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basic trend of the past five years -- stabilization of the demarcation between Communist and non-Communist Asia -- will probably continue. On the other hand, the weaknesses engendered in Asia by its incomplete political, social and economic revolutions and by antagonisms between certain free Far East countries are unlikely to be significantly reduced during at least the next few years and will continue to provide opportunities for Communist pressures internally and externally.

4. A fundamental source of danger we face in the Far East derives from Communist China's rate of economic growth which will probably continue to outstrip that of free Asian countries, with the possible exception of Japan. In view of both the real and the psychological impact of Communist China's growth and the major effort of the Soviet Union to gain influence in the less developed countries with aid and promises of quick progress under Communism, increased emphasis must be placed upon economic growth of the free Far East countries, but this cannot be at the sacrifice of adequate security measures, for, without security and the stability and confidence deriving from security, real economic progress will be unattainable.

5. A growing source of strength for the free world position in the Far East is nationalism, a dominant force in Asia which is directed towards the preservation of national independence and against those who are seen as

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