U.S. exports reflected "abysmal ignorance," he said, sentiments which prompted occasional run-ins with his own party's leaders on Capitol Hill.⁴²

The limits of 1950s knowledge and insights

As wide-ranging as their international experiences may have been prior to 1953, it should be kept in mind that high-level policy makers like John Foster Dulles were dealing with a drastically – and recently – altered world during the Eisenhower years. Two world wars and the Great Depression had fundamentally shaken the global arena and produced a significantly reconfigured landscape. Post-1945 moves toward the "Bretton Woods" system, for example, were profoundly re-structuring the patterns and practices associated with trade, currency, and investment. Of equal (perhaps greater) importance to understanding the history of "development" efforts, the defeat or slower-motion demise

39 See, for example, Kaufman, Trade and Aid (note 9), 133-136.

40 See again, e.g., *ibid.*, 139.

41 Memorandum of a Conference with the President, Washington, November 12, 1957, in: Foreign Relations of the United States, 1955-1957, Vol. VIII, Washington, D.C. 1987, 404-406.

42 See, for example, Stephen E. Ambrose, *Eisenhower: The President*, New York 1984, 379-381.

of once-great empires had ushered in an era of “decolonization” that would create both extreme volatility and opportunity.⁴³ Wilsonian inclinations meant that someone like Dulles was pleased with the direction of global change in the post-World War II era; he had, in fact, long advocated precisely these kinds of reforms. The fact remains, however, that the international arena which greeted him (and others) after Eisenhower’s inauguration was in some ways very different from the one he had worked in for decades – and it is not unreasonable to recognize the ways in which time would have been required for effective adaptation.

As Dulles and other 1950s policy makers sought to navigate an altered global terrain, they began the now much-studied practice of relying on “experts” for advice on “development” policies.⁴⁴ By 1954–55, for example, Walt Rostow and Max Millikan were beginning to find a Washington audience for the work they were doing at MIT’s Center for International Studies. (The president’s confidante C. D. Jackson was one of those who helped to connect academic and political circles.⁴⁵) Performance in the Eisenhower years – and long after – makes it clear that the experts had a tendency to sound more authoritative and confident than they had any right to be, of course, but they nonetheless potently influenced evolving discourse and policy-making. There were occasional moments, however, when experienced Washington hands admitted to the frustrations inherent in grappling with problems beyond the range of even their own extensive experience. At one point during a very long October 1956 National Security Council meeting, for example, Dulles seemed to lose patience with a seemingly endless discussion comparing the reports of various committees studying U.S. foreign aid programs. Everyone was in apparent agreement with Treasury Secretary George Humphrey’s view that “foreign aid spending was the most critical problem now facing the present administration,” but the secretary of state was not inclined to put too much weight on the advice of government outsiders. He was “curious,” he said,

*to know why were imagined that the Fairless Committee [one of the study groups] would come up with the right answer to this great problem, when we ourselves don’t yet have the slightest idea what the answer is.*⁴⁶

43 A useful overview of fundamental changes can be found in Jeffrey A. Frieden, *Global Capitalism: Its Fall and Rise in the Twentieth Century*, New York 2006.

44 Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America*, Baltimore, MD 1003; Michael E. Latham, *Modernization as Ideology: American Social Science and “Nation Building” in the Kennedy Era*, Chapel Hill, NC 2000.

45 See, for example, C. D. Jackson to Dwight Eisenhower, July 1, 1959; Eisenhower to Jackson, July 6, 1959, C.D. Jackson Papers (Eisenhower Library).

46 Memorandum of Discussion at the 301st Meeting of the National Security Council, October 26, 1956, in: *Foreign Relations of the United States, 1955–1957*, Vol. X, Washington, DC 1989, 124–133.

Seeing like a “Great Power”

Even if they were navigating new terrain, however, neither Dulles nor other U.S. policy makers were moving through anything that could be described as complete *terra incognita*. They were not entirely inexperienced, that is, in dealing with what they might have thought of as the “Third World.” (Eisenhower himself had been posted in the Philippines during his U.S. Army career – and his secretary of state had worked with clients having extensive business interests in Cuba and Central America as early as 1910.⁴⁷) Such previous experiences clearly colored perspectives on the nature of the post-World War II “development” agenda – and the identification of priority concerns.

In particular, mid-20th century U.S. leaders like Dulles were thoroughly at home within a historical trajectory that had made their nation an indisputable “Great Power” (far and away, indeed, the *greatest* power of the post-World War II era). This status almost invariably prodded a mindset and a cluster of policy objectives that proved problematic for “development.” At base, for example, “center/periphery” or “metropole/frontier” calculations were pervasive – with less-developed regions and countries confined (even if unconsciously) to second-class roles in evolving relationships and systems.

As the “development” literature effectively demonstrates, the thrust of “metropole” policies could entail a measure of condescension that essentially “infantilized” the recipients of aid and advice while seeking to steer them toward more mature or “modern” behavior. One potent driver in this regard was the perceived need to more closely integrate underdeveloped nations into a more thoroughly globalized economic system – with strong emphasis on the value of their raw materials to the appetites of industrial “centers.” And one common consequence of the coralling process was what some analysts describe as the reinvigoration of “imperialism.”⁴⁸ “Development” initiatives both before and after World War II contributed to what Gilbert Rist refers to as the “internationalization” of imperialism: a move away from traditional, formal, and national concepts of “empire” – via mechanisms like the League of Nations’ “mandate” system or the rules of the International Monetary Fund – which did not simultaneously undercut the authority and economic advantages of the powerful vis a vis the poor and weak.⁴⁹ This was a pattern that emerged long before Dulles’s years as secretary of state and continued long after, as much more recent debate about the virtues and pitfalls of “globalization” makes clear.

John Foster Dulles’s Wilsonian reform impulses can be seen as meshing closely with such an “internationalized” imperialism – or with what is sometimes termed “neo-colonialism” or “informal empire.” And this fact provides one further explanation for the limitations of U.S. development policies in the Eisenhower years. Dulles did demonstrate strong early concern for “decolonization” (evident in positive comments about the “mandate” system and other matters as early as the 1930s) and he did move on to strong

47 See, for example, Pruessen, *The Road to Power* (note 3), Chapter 2.

48 See, for example, Escobar, *Encountering Development* (note 2), 24-26.

49 Rist, *History of Development* (note 1), Chapter 3, for example.

interest in “development” in decolonized regions in the 1940s and 1950s. It was almost invariably true, however, that Dulles’s decolonization / development progression revealed a primary preoccupation with the way in which those being nurtured or assisted would play an appropriate role in economic and political systems serving the “metropolis” needs of the United States and its highly industrialized allies. As ever, Asian examples of this Dulles (and 1950s) proclivity are plentiful. A core design component of the U.S. policy that took shape within the Japanese Peace Treaty (negotiated by Dulles), for example, involved using Southeast Asian raw materials and markets for the purpose of bringing about Japanese economic recovery and stability. There was conscious realization that this would delay or prevent industrialization within the decolonizing region.⁵⁰ Nor was it a coincidence that much of the U.S. aid which flowed to India in the 1950s was directed toward projects involving agriculture and commodities.⁵¹ In these cases, as elsewhere, Dulles was responding to a logic he captured with perfect clarity in 1956 remarks to North Atlantic Treaty Organization colleagues about the dangers posed by instability in the underdeveloped regions of the world. If Russian and Chinese agitation was successful, he said, “the world ratio as between communist dominated peoples and free peoples would change from a ratio of two-to-one in favor of freedom to a ratio of one-to-three against freedom.” This would be “almost intolerable ... given the industrialized nature of the Atlantic Community and its dependence upon broad markets and access to raw materials.”⁵²

Conclusion

Between the idea / And the reality ... Falls the shadow, T. S. Eliot wrote, offering an image perfectly appropriate to the unfolding of John Foster Dulles’s engagement with “development” in Asia (and elsewhere). The “idea” was clearly of interest and importance to this secretary of state: the impulse to develop “development” strategies that would build on “decolonization” progress, for reasons connected with both “Cold War” calculations and Wilsonian reform ambitions. The “reality” was something else, however, as achievements were circumscribed by a variety of factors and forces.

Unfortunately, this was a pattern all too typical of succeeding decades as well. Those who shaped U.S. policies after the 1950s would see the evolution of intellectual content and policy design – but no diminution in the presence of shadows.

50 See, for example, Borden, *The Pacific Alliance* (note 14), 203.

51 See above, 8-9, as well as Devesh Kapur / John P. Lewis / Richard Webb, *The World Bank: Its First Half Century*, Vol. I: History, Washington, D.C. 1997, 94-99.

52 Dulles remarks, Paris, May 1-7, 1956, *The John Foster Dulles Papers* (Princeton University).