

SECRET

CURRENT U. S. POLICY IN THE FAR EAST

I. GENERAL CONSIDERATIONS

1. The primary problem of U. S. policy in the Far East is to cope with the serious threat to U. S. security which has resulted from the spread of hostile Communist power on the continent of Asia engulfing mainland China (including Tibet), north Korea and north Viet-Nam.

2. Since it seized mainland China in 1949, the regime in Communist China has consolidated effective control over that area and has remained a closely cooperating partner of the Soviet Union. It is prudent to assume in our planning that for the predictable future the Peiping regime will continue to exercise effective control over mainland China, that its military and economic strength will continue to increase and that the Sino-Soviet alliance will hold firm. On the other hand, Communist China will undoubtedly encounter severe strains, dislocations and set-backs in trying to achieve the production goals it has set itself.

3. If -- but only if -- (a) the present ratio of free world military power to that of the Sino-Soviet Bloc is maintained, (b) adequate U. S. aid and support is forthcoming and (c) the U. S. maintains a sufficiently liberal trade policy, the present orientation of most free Far Eastern countries is not likely to be adversely altered to any marked degree in the years ahead. In that case the

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