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CENTRAL INTELLIGENCE AGENCY

30 November 1955

MEMORANDUM FOR: The Director of Central Intelligence
SUBJECT : The Outlook for Afghanistan *

1. In the light of increased policy concern over the trend of Afghan relations with the Soviet Bloc, we have initiated a new SNIE updating our last Afghan estimate, NIE 53-54, of 19 October 1954, for IAC consideration on 3 January. However, the old estimate appears to have been quite close to the mark in assessing the outlook for Afghanistan.

2. NIE 53-54 in essence concluded that Afghanistan was "highly vulnerable to Soviet pressures" and that its ability to remain an independent buffer state separating the USSR from the Indian subcontinent was being undermined as a result of Afghan receptivity to Soviet lures, particularly in the economic and technical assistance field. It estimated that Soviet attentions to Afghanistan -- as part of a general effort to counter Western gains elsewhere in the Middle East-South Asia area -- would "probably increase substantially" and that consequent Soviet economic

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* As revised pursuant to IAC comments made on 29 November.

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penetration might result in "a gradual drift of Afghanistan toward the Soviet orbit." It noted that "Afghanistan will probably continue to accept Soviet aid offers" and that "in doing so the Afghan leaders may misjudge their ability to curb Soviet political and subversive activity" and the willingness and ability of the Western powers to bail them out in event of a military or diplomatic crisis. Finally, NIE 53-54 pointed out that Afghan-Pakistani feuding -- which has played an important part in Afghanistan's receptivity to Soviet lures -- showed little promise of lessening.

3. NIE 53-54 nevertheless expressed the belief that the USSR was unlikely to gain actual control of Afghanistan, at least within the next few years. It estimated that the Afghan government's dealings with the Bloc were part of a continuing effort to play the great powers off against each other to Afghanistan's advantage and that Afghanistan would probably seek to obtain additional Western economic and possibly military aid to counterbalance assistance from the Bloc. It concluded that the USSR was unlikely to exercise its capability to take over Afghanistan militarily and that the small pro-Communist elements in Afghanistan would probably not gain sufficient strength to overthrow the government.

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4. Afghanistan's growing dependence on the Soviet Bloc during the past year has underlined the dangers foreseen in the estimate. The NIE noted that Afghanistan had received the equivalent of more than \$11 million in Bloc credits, together with technical assistance, for development projects. Another \$10 million credit has now reportedly been extended by Czechoslovakia. Deliveries of arms from Czechoslovakia under a \$3 million cash deal are already being made. The Soviets have reportedly even offered to take over and complete the American-financed and directed Helmand Valley project, the country's largest development project.* Afghan barter trade with the Bloc has been increasing. Finally, the Afghan government is taking steps to reduce its vulnerability to Pakistani economic sanctions by rerouting the bulk of its foreign trade, both with the West and the Bloc, through the USSR rather than via the traditional routes through Pakistan.

5. These growing ties with the Soviet Bloc -- which will almost certainly be strengthened during the forthcoming Khrushchev-Bulganin visit -- probably result not from a deliberate Afghan decision to

* Total US loans and technical and economic aid to Afghanistan since 1949 has been approximately \$50 million. This includes two Export-Import Bank loans for the Helmand River project (\$21 million in 1949, and \$18.2 million in 1954) and some \$8 million in technical assistance.

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abandon its historic policy of non-commitment, but from Afghanistan's estrangement from Pakistan. As forecast in our estimate, Afghan Prime Minister Daud has continued to court trouble with Pakistan over the Pushtun question. A crisis arose early this year when an officially inspired Kabul mob, demonstrating in the cause of Pushtunistan, entered and damaged the Pakistani embassy. The incident convinced the Pakistanis that Daud would have to go, and Pakistan's blockade of Afghan trade from April to September of this year was aimed in part at forcing Daud out. Far from doing so, however, the Pakistani challenge has apparently strengthened Daud and increased his determination to keep up the Pushtun feud with Pakistan and to cultivate Bloc support in the controversy. The recent Loe Jirgah (Grand Tribal Assembly) appears to have firmly endorsed Daud's stand.

6. Thus the Afghan obsession with the Pushtunistan question plays into the hands of the Soviets whose assistance to the Afghans makes it possible for the latter to press the Pushtunistan agitation with greater safety. The Bloc can offer Afghanistan something the West cannot -- an alternative to complete dependence on Pakistan for trade outlets by making available transit facilities through the USSR and by itself providing increasing quantities of essential imports, such

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as petroleum products, which Afghanistan formerly obtained through Pakistan. These favors, which costs the Soviet Union very little, are probably valued by the Afghans as highly as the Egyptians value the arms with which they are being provided by the Soviet Union at equally negligible cost to the Soviets. The Soviet Union could, if it so desired, aid Afghanistan in promoting agitation over Pushtunistan by providing money, arms, and diplomatic support in the UN. Moreover, its treaties with Afghanistan provide a good basis for a Soviet guarantee of the Kabul regime against any retaliatory acts by Pakistan.

7. We believe that the basic dangers in the Afghan situation remain substantially as depicted in NIE 53-54. However, the deterioration in Afghan-Pakistani relations during 1955 has given Daud additional incentive to seek Bloc assistance in strengthening his position vis-a-vis Pakistan and has thus accelerated the Afghan drift toward the Bloc. While the Daud government almost certainly remains desirous of maintaining its independence, its apparent determination to pursue its anti-Pakistan policies at almost any cost has already led it to compromise its traditional buffer state position in important respects. If present trends continue, Afghanistan may fall into the "Soviet camp" even though remaining nominally independent. In the presently unlikely

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event that Afghan-Pakistani hostilities should develop, the Daud government would probably seek extensive Soviet support without regard to the political cost.

8. The USSR, for its part, is probably content to have Afghanistan remain nominally independent so long as the latter's tendency to drift away from the West and toward the Bloc continues. As a result, the Soviet Union is unlikely to take early action to secure firm control of Afghanistan, either by subversion or direct military intervention. However, it will almost certainly act vigorously to maintain its present favorable position. It would probably give Daud strong support against any efforts to unseat him or in the event of major Afghan-Pakistani hostilities. The forthcoming Khrushchev-Bulganin visit will probably lead to a joint statement in favor of peaceful coexistence and non-interference, but the Soviets may go so far as to offer Daud a specific security guarantee.

9. Should Afghanistan fall under Soviet control, considerable political and psychological damage to the position of the free world in the area would result. Moreover, the extension of the Communist

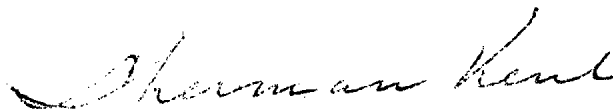
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Bloc to the borders of Pakistan would place the Communists in direct contact with the tribal areas where they could promote serious subversive action against Pakistan.

FOR THE BOARD OF NATIONAL ESTIMATES:



SHERMAN KENT
Assistant Director
National Estimates

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