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NSC BRIFING

Rosen
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AFGHANISTAN

I. Principal conclusions of current NIE on Afghanistan (19

October) are:

- A. Afghanistan is strategically important as a buffer state separating USSR from Pakistan and India. Its exposed position, military weakness and growing economic reliance on the USSR make it highly vulnerable to Soviet pressures.**
- B. Soviet attentions to Afghanistan--particularly through economic and technical assistance--have increased markedly in the last year and will probably continue to grow substantially. Soviet actions are probably part of a general effort to counter Western gains elsewhere in the Middle-East-South Asia area.**
- C. While Afghan leaders will seek additional Western aid to counterbalance that from USSR, they will probably continue to accept Soviet trade offers and in doing so may misjudge their ability to curb related Soviet political and**

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subversive activity. The resultant Soviet economic penetration may well result in a gradual drift of Afghanistan toward the Soviet Orbit.

D. However, the USSR is unlikely to gain actual control of Afghanistan, at least within next few years. The influx of Soviet technicians greatly enhances Soviet subversive capabilities, but the now negligible pro-Communist elements in Afghanistan will probably remain too weak for the foreseeable future to overthrow the regime. The USSR is unlikely to take over Afghanistan by force since such action would offer few if any strategic advantages and would cause anti-Soviet reactions, particularly in the Arab-Asian bloc, which the USSR would wish to avoid.

E. Actual Afghan participation in area defense arrangements is unlikely, since Afghans almost certainly realize that this would:

- (1) Subject them to strong Soviet pressure, and
- (2) Provide no realistic protection against Soviet attack.

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F. Despite some discussion of Afghan-Pakistan confederation, internal complications to be overcome and Soviet and Indian opposition make actual achievement of merger extremely unlikely. Prospects for solution of Pashtoonistan controversy remain poor.

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II. Since NIE completed some additional reports on Soviet economic activity and penetration received. Data still incomplete as to actual extent and rapidity of economic penetration but there is some indication that more alarmist reports may be exaggerated.

A. Confirmed indications of Soviet economic activity are:

- 1. Signing of three credit agreements of \$3.5 million, \$600,000, and \$2.1 million--total \$6.2 million--in 1954.**
- 2. Construction of certain projects specified in credit agreements--grain storage, flour mill, bakery, gasoline storage, and street paving in Kabul.**
- 3. Arrival of at least some Soviet technicians during 1954, notably 25 observed arriving by courier plane through mid-October.**

B. Still lacking are confirmation or corroborative detail regarding:

- 1. Prospects for fulfillment remainder of economic and technical aid program.**

3. Prospects fulfillment trade agreements under which

USSR would have 30-40 percent of Afghan foreign trade.

a. Reports that USSR now supplying 90 percent of

Afghan's oil belied by continued supply from West

of 2-3 million imperial gallons, necessitating

rise in total consumption since 1951 from about

2 million to 20 million gallons a year to justify

90 percent figure.

b. Fulfillment of current trade agreements would

entail approximate quadrupling of pre-1950 use of

Soviet products and of Afghan Wool, cotton, and

hides exports to USSR. Indications of this unavail-

able.

III. Since NIE completed some fluctuation in Afghan-Pakistan

relations has taken place:

A. Afghan Foreign Minister Prince Naim has agreed to nego-

tiate outstanding issues without predetermined agenda--

i.e. without Pakistani commitment to discuss Pushtoonistan.

B. Pakistan has recalled Ambassador Shah from Kabul, presumably to lay groundwork for closer understanding with Afghanistan.

C. However Prime Minister Daud on 28 November reiterated Afghan support of Pushtoonistan cause and denounced merger of West Pakistan into single provincial unit as prejudicing Pushtoonistan talks.

1. This apparently an effort to counter strengthening of Pakistan bargaining position through surrender of two former pro-Pushtoonistan tribal leaders to Pakistan government.

8. Despite Daud's statement, prospects for collaboration still improved.