Building Freedom’s Frontier in Northeast Asia

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Abstract

Following World War II, a power struggle between the Soviet Union and the United States divided the world into a state of bipolarity, with the United States continuing its adherence to democracy and the Soviet Union spreading communism. In order to contain and prevent the expansion of communism, despite the uncertainty of success and South Korean President Syngman Rhee’s ineffective policies, the United States audaciously helped nation-build South Korea after the Korean War from 1954-1960.

For this case study, I will use historical data and academic publications in my efforts to analyze the events that led to the United States’ decision to provide South Korea with unconditional aid to boost its postwar economy in its efforts to stave off the spread of communism in the region. I will utilize Balance of Power theory to support my argument. Moreover, I will attempt to answer the question that scholars and experts alike ceaselessly deliberate: “Why do states do what they do?” and “What causes conflict and cooperation among states?” In short, I will strive to give the readers a better understanding as to why states do what they do – in this case, the United States’ decision to nation-build South Korea against all odds.
Introduction

The Korean War (1950-1953) left the Korean Peninsula not only physically divided by political ideology but ravaged, with its infrastructure demolished and its economy collapsed. The aftermath of this three-year war saw communist North Korea rely on Nikita Khrushchev’s Soviet Union for help in developing its nation. However, postwar South Korea experienced a different fate due to its partnership with the United States and its affirmation of dictatorship rule. President Dwight D. Eisenhower understood that if South Korea failed to thrive in the postwar years, it could potentially be devoured by communist North Korea and the Soviet Union. Eisenhower and his staff concluded that the most effective means to defend American interests and presence in the Korean Peninsula was to support and nation-build their South Korean ally in its postwar efforts to construct a functional economy, operational infrastructures, and strong national identity among the South Korean people. Eisenhower additionally believed that American assistance to President Syngman Rhee’s postwar South Korea would further his agenda of maintaining a balance of power in the world, thereby preventing the communists from gaining too much ground in their quest for international hegemony. Yet Eisenhower’s pledge of aid to South Korea was not trouble-free as Rhee utilized the economic assistance to secure his political advantage and “repeatedly clashed with the United States over his desire to unify Korea by military means.”1 In this paper, I will examine why, despite the uncertainty of success and Rhee’s ineffective domestic and economic policies, the United States helped to rehabilitate and develop South Korea after the Korean War during 1954-1960.

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The second part of the 20th century was a period in which the two most powerful states in the world—the United States and the Soviet Union—engaged in a continuing contest for global superiority. Allies were a necessary component of this power struggle. For example, the Soviet Union exploited North Korea, known formally as the Democratic People’s Republic of Korea (DPRK), in its pursuit of international hegemony. It found superficial commonality with this nation’s adherence to communist ideology and took political advantage of this shared philosophy by joining forces with DPRK to undermine American interests. The two communist nations did not share DPRK’s Juche philosophy, but they did have the general objective of advancing their own interests which, for the Soviet Union, also included advancing its securities in the region. Simply, the DPRK was a suitable pawn in this scheme. One such instance of this political maneuvering was North Korea’s failed attempt to take over South Korea in 1950 at the behest of Soviet Union’s premier, Joseph Stalin and with acquiescence from China’s Chairman Mao Zedong. Though DPRK’s Kim Il-Sung did not succeed in its mission, the Soviet Union continued to aid and support the DPRK. As a result, North Korea even six decades later stands as an isolated threat in Northeast Asia and still exists as one of the most dangerous states today.

South Korea, conversely, was deemed an ally and potential asset to the Western world, especially to Eisenhower and other key American politicians, including Secretary of Defense Charles E. Wilson and Secretary of the State John Foster Dulles who perceived the Korean Peninsula as a vital Cold War battleground and as an essential bulwark of security and stability in Northeast Asia. These leaders looked beyond South Korea’s shattered economy and infrastructure which was mainly developed by Japan after 35 years of Japanese colonization (1910-1935) and the Korean War, and saw promise and future political gain in South Korea’s successful revitalization. Even though there was no assurance that its nation-building mission
would succeed in South Korea, particularly when Rhee was ignoring it, the United States felt compelled to use foreign aid as a defensive measure in order to respond to North Korea, driven by the fear of communism. This obligation stemmed from America’s fears of communism overtaking the region and jeopardizing its interests, as well as its commitment to defeat the threat of communism. Moreover, this is not to exclude Washington’s decision keep Rhee in political power following the war. The United States’ assessment of South Korea’s domestic politics remained almost identical since 1948, when the U.S. had initially allowed Rhee to gain power. U.S. policymakers questioned the capacity of any South Korean leader to construct a liberal democratic government. In the absence of such leadership, the U.S. preferred to support an autocrat Rhee, who could at least be counted on to guarantee internal security. Edward Mason in *The Economic and Social Modernization of the Republic of Korea* argued:

“Continuation of a high level of economic assistance for the decade after the war probably spelled the difference between some (1.5 percent per annum) and no growth in per capita income. Without this growth, the economic condition of the population would have remained desperate, political cohesion would have deteriorated, and the foundations for subsequent high growth would not have been forged. Thus aid played a critical role for the two decades from the mid-1940s to the mid-1960s.”

Again, the Eisenhower administration hoped it could consider reductions in economic aid to South Korea, but it feared that a decrease in funding would lead to the country’s collapse and absorption by the Communist North. Thus, the United States had little choice but to foot the bill for South Korea’s domestic and international security. In short, if South Korea failed, communism, the Soviet Union, and China, North Korea’s primary patron would gain the upper-hand in the region, therefore, safeguarding Rhee’s South Korea was a strategic decision driven

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by U.S. policymakers, as they believed it was a bulwark against the spread of communism in Northeast Asia.

**Methodology**

This research paper consists of eight parts: an introduction, methodology, literary review, case study, theory, analysis, conclusion, and the way ahead. Within the literary review, I will utilize the Balance of Power theory to examine the relevance of balance of power axioms in the Korean Peninsula by listing the specific hypothesis and the research questions. Utilizing relevant historical context, the case study will provide a thorough explanation of the theory. Within my analysis, I will test the Balance of Power theory using the case of the United States’ unconditional aid to boost South Korea’s postwar economy in its efforts to stave off the advanced spread of communism in the region. I will provide a theoretical assessment of the Balance of Power theory in correlation with the clash of democratic and communist principles, while empirically assessing its validity at the international level. Lastly, I will analyze and provide evidence proving that the United States’ involvement was an attempt to balance the power of the perceived proliferation of communism by the Soviet Union, concluding with a clear explanation of the significance of the findings of this exploration.

**Literary Review**

In recent years, many “realist” scholars, including James J. Wirtz and Michael Barletta, have argued that the Balance of Power theory – when one state or alliance increases its power or applies it more aggressively, threatened states will increase their own power in response, often
by forming a counter-balancing coalition – is losing its relevance.3 As a theory, balance of power predicts that rapid changes in international power and status—especially attempts by one state to conquer a region—will provoke counterbalancing actions. For this reason, the balancing process helps to maintain the stability of relations between states. As a policy, it suggests that states counter any threat to their security by allying themselves with other threatened states and by also increasing their military capabilities.

These persons cite the disappearance of the Soviet Union and the ever-increasing prominence of international institutions to support their contention. They conclude that “states are pursuing an array of security strategies, including ‘soft balancing,’ in today’s unipolar world.”4 Whatever one's views are concerning the contemporary relevance of the Balance of Power theory, it is important to look at the assumptions of this theory and its impact on world politics. Realists, such as Hans Morgenthau and Kenneth Waltz, tend to view balance of power as the foundation of regional and global stability because it limits the quest for hegemony by a single actor or coalition of states. Fundamentally, those who believe in the efficacy of the Balance of Power theory assume that: 1) there is a possibility and a natural tendency for some states to seek global hegemony; 2) other states will seek to prevent this hegemon by strengthening themselves or entering anti-hegemonic alliances with other threatened states; and 3) it creates a balance of power because it (a) preserves the independence of countries and (b) creates an equilibrium that promotes order and peace.5

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5. Sheehan, 25.
Morgenthau developed the Balance of Power theory as it relates to international relations in his *Politics among Nations: the Struggle for Power and Peace* in 1948. Morgenthau sought to answer the question “why do states do what they do” and attempted to explain exactly “what causes cooperation and conflict between states.” His Balance of Power theory further focused on the international system and analyzed state actions within that system. Morgenthau made two assumptions about the inherent nature of the international system. The first assumption, he rationalized, included multiplicity, or the belief that the international system was inevitably composed of multiple actors; the second one was founded on the understanding that mutual antagonism was caused by competition. These postulations demonstrate Morgenthau’s acceptance of the Hobbesian view that the international system is inherently anarchic. Due to states’ infinite competition with one another, each state’s foreign policy will attempt to increase its relative power within the system to ensure state survival.

Morgenthau based the Balance of Power theory on a state’s desire to gain power and to maintain its strength by balancing the power of other states. Morgenthau also defined two types of power that interest states. The first of those elements include relative stability. They are elements of power, such as geography and natural resources and are for all intents, inflexible, inasmuch as they are based on the state’s location. The second type of power, which interests states, is unstable and subject to constant change. Elements of this power are military preparedness and government quality. These components may be in constant flux and are susceptible to both internal and external influencing factors. Indeed, the Balance of Power

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7. Ibid., 223.
8. Ibid., 223.
9. Ibid., 191.
10. Ibid., 192.
theory is applicable to any of the polar configurations, but it is most often associated with multi-
polar systems. Advocates of the Balance of Power theory believe that “leaders will be well
advised to continue to practice its principles in the evolving power politics.”\textsuperscript{11} Renowned
American political scientist and 56th U.S. Secretary of State Henry Kissinger, advised that "in
the next century American leadership will have to articulate for their public a concept of the
national interest and explain how that interest is served in Europe and in Asia by the maintenance
of the balance of power.”\textsuperscript{12}

![Figure 1: The above depiction is a cartoon by the British cartoonist David Low, from the Daily Herald (1950), shows President Truman and the United Nations rushing to South Korea’s aid.\textsuperscript{13}](image)

\textsuperscript{11} Sheehan, 36.
\textsuperscript{12} Henry Kissinger, \textit{Diplomacy}, (New York: Touchstone, 1994), 166.
Case Study

In January 1950, in his address to the National Press Club, U.S. Secretary of State Dean Acheson excluded South Korea from America’s defense perimeter. One may surmise that Acheson’s statement may have played a large rule in both Stalin and Kim Il-Sung’s decision to launch a fierce attack against the South in June 1950. Doug Bandow and Ted Carpenter, authors of *The U.S.-South Korea Alliance: Time for a Change* insist that “the Korean War catapulted Korea into a position of strategic importance in the eyes of American policymakers.” The United Nations managed to end the conflict with the armistice of 1953, permanently dividing “the land of the morning calm” in half. The unpredicted conflict cost the United States approximately 34,000 killed, over 100,000 wounded, and almost four million Koreans—both north and south—lost their lives in the struggle. The geographical divide of the Korean Peninsula was ultimately an ideological separation, which led to an increasingly bipolarized Korea. The Korean War “ensured not only continued U.S. military presence in South Korea” but continued the U.S.’ colossal support of foreign aid.

Since the end of World War II, the security of South Korea has been dependent on the actions of the United States whose stated chief interest was to block the communist expansion. Even before the conflict, the United States has had a respectable relationship with South Korea. After the Korean War, “the U.S. sought to reconstruct the South Korean economy, primarily to

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15. Ibid., 18.
17. Lie, 25.
ensure its political stability.”

Throughout the Cold War, the U.S. was interested in defending South Korea from communist attack and to maintain stability in Northeast Asia. In the United States, “the arguments for anticommunism and for South Korean aid went hand in hand.”

In 1953, writer for the New York Times Magazine, Eugene J. Taylor wrote that nation-building South Korea was “important to the West’s primary objective of preventing the spread of Communist aggression” and this argument for “protecting and supporting South Korea remained popular throughout the 1950s and beyond.”

As a result, the United States promoted South Korea’s significant economic growth and supported its rebuilding efforts. “From 1953 to 1961, South Korea received $2.3 billion in aid, with 85 percent coming from the United States” and in the late 1950s, “the U.S. economic aid to South Korea accounted for over ten percent of the South Korean Gross National Product.”

In fact, the United States Agency for International Development (USAID) revealed that the U.S. gave more aid—a sum of $11 billion by 1973—to South Korea than to any other country with the exception of South Vietnam. According to Edward S. Mason’s *The Economic and Social Modernization of the Republic of Korea*, the U.S.’ aid to South Korea was well-intended and reflected a faith that South Korea might one day become like the United States.

Kim Il-Sung’s invasion of South Korea in 1950 forced a reassessment of U.S. foreign policy. The United States addressed South Korea’s economic and financial crisis in order to maintain the security balance on the peninsula and to preserve peace in Northeast Asia. South Korean economic stability was crucial to the nation’s political development, consequently

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18. Ibid., 22.
19. Ibid., 23.
20. Ibid., 23.
22. Curtis and Han, 54.
compelling the United States to provide immense amounts of foreign aid to develop South Korea’s fractured economy. Even before the Korean conflict, in his 1949 message to Congress, Truman made a declaration of the United States’ need to enhance its foreign policy aimed towards South Korea:

“Korea has become a testing ground in which the validity and practical value of the ideas and principles of democracy, which the Republic is putting into practice, are being matched against the practices of communism, which have been imposed upon the people of North Korea. The Korean Republic, by demonstrating the success and tenacity of democracy in resisting communism, will stand as a beacon to the people of northern Asia in resisting the control of the communist forces, which have overrun them.”

The president of the United States declared, in effect, that helping South Korea survive and develop was a patent way of showcasing the success and tenacity of democracy as a foreign policy objective of the United States. Truman explained that in order to develop South Korea as a self-sustaining state, the “United States’ aid, both military and economic to the Republic of Korea is a must.” After successfully balancing power in post-WWII Europe with the Marshall Plan, which ensured Europe’s survival and security from communism via American financial aid, the United States feared a new threat: the spread of the communism in Northeast Asia.

The United States, to illustrate and reiterate, affiliated itself with South Korea in order to safeguard its interests and presence in the Northeast Asian region at a time when communist leaders such as Khrushchev and Mao were bent on removing “the United States off the Asian

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mainland.”

Simply, the objective of the United States was to prevent that from happening. The United States, apprehensive that a nuclear capable communist stronghold would develop in the region and endanger its interests, understood that defending South Korea was the swiftest and most practical way of promoting its agenda in the region. Even before the Korean War, President Truman acknowledged the significance of South Korea as a bulwark against the spread of communism in Northeast Asia and declared: “[i]f we let Korea down, the Soviet[s] will keep right on going and swallow up one [place] after another.”

His words echoed a message that the U.S. had to secure victory over communism in vulnerable South Korea because “[t]he fight on the Korean Peninsula was a symbol of the global struggle between east and west, good and evil.”

Theory

According to the Balance of Power theory, if State A upsets the balance of power in a region influenced by State B, then State C will attempt to restore the balance by aiding State D. Following the general hypothesis with a specific hypothesis, if North Korea upset the balance of power in the peninsula with the support of the Soviet Union, then the United States would attempt to restore the balance by providing economic aid to South Korea. We establish the independent variable, the dependent variable, and the causality from this hypothesis. Was North Korea acting on behalf of the Soviet Union? Did the Soviet Union, moreover, upset the balance of power with its supply of economic and military aid to North Korea? In order to answer these questions, one must identify its appropriate sub-research components. Sub-research components

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28. Ibid.
29. Morgenthau, 189.
may include: 1) to identify how North Korea and Soviet Union actions caused an imbalance of power in the system; 2) to identify how to measure both North Korea and the United States’ power both economically and militarily; 3) to identify the motives for North Korea to continue acting at the Soviet Union’s bequest; and 4) to identify the evidence that demonstrates the Soviet Union influenced North Korea.

The next step in this research is to establish the proper dependent variables for the hypothesis. Despite the uncertainty of success and Rhee’s ineffective policies in transforming South Korea, why did the United States help nation-build South Korea after the Korean War during 1954-1960? Examples of sub-research components are as follows: 1) to establish when the U.S. provided the foreign aid, 2) to identify who led the foreign aid plan, 3) to identify how the U.S. provided the foreign aid, and 4) to identify the makeup of the forces that aided postwar South Korea. Lastly, I considered the following research question for causality: did the U.S. aid South Korea because the Soviet Union was acting to upset the balance of power by supplying enormous amounts of economic aid to North Korea? Examples of sub-research components may ask: Did the United States take action because its power was threatened? And was that power and existence threatened by North Korea and the Soviet Union’s actions?

**Analysis**

To analyze the question “despite the uncertainty of success and Rhee’s ineffective policies, why did the United States helped to rehabilitate and develop South Korea after the Korean War during 1954-1960,” I employ the Balance of Power theory. Through the use of the Balance of Power theory at the international level, one is able to more accurately answer the research necessary question: Did the Soviet Union upset the balance of power with its supply of
economic and military aid to North Korea? It can be posited that there is convincing evidence that proves the Soviet Union did, indeed, upset the balance of power in the Korean Peninsula. The economy of North Korea experienced a substantial growth during the years of the late 1950s and into the early 1960s.\textsuperscript{30} The regime of Kim Il-Sung received immense economic and technical assistance from the Soviet Union. Also, “a firm commitment to a neo-Stalinist developmental strategy, a relatively simple economy, and a compliant labor force,” produced an impressive rate of real growth in North Korea.\textsuperscript{31} After the Korean War, with the Soviet Union’s substantial amount of aid, the communist government of North Korea was able to use the region’s rich mineral and power resources as the basis for an ambitious program of industrialization and rehabilitation. North Korea rebuilt power facilities, water and wastewater systems, railroads, manufacturing plants, collectivized farms, and nationalized industries. Using 1955 as an index (1955=100), North Korea’s manufacturing output increased from 61 in 1954 to 212 in 1958 and overall productivity ascended from 67 in 1954 to 217 in 1958.\textsuperscript{32} After the Korean War, the number of North Korea’s industrial workers almost doubled, the substantial foreign aid from the Soviet Union reinforced the entire process of industrialization. North Korea maintained close relations with the Soviet Union and at last signed military aid treaties in 1961. This demonstrates how the Soviet Union influenced North Korea and how North Korea continued to fulfill Soviet Union’s request to spread Communism and possibly unify the peninsula under a common communist regime.

\textsuperscript{30} Gregor, 19.
\textsuperscript{31} Ibid., 21.
\textsuperscript{32} Ibid., 17.
Shortly after seeing North Korea’s rapid development with its impressive economic policy, the United States began to develop plans for South Korea’s national expansion and modernization. Despite the uncertainty of success, the United States devised a blueprint for South Korea’s regeneration by helping the fractured state nation-build after the Korean War during 1954-1960. Immediately following the Korean conflict, the United States provided foreign economic assistance to South Korea. This economic support was essential to the

country's recovery from the Korean War in the 1950s because it saved Seoul from having to devote scarce foreign exchange to the import of food and other necessary goods, such as cement.\textsuperscript{34} It also freed the South Korean government from the burden of heavy international debts during the initial phase of (re)growth and enabled the government to allocate credit in accordance with planning goals.

From the 1950s into the 1960s, the United States provided South Korea with grant-type aid, reconstruction assistance, and loan-type development aid for maintaining capitalism in South Korea. South Korea gave every sign of suffering from economic stagnation during the postwar years. The South still had farmers in the early 1960s, the per capita Gross National Product grew at an annual real rate of only 1.7\%, and university graduates went directly into the unemployment lines.\textsuperscript{35} Economic growth proceeded at a rate of five percent per year, peaking in 1957 at $383 million. The United Nations Korean Reconstruction Agency, primarily funded by the United States, was responsible for the development of most of the industrial plants.\textsuperscript{36} This portrays that despite the uncertainty of success, the United States helped nation-build South Korea after the Korean War during 1954-1960. Apart from grant assistance, other forms of aid were offered; after 1963, South Korea received foreign capital mainly in the form of loans at concessionary rates of interest.

In \textit{The U.S.-South Korean Alliance: Evolving Patterns in Security Relations}, authors Gerald Curtis and Sung-Joo Han noted that “[t]he main purpose of the aid was to maintain national security and stability, not to develop a self-sustaining Korean economy.”\textsuperscript{37} The United

\textsuperscript{34} Oh, 166.
\textsuperscript{35} Gregor, 17.
\textsuperscript{36} Curtis and Han, 188.
\textsuperscript{37} Ibid., 191.
States government felt the extensive growth of communism throughout the world threatened its supremacy. This alone might answer the question of why any country would want to devote billions of dollars to save another country’s economy. It also assisted in identifying the direct link between the objective of U.S. foreign aid and the Balance of Power theory. By establishing the causality of the actions taken by the United States, one may postulate that the United States provided foreign aid to South Korea because the Soviet Union was acting to upset the balance of power by supplying enormous amounts of economic aid to North Korea.

The Korean Peninsula sits at the intersection of conflicting great power interests in Northeast Asia. Stalin knew this even before he came into power in the Soviet Union. This unique “leader of genius” focused on the development of Korea and wanted to spread communism along the path of economic growth and industrial development. In *Land of the Morning Calm: Korea and American Security*, James Gregor claims that under the influence of Stalinism, “Fidel Castro became the ‘Maximum Leader’ of Cuba, Mao Zedong, the ‘Never Setting Red Sun’ of the Chinese, and Kim Il-Sung, the ‘Leader of Extraordinary Greatness’ for North Korea.” 38 Many historians have concluded that Stalin and Mao’s cleverest action during this era was to allow Kim Il-Sung to launch an invasion against South Korea. Such historians adopt this outlook because they believe that, if the invasion had succeeded, following Stalin’s strategy in the region, the next apparent target would be Japan—another Asian ally of the U.S. whose potential loss would be a grievous blow to the American mission and the balance of power in Northeast Asia. A strong defender of democracy, the United States refused to let the Soviet Union gain additional power in the region or threaten America, its allies, or its interests.

38. Gregor, 46.
Even though the Korean War demolished South Korean infrastructure and left the country hopeless, most of the United States' policymakers, including President Eisenhower, truly believed that by providing foreign aid, they could develop South Korea’s economy and transform it into a stable democratic government. Moreover, with the U.S.’ influence and team of available government advisors, they were confident that they could stimulate democratization in the region for the first time in its 5,000 year history. Evidences that the Eisenhower administration wanted to promote democracy—not just development—can be seen in its pursuit of reformation of South Korea’s system of education and its financial support for the growth of newspaper and journal publishing.39

Because no other institution directly influenced future generations in South Korea, Americans strongly believed that reforming South Korea’s system of education was critical to democratization.40 Furthermore, they were convinced that the very future of democracy in South Korea hinged on “correcting the defects of the country’s educational system.”41 U.S. officials were committed to revising South Korea’s school curriculum and hoped to instill “a sense of national responsibility” and show “a life in a democratic society” to young South Koreans.42 They closely worked with the South Korean Ministry of Education to revise textbooks in order to emphasize anti-communism and promote democracy. Eisenhower and his staff visualized that an educated South Korean populace was “pivotal to American plans for the democratization of South Korea.”43 They were also convinced that literate citizens “needed outlets to express and

40. Ibid.
41. Ibid., 44.
42. Ibid.
43. Ibid., 50.
engage new ideas.” The Eisenhower administration ensured this outlet by providing free press in South Korea. It hoped to promote a print culture that promoted change in a direction conducive to U.S. interests and ideals, which amounted to a democratic society. Therefore, in spite of harsh postwar conditions, the phenomena of economic development and democratization seemed achievable with the right foreign policy and policy advisors in place. Americans saw the divided peninsula as “akin to the role that divided Germany played in Europe.”

The United States invested a substantial amount of its own defense capabilities and wealth into South Korea to stop the spread of communism in the Korean War. According to one high-ranking U.S. State Department official, South Korea’s survival and success as an anti-communist state was critical in order to “create continuing resistance in the minds of hundreds of millions of people in the area to the acceptance of communism.” Initially, U.S. policymakers also planned to create a democratic society in South Korea. However, in order to preserve peace in Northeast Asia and avoid another catastrophe, U.S. policymakers prioritized on upholding the security balance on the peninsula. Therefore, even when an autocrat such as Syngman Rhee emerged, they simply disregarded it because it was not precedence so the U.S. “did not have an immediate plan for converting it into a democracy.” For this reason, the United States supported the conservative Rhee starting from 1948, throughout the Korean War and until April 26, 1960 before the student revolution ousted him. The core of this stet was the United States’ anxiety over peninsular security.

44. Ibid., 50
45. Ibid., 2.
46. Ibid., 2.
47. Ibid., 6.
While South Korea was progressively heading in the direction of economic stability, the North Korean economy imploded. Americans were well aware that North Korea’s economic recovery programs after the war were far more successful than South Korea’s. According to a 1957 report, “in spite of tremendous war damage, insufficient manpower, lack of adequately trained technicians and poor crop harvests in 1953-1955, the economic rehabilitation of North Korea is progressing steadily as a result of continued assistance of the Sino-Soviet Bloc.”48 Despite Rhee’s ineffective governance and shortcomings in rebuilding South Korea, therefore, the United States had little choice but to provide formal support to Rhee’s dictatorship. Scholars like Walt Whitman Rostow, an American economist and political theorist, saw the Korean Peninsula as a “showcase for liberal capitalism in Asia.”49 Likewise, policymakers in Washington feared a renewed Democratic People's Republic of Korea invasion of South Korea, which played a significant role in the decision to support a despotic idealist, Rhee. This decision allowed Rhee to maintain his power and enabled him to survive challenges to his regime. Therefore, until 1960, the U.S. “supported Syngman Rhee’s highly autocratic regime despite its minimal commitment to economic progress.”50

Through sponsorship from the United States, during Rhee’s tenure as president, South Korea managed to stabilize itself. However, the country remained under the control of a dictator who refused to adapt to the U.S.’ economic strategy and therefore, failed “miserably at the task of economic development.”51 It goes without saying, in the opinion of most U.S. politicians, that

48. Ibid., 104.
49. Ibid., 104.
50. Ibid., 101.
51. Ibid., 4.
“[i]nflation, corruption, and stagnation” defined Rhee’s failures. Instead of following his American advisors’ economic plan, Rhee had his own vision for the future and his “preferred developmental schemes” were the problem. Rhee repeatedly clashed with the U.S.’ political advisors and “his despotic rule was, moreover, distasteful to many Americans.” In 1954, U.S. journalist Frank Gibney wrote: “[i]n his conduct of domestic affairs he is, without question, a dictator, seldom reluctant to use police intimidation and force to suppress the political freedoms whose theory he defends.” Despite the ongoing disparities, American economic aid to South Korea peaked at a record of $380 million in 1957, $321 million and $222 million in 1958 and 1959, respectively. From 1946 to 1976, the “United States provided $12.6 billion in economic and military aid to South Korea, with Japan contributing an additional $1 billion, and $2 billion coming from international financial institutions.” However, with their economic aid, the Americans inadvertently assisted Rhee in strengthening his authority. Rhee used it as his personal tool to manipulate his allies and crush his adversaries. Pundits like Meredith Jung-En Woo who wrote Race to the Swift: State and Finance in Korean Industrialization, argued that “Rhee found his space for maneuverability in the logical contradictions inherent in the U.S. foreign policy design toward Korea, playing one off against another.”

At the end of 1959, American development agencies called South Korea “a nation building nightmare,” “an albatross” and “a rat-hole,” and “a bottomless pit.” So despite

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53. Lie, 25.
54. Ibid., 25.
55. Brazinsky, 105.
56. Woo, 44.
57. Brazinsky, 9.
58. Woo, 47.
59. Ibid., 46.
knowing Rhee’s tyrannical behavior and his resistance against U.S.-mandated democratization, why did the United States continue to throw billons into this “bottomless pit”? Washington’s key focus always has been on the security of the peninsula, but Americans also seriously feared “internal subversion.” Even though Rhee exercised autocracy and implemented counter-productive economic policies, the United States had to provide crucial political support for this conservative nationalist since he was a proven solution against leftist insurgency in South Korea. Simply put, notwithstanding Rhee’s disregard to South Korea’s democracy and economic development, the United States primarily supported him because it “regarded him as the only figure capable of blocking the influence of the Korean left.”

The United States saw the Korean Peninsula as a vital battleground against communism, thus policymakers in Washington had little choice but to prioritize military and financial assistance to the South. Americans saw the stability and viability of South Korea’s economic infrastructures as the fulfillment of their initial objective: a resilient South capable of standing against the North. Although Rhee was known as an “Oriental bargainer” and “master of evasion,” and Eisenhower complained of Rhee’s frequent blackmail, his hands were tied. This was because in order to achieve the U.S.’s original Cold War era goals of containing and suppressing communism, Rhee was a necessary evil with whom the Americans had to contend. The U.S. was willing to support even a tyrannical regime if it could develop South Korea as a reliable ally, which would ensure security in Northeast Asia and serve American interests.

60. Brazinsky, 102.
61. Woo, 44.
63. Ibid., 3.
64. Woo, 44.
65. Ibid., 44.
The United States’ main goal in intervening was to match its patronage of South Korea against the Soviet Union’s economic and military aid to North Korea. Establishing democracy in the South was paramount to the accomplishment of its main objective. Due to the Soviet Union’s direct aid and support, Kim Il-Sung was able to establish North Korea as a powerful communist government in the region. If communism ruled the Korean Peninsula, the United States’ objective of containing the spread of communism would have been unattainable and U.S.’ ability to protect its Asian allies would not have been as robust. As an example, potentially hostile military activity on the Korean Peninsula would threaten the security of Japan. A major change in the military balance on the Korean Peninsula would threaten not only Japan, but also all of Northeast Asia and even America. Gregor noted “[w]ithout secure ship passage along these sea-lanes of the Pacific, the United States could not meet its security obligations in East Asia in the event of conflict.”66 In response to the Soviet Union’s actions of upsetting the balance of power in the bipolar world, the United States had no choice but to plan, intervene, and provide large amounts of foreign aid to nation-build South Korea’s postwar economy despite the uncertainty of success.

During the 1950s, through Stalinism, the Soviet Union appeared to have gained an edge against the United States in their quest for international hegemony. Communism had taken over North Korea and was on its way to overrunning Northeast Asia. As a result, the Soviet Union broke the balance of power and threatened the United States’ regional position. To counterbalance this action, the United States responded by providing massive economic and military aid to South Korea. The Balance of Power theory demonstrates that the United States

66. Gregor, 10.
intervened in order to check the expansion of Soviet Union power in Northeast Asia because it was becoming a major threat to democracy and the United States.

**Conclusion**

Through the use of traditional scholastic publications, interviews with experts in Asian affairs, and analysis, this research paper explores a myriad of subjects relating to the U.S.’s foreign aid to South Korea, as well as pertinent background information during the 1954-1960 period. It examined the questions of 1) why, despite the uncertainty of success and Rhee’s ineffective policies on economic progress, the United States helped to rehabilitate and develop South Korea after the Korean War during 1954-1960; 2) why states do what they do; and 3) what causes conflict and cooperation among states. Through research and study, I determined that a better understanding as to why states do what they do, as well as how internal relationships and debates affect public policy and actions can be found in explicating post-Korean War world affairs and relationships. During this period, according to the research, the world observed the formation of dubious partnerships and exorbitant spending became necessary in order to advance national interests and protect the balance of power. The world saw the Soviet Union and the DPRK align themselves in the name of communism; it witnessed the United States and South Korea to forge a united front against the spread of communism.

For this specific case study, I utilized the Balance of Power theory in the international system to analyze the events that led to the U.S. decision to nation-build South Korea. The Balance of Power theory is one of the oldest and most basic concepts in the study of international relations. According to philosophers such as David Hume, the Balance of Power theory was “a scientific law,” Glenn Snyder called it “the central theoretical concept in international relations,”
and Morgenthau, building on Hume, referred to it as an “iron law of politics.”¹⁶⁷ U.S. key role players such as Kissinger, “treated the balance of power as more of an art than a science, practiced more skillfully by some political leaders [than] others.”¹⁶⁸

After defining the research questions, developing the hypothesis, and applying the theory, the findings support that the Balance of Power theory explains the rationale behind United States intervention in the Korean Peninsula. After World War II, a power struggle between the Soviet Union and the United States divided the world in a state of bipolarity. When the Soviet Union attempted to spread communism, it signified a ‘breach’ in the balance of power. The United States was forced to respond to this power upset when it perceived direct and immediate threats in the Korean Peninsula.

During the postwar period between 1954-1960, the United States reinforced its allegiance to the Rhee government and confirmed its anti-communist mission through the financing and rebuilding of its ally and infrastructures. The Americans deemed this an essential element in their war on communism and considered it a valuable investment for a weakened South Korea could easily fall victim to the communists. For example, in accordance to the principles of the domino theory, it was widely understood that if one country fell to communism, then others would follow. In this scenario, if South Korea fell, Japan would fall next, therefore threatening the balance of power of the region. This outcome did not result in the postwar region, but the Korean War already proved to the international community that the Soviet Union and DPRK were a credible threat and could forcibly overtake South Korea without American intervention.

¹⁶⁸. Ibid., 29.
The potential collapse of South Korea would likely instill fear and chaos in Japan, which would make the nation—already weakened in its own post-WWII state—highly susceptible to outside aggression even though it had a significant amount of American forces remaining in-country to help rebuild its fractured government, infrastructures, and people. Therefore, in the eyes of Eisenhower’s administration, if South Korea could somehow be rebuilt, become economically stable, and survive in the wake of the three-year Korean War, then American interests in the region would enjoy increased security.

During the Cold War, Rostow and other prominent scholars maintained that South Korea’s development would be the key to defeating communism in the postcolonial world. These experts also constantly stressed the importance of establishing an indigenous leadership committed to democratic change. A developing country like South Korea needed a strong political figurehead that could “lead the way through the whole spectrum of national policy—from tariffs to education and public health—toward the modernization of the economy and the society of which it is a part.” Rhee was presumably the best option the South Koreans and Americans had at the time to fill this role. Though Rhee was educated in the West and was an indigenous leader, he never wanted to engender democratic change in South Korea. Even with the estimated $200 million in aid he had at his disposal thanks to the U.S.’s liberal sponsorship in the 1950s, Rhee failed this critical undertaking because he never attempted it. He needed the United States in order to succeed as a postwar leader and the U.S. needed him to succeed, so Rhee had access to vast American resources. In 1960 alone, the United States dispensed to South Korea $380 million; this was more money than it provided to any of the other countries it

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69. Brazinsky, 104.
70. Ibid., 104.
71. Woo, 46.
was nation-building during the Cold War era, except the $700 million devoted to South Vietnam.\textsuperscript{72}

Figure 3: United States Assistance to South Korea, in millions, constant 2014 U.S. $.\textsuperscript{73}

USAID claimed that South Korea had “become a symbol of the determination of the United States to assist the nations of free Asia to defend themselves against communist aggression” and if South Korea should fall to communism along with North Korea, it would jeopardize “the entire strategic and psychological position of the U.S. in the Pacific area.”\textsuperscript{74}

Even though Rhee never attempted to create a democratic society with U.S. aid, using Rhee was the only way to prevent a possible internal subversion. Moreover, “the paramount importance of anticommunism led the United States to prize stability over its distaste for autocratic rule.”\textsuperscript{75} In summary, even though he was “viewed as senile, indomitably strong-willed, and obstinate,”

\textsuperscript{72} Brazinsky, 105.
\textsuperscript{74} Ibid., 2.
\textsuperscript{75} Lie, 25.
Syngman Rhee “wrested reluctant but reliable support from the United States” by preaching anti-communist rhetoric.\textsuperscript{76}

In the context of the Cold War, the Korean War can be viewed as a clash between the two global powers in their quest for international hegemony. According to historian Bruce Cumings, in the end, the war solved nothing because it only helped the United States to use South Korea as a bulwark against the spread of communism in Northeast Asia, but it failed to unify Korea, which was the original goal of the civil war.\textsuperscript{77} The Korean War—a proxy war—was caused by two dichotomous states using two separate ideologies to fight their battle for them. China exchanged a lot of shots in anger with the United States in the Korean Peninsula, but mostly, it was a war “where the real enemies—[United States and Soviet Union]—barely exchange a shot in anger, but where their tanks, bullets and bombs fuel the bloodshed.”\textsuperscript{78}

The clash between the two global powers in their quest for international hegemony has continued even after the Korean War. The Korean War annihilated South Korea's economic and military capacity, the U.S.’s judgment to re-build South Korea has somewhat assisted South Korea from future North Korea aggression while preventing the spread of communism on the Korean peninsula. In short, in order to transform South Korea as a crucial bulwark against communism in the Northeast Asia region, despite the uncertainty of success and Syngman Rhee’s ineffective policies on economic progress, the United States helped nation-build South Korea after the Korean War during 1954-1960.

\textsuperscript{76} Ibid., 25.
South Korea, which once ranked among the top on the United States’ aid recipients, presently is one of America’s most trusted allies. South Korea has gone from a poor authoritarian state to one of the world’s wealthiest nations. A 21st century South Korea has a “market economy that ranks 15th in the world by nominal GDP and 12th by purchasing power parity.” South Korea’s pledge to democracy and a market economy have afforded the country the luxury of stable economic dominance. Along the same lines, its affluence has helped to maintain a robust defense posture, which supports both nations’ security interests. South Korea’s overall military strength ranks ninth in the world, measured by actual manpower which goes beyond military equipment totals and perceived fighting strength and it also possesses a vast amount of military machinery, including 2,346 tanks and 1,393 aircrafts. South Korea has increased its maximum range of ballistic missiles from 300km to 800km and increased the payload limit from 500 kg to 1,000kg. South Korea also purchased $540 million worth of U.S. weapons systems in 2011 and the country’s defense spending rose for the third consecutive year in 2013, amid escalating tensions with North Korea over its persistent nuclear and missile threats. According to figures by the Ministry of National Defense, South Korea spent 2.6 percent of its gross domestic product (GDP) on defense in 2013, the highest level in three years. South Korea's defense expenditure totaled $29 billion and recently reported that for next

81. Congressional Research Service.
main fighter aircraft it will purchase the Lockheed Martin F-35 Joint Strike Fighter.\textsuperscript{84} Moreover, North Korea may soon be up against the Israeli-made Iron Dome system, which intercepts and kills short range rockets and missiles.\textsuperscript{85} In the aftermath of the most recent war in Gaza, Seoul has expressed serious interest in purchasing the anti-missile system.\textsuperscript{86} Simply put, South Korea is a proven ally that can defend its homeland. South Korea's achievement shows how U.S. foreign assistance helped to achieve security in the Northeast Asian region and South Korea to enjoy economic prosperity. Many would conclude that South Korea's transformation with a successful economy is a diplomatic triumph for the United States.

The Way Ahead

American foreign policy towards the Republic of Korea has focused on a substantial amount of military and economic support and is primarily based on the Mutual Defense Treaty between the United States and the Republic of Korea (1953).\textsuperscript{87} The mutual defense treaty continues to be the cornerstone of the security relationship between the two, which supports peace and stability by extended deterrence—28,500 United States Forces troops on the ground and the U.S. nuclear umbrella. The combined threats of North Korea’s nuclear weapons and conventional forces, as well as the specter of the collapse of the Kim Jong-Un family regime, compel the United States government to continue its strong military defense of, and economic

devotion to, South Korea. The need to protect South Korea against its neighbor to the north also drives—in part—America’s ongoing “rebalance” or “pivot” towards Asia.

The United States supported South Korea in order to balance the Soviet Union’s global reach during the Cold War. Today, the Soviet Union has collapsed and the Cold War is history so why is the U.S. continuing to support South Korea? The answer to this question is found in South Korea’s current security status: the nation is technically still at war with the North. South Korea has a truce, not a peace, with North Korea. This may not matter much to the U.S., but it matters to Koreans on both sides of the 38th parallel. Had Pyongyang undergone regime change of some sort a few decades ago or had it not successfully tested three nuclear weapons since 2006, we might see less or no presence of American forces in South Korea. In a better world, I would conjecture that the United States could ramp down their presence in the Korean peninsula. We just do not happen to be living in that world.

President Barack Obama reaffirmed America’s dedication to Seoul and the mutual defense treaty during his official visit to South Korea in April 2014. During that visit, the president promoted his “pivot” and pledged a continuing U.S. commitment to a strong alliance with South Korea. Obama reminded South Korean President Park Geun-Hye that recent developments in North Korea, such as significant increased activity at Punggye-ri nuclear test site coupled with multiple long-range missile tests, beckoned for fiercer efforts toward denuclearization.

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For the last six decades, the United States and South Korea have built an inseparable alliance and have ensured a peaceful, secure, and prosperous environment for the peninsula, with the exception of provocative, yet controlled, strikes from North Korea. The North Koreans, particularly the old marshals of the Korean military for whom the Korean War is still a sacred reminiscence, would no doubt hesitate to re-invade the South and unify the peninsula to claim an eternal victory. They would be able to gloat that they had achieved what even their big brothers in China had been unable to do for over 60 years: a unified Korea whose soil is completely untainted by Westerners, particularly the American troops. In order to neutralize this potential threat, the United States and South Korea should continue to incorporate political, economic, and social cooperation based on the security alliance now and in the foreseeable future. All said, as a Korean-American and a U.S. Army officer, who has been and will continue to be in the driver’s seat of U.S. and South Korean defense matters, this research paper had a great deal of personal and professional significance to me because, as illustrated in the judgment to re-build South Korea, the decisions that operational leaders like myself make today will have a critical impact on a nation’s strategic objectives tomorrow.
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