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trying to subvert or abridge independence. Although there is still considerable lack of popular understanding in the free Far East regarding Communism, there is increasing recognition, particularly among responsible leaders, of the nature of the Communist menace to national independence and ways of life and there is increasing determination and capacity to resist Communist encroachments. Moreover, the anti-colonialist and anti-western attitudes which dominated Far East nationalist sentiments in the early post-war years are now fading, with Communist China emerging as the main threat to nationalist aspirations.

6. Japan occupies a unique position as the only major industrial and trading nation in the Far East, a nation which can play a leading and stabilizing role in Asia. Rapidly recovering from World War II and fully aware of the importance of developing markets for Japanese goods, Japan is contributing to the long-term economic development of Southeast and South Asia. Japan's future international orientation will be determined in major degree by its ability to sell in free world markets, notably the American market.

7. Since the Communist regime in China is unlikely to be replaced in the foreseeable future and since it is unlikely to be alienated from the Soviet Union, the principal means for dealing with the threat it poses is by helping to build up the political and economic strength and stability

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