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OUTLOOK FOR AFGHANISTAN

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OUTLOOK FOR AFGHANISTAN

THE PROBLEM

To estimate probable developments in Afghanistan's internal affairs and external relations over the next few years in the light of: (1) Soviet policy respecting Afghanistan, and (2) the impact of Western-sponsored efforts to strengthen the surrounding area.

CONCLUSIONS

1. Afghanistan is a primitive tribal kingdom with a heterogeneous population and with undeveloped economic resources. Although the royal family, which completely controls the government, is not very popular among the Afghans, it can probably meet any internal challenge to its authority in the foreseeable future. In general, the Afghan armed forces are of poor quality. They are capable of maintaining internal security, provided there are no simultaneous widespread tribal uprisings, but would quickly disintegrate as an organized force against outside aggression.
2. Afghanistan is confronted with a shortage of foreign exchange needed for economic development and for certain essential imports. This shortage may become critical in the next three years. However, the Afghan economy is largely self-sufficient in foodstuffs, and if it is able to surmount its foreign exchange difficulties, Afghanistan's longer-term economic prospects including economic development on a modest scale, will be reasonably good.
3. The strategic significance of Afghanistan is as a buffer state, separating the USSR on the north from non-Communist Pakistan and India to the south, but itself dominated by neither the Communist nor the non-Communist power bloc. Afghanistan's proximity to the USSR, its remoteness from centers of Western strength, its military weakness, and its growing reliance on the USSR for trade and loans with technical assistance make it highly vulnerable to Soviet pressures.
4. Soviet attentions to Afghanistan, particularly in the form of technical and economic assistance, have increased markedly within the last year. We believe that these attentions are part of a general effort to counter Western gains elsewhere in the Middle East-South Asia area and that they are likely to increase substantially. The Soviet reaction would be particularly strong if Afghanistan's own participation in a Western-backed defense arrangement or its acceptance of substantial Western military aid appeared to be in prospect.
5. Soviet economic penetration may well result in a gradual drift of Afghanistan toward the Soviet orbit. Moreover, the influx of Soviet personnel in connection with Soviet economic and technical aid

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greatly enhances Soviet subversive capabilities. However, we do not believe that the USSR will actually gain control of Afghanistan, at least within the next few years. It is unlikely that the now negligible pro-Communist element within Afghanistan can gain sufficient strength to overthrow the regime in the foreseeable future. The USSR could easily take over Afghanistan if it chose to do so, but openly aggressive action against Afghanistan would almost certainly entail anti-Soviet reactions elsewhere, particularly in the Arab-Asian bloc, which the USSR would wish to avoid.

6. The Afghan Government is likely to continue with its fundamental policy of attempting to play off the great powers to Afghanistan's advantage, meanwhile continuing its association with the Arab-Asian bloc in the UN.

7. Afghan leaders will attempt to obtain additional Western economic aid to counterbalance that received from the USSR and will probably display continuing interest in the idea of participating in Western-backed military aid programs. However, it is unlikely that the Afghans would actually accept membership in a

Western-backed area defense arrangement since they almost certainly realize that no foreseeable arrangement could furnish them sufficiently realistic protection against Soviet attack to compensate for the increased Soviet hostility toward them which would almost certainly ensue.

8. At the same time, Afghanistan will probably continue to accept Soviet aid offers. In doing so, Afghan leaders may misjudge their ability to curb Soviet political and subversive activity connected with economic development, and may fail to recognize the limitations on the ability and willingness of the Western Powers to assist them in the event of a military or diplomatic crisis.

9. Chances for an improvement in Pakistan-Afghanistan relations, now dominated by the Afghan-instigated Pushtunistan controversy, are poor. There has actually been some discussion in Pakistan and Afghan official circles of some form of union or confederation between the two countries. However, because of basic internal complications and almost certain Soviet and Indian opposition, it is extremely unlikely that such a merger will take place.¹

DISCUSSION

I. BACKGROUND AND PRESENT CONDITIONS

Afghanistan's Strategic Importance and International Position

10. Afghanistan's primitive economy, undeveloped resources, negligible military capabilities, and lack of useful strategic facilities severely restrict its positive value to either side in the East-West power struggle. How-

¹See paragraphs 43-44. Other than is stated therein, the feasibility and consequences of such a merger are beyond the scope of this estimate.

ever, US interests may be substantially affected by developments respecting Afghanistan because: (a) it is flanked by states which the US is seeking to strengthen against the Soviet threat; (b) its weakness and remoteness from centers of Western strength make it highly vulnerable to Soviet moves, and thus a likely point for Soviet pressures against Western interests in the general area; and (c) it lies between the USSR and the subcontinent of India and Pakistan.

11. During the nineteenth century, Afghanistan became a focal point of conflict between

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the Russian and British Empires, since it lay in the path of Russia's drive to expand southward toward India. The British accordingly came to favor Afghanistan's development as a buffer state, with a reasonably strong government which in its own interests would oppose Russian expansion. By the latter part of the century, Afghanistan had come under a strong ruler and Britain had gained control of Afghan foreign policy. After 1835, Afghanistan's buffer role was strengthened when its previously ill-defined borders were delimited by joint commissions. In 1907, Russia and Britain confirmed its buffer status when Russia agreed that it lay outside the Russian sphere of influence, in return for which Britain pledged noninterference in Afghan territory and internal affairs.

12. Thus for almost a century, Afghanistan's security and internal independence depended on the fact that neither Russia nor Britain could afford to permit its seizure by the other. As a result, Afghanistan's foreign policy, after it gained control of its external relations in 1919, became one of balancing British and Russian influence. World War II and the British withdrawal from India in 1947, however, radically altered the balance of power which had supported Afghanistan's independent status. The replacement of British power in the subcontinent by two relatively weak states, Pakistan and India, deprived Afghanistan of its traditional support from the south. In the absence of counterbalancing power, Afghanistan is extremely vulnerable to Soviet pressures.

13. Partly because of this position Afghanistan has taken a neutralist position in the present East-West conflict. It is a member of the Arab-Asian bloc in the UN and has frequently abstained from controversies between the Soviet Bloc and the West. It has welcomed Soviet as well as US and UN assistance in its development program. While leading Afghans are believed in general to favor the West and to regard the USSR with distrust, they are aware that they are in no position to disregard the attitude of such a strong neighboring power. In general, they continue to seek maximum advantage for Af-

ghanistan from balancing the interests of the two great power blocs.

The Pushtunistan Controversy with Pakistan

14. The replacement of British power along Afghanistan's southeast flank by a weak nation of initially uncertain stability also encouraged a revival of Afghan interest in the territories and peoples it had previously lost to the British. Although Afghanistan has laid no formal claim to territory in what is now Pakistan, it has never fully accepted Pakistan's assumption of the old Durand Line as its boundary with Afghanistan and has demanded ever since Pakistan's establishment that the latter's approximately five million Pushtu-speaking Pathan tribesmen, originally part of what is still the dominant tribal group in Afghanistan, be given an autonomous state of their own, Pushtunistan. Afghanistan's original motives in sponsoring the Pushtunistan cause are still not completely clear, and its efforts to stir up support among the tribesmen themselves have had only limited success. However, Afghanistan has persisted in its campaign to the extent that by now the Pushtunistan issue has become an issue of national prestige with a momentum of its own.

15. Although Afghanistan's demand for Pushtunistan is a major theme of its foreign policy, the proposal has never been exactly defined. Afghan propaganda varies widely in its treatment of the territorial extent of the proposed state and what its relations to Pakistan and Afghanistan should be. Pakistan refuses to discuss any question involving its territorial integrity. It takes the position, which is largely supported by the available evidence, that Pakistan has succeeded to all British rights east of the Durand Line and that the Pathan tribes are satisfied with maintaining the same relation to Pakistan as they had with British India. The Pathan tribes themselves receive subsidies and inducements from one side or the other and, hence, though the tribes themselves are not particularly in favor of the Pushtunistan state, they have an interest in seeing the controversy continue. Various efforts by third parties, including the

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US in 1950, to bring about a settlement have foundered on the unwillingness of either side to recede from its basic position.

16. Afghanistan refuses to enter formal negotiations with Pakistan over common problems unless Pushtunistan is on the agenda. Although some leading Afghans profess a desire to see the dispute closed, Prime Minister Daud is perhaps the most ardent advocate of Pushtunistan among the royal family. The tempo of propaganda from Kabul has been stepped up again in recent months. At *jirgas* (tribal assemblages), tribal leaders have been promised that the government will continue to seek the separate Pathan state and the government-controlled Afghan press maintains a barrage of Pushtunistan propaganda.

Internal Conditions

17. *Socio-political.* Afghanistan's population, variously estimated at eight to 12 million, is largely engaged in agriculture and animal husbandry. Perhaps as much as one-third of the people are nomadic or seminomadic, and the tribal system is still strong. Communications are poor, and there are few urban concentrations, the capital city of Kabul with a population of something over 200,000 being the largest. In common with other underdeveloped countries of the Middle East and South Asia, Afghan society consists of a vast majority engaged in primitive agricultural and pastoral pursuits; a much thinner layer of small landowners, petty traders, lesser tribal leaders, and a few urban shopkeepers, professional men, and government employees; and a very small elite (probably not more than two thousand) comprising the royal family, big landowners, the principal tribal leaders, large-scale traders, and wealthy businessmen.

18. As a result of the many invasions and migrations which have traversed the area, the Afghan population is ethnically heterogeneous and the various groups have little in common beyond adherence to Islam. Loyalty to the tribe, clan, or family is usually stronger than loyalty to the nation. There is a lack of national spirit and a general dislike of the central government. National con-

sciousness is further weakened by the fact that many of the tribes near Afghanistan's borders are ethnically akin to similar groups in adjacent areas of the USSR, Iran, and Pakistan.² The dominant ethnic-linguistic group, both numerically and politically, is composed of the Pathan tribes (also called Pushtun and "true Afghans"), which are concentrated in southern and eastern Afghanistan. Afghanistan's ruling oligarchy stems from the principal Afghan Pathan tribe. Other ethnic groups, such as the Tajik, Hazara, Uzbek, Turkomen, and Nuristani, have little or no political power in Afghanistan and for the most part have been forced to accept a second class status within the nation.

19. The government, ostensibly a constitutional monarchy, is actually an autocratic oligarchy tightly controlled by the royal family. There are no political parties, and the members of the royal family, who occupy the top positions in the government, also maintain their hold on the government machinery through appointment of lesser officials, flagrantly rigged elections to the rubber stamp legislature, complete state control of newspapers and other media of communication, and a large degree of state monopoly over the economy. While disputes do occasionally occur within the ruling family, they are normally settled within the group.

20. Although the royal family is apparently not very popular among Afghans, in recent years there has been no serious challenge to its position. It maintains control of the principal Pathan ("true Afghan") tribes, who constitute the most likely internal threat to the central government, by a combination of subsidies, use of the armed forces, and exploitation of tribal rivalries. The three changes of prime ministers which have occurred within the last decade, the most recent being the accession of Prince Daud in September 1953, have been effected peacefully within the family councils. Daud is not well-liked personally, and some of his policies have incurred

² An accompanying map indicates the location of the principal ethnic groups in Afghanistan and related groups in adjacent states.

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the resentment of influential elements in Afghanistan. He is probably less favorably disposed toward the West than most Afghan leaders and he, along with Finance Minister Malik, who is the other key figure in the present regime, is largely responsible for the current policy of accepting closer economic relations with the USSR. He has also fostered a trend toward increasing government intrusion into economic activity. These views have aroused some resentment among other members of the royal family and among trading and commercial circles. In addition, certain of Daud's projected tribal policies — notably his efforts to subject the previously exempt Pathan tribes to taxes and military conscription — have had to be withdrawn at least temporarily in the face of strong tribal opposition. Daud and Malik probably receive the support of a group of young intellectuals — many of whom have been trained abroad — who form the second echelon of the government services.

21. The only political forces of consequence other than the Pathan tribes and the ruling oligarchy are the wealthy urban merchants and traders and the religious leaders (mullahs). Religious opposition to King Amanullah's attempts at sweeping modernization in the late 1920's was the primary factor in a successful revolt against him, and indicates the potential of the religious leaders as a check on modern reforms. Some merchant and trading interests with large financial resources are influential in urban areas but would probably assume political importance only in combination with army, tribal, or religious leaders. While certain minority tribal elements and some young reformists in Kabul and provincial cities are probably dissatisfied with the regime, they are not united and have little opportunity to make their influence felt.

22. *Economic.* Although much of its total area is wasteland, Afghanistan's agricultural and pastoral economy is normally self-sufficient in basic foodstuffs, except for sugar. In the past, foreign trade has not been of major importance to the Afghan economy, which has depended on external sources to only a limited degree. With growing Afghan desires for eco-

nomie development, foreign exchange requirements have expanded with a consequent increase in the significance of foreign trade. Afghanistan's major export and foreign exchange earner has long been karakul (Persian lamb) skins, but cotton has increased in importance and, with recent declines in karakul sales, may replace the latter as the principal export article. Other exports are wool, fruits, and nuts. Major imports are sugar, tea, cotton cloth and other manufactured consumer goods, petroleum products and materials needed for development.

23. Sixty to seventy percent of Afghan foreign trade is with non-Soviet Bloc countries. Until very recently, the US was the largest purchaser of Afghan exports, chiefly karakul skins, with the Soviet Union, India, and Pakistan ranking next in order. Principal sources of imports are the Soviet Union, India, the US, and West Germany, in that order. In the past few years, however, as a result of a sharp decline in karakul sales to the US and a concurrent rise in barter trade with the USSR, the Soviet Union probably now ranks near the US as a leading market for Afghan goods and is easily the largest single exporter to Afghanistan. Soviet trade now constitutes between 30 and 40 percent of Afghanistan's total legal trade. The USSR's willingness to engage in barter trade is particularly attractive to Afghanistan at this time because of its foreign exchange difficulties arising out of the depressed karakul skin market. In addition, prices charged by the USSR for commodities needed by Afghanistan are low, and, especially for northern Afghanistan, the USSR is the most accessible market and source of supplies.

24. Afghanistan's most serious economic problem results from its dependence for foreign exchange on the export of karakul skins to the West, chiefly the US. Postwar overstocking of karakul in the US, reduced demand, and increased competition from South Africa have led to a sharp decline in Afghanistan's karakul sales to the US (from a high of \$16 million in 1949 to around \$10.5 million in 1953). Afghan foreign exchange reserves, mostly dollars, have consequently dwindled to less than \$2 million from a total of more than

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\$13 million in 1951. This decrease in foreign exchange receipts has reduced Afghanistan's ability to import essential cloth, sugar, tea, and gasoline from sources other than the USSR. It has also adversely affected the development of private cotton and textile production, which would help Afghanistan toward self-sufficiency. The loss of foreign exchange from karakul has been partly offset by increased cotton sales to Germany and other countries, as well as barter arrangements with the USSR. Moreover, the government has some \$47 million in gold and silver reserves on which it could draw. However, the over-all exchange position is not good.

25. Economic development in Afghanistan was undertaken on a very small scale in the 1930's and has been accelerated since World War II. The two major objectives of the current program are the irrigation and reclamation under government auspices of the Helmand Valley in southwest Afghanistan, and the construction of small industrial plants, such as cotton mills, aimed at reducing the country's dependence on external trade and conserving foreign exchange for development purposes. Heretofore, private enterprise carried out much of the development of small industries but the Daud regime favors a statist economy in which private enterprise will play a small role. Afghanistan is heavily dependent upon outside loans and technical assistance for its development. Loans totalling almost \$40 million from the Export-Import Bank have been made for the Helmand Valley program and much of the work has been done by a US engineering firm; in addition the US has supplied more than \$5 million in development assistance and technical aid. Within the last year, the USSR has made a series of offers to Afghanistan of economic loans and technical assistance for development purposes. It has also sought to participate in the small UN technical assistance program for Afghanistan. So far, Afghanistan has reportedly accepted over \$6 million in Soviet loans for development with accompanying technical assistance. In addition, Afghanistan received in September 1954 a \$5 million credit from Czechoslovakia.

26. *Military.* The Afghan armed forces, totalling about 65,000, consist of the Royal Afghan Army (about 45,000), the Royal Gendarmerie (about 20,000), and the small Air Force (about 30 aircraft). The greater part of the armed forces are located in tribal areas in eastern and southern Afghanistan and in Kabul. These dispositions reflect the primary missions of the armed forces, which are to defend the government against tribal uprisings and to maintain internal security in the more troublesome tribal areas, chiefly among the Pathans. In general, the Afghan armed forces are of poor quality. They are capable of maintaining internal security, provided there were no simultaneous widespread tribal uprisings, but would quickly disintegrate as an organized force against outside aggression.

II. PROBABLE DOMESTIC DEVELOPMENTS

27. *Socio-political.* The primitive, personalized nature of the Afghan Government makes political stability somewhat uncertain. However, in the absence of strong external subversive interference, present indications are that the royal family can probably meet any likely challenge to its control of Afghanistan in the foreseeable future. While disputes within the royal family may be expected to recur, and changes of prime ministers are quite possible, there is no indication that the present method of settling these matters will be altered. Prime Minister Daud's removal in the near future is not expected. The possibility should be noted, however, that Daud, an unusually strong-willed and ambitious official, might forcibly resist an attempt by other members of the oligarchy to oust him.

28. In any event, a change of prime ministers would not substantially alter present internal and external policies, although there might be some weakening in the present trends toward a statist economy and toward expanded economic ties with the USSR. Those politically active members of the royal family who happen at any time to be out of office, and who therefore constitute a sort of opposition, do not differ significantly in their basic views of policy from those in authority. A coup by leading Afghans other than members of the royal family might have initial success, but

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unless it had firm army and tribal support, and was not opposed by the religious leaders, its success would probably be short-lived. As far as is known, no group has such support.

29. A military coup is not likely. Traditionally the army has been loyal to the King. However, in the unlikely event of Daud initiating a contest for power with the King, Daud's long and close association with the military as Minister of War and the numerous changes made among top-ranking officers since he became Prime Minister probably would enable him to obtain the support of the army.

30. Prime Minister Daud or any member of the royal family will probably move very cautiously in order to avoid open conflict with the tribes. A concerted uprising of the major tribes is not expected, although Pathan tribal discontent in the Southern Province is considerable and isolated rebellions are possible. The armed forces are capable of handling such minor tribal disturbances.

31. We have no evidence of the existence of a Communist party in Afghanistan, and the number of Communist sympathizers is believed to be very small. The minority tribal elements near the Soviet border in northern Afghanistan, many of whom are ethnically akin to groups in the USSR, offer opportunities for Communist subversion. One neutralizing factor, however, is that a substantial number of the northern tribal people are refugees who fled from Soviet oppression in Central Asia in the 1920's and 1930's.

32. *Economic.* Afghanistan's short-range economic prospects are darkened by the current depression in the karakul market. The resulting shortage of foreign exchange will probably continue to hinder such industrial development as the cotton textile industry and will increase the difficulties of servicing the external debt. By 1957, when the external debt burden will be heaviest, a serious foreign exchange crisis is possible. In these circumstances, Afghanistan's need for barter trade may increase its vulnerability to economic threats and inducements from the USSR.

33. However, if Afghanistan is successful in meeting these immediate problems, and sets

reasonable limits on foreign borrowing for its economic development, its longer-range economic prospects will be reasonably good. Some improvements in karakul production have been initiated, although the benefits will not be realized for several years and Afghanistan will continue to be vulnerable to fluctuations in the karakul market in the foreseeable future. The development of a local cotton textile industry, although proceeding more slowly than was hoped, should within the next few years release several million dollars now annually spent on piece goods imports. In addition, the production of raw cotton may be expected to increase sufficiently to permit a gradual rise in export. Finally, the recent Export-Import Bank loan will probably allow completion of the important Helmand Valley project in the next few years. Barring unpredictable catastrophes, food production, except for sugar, will probably continue to be sufficient for local consumption.

III. PROBABLE DEVELOPMENTS IN SOVIET-AFGHAN RELATIONS

34. Since about mid-1953, and particularly after the signing of the Turk-Pakistani agreement in early 1954, Soviet attentions to Afghanistan have markedly increased. As noted above, the USSR has made substantial offers of economic and technical assistance and has considerably improved its trade position in Afghanistan.

35. We believe that this increased Soviet attention to Afghanistan is part of a general effort to counter recent Western (particularly US) gains in the Middle East-South Asia area. With regard to Afghanistan itself, Soviet objectives probably remain those of: (a) limiting Western influence and especially preventing the development of Western military facilities in the country; (b) maintaining the Afghan Government's responsiveness to Soviet pressures and influences; (c) building up Soviet subversive capabilities within Afghanistan; and (d) developing facilities that would be useful in the event of a decision to invade the Indian subcontinent.

36. Nevertheless, the USSR almost certainly views the cumulative effects over the last year

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of the Turk-Pakistani agreement, the initiation of military aid programs for Pakistan and Iraq, the strengthening of the Western position in Iran, and the settlement of the Suez dispute as a setback for Soviet interests in southwest Asia. In this situation Afghanistan, with its extreme military weakness, its already great economic dependence on the USSR, and its strategic location athwart the "northern tier" defense line which the US is attempting to develop, offers the USSR a convenient arena for countermeasures designed to discourage nearby states from further cooperation in Western defense programs and to offset Western gains in the area.

37. Soviet efforts to exploit the situation in Afghanistan will almost certainly continue. At least initially, the USSR is likely to continue to emphasize a soft policy of economic and other inducements, which serve the dual purpose of demonstrating to Afghanistan's neighbors the value of cooperation with the USSR and of building up Soviet power and influence within Afghanistan. If the threat to Soviet interests in the area grows, however, the USSR is likely to turn increasingly to pressure tactics. If Iran should show signs of preparing to join a Western-oriented defense system, the USSR might consider a show of strength not only against Iran but also against Afghanistan. This show of strength might take the form of diplomatic and economic pressures backed up by military moves along the borders. While the USSR will in any event continue to discourage Afghan acceptance of increased Western influence and activity in the country, it would bring particularly strong pressure to prevent Afghan participation in any Western-backed defense arrangement or acceptance of substantial Western military aid. The Soviet-Afghan Treaty of 1931, which binds each party to refrain from undertaking or assisting any actions prejudicial to the interests of the others would provide strong legal backing to such pressure.³

38. Thus the outlook is for continuing Soviet penetration of Afghanistan's economic and other internal affairs. Afghan leaders will

³The text of this treaty appears in the Appendix.

almost certainly seek to place some limit on the growth of Soviet power and influence over their country and will endeavor to obtain counterbalancing Western economic and other support. However, they will find it difficult to resist the economic advantages of Soviet offers of assistance. They probably overestimate their ability to curb the growth of Soviet political influence and subversive activity in connection with economic cooperation programs, and may fail to recognize the limitations on the ability of the Western Powers to come to their assistance in the event of a military or diplomatic crisis. Soviet economic penetration may well result in a gradual draft of Afghanistan toward the Soviet orbit.

39. Nevertheless, we do not believe that the USSR will actually gain control of Afghanistan, at least within the next few years. Communist subversive capabilities will be increased by continuing Soviet penetration of Afghan economic life and the accompanying introduction of Soviet personnel. However, it is unlikely that the now negligible pro-Communist element within Afghanistan can gain sufficient strength within the next few years to overthrow the regime. The USSR could readily reduce Afghanistan to satellite status by more or less open means: through overthrow of the present dynasty or establishment of a puppet regime in northern Afghanistan, utilizing guerrillas from across the border as well as disaffected and venal tribesmen; through demands for military bases on Afghan territory; and through open military aggression. Under present circumstances, however, Moscow would probably be reluctant to engage in such openly aggressive tactics lest it thereby alarm the neutralists of the Middle East and South Asia and encourage them to draw closer to the West. Physical occupation of the country would offer few if any strategic advantages to the USSR. Even in the event of a general war, Afghanistan would probably be taken over only as part of a Communist invasion of the Indian subcontinent. Our present estimate is that such an invasion would probably not be undertaken, at least in the early stages of general war.

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IV. PROBABLE DEVELOPMENTS IN AFGHAN RELATIONS WITH PAKISTAN

40. The chances for an improvement in Pakistan-Afghan relations, now dominated by the Pushtunistan controversy, are poor. Afghan agitation of the issue is likely to continue, particularly while Daud continues as prime minister. While most other nations oppose the Afghan proposal, covert support from India, and possibly from the USSR, is likely to encourage Afghanistan to persevere in its demands. It is possible that Afghanistan may take the issue to the UN.

41. Pakistan is unlikely to give in to these pressures. It will probably continue its present policy of economic betterment in the tribal areas and a gradual integration of the tribes into settled life. While Pakistan is apparently still willing to cooperate with Afghanistan in jointly solving some tribal problems, it is irritated with what it views as the aggressive nature of Afghan propaganda. If the controversy should become more acute, Pakistan might feel compelled to take countermeasures such as covertly creating tribal disturbances within Afghanistan. However, open hostilities between the two countries are unlikely. Pakistan might also retaliate against Afghan trade with and through Pakistan. As a result of Afghanistan's reliance on Pakistan for the transit of its trade and its communications with the West, such developments would threaten to increase Afghanistan's dependence on the USSR.

42. If the Pushtunistan issue were to be settled, Pakistan-Afghan relations would improve considerably. Pakistan-Afghan trade is substantial, Pakistan being the fourth largest importer of Afghan goods, and Afghanistan's trade with the West must pass through Pakistan in transit. Pakistan has generally facilitated Afghan trade within the limits of its transport capabilities, except for a brief period in 1951, and would probably welcome closer ties if the Pushtunistan irritant could be removed.

43. There has actually been some discussion in Afghan and Pakistan official circles not merely of rapprochement but, apparently under Afghan initiative, of some form of union

or confederation between the two countries. Such a project has also been advocated by the Agha Khan, leader of the Ismaili sect of Shia Moslems, who enjoys considerable prestige in the area. In October 1954, the Afghan Foreign Minister, Prince Naim, approached high US officials with the suggestion that the US use its good offices to promote the plan of confederation. It is possible that Afghans advocating the project may be motivated by the belief that close association with Pakistan is the most feasible means of securing Western, particularly US, support to prevent Soviet domination of Afghanistan, now that the British no longer provide a counterbalancing power on Afghanistan's southern flank. However, we believe it at least as likely that such proposals as Prince Naim's may reflect no more than a desire to involve the US in the Pushtunistan controversy. There is no evidence that confederation has been formally considered by either government.

44. The concept of Pakistan-Afghan unity is likely to continue to be discussed and further efforts may be made to enlist US support for the project. However, we believe that even if responsible officials of both countries were to agree on its desirability, the practical difficulties involved, both internal and external, would make actual implementation highly unlikely: (a) both Pakistan and Afghanistan are aware that the USSR would almost certainly regard such a development as threatening its position and rights in the area, which are spelled out in the long-standing Soviet-Afghan Treaty; (b) India would also strongly oppose a merger both because it would strengthen Pakistan and because it would invite adverse Soviet reaction in an area India seeks to keep neutral in the East-West struggle; and (c) the two governments would not only have to work out a solution to the Pushtunistan dispute, but would also have to cope with a complex of almost insurmountable constitutional, administrative, and social problems.

V. OUTLOOK FOR AFGHAN'S RELATIONS WITH THE US

45. Despite Afghanistan's neutralist policies, most Afghan leaders recognize the desirability

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of maintaining good relations with the West as a counterpoise to the USSR, which they fear and distrust. Afghanistan will probably continue to hope for the maximum Western assistance but, in view of the proximity and power of the USSR, and in line with the habitual Afghan policy of playing off Russia and the West, it will probably set cautious limits on the extent of Western influence over its policies. Despite the recent growth in Afghan-Soviet trade, Afghanistan will continue to be dependent upon non-Communist countries, particularly the US, for a substantial proportion of its foreign trade and a large share of the external assistance required for its major current development projects. Afghanistan will also continue to seek US economic aid, primarily because of its economic needs but possibly also to increase US interests in Afghanistan.

46. While Afghanistan has been critical of US arms aid to Pakistan, it has not opposed US efforts to strengthen the area as a whole, and has even expressed some interest in receiving US arms aid. There is little doubt that many leading Afghans would like to join in a defense pact with other states of the area if it had US backing and US arms aid were involved. However, it is unlikely that Afghanistan could actually accept membership in a Western-backed area defense pact since the Afghans almost certainly recognize that any foreseeable arrangement, even with the firmest US backing, could scarcely offer Afghanistan realistic protection against Soviet attack. In addition, the Pushtunistan dispute would make difficult if not impossible any arrangement involving direct ties with Pakistan.

47. Although US efforts to strengthen the area may to some extent run counter to Afghan interests by building up Pakistan and increasing the USSR's sensitivity over its southern flank, Afghanistan probably hopes for continued US interest in area defense. The Kabul Government still tends to think in terms of Afghanistan's traditional buffer state role, and probably regards US moves in the area as a desirable means of replacing British with US power on Afghanistan's southern flank and of giving the US an increased stake

in continued Afghan independence. For this reason, Afghanistan will probably seek to exploit to the maximum US interest in Afghanistan and in the area as a whole, and is likely to continue to bring up at intervals the possibility of obtaining US arms and of joining a regional defense arrangement even though it recognizes that such plans are impractical.

VI. OUTLOOK FOR RELATIONS WITH OTHER NATIONS

48. *India.* Relations between Afghanistan and India have been amicable. Both have long-standing disputes with Pakistan, and India has given Afghanistan moral and financial support in the Pushtunistan dispute. India and Afghanistan have substantial trade relations, and both follow neutralist policies in the East-West conflict. Although Moslem Afghanistan retains some distrust of Hindu India, their mutuality of interests appears to outweigh their differences. India may be expected to continue its efforts to draw Afghanistan more closely into the neutralist bloc.

49. *Iran.* Afghan-Iranian relations have long been irritated by Iranian contempt for Afghan culture, recurring border incidents involving migratory tribes, and some smuggling between the two states. The chief controversy between the two governments, however, is over the disposition of the waters of the Helmand River, which rises in central Afghanistan, enters eastern Iran in the Seistan region, and is important to both countries for irrigation purposes. During normal years the volume of Helmand water is sufficient for both nations but in years of low rainfalls, the Seistan region of Iran does not get sufficient water. In addition, Iran fears the Afghan development in the Helmand Valley, because it will enable Afghanistan to construct new irrigation facilities consuming a disproportionate share of the available water. In 1952 Afghanistan concurred in the report of a neutral technical commission, appointed at the instance of the US to find a satisfactory basis for sharing the waters. Iran rejected the commission's report and has only recently agreed to resume negotiations. There appear to be no insuperable obstacles to a settle-

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ment. However, Afghanistan's control of most of the course of the river and of the river control projects give it a good bargaining position and, from the standpoint of Iran, it may prove intransigent. In the absence of an early settlement of the dispute, and with Iran now freed from its preoccupation with the oil controversy, an increase in tension over this issue is possible.

50. *Turkey.* Afghan-Turkish relations have been generally cordial and the Turks have had a strong influence, particularly in Afghan military and educational fields; for over 30 years Afghanistan has been assisted by a Turkish military mission, Afghan military men have been trained in Turkey, Turkish teachers have been employed in Afghan schools, and some Turks have served in certain Afghan government departments. However, Turkey does not have a decisive influence on any major policy matters in Afghanistan. Some Turks are irritated by Afghanistan's continued Pushtunist agitation and are likely to oppose it even more if Turkey and Pakistan draw closer together on the basis of their present agreement. In addition, Turkey resents the frequent failure of many Afghan military leaders to implement Turkish recommendations. These are minor irritants, however, and will not disrupt basic Afghan-Turkish friendship. Turkish association with Pakistan in a regional defense arrangement

has not had, and is not likely to have, a detrimental effect on Afghan-Turkish relations.

51. *Western European nations.* Since the British withdrawal from India, UK-Afghan relations have not been close. Trade between the two countries is not large and the UK has not participated significantly in development assistance to Afghanistan. Afghans generally are disposed to resent UK foreign policy as imperialistic. France exerts cultural influence through a French-Afghan college and a hospital in Kabul, and archeological activities. French-Afghan diplomatic relations are cordial. German prestige has traditionally been strong in Afghanistan, and Afghan relations with West Germany in the commercial and technical fields may be expected to increase with current German efforts to revive trade with states of the area. German-Afghan diplomatic relations, broken off in 1945, may shortly be resumed. Afghan relations with other West European countries are extremely limited.

52. *The Arab States.* Afghanistan maintains friendly relations with the principal Arab states, with whom it shares a common adherence to Islam and a neutralist and anticolonial outlook. The Arab cause in Palestine, for example, has a certain emotional attraction for Afghans. It is likely that Afghanistan will continue to support the Arab-Asian bloc in the UN.

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APPENDIX

TEXT OF THE TREATY OF NEUTRALITY AND NONAGGRESSION
BETWEEN AFGHANISTAN AND THE USSR
SIGNED 24 JUNE 1931 *

Article I — In case of war or of hostilities between either of the Contracting Parties and one or more third Powers, the other Contracting Party undertakes to observe neutrality with regard to the former.

Article II — Each of the High Contracting Parties undertakes to abstain from any aggression against the other Party or against territories in its possession, and not to undertake or to tolerate on the part of anybody whatsoever any act which might inflict political or military damage on the other Contracting Party. Similarly, each Contracting Party undertakes not to be a party to any alliances or agreements of a military or political character with one or more Powers which might be directed against the other Contracting Party or in any financial or economic boycott or blockade directed against the other Contracting Party. Furthermore, in the event of a hostile attitude being adopted by one or more third Parties towards either of the Contracting Parties, the other Contracting Party undertakes not only not to encourage such attitude but is under an obligation in its territory to oppose it together with any hostile acts and undertakings arising therefrom.

Article III — The High Contracting Parties, having recognized each other's sovereignty, undertake to abstain from any armed or unarmed intervention in the internal affairs of the other Contracting Party and shall categorically abstain from giving assistance to and taking part in any intervention whatsoever on the part of one or more third Powers which might take action against the other Contracting Party. The Contracting Parties shall not tolerate and shall prevent in their territory the organization and activities of groups of persons and the activities of private persons that might be prejudicial to the other Contracting Party or prepare the overthrow of its form of government or make an attempt on the integrity of its territory or proceed to the mobilization or recruitment of armed forces to be used against it. Similarly, neither Party shall authorize or permit the passage and transport through their territories of armed forces, arms, ammunition, implements of war, and any kind of war material directed against the other Contracting Party.

Article IV — In accordance with the above provisions of the present Treaty, each of the High Contracting Parties declares that it has not had and has not at present any secret or public obligations in relation

* Source: "League of Nations Treaty Series — 1935," No. 157. The treaty was formally renewed in 1936 and 1945 and has since continued in effect under the annual automatic renewal provisions of Article VIII.

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to one or more States which would be incompatible with the present Treaty and that, during the entire period of validity of this Treaty, it will not enter into any treaties and agreements which are incompatible with the present Treaty.

Article V — Similarly, each of the Contracting Parties declares that no obligations exist between itself and other States in the immediate neighborhood of the land or sea frontiers of the other Party except such as arise out of instruments which have already been made public.

Article VI — Beyond the limits of the undertakings the conditions of which are laid down in the present Treaty, each of the Contracting Parties retains entire freedom of action as regards steps to be taken to establish all kinds of relations and alliances with third Powers.

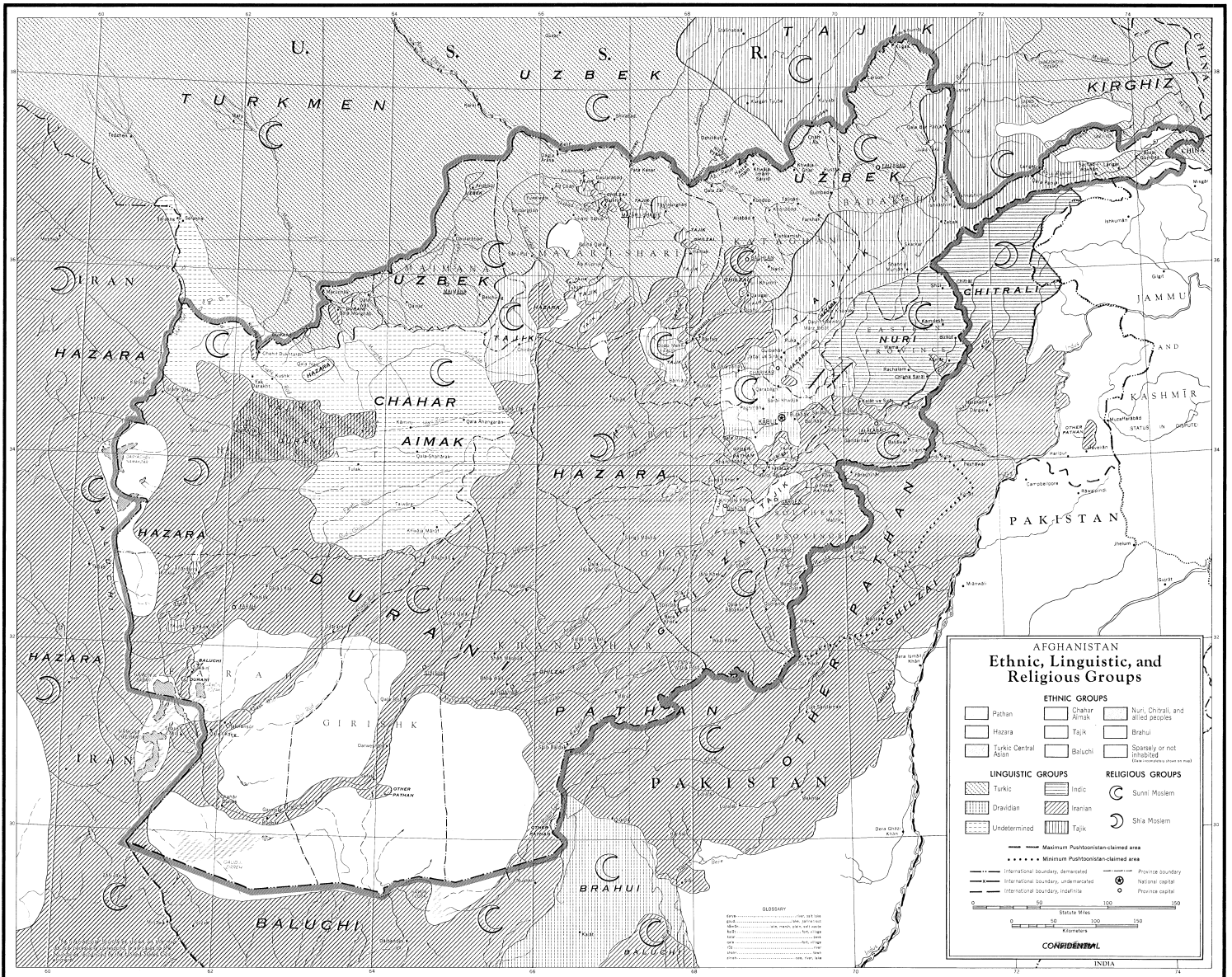
Article VII — The Contracting Parties recognize that the settlement of all disputes or conflicts which may arise between them of whatever character or origin must always be sought solely by pacific means. With a view to amplifying the provisions of this Article, special agreements may be concluded between the Contracting Parties.

Article VIII — The present Treaty is concluded for a period of five years and shall come into force at the moment of its ratification, which shall take place not later than two months after the date of signature. The exchange of the instruments of ratification shall take place at Kabul within one month after ratification of the Treaty.

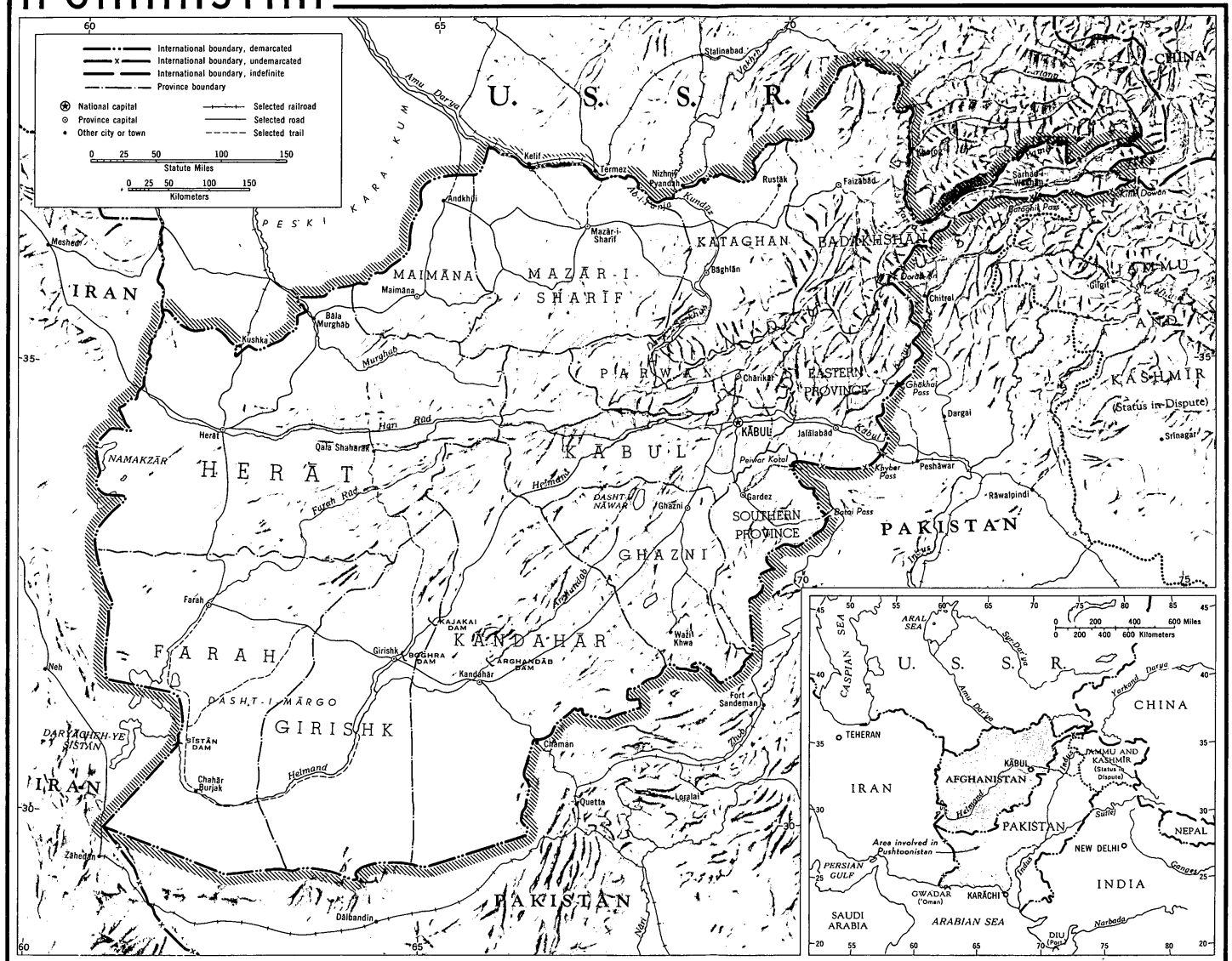
On the expiry of the period of five years, the present Treaty shall be automatically prolonged from year to year, each Contracting Party being entitled to denounce it at six months' notice. In case of denunciation of the Treaty as provided for in this Article, the Contracting Parties shall at the same time enter into negotiations regarding the renewal of the present Treaty.

Article IX — The present Treaty is drawn up in the Russian and Persian languages. In respect of its interpretation, both texts are regarded as authentic.

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