

III. ECONOMIC

56. Be prepared to furnish economic and technical assistance on a continuing basis over an extended period of time as can be used effectively (1) to supplement the domestic resources of certain countries receiving military assistance to enable them to carry an otherwise insupportable defense burden without politically disruptive economic deteriorations; and (2) to promote the steady economic development of free Asian countries at a rate adequate to give their peoples a sense of present progress and future hope and to strengthen their orientation toward the Free World.

57. Continue to assist in the economic development of the area on a bilateral basis, while encouraging useful projects that have regional aspects; however, if there should develop genuine initiative and support by most of the countries in the area for a regional lending or other economic development institution, and if the countries concerned are disposed to cooperate and to put substantial resources of their own into it, the U.S. should encourage such a proposal.

58. In the administration of the grant aid program emphasize projects which will produce immediate and impressive results that are continuing and progressive in nature, and that can be readily seen and understood by the masses of the people. Loans should be as unrestrictive as feasible in terms of use, time, interest and method of repayment.