

***Memorandum by the Executive Secretary of the National Security Council (Souers) to the National Security Council***

Washington, December 30, 1949.

top secret

Subject: The Position of the United States with Respect to Asia

References:

**A.**

NSC 48/1 and 48/2<sup>1</sup>

**B.**

NSC Action No. 268

The President has this date approved the Conclusions regarding the subject contained in NSC 48/2, subject to the following statement with respect to paragraph 3–m thereof:

“A program will be all right, but whether we implement it depends on circumstances.”

The President directs that these Conclusions be implemented by all appropriate executive departments and agencies of the U.S. Government under the coordination of the Secretary of State.

Sidney W. Souers

[Annex]

***A Report to the President by the National Security Council***

Washington, December 30, 1949.

top secret

NSC 48/2

The Position of the United States With Respect to Asia

conclusions

Our basic security objectives with respect to Asia\* are:

**a.**

Development of the nations and peoples of Asia on a stable and self-sustaining basis in conformity with the purposes and principles of the United Nations Charter.

**b.**

Development of sufficient military power in selected non-Communist nations of Asia to maintain internal security and to prevent further encroachment by communism.

**c.**

Gradual reduction and eventual elimination of the preponderant power and influence of the USSR in Asia to such a degree that the Soviet Union will not be capable of threatening from that area the [\[Page 1216\]](#) security of the United States or its friends and that the Soviet Union would encounter

serious obstacles should it attempt to threaten the peace, national independence and stability of the Asiatic nations.

**d.**

Prevention of power relationships in Asia which would enable any other nation or alliance to threaten the security of the United States from that area, or the peace, national independence and stability of the Asiatic nations.

2. In pursuit of these objectives, the United States should act to:

**a.**

Support non-Communist forces in taking the initiative in Asia;

**b.**

Exert an influence to advance its own national interests; and

**c.**

Initiate action in such a manner as will appeal to the Asiatic nations as being compatible with their national interests and worthy of their support.

3. As the basis for realization of its objectives, the United States should pursue a policy toward Asia containing the following components:

**a.**

The United States should make known its sympathy with the efforts of Asian leaders to form regional associations of non-Communist states of the various Asian areas, and if in due course associations eventuate, the United States should be prepared, if invited, to assist such associations to fulfill their purposes under conditions which would be to our interest. The following principles should guide our actions in this respect:

**(1)**

Any association formed must be the result of a genuine desire on the part of the participating nations to cooperate for mutual benefit in solving the political, economic, social and cultural problems of the area.

**(2)**

The United States must not take such an active part in the early stages of the formation of such an association that it will be subject to the charge of using the Asiatic nations to further United States ambitions.

**(3)**

The association, if it is to be a constructive force, must operate on the basis of mutual aid and self-help in all fields so that a true partnership may exist based on equal rights and equal obligations.

**(4)**

United State participation in any stage of the development of such an association should be with a view to accomplishing our basic objectives in Asia and to assuring that any association formed will be in accord with Chapter VIII of the Charter of the United Nations dealing with regional arrangements.

**b.**

The United States should act to develop and strengthen the security of the area from Communist external aggression or internal subversion. These steps should take into account any benefits to the security of Asia which may flow from the development of one or more regional groupings. The United States on its own initiative should now:

**(1)**

Improve the United States position with respect to Japan, the Ryukyus and the Philippines.

**(2)**

Scrutinize closely the development of threats from Communist aggression, direct or indirect, and be prepared to help within our means to meet such threats by providing political, economic, and military assistance and advice where clearly needed to supplement the resistance of the other governments in and out of the area which are more directly concerned.

**(3)**

Develop cooperative measures through multilateral or bilateral arrangements to combat Communist internal subversion.

**(4)**

Appraise the desirability and the means of developing in Asia some form of collective security arrangements, bearing in mind the following considerations:

**(a)**

The reluctance of India at this time to join in any anti-Communist security pact and the influence this will have among the other nations of Asia.

**(b)**

The necessity of assuming that any collective security arrangements which might be developed be based on the principle of mutual aid and on a demonstrated desire and ability to share in the burden by all the participating states.

**(c)**

The necessity of assuring that any such security arrangements would be consonant with the purposes of any regional association which may be formed in accordance with paragraph 3–a above.

**(d)**

The necessity of assuring that any such security arrangement would be in conformity with the provisions of Article 51 of the Charter relating to individual and collective self-defense.

**c.**

The United States should encourage the creation of an atmosphere favorable to economic recovery and development in non-Communist Asia, and to the revival of trade along multilateral, non-discriminatory lines. The economic policies of the United States should be adapted to promote, where possible, economic conditions that will contribute to political stability in friendly countries of

Asia, but the United States should carefully avoid assuming responsibility for the economic welfare and development of that continent. Such policies might be projected along the following lines:

**(1)**

Vigorous prosecution of the Point IV program in friendly countries of Asia, in an endeavor to assist them, by providing technical assistance, to make a start toward the solution of some of their long-range economic problems.

**(2)**

Maintenance of a liberal United States trade policy with Asia and stimulation of imports from Asia. The special problems concerning trade with China are treated in paragraph 3–f–(4) below.

**(3)**

Execution of a stockpiling program for strategic materials, based upon United States needs for strategic reserves and upon immediate and long-range economic effects in the supplying countries.

**(4)**

Negotiation of treaties of friendship, commerce and navigation with non-Communist countries of Asia to define and establish conditions facilitating capital movements, trade and other economic relations between them and the United States.

**(5)**

Encouragement of private United States investment in non-Communist countries and support of the early extension of credits by the International Bank and the Export–Import Bank for specific key economic projects of a self-liquidating nature, [\[Page 1218\]](#) especially those directed towards increasing production of food in this area.

**(6)**

Efforts to obtain the adherence of Asiatic countries to the principles of multilateral, non-discriminatory trade as embodied in the General Agreements on Tariffs and Trade, as a means of reducing trade barriers and expanding the international and intra-regional trade of the region on an economic basis. This would include, for example, further efforts to secure the benefits of most-favored-nation treatment for Japan.

**d.**

The question of a peace settlement with Japan, now receiving separate consideration, will be presented for the consideration of the National Security Council at a later date and policies with respect to Japan will be re-evaluated after the decision regarding a peace treaty has been made.

**e.**

**(1)**

The United States should continue to provide for the extension of political support and economic, technical, military and other assistance to the democratically-elected Government of the Republic of Korea.<sup>‡</sup>

**(2)**

The United States should therefore press forward with the implementation of the ECA, MDAP, USIE and related programs for Korea, and should continue to accord political support to the Republic of Korea, both within and without the framework of the United Nations.

**f.**

**(1)**

The United States should continue to recognize the National Government of China until the situation is further clarified.<sup>4</sup> The United States should avoid recognizing the Chinese Communist regime until it is clearly in the United States interest to do so. The United States should continue to express to friendly governments its own views concerning the dangers of hasty recognition of the Chinese Communist regime but should not take a stand which would engage the prestige of the United States in an attempt to prevent such recognition. In general, however, it should be realized that it would be inappropriate for the United States to adopt a posture more hostile or policies more harsh towards a Communist China than towards the USSR itself. It should also be realized that the according of recognition by other friendly countries would affect the bargaining position of the United States in the absence of United States recognition and would affect United States private and national interests in China. In the event that recognition of the Chinese Communists is anticipated, appropriate steps should be taken to make it clear that recognition should not be construed as approval of the Chinese Communist regime, or abatement of our hostility to Soviet efforts to exercise control in China.

**(2)**

The United States should continue the policies of avoiding military and political support of any non-Communist elements in China unless such elements are willing actively to resist Communism with or without United States aid and unless such support would [\[Page 1219\]](#)mean reasonable resistance to the Communists and contribute to the over-all national interests of the United States.<sup>5</sup> In determining whether or in what manner any such assistance or encouragement should be given, consideration would have to be given to the protection which Chinese Communist authorities, as they become generally recognized by other governments, would be able to claim under international law and the Charter of the United Nations. The United States should maintain so far as feasible active contact with all elements in China and maintain our cultural and informational program at the most active feasible level.

**(3)**

The United States should exploit, through appropriate political, psychological and economic means, any rifts between the Chinese Communists and the USSR and between the Stalinists and other elements in China, while scrupulously avoiding the appearance of intervention. Where appropriate, covert as well as overt means should be utilized to achieve these objectives.<sup>6</sup>

**(4)**

The United States should, as a security measure, seek to prevent the USSR, its European satellites, and North Korea from obtaining from abroad through China supplies of strategic materials and equipment which are currently denied them by the United States and its European allies through direct channels. The United States should also use every effort to prevent the Chinese Communists from obtaining from non-Soviet sources supplies of materials and equipment of direct military utility (1A items). The United States should, on the other hand, permit exports to China of 1B items within quantitative limits of normal civilian use and under controls which can be applied restrictively if it

becomes necessary to do so in the national interest, and should place no obstacle in the way of trade with China in non-strategic commodities. The United States should seek the support and concurrence of its principal European allies in these policies. The United States should not extend governmental economic assistance to Communist China or encourage private investment in Communist China.

***g.***

**(1)**

The United States should continue the policy set forth in NSC 37/2<sup>2</sup> and 37/5<sup>3</sup> of attempting to deny Formosa and the Pescadores to the Chinese Communists through diplomatic and economic means within the limitations imposed by the fact that successful achievement of this objective will primarily depend on prompt initiation and faithful implementation of essential measures of self-help by the non-Communist administration of the islands, and by the fact that freedom of U.S. diplomatic and economic action will be influenced, necessarily, by action taken by other countries.

**(2)**

Since the United States may not be able to achieve its objectives through political and economic means, and in view of the opinion of the Joint Chiefs of Staff (reaffirmed in NSC 37/7 of August 22, 1949<sup>4</sup>) that, while Formosa is strategically important to the United States, “the strategic importance of Formosa does not justify overt military action . . . so long as the present disparity between our military strength and our global obligations exists”, the United States should [\[Page 1220\]](#) make every effort to strengthen the over-all U.S. position with respect to the Philippines, the Ryukyus, and Japan. The United States should, for example, proceed apace with implementation of the policy set forth in regard to the Ryukyus in paragraph 5 of NSC 13/3.<sup>5</sup>

***h.***

The United States should continue to use its influence in Asia toward resolving the colonial-nationalist conflict in such a way as to satisfy the fundamental demands of the nationalist movement while at the same time minimizing the strain on the colonial powers who are our Western allies. Particular attention should be given to the problem of French Indo-China and action should be taken to bring home to the French the urgency of removing the barriers to the obtaining by Bao Dai or other non-Communist nationalist leaders of the support of a substantial proportion of the Vietnamese. With the successful conclusion of the Round Table Conference at The Hague the United States should give immediate consideration to the problems confronting the new Republic of United Indonesia and how best it can be aided in maintaining its freedom in the face of internal and external Communist pressures.

***i.***

Active consideration should be given to means by which all members of the British Commonwealth may be induced to play a more active role in collaboration with the United States in Asia. Similar collaboration should be obtained to the extent possible from other non-Communist nations having interests in Asia.

***j.***

Recognizing that the non-Communist governments of South Asia already constitute a bulwark against Communist expansion in Asia, the United States should exploit every opportunity to increase the present Western orientation of the area and to assist, within our capabilities, its governments in their efforts to meet the minimum aspirations of their people and to maintain internal security.

**k.**

The United States should undertake an information program, both foreign and domestic, and publish United States policies and programs vis-à-vis Asia designed to gain maximum support both at home and abroad.

**l.**

Nothing in this paper shall be construed as amending approved NSC papers unless a specific statement to that effect has been made on each point.

**m.**

The sum of \$75,000,000 for assistance to the general area of China, which was made available under Section 303 of the Mutual Defense Assistance Act of 1949, should be programmed as a matter of urgency.

1. For the text of NSC 48/1, a draft report by the National Security Council on “The Position of the United States with Respect to Asia,” December 23, 1949, see Department of Defense, *United States-Vietnam Relations, 1945–1967* (Washington, Government Printing Office, 1971), Book 8, pp. 225–264. The amended conclusions of NSC 48/1 were issued as NSC 48/2, below.↵
2. For the purposes of this report “Asia” is defined as that part of the continent of Asia south of the USSR and east of Iran together with the major off-shore islands—Japan, Formosa, the Philippines, Indonesia and Ceylon, [Footnote in the source text.]↵
3. NSC 8/2, approved March 23, 1949. [Footnote in the source text; for text, see [p. 969.](#)]↵
4. NSC 34/2. [Footnote in the source text; for document dated February 28, see [vol. ix, p. 491.](#)]↵
5. NSC 34/2. [Footnote in the source text.]↵
6. NSC 34/2. [Footnote in the source text.]↵
2. February 3, approved February 4; [vol. ix, p. 281.](#)↵
3. March 1, approved March 3: [ibid., p. 290.](#)↵
4. [ibid., p. 376.](#)↵
5. Dated May 6, [p. 730.](#)↵