MILITARY ASSISTANCE PROGRAMS

21 October 1959

CONTENTS

Page

INTRODUCTION--Captain Irwin F. Fike, USN, Member of the Faculty, ICAF..... 1

SPEAKER--Mr. Charles H. Shuff, Deputy Assistant Secretary of Defense for International Security Affairs..... 1

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Mr. Charles H. Shuff, Deputy Assistant Secretary of Defense for International Security Affairs since 1 May 1957 is charged with coordination and supervision of Army, Navy, and Air Force military assistance programs all over the world. From February 1952 to November 1953, Mr. Shuff served as Deputy Assistant Secretary of the Air Force for International Security Affairs. In this capacity he was responsible for the implementation of the Air Force portion of military assistance programs. Mr. Shuff's most recent assignment has been Defense Products and Electronics Division Director and assistant to the president of Westinghouse Electric International for whom he acted as trouble shooter on the foreign scene. During World War II as lieutenant colonel in the U.S. Army Air Corps, Mr. Shuff served four years as pilot in the Southwest Pacific, and he is currently active as colonel in the Air Force Reserve. He is a graduate of Cornell University. His early career included assignments as sales representative of Pan American World Airways; industrial relations manager of Catalytic Engineering and Construction Subsidiary, Sun Oil Company; and sales development manager for Eastern Air Lines. This is his third lecture at the Industrial College.

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CAPTAIN FIKE: General Houseman, Gentlemen: In these days of mutual security among the free world powers, it's particularly important that we include the military assistance program in our study of national security objectives and requirements. Almost annually in our congressional debate over budgets, acrimonious insults are paid to this and other aid programs; but almost invariably a very high level of activity is authorized in the military assistance program because, in the terms of Madison Avenue, we get a "big bang for a buck" out of this program.

We are particularly fortunate this morning to have a man who has had considerable experience in both the aid and foreign trade fields. Mr. Charles Shuff, who is Deputy Assistant Secretary of Defense for International Security Affairs, has been associated with the direction of the military assistance program since 1952.

It is indeed an honor, Mr. Shuff, to welcome you to this platform for your third address. Mr. Shuff.

MR. SHUFF: Gentlemen: Two years ago, when I first had the pleasure and privilege of addressing a class at the Industrial College of the Armed Forces, I was keenly aware of the challenge and opportunity offered me of stating the case for the military assistance program to a particularly knowledgeable audience. Today, on the occasion of my third such presentation, I am, if anything, even more eager to communicate my conviction that the subject I am going to discuss is so vitally important to national security and United States foreign policy that it merits your most careful consideration and fully informed support.

The very fact that you are here preparing yourselves for roles of increased responsibility in the service of your country, both military and civilian, assures me of your deep interest and professional concern with respect to any undertaking of the United States Government which strengthens its defense posture and promotes its basic objectives. The military assistance program does both.

My own experience, as one responsible for management of this program for the past two and a half years, has steadily strengthened and documented my original conviction that military assistance is a uniquely effective instrument of United States foreign policy and an invaluable but extremely economical adjunct of our own national defense. That conviction, firm and personal as it is, does not grow out of any predisposition or individual bias. Rather, it is based solidly on a record of concrete accomplishment which, were it as generally known as it should be, would deflect much of the criticism that has threatened to jeopardize the continuing contribution of the military assistance program.

And, gentlemen, let me hasten to add that I am not alone in my reading of that record as one of generally superior performance in the service of our national objectives--a superior performance, I might add, to which many of you have made substantial contribution in your various assignments with Unified Commands, Country Teams, MAAG's and in elements of the military departments dealing with military assistance. The same conclusion was reached by the President's Committee to Study the United States Military Assistance Program, which submitted its final report on 17 August 1959. Better known, of course, as the Draper committee, after its chairman, Major General William H. Draper, Jr. (Retired), and a former Under Secretary of the Army, this group devoted nine arduous months to intensive study of the record. Its 10 members--all men of preeminent caliber and accomplishment as high-ranking military officers, top-echelon Government executives, and leaders of the business community--did not confine their activities to Washington, but traveled over the world to observe military assistance operations in the field, as well as at headquarters. At the President's request, they evaluated its past performance, its present effectiveness, and its potential continuing contribution; and their consensus was a vindication and an up-to-date enthusiastic authentication of the principle and practice of military assistance.

This is not to say that they found our operations beyond improvement, nor that we expected them to do so. We are not that naive. In fact, we are fully conscious of, and dedicated to, the need for constant, unremitting effort toward both better management and greater accomplishment; and we are currently studying and implementing a number of the Draper committee's helpful recommendations. As we continue these efforts, however, we are greatly heartened by such general conclusions as the following, from the committee's final report to the President:

"The military assistance program has provided the mortar giving cohesion, strength, and credibility to our collective security arrangements. It is the foundation on which our forward strategy is built and has been one of the principal instruments abroad supporting our foreign policy objectives over this decade of clash with communism."

We were also encouraged by the committee's endorsement of our long-held conviction that there is an urgent requirement for better understanding of what we have accomplished and what we are still trying to do. With respect to this pressing problem, the final report states:

"In our democracy this program must in the long run depend on the understanding and support of the American people. Therefore, we need a major, sustained effort to make available to the public all the facts about the program. Publicity has centered so much on the mistakes as to present a seriously distorted picture. There have been mistakes which should be exposed and corrected. But a balanced picture depends on the public's being told about the positive accomplishments as well as the failures of the program. Ths successes have far outweighed the failures. The constructive results achieved attest to this fact."

Today, then, we stand at a crossroad, or better perhaps, a fork in the path. No choice facing the United States at this moment is more crucial than that which will determine the future direction of the military assistance program. Therefore I am going to depart from the pattern of previous presentations and, instead of discussing objectives, operations, and accomplishments, with which I know you are already conversant, I want to share with you some of our current thinking as we contemplate the implications of that fateful choice. Our deliberations must encompass a sort of chronological trinity--past, present, and future--and I will try to answer three questions: One, how far have we come from our starting place? Two, where do we stand today? Three, which way do we go from here?

First, of course, comes the backward look. As long ago as 29 December 1940, President Roosevelt enunciated the basic premise for the doctrine of common defense and collective security when he said:

"If Great Britain goes down, the Axis powers will control the continents of Europe, Asia, Africa, Australia, and the high seas;

and they will be in a position to bring enormous military and naval resources against this hemisphere. It is no exaggeration to say that all of us in America would be living at the point of a gun--a gun loaded with explosive bullets, economic as well as military."

Today, almost 19 years later, only a couple of word changes are needed to give that statement crucial currency. Substitute our free world allies for Great Britain, the Sino-Soviet bloc for Axis powers, and intercontinental ballistic missiles with nuclear warheads for guns with explosive bullets, and the picture is as clear as it is portentious.

Predating, however, even this enunciation and enactment of the Lend-Lease Act, to which it was directed, the United States had taken its first major step in support of Great Britain. This was the transaction, completed on Labor Day of 1940, which effected the outright transfer to the United Kingdom of 50 overage destroyers in exchange for naval and air bases on a 99-year lease. By this action, the United Kingdom leased to the United States, freely and without consideration, bases in the West Indies and granted the United States the right to construct new bases in Newfoundland and Bermuda. The overall cost of the then overage destroyers was $75 million.

The Lend-Lease Act (H.R. 1776) was passed on 11 March 1941; and the master lend-lease agreement, between Great Britain and the United States, was signed on 23 February 1942. This agreement stated the premise that "defense of the United Kingdom against aggression is vital to the defense of the United States of America."

Here again paraphrase is in order. Today, many factors--strategic, political, and economic--make the defense of the entire free world vital to the defense of the United States of America. Today, support of free world collective security through the military assistance program is just as essential to our own national security as lend-lease was to the success of the Allied war effort back in the early 1940's. Though both the face of the enemy and the nature of the hostilities have changed, the threat remains; and successful waging of the cold war calls for the same sort of mutuality and joint effort as did the campaigns of World War II.

The theory of lend-lease was that the necessary material for waging war should be made available among the allies in accordance with need and ability to supply. Repayment after the war was to be made by return of unexpended war material or in other goods and services to be agreed upon later on.

From the beginning of lend-lease on 11 March 1941, through 2 September 1945, (V-J Day), the United States extended over $48.5 billion in aid to some 42 countries and received a total of slightly more than $7.8 billion in reverse lend-lease from some 10 countries. Ninety percent of all lend-lease went to:

1. British Empire (mostly U. K.) $32 billion.

2. Soviet Union, just over $11 billion.

3. France and possessions, almost $3 billion.

A second step away from the obsolescent Fortress America concept of defense was taken in 1947 with the enunciation of the Truman doctrine and its implementation through the Greek-Turkish aid program. Early in that year, the British Government notified the United States that, because of rising costs and an unfavorable economic picture at home, aid to Greece could not be continued; and a date was set for British withdrawal. United States planners felt that Communist pressure would surely fill the vacuum created by the departure of British troops and withdrawal of British aid unless some means of continuing military and economic assistance could be found.

Control of the Dardanelles was vital from a military standpoint, yet Turkey also found itself in pressing military and economic difficulties. In 1945, Russia announced its intention not to renew the 20-year-old Soviet-Turkish pact of friendship, and began to put persistent pressure on Turkey.

Thus, with both Greece and Turkey finding themselves subject to the same pressures of territorial demands, as well as to Communist-inspired internal uprisings and guerilla activity, they both made requests to the United States for assistance in maintaining their sovereignty and territorial integrity. To meet the urgent and obvious needs inherent in this precarious situation, President Truman went before a joint session of the Congress on 12 March 1947, to call for an appropriation of $400 million for military and economic aid to Greece and Turkey. He declared that the security of the United States was involved and that "It must be the foreign policy of the United States to support free people who are resisting attempted subjugation by armed minorities or by outside pressures." This statement represents another major advance in the evolution of American recognition of the responsibility of world leadership in the case of common defense and collective security.

Direct military assistance was needed to enable Greece to put down the Communist revolt within her borders. In addition to modern military equipment and supplies, the United States provided military advice and training, both in Greece and in the United States. By 1950 the guerilla activities had been brought under control, and peace and stability had been restored to Greece. Concurrently with military aid, Greece was also provided with economic aid to restore her agriculture and industry, which had been ravaged by war and guerilla activity.

Active military operations were not necessary in Turkey, but military equipment and training were provided to increase the efficiency of the Turkish armed forces. Turkish determination to resist encroachments on national sovereignty was bolstered by this evidence of United States support and by increased confidence in Turkey's own strength.

The third important phase in the course of events which led, over the years, to the establishment of the military assistance program as we now know it was the European recovery program. The Marshall plan, envisioned by and named for the late great soldier-statesman, was as noble in concept and as effective in operation as the man himself; and among all the tributes paid to him in death by world leaders everywhere, none is as significant or as lasting as the monument he built for himself when he created the European recovery program.

Although purely economic in nature, the Marshall plan is extremely pertinent to our discussion, because it laid the foundation for the revival of European self-defense. Also, and perhaps even more important in the long run, it was the genesis of that principle of cooperative effort and mutuality which today underlies our entire free world collective security undertaking. The high achievements that were obtained through the European recovery program came in large measure from the initiative taken by the receiving countries rather than the $12 billion of American aid which went into it. American dollar aid was of critical importance, particularly in providing scarce materials at the right time and in creating the basis for financial stability; but without the wholehearted European drive for recovery, this dollar aid would have been of little significance, for at no time was it more than a small fraction of the gross national product of most of the receiving states.

The goals of increasing European production, achieving internal financial stability, challenging intra-European trade barriers, and reducing the dollar gap proved in large measure to be economic goals

that were realizable through the instrument of an American program of economic aid, when coupled with expanded economic cooperation among the highly industrialized countries of Western Europe. And since the rise of communism in Western Europe after World War II was due in part to economic dislocation and intense poverty, the alleviation of these factors served at least in part to undercut Communist success. The offer of American economic aid at the moment of economic peril in Western Europe had the effect of significantly boosting European morale and providing a leadership that gave promise of helping Europe save itself.

That promise has not been broken. Its fulfillment has been brought about by the joint effort of 14 sovereign nations working together and pooling their resources--financial, scientific, and manpower--in the North Atlantic Treaty Organization. Today, NATO, with its powerful integrated fighting force, stands for all the world to see as the proud result of the United States' final, decisive step away from an outdated and futile isolationism to the full stature of its unsought position as leader of the forces of freedom against the relentless drive of militant communism.

The date of that momentous step was 4 April 1949, when United States signature of the North Atlantic Treaty pledged American military support to Western Europe by virtue of the fact that the treaty stated that an attack upon any member of the alliance "shall be considered an attack against all." Final United States ratification of the treaty on 25 July made the pledge binding and placed Europe under the security umbrella of the then "ultimate weapon"--the American atomic bomb.

This was not all, however. Even though the United States was still the sole possessor of that weapon, the possibility remained that the vast Russian armies could march across Europe to the shores of the Atlantic before America's atomic strength could be used to stop an attack. The situation clearly called for on-the-spot defense capability adequate to deter attack or hold the line against Soviet land forces at least until American atomic bombs had destroyed the aggressor's home base. NATO rearmament in defense of Western Europe thus became a requirement of the highest priority.

United States response to this requirement was not slow. On the very day he ratified the North Atlantic Treaty, President Truman sent a message to the Congress requesting legislation which would

authorize "military aid to free nations to enable them to protect themselves against the threat of aggression." The President called for three kinds of grant military aid to those countries vital to our own security which did not have the ability to pay for their defense needs:

1. Machinery and materials to permit Europe to increase its own production of military items without seriously interfering with economic recovery,

2. Direct transfer of military equipment, and

3. Expert help in the production and use of military equipment and the training of personnel.

A decade later, these three forms of military assistance remain the heart of a program which in the comparatively short space of that 10 years has helped to create a free world military posture so formidable as to have deterred large-scale overt aggression and, seemingly of late, to have altered the very nature of the Communist threat.

Back in 1949, however, the military aspect of that threat was very close and ominous; and the drive to erect European defenses against it, begun immediately after passage of the Mutual Defense Assistance Act of 1940, was given even greater impetus by the outbreak of the Korean War in 1950. This shocking act of Communist aggression not only focussed the fears of free peoples all over the world, but created a nightmarish logistics problem for the United States.

To cope with this problem, and to insure the optimum distribution of available military assets to meet the competing demands of the Korean War and the NATO buildup, the Joint Munitions Allocation Committee, an agency of the Joint Chiefs of Staff which had been dormant since the end of World War II, was reactivated. There was also established under the chairmanship of the Deputy Secretary of Defense a Munitions Allocation Council, responsible for equitable allocation of resources between the United States and allied forces and among our allies. The guiding principle, most clearly stated by the President on 9 January 1952, was that those forces which were most likely to be the first to fight should be the first to be equipped.

Thanks to measures such as this, they were. By 1953, NATO had achieved what might be called the initial goal of building up enough strength along the central front to cope with the danger of a surprise Soviet ground attack. There were about 15 allied divisions along this

front, with appropriate supporting forces--tanks, artillery, and tactical airpower.

This was the result of combining military assistance with a great expansion of defense expenditures by European NATO countries according to defense and partial burden-sharing plans worked out through the NATO machinery, especially after the inauguration in February, 1952, of what became the NATO annual review. In 1950, European NATO countries spent $6.3 billion on defense, but by 1953 these budgets had increased to $12.2 billion--a doubling of financial effort which clearly reflected the true mutuality of the European defense buildup.

An even more impressive measure of that mutuality is to be found in the fact that during that same year, 1953, the most costly of our military assistance programs for Europe--our own expenditures for military assistance to NATO--were $3.2 billion, or approximately one-fourth of our European allies' joint financial contribution to the creation of military strength as essential to our own security as to theirs.

If, thus far, I have seemingly spent a disproportionate amount of time on the "backward look," it is because I found in retracing our steps from the genesis of military support of our allies toward the program as now evolved, that there is a very pertinent history lesson to be pondered--that past is indeed prologue. The very inevitability and succession of those steps is one of the strongest arguments conceivable against retrogression. All the experience we have gained in developing the military assistance program without precedents or guidelines, all the trial and error that have gone into making it an effective instrument of United States foreign policy, the great increment to our own national security which it now represents--all this cumulative effort and accomplishment now stands in jeopardy because lack of public understanding and support has resulted in a trend toward reduced appropriations.

The Draper committee clearly recognized the gravity of the issue when it pointed out that "a continuance of current trends toward reduction in appropriations for the military assistance program will inevitably result in a major deterioration of military strength in forward areas, and a clearly apparent withdrawal of effective support from many of our allies. This may well require basic changes in our present military strategy and our alliance system."

This, then, is the issue. Now let us turn to our second question--Where do we stand today? For it is the answer to that question from which the issue stems. First, we must consider the overall change in the world situation since 1949, when we embarked upon the mutual defense assistance program. The most striking difference is, of course, that the United States no longer possesses the "ultimate weapon" in sole custody. Today, rather, the world is divided into two opposing camps, one of which seeks to engulf or destroy the other, and each of which commands the means of total devastation.

This parity of destructive power has, in itself, created a balance of terror which exerts an inhibitory influence on provocative acts of all-out aggression. It does not, however, minimize the probability of continuing probes directed against seemingly soft spots anywhere on the far-flung frontiers of freedom. Neither does it eliminate the possibility of miscalculation or impetuosity on the part of unpredictable Communist leaders.

Recent Soviet amenities notwithstanding, the aggressive threat remains. The dynamic drive of militant communism has lost none of its power, and the insatiable thirst for world domination is unslaked despite cynical efforts to lure us into relaxing our guard. At our peril do we allow ourselves to be beguiled. We dare not for one instant hesitate or falter in our own drive toward a total free world defense posture commensurate in military might with that of our potential enemy.

To achieve that posture, and to maintain it, is a job which requires the full, wholehearted cooperation of every sovereign nation united in the collective security system. Common defense is the only adequate defense in today's world. The United States leads and strongly supports the joint allied effort to create that defense. We do so in full recognition of the unalterable fact that, great as is our own military and industrial might, we simply do not have the means, the resources, and the manpower to do alone the global job which must be done if we ourselves are to survive and prosper. The alternative is unthinkable.

The Chairman of the Joint Chiefs of Staff, General Twining, recently put it this way: "Our free world alliance is essential to our own national security. The military capabilities of the alliance are developed in large part through our Military Assistance Program. If this program is weakened or reduced to insignificance, our adversaries will have achieved a major victory without firing a shot."

Right here let's pause and take a look at those "military capabilities of the alliance" which have been developed through the military assistance program. Let us consider very briefly their interrelation with our national security, and the surprisingly modest cost of the substantial increment to our own defense which they represent.

All around the perimeter of the Iron and Bamboo Curtains, sizable allied forces, equipped and trained through the military assistance program, stand ready to repel Communist probes designed to test the mettle of free world ability and will to resist. These allied troops are the first line of our own defense. They are our best hope for deterring and containing local engagements which could all too easily explode into the ultimate disaster of total war. All around the globe, too, United States military strength in the form of advanced forces and missiles is deployed at bases and installations made available to us by our partners in the collective security undertaking. Continuing access to these bases, and their protection, are absolutely essential to our own global strategy in the conduct of the cold war.

The effectiveness of this worldwide deployment of United States and allied forces and weapons, made possible only through joint allied effort supported by the military assistance program, is a matter of record. With minor exceptions, such as the futile attempt in the Taiwan Straits and the more recent disruptive efforts in Laos, the Communist drive has been held in check, and military aggression against the free world has been halted ever since the beginning of the mutual defense undertaking in 1949. I submit, gentlemen, that this is an accomplishment well worth the expenditure of $22.7 billion for military assistance to our free world allies during that crucial decade.

It would, in fact, be a bargain at substantially higher cost. Actually, however, the total expense of supporting the common defense efforts of our partners has been neither exhorbitant nor an unduly onerous burden on the national economy. In the first place, military assistance expenditures account for only slightly over 5 percent of total United States expenditures for major national security programs. Secondly, the total spent for both military and economic aid in the mutual security program has accounted for less than 5 percent of our total Federal budget in recent years, and has represented less than 1 percent of our annual gross product. In the third place, because our partners in the common defense effort have shared substantially in its financing, our own national security has been augmented at a

cost far less than that of an equivalent overall increase in the strength of our own Military Establishment. The fact of the matter is that over the years since the beginning of the collective security undertaking, our allies jointly have expended from their own defense budgets almost seven times the total amount of our military assistance.

The tangible results of these expenditures, both our own and our allies', are measurable and reassuring. Since 1950, active army forces of our allies have increased from 3.6 million poorly trained and poorly equipped men to 4.9 million better-trained and better-equipped men ready to fulfill preassigned missions in the event of war. Combatant ships assigned to the navies of the free world have more than doubled--from 1,200 to 2,500--and aircraft available for the common defense have increased from 17,000 to over 30,000. This is where we stand today. This is how far we have come in 10 short years. But it is still not far enough. The requirements of an adequate common defense are not satisfied by any maintenance of the status quo in a world of lightning-fast scientific advances which have direct and urgent military implications.

The allied forces which we have helped to build up and which are now, I repeat, the first line of our own defense, cannot provide us and our allies maximum protection with minimum equipment. To do the job they were created to do, they must have the right tools. Although the requirements of different areas and varying degrees of training and technical proficiency affect the kinds of weapons needed by specific forces, none can operate effectively with inadequate or worn-out equipment.

It is, therefore, very much in our own self-interest to provide our allies, in keeping with their capabilities and requirements, with the materiel and other support essential to their optimum performance. In the case of our NATO partners, for example, both their capabilities and the requirements of reliable regional defense call for the provision of highly sophisticated weapons of maximum effectiveness. Across the world, in the Far East too, there is urgent need for accelerated modernization and force improvement. Take the case of Korea. Communist forces in the north command a large modern jet air force, but limited military assistance fund availability has made it impossible for us to provide our South Korean partners with comparable air capability.

The risks involved in this sort of deficiency are patent. Suppose, for instance, that the Chinese Nationalists had lacked adequate air defense during the crisis over Quemoy. The outcome might have been appallingly different. Considerations such as these prompted the following statement by the United States Commander-in-Chief, Pacific, Admiral Felt: "Since it is to our interest that our Pacific allies not be destroyed by the Communists, they must have strength of their own to survive. I am convinced that the fundamental need is for them to have an appropriate amount and kind of military strength."

It is the mission of the military assistance program to provide that strength which is required over and above the ability of our allies to do for themselves, not only in the Far East and NATO Europe, but also in the other areas of the world where they are helping to hold the fort against Communist aggression in all its diverse shapes and forms. As I have pointed out, the amount and type of support differ from region to region and from country to country; but, whatever the specific need, it should and must be met.

Thanks to the unique flexibility and responsiveness of the military assistance program, it could be met promptly and effectively if sufficient funds were available. As it is, with a dangerously lowering pipeline, increased requirements, and reduced appropriations, we who plan the program are always faced with Hobson's choice between competing and often equally urgent needs for military assistance. Once again let me cite a particularly pertinent conclusion of the Draper committee:

"We believe not only that deliveries must be maintained at higher future levels than would be supported by the $1.6 billion proposed appropriation, but that certain factors now operative may result in longer lead times and a consequent need for increased funding. A larger part of future deliveries for military assistance will come from new production and less from the existing inventories of our own forces. Also a greater proportion will consist of advanced weapons requiring longer time to produce. In addition to these factors, the long decline in obligated but unexpended balances from over $9 billion a few years ago to about $2 billion at the end of this fiscal year (1959), has brought these balances to about the minimum level for funding the needed procurement. We cannot any longer rely on large drawdowns from this pipeline to supplement current appropriations. In summary, deliveries in future years, on the average, will approximately equal the current

flow of appropriations. We view with concern the projected sharp decline in the rate of deliveries below the $2.4 billion average level of recent years."

The fact that the $1.6 billion appropriation request, on which the committee based the foregoing analysis, was reduced to $1.3 billion by congressional action gives us even greater cause for concern.

This trend toward reduced appropriations which so dangerously jeopardizes the continuing effectiveness of the military assistance program, and with it the security of the United States and the whole free world, stems from a number of sources. First, as I have already suggested, there is the basic lack of public understanding and support, which, in turn, is naturally reflected in congressional action. Second, there is the quite personal conviction, held by some very knowledgeable and influential members of the Congress, that our allies are not carrying their fair share of the financial load. All our best efforts to disprove this charge, as well as our continuing struggle to induce more true mutuality into the program, have not been completely successful in deflecting the impact of this charge on the outcome of the legislation. No matter how hard we try to communicate our own convictions, we cannot alone change the climate of public opinion with respect to the military assistance program or thoroughly dispel the unfortunately general preconceived notion that the United States is footing the bill for the common defense. We need help. But more about that in conclusion.

Our final question--Where do we go from here?--is, of course, the most difficult to answer. We in Defense have a pretty clear picture of where we think we ought to go, but we are neither infallible, nor are we free agents. A multiplicity of factors bear directly upon every decision with respect to the planning of the military assistance program; and each--whether strategic, political, or economic--must be given due consideration and weight in our deliberations.

Before giving you a quick rundown of the Draper committee recommendations, however, I want to sketch in the picture that we ourselves see as we contemplate both the immediate and the more distant future. It seems to me that we are coming to a place in the road where, within the next nine months, important signposts will be appearing. The way these signposts point will indeed determine not only which fork of the road the military assistance program is to take, but its very character and objectives.

Between now and 7 December, the date when the Federal budget for FY 1961 will be put to bed, we shall be able to read the first of those signposts. It will tell us how much the executive branch will ask the Congress to appropriate for new obligational authority for military assistance in the next fiscal year. A second signpost will appear with the decision as to whether or not we will seek a supplemental appropriation for this year and, if so in what amount. The third and master signpost will be the action taken by the Congress on either or both of these requests.

If that action, coming, as it well may, at a time when we can no longer draw down on an already dangerously low pipeline of unexpended funds, makes it necessary for us to proceed on the basis of new obligational authority in a magnitude comparable with appropriations for the past couple of years--$1.5 billion for FY 1959 and $1.3 billion for FY 1960--then we can spend no more than we get in new annual appropriations. This means, quite finally, that a substantial portion of the validated requirements of a $2 to $2.5 billion program will have to go unmet. It also means a brand new program and an entirely new concept, which will demand not only an agonizing reappraisal of currently accepted force goals and their fulfillment, but, even more importantly, of total United States foreign policy and its political, as well as military and economic, implications.

And, regardless of the outcome of such painful reevaluations, there will be but few choices available to us in the actual allocation of military assistance. On the one hand, we can proceed by giving all of the countries we are now assisting some small modicum of support, with the probability that in only a few of them will there be maintained forces of any significant capability. Or, on the other hand, we can select just a few countries and give them enough military assistance to provide for the support of forces capable of making a really meaningful contribution to the defense of the free world.

Thinking through the permutations of such decisions as these, with all their implications for our own national security, will take many thousands of man-hours; but just as surely as the signposts point to minimal appropriations comparable to those we have had in the past two years, the choices here outlined will require this type of truly agonizing reappraisal.

What seems to me the most discouraging part of it all is that this effort could be directed toward more productive ends if we could apply

it to the development of an austere and valid program which would come closer to fulfilling the requirements of that adequate common defense which is so essential to augment and complement our own great military potential. The choice, however, is not exclusively ours here in Washington. It is in the final analysis that of the American people, to whom, for the sake of their own security, its implications must be made known.

Meanwhile, and until the signposts become a reality--which they will in short order--we shall and must continue our efforts to make the military assistance program just as efficient and effective as possible by paying additional and more pertinent attention to the logistics and maintenance areas where most of the tangible assets are located, and by taking full advantage of the many worthwhile suggestions made by the Draper committee. Among the more pertinent of these recommendations are:

1. That the military assistance program be made part of the regular budget of the Department of Defense and given continuing authorization. The Congress has accepted this on an experimental basis for two years. The extent to which it will facilitate our operations and simplify the annual presentation process remains to be seen and depends, of course, upon the desires of the several congressional committees with respect to the nature and timing of the presentation.

2. That increased funds be appropriated for the military assistance program to forestall the decline in the flow of military aid within the next two years, to permit the modernization of allied forces. This has not been done. On the contrary, the FY 1960 appropriation request of $1.6 billion, which was based on the most austere program we could develop consonant with the minimum requirements of national defense and the collective security with which it is interdependent, was cut to $1.3 billion by final congressional action.

3. That foreign policy direction of both the military and economic assistance programs by the Department of State be strengthened and improved, and that clear responsibility for operations be given to the Department of Defense as to military aid, and to a proposed new agency, preferably outside the State Department, for the various economic assistance programs for which it would be responsible. State and Defense have now agreed on the division of responsibility for putting into effect the 5-year planning cycle recommended by the Draper committee; and we are still working jointly on the implementation of the committee's

recommendations concerning the division of responsibility for the 3-year programing process and the annual presentation of the increments thereof to the Congress.

4. That greater responsibility for planning, programing and executing both military and economic assistance be decentralized to the field. Steps are being taken by State and Defense to effect this recomended decentralization of planning to the field.

5. That there be continuous evaluation of both military and economic assistance programs. In accordance with the provisions of the new Section 533 (a) of the Mutual Security Act of 1954, as amended, the Department of State has established a new Office of Inspector General and Comptroller; and in Defense we are planning to set up within the Office of the Assistant Secretary of Defense (International Security Affairs) an Office of Military Assistance Evaluation.

In addition to these major recommendations, among which I have not included those relating exclusively to economic assistance, the committee made several other more specific suggestions with respect to military assistance, such as the following:

Improvements in the military assistance program by:

1. Closer consultation with allies in country program planning.

2. Better integration of allied military forces and equipment with United States and other free world defense forces.

3. Increased emphasis on joint research and development projects.

4. Making appropriated funds available more quickly.

5. Encouraging the use of military forces in less-developed countries for achieving economic objectives.

6. Improving the training of military assistance program personnel serving overseas.

7. Legislative changes to take better advantage of the availability of retired military service officers for duties with the mutual security program.

Let me pause a moment right here to point out that the very diversity and wide range covered by these specific recommendations clearly reflects searching and detailed analysis by the Draper committee of every aspect of our operations and, consequently, lends added weight to the importance of its conclusions. Certainly we who are responsible for administration of the program are giving them the most meticulous consideration and doing everything in our power to reap the full benefits of their study.

That is one reason why we are both encouraged and reinspired by the fact that the Draper committee, contemplating the issues before us as we face that fork in the path at which we now stand, sees eye to eye with us as to the direction we must take. Their words are as strong as our conviction. "The only alternative we can see to the interdependent allied free world, strengthened by our aid where needed, would be the Fortress America concept--taking our first stand in the last ditch."

No one in his right mind, were he possessed of the full facts in the matter, would choose that suicidal alternative. The trouble is that too many well-meaning and intelligent citizens, whose opinion will influence the ultimate choice, are not possessed of the full facts. Their thinking is handicapped by inadequate and often inaccurate information, and is colored by the consistently "bad press" which the military assistance program has received, so undeservedly, over the years.

This is where you come in, where I come back to that need for help to which I said I would return in conclusion. Last year I ended my presentation to the Industrial College with a challenge to my audience that "you raise your sights from whatever your individual mission may be with respect to the security of the United States and take a long, close look at the larger picture of international security which is the only hope of the free world in the age of the thermonuclear bomb and the ICBM." Today I am going to assume that you are already meeting that particular challenge, and I shall toss a different gauntlet into your midst.

What I want you to do, if I may be allowed that privilege, over and above whatever may be your individual missions with respect to our national security, is to give us the benefit of your best and most imaginative thinking as to how we can so enlighten the American public that they will not only acquiesce in but demand full support of the military assistance program. How can we get it across to them that the

fighting men of Laos, Taiwan, Korea, as well as of NATO Europe--the allied soldiers who stand ready, able, and willing on every frontier of freedom around the globe--are the first line of our own defense? How can we bring it home to the citizen of Sioux Falls or Flagstaff that the money we spend on equipping and training those fighting men is spent for his own personal and individual security just as surely as is the salary of the local constable?

These are the questions, gentlemen, which I hope you will help us answer. There are others, too, which will occur to you as you ponder the problem. Perhaps some of you might get together informally, or even formally in seminars, and do a little brainstorming as to ways and means of presenting the issue which confronts us with a dramatic impact that will, once and for all, shatter the false image of military assistance as a "give-away" program and a waste of American taxpayers' money.

In this connection, it might interest you to know that this very subject came up just recently in discussions of SHAPE, during which I ventured the suggestion that we airlift three NATO divisions and encamp them at Shreveport, Louisiana. Farfetched as this may seem, it is a perhaps exaggerated example of what we ought to be doing to get the American people to know and really feel the actuality of mutual defense and collective security. These are just words--abstract concepts that fail to convince. What we need is something that can be seen and experienced, such as the Chinese Nationalist aerobatic team which stole the show at the Las Vegas World Congress of Flight last April. What would you suggest?

Speaking of suggestions, I am irresistably reminded of the wall-sized display put up by one of the services--which one I shall tactfully refrain from stating--down the corridor from my Pentagon office. This display purports to promote the employee suggestion program, but it looks to me more like an attempt to round up orphans for eager foster parents. Right there, in big black letters, is the "come-on" promise: "If adopted, you will be rewarded."

Expanding this bob-tailed English, let me assure you most earnestly, gentlemen, that you will indeed be rewarded for any suggestion you make with respect to winning popular support of the military assistance program. You will be rewarded by knowing that you have made a real contribution to the security and general welfare of the United States by helping to insure the continuing effectiveness of a program which was

designed and authroized by the Congress to promote that security and general welfare at a time when we couldn't need it more.

CAPTAIN FIKE: Mr. Shuff, on behalf of the Commandant and the students of the Industrial College, I want to thank you for a very fine presentation. And I might say in regard to your salesmanship program, you have already won over one very regimented Marine by your talk. Thank you very much.

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