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NSC BRIEFING

5 August 1959

AFGHANISTAN

- I. We are increasingly concerned over developments in Afghanistan. The Afghans have steadily expanded relations with USSR.



- III. Moscow also busy in technical and economic fields. We figure Soviet Union has now given economic aid totaling \$206 million, including \$100 million loan in 1956. (In addition to military)
- A. Soviets moving rapidly to begin work on 470-mile road ^{to #80} from Soviet border through west and south Afghanistan to Kandahar; 500 Soviet technicians to supervise construction. Road provided under a new economic and technical agreement reached in late May. Will take five years to build.

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- B. USSR also to build another airport for military and civil use, possibly in Helmand Valley. They are building two others and have completed a third.
 - C. An agreement, just announced last month, provides Soviet aid in construction three motor-road bridges in eastern province of Ningrahar, near Pakistani frontier.
 - D. Soviets have shown speed in finishing projects. (There are about 1,000-odd Soviet technicians already working in Afghanistan.)
- IV. New Soviet agreements go long way toward meeting demands of Afghans, who have been seeking only grant aid rather than credits.
- A. The grants deviate from Moscow's usual policy of limiting foreign aid to loans, but are probably intended, in part, to help counter US grant aid. (US Government and Export-Import Bank have supplied Afghans with \$145 million, mostly grants, since 1951.)
- V. Debt incurred under Soviet credits probably ties up important part future Afghan exports. USSR now biggest Afghan trading partner.
- A. About 40 percent Afghan trade now with Bloc, and nearly all POL needs supplied by USSR.
 - B. Afghanistan will remain dependent on USSR for weapons training for some time, and will become increasingly dependent on USSR for spare parts, ammunition, and fuel as military modernization progresses.
- VI. Afghans believe they must accommodate to powerful Soviet neighbor, but also believe they can steer neutral and independent course.
- A. They hope Moscow will be satisfied by mere Afghan neutrality.
- VII. USSR determined to block Western influence in Afghanistan while extending its own role there.

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Next 1 Page(s) In Document Exempt

25X1