

CENTRAL INTELLIGENCE AGENCY

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22 April 1982

Mr. Brian V. Kinney  
Chief, Declassification and  
Historical Research Branch  
Records Management Division  
Washington Headquarters Services  
Room 1D517, Pentagon  
Washington, D.C. 20301

Dear Mr. Kinney:

In response to the letter of 1 April 1982 from the OSD Records Administrator, we have reviewed the six attachments thereto, under the provisions of paragraph 3-401, Executive Order 12065, with the following findings:

a. CIA has no objection to declassification of the following:

(1) Paper, Undated, Subj: Intelligence on Attitudes of Afghanistan Government Toward Middle East Regional Defense Pact and Soviet Communism;

(2) Paper, 22 Mar 54, Subj: CIA Proposed Amendment to Draft Conclusions Re Agricultural Surpluses; and

(3) Paper, 17 Mar 54, Subj: Surplus or Deficit Position of Various Countries in Major Agricultural Commodities Available for Export from the United States/w 1 Attachment--Chart, EIC-P-9.

b. CIA has no objection to declassification of the following provided the Department of State concurs:

(1) Paper, Undated, Subj: Possible U. S. Courses of Action With Regard to Afghanistan;

(2) Paper, 25 Jan 54, Subj: Notes on South Asia; and

(3) Memo, Feb 1, 54, Re: Comments on the Philippines Draft, TS-78035.

Sincerely,



Chief, Classification Review Division  
Office of Information Services  
Directorate of Administration

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Enclosures:

1. Paper, Undated
2. Paper, Undated
3. Paper, dtd 25 Jan 54
4. Paper, dtd 22 Mar 54
5. Paper, dtd 17 Mar 54
6. Memo, dtd 1 Feb 54

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Unclassified when  
Separated from  
Enclosures

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1 - Liaison w/DoD w/encl 2, 4, & 5

1 - Chrono w/o encl

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Possible U. S. Courses of Action With Regard to Afghanistan

The recent National Intelligence Estimate on Afghanistan notes certain dangers from intensification of Soviet interest in Afghanistan as evidenced by the recent Afghan-Soviet agreements. The NIE believes a gradual drift toward the Soviet orbit is a probable result although openly aggressive action by the USSR is viewed as unlikely because of the danger of strong anti-Soviet reactions elsewhere in the Arab-Asian bloc.

The U. S. and its allies probably do not have a major stake in the continuance of Afghan freedom from Soviet dominance. However, an advance of Soviet ascendancy to the southern borders of Afghanistan would entail certain undesirable consequences: Soviet military access to the borders of Pakistan and the port of Karachi would be enhanced with consequent greater strain on the defensive burdens of Pakistan while such Soviet subjection of another free area would be viewed by world opinion as a defeat for the West and the U. S. with consequent damage to our own prestige and the morale of our friends, particularly if Soviet control were achieved in spite of U. S. exertions to repel it.

Courses of action for countering the trend of increasing Soviet influences in Afghanistan may be divided broadly into three categories: some form of military assistance to Afghanistan or its adherence to a Middle-East security system, increased economic assistance to Afghanistan, and some form of merger or union of Afghanistan with Pakistan. Choice of any course of action would be influenced by our estimate of Soviet intentions.

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Military Assistance

Given the gradual procedures of the U. S. Government for conclusion and fulfillment of arms aid agreements, it would probably be impossible to deliver military equipment to Afghanistan with the promptness or of magnitude sufficient to counterbalance the effects of adverse Soviet reaction. Similarly the adherence of Afghanistan to a Middle-East defense system even after the latter had reached an advanced stage of development might merely add a weak and exposed member who would create a liability to other participants not justified by Afghanistan's contribution nor even by real gain in Afghan security. An attempt to include Afghanistan in a still developing security system would entail the risk of immediate Russian reaction worsening the position of Afghanistan and weakening the security system itself.

In recent weeks Afghan spokesmen have pleaded their great need for small arms and have suggested that perhaps these might be purchased with U. S. credits quietly extended so as to lessen chances of Russian counter-action. This would not be easy to arrange. However, the need for small arms may well be quite genuine. Their acquisition might fulfill a desirable end in strengthening Afghanistan's military and internal security forces. The Pakistanis could be expected to object strenuously to such deliveries. And in fact there would be great difficulty in assuring that small arms delivered to the Government of Afghanistan would not find their way into the hands of tribesmen bent on harassment of Pakistani borders. In the light of our present relations with Pakistan anything we undertake should be with the knowledge and consent of Pakistan.

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Economic Aid

Stepped-up economic aid to Afghanistan might serve several purposes, depending to some extent on its character, size and conditions of delivery.

The Afghans feel that their economic difficulties require additional foreign assistance and they are thus easily tempted by Soviet offers of help.

Our primary objective should be to provide aid whose net effect would be to slow or stop the growth of Soviet influence in Afghanistan. Our program should act as propaganda to offset admiration for Soviet achievements, and it should also aim at meeting the long-range development needs of the Afghan economy. Further, we should aim at meeting such urgent capital and technical needs of Afghanistan as are likely targets for additional Soviet offers, (the airfield at Kandshar and Afghanistan's telecommunications system, for example). Such a program, particularly if it sought to foster real strides in Afghanistan's economic development, might well involve amounts eight or ten times our current rate of investment. Without advising the Afghans in advance, we might be ready with measures to assist Afghanistan to extricate itself through suitable commodity or financial aid from Soviet threats and interference consequent to any Afghan inability to meet barter or other Soviet contract demands.

Additional U. S. aid might be conditioned on or held out as an inducement to Afghan agreement to certain desirable political objectives, for example acceptance of a reasonable settlement of the Pushtunistan problem. Afghan pride and sensitivity provide formidable barriers to acceptance of such conditions.

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Increase of economic aid would entail certain disadvantages. The Afghans might well find advantage in trying to play one side off against the other for their own gain. Similarly, stepped-up U. S. aid might bring sharper Soviet reactions detrimental to Afghan independence.

#### Confederation with Pakistan

With no clear concept in mind on either side, discussion and thinking of the two parties has ranged over a wide variety of possibilities from simple cooperation in a few economic projects along the common border to abolition of the Afghanistan-Pakistan boundary and installation of the Afghan King as constitutional monarch at Karachi.

The greatest advantage of the broader concept would be its promise of settlement of the Pushtunistan dispute which has weakened both countries and made difficult cooperation between them. However, complete integration of Afghanistan with Pakistan would in effect create a much larger but probably weaker Pakistan with an extended Soviet border. Pakistan defenses and administrative talent would be spread even more thinly than at present with a probable increase in the urgency of Pakistani demands for U. S. military assistance. Strong adverse reactions from the USSR and India could be expected. Afghanistan's Foreign Minister has told us of his interest in confederation although we have no clear indication of the attitude of his more powerful brother, Prime Minister Daud. In time, however, a new nation more capable of resisting Russian pressure might be created given considerable amounts of outside military and economic assistance.

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A start might be made towards merger through some limited forms of cooperation in economic matters, for example in development of hydro-electric schemes near the common border. Similarly, there might be cooperative effort in construction of highways, in the establishment of a free port at Karachi and in improved arrangements for marketing fruits in Pakistan. The Pakistanis have expressed impatience with the vagueness and inconstancy of Afghan proposals but they indicate definite interest in modest cooperative efforts which they envisage as leading eventually to more important moves, for example a customs union.

U. S. economic assistance might be directed toward a significant role in encouraging closer relations between the two countries, particularly in cooperative economic endeavors.

Afghan inflexibility on Pushtunistan continues with little apparent prospect for modification in the Afghan attitude. Gradual progress towards confederation would provide promise of creating better political and emotional conditions for settlement of the Pushtunistan question.

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NSC 5415 - Dis  
D. broad of Soviet surplus  
Agr. surplus

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22 March 1954

CIA PROPOSED AMENDMENT TO  
DRAFT CONCLUSIONS RE AGRICULTURAL SURPLUSES

Amend paragraph 1 d to read:

"d. Aside from the means discussed above, the receipt by the Soviet and European satellite peoples of US agricultural surpluses in small amounts would involve no clear security advantage or disadvantage to the US. [even though these peoples have not been able otherwise to obtain from their Soviet masters sufficient agricultural commodities.] There might well be a security disadvantage to the US if the Soviets obtained quantities of selected US agricultural products sufficient to permit a significant improvement in the consumption levels, particularly of those dairy and animal products in which they are admittedly most deficient."

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ECONOMIC INTELLIGENCE COMMITTEE  
SUBCOMMITTEE ON AGRICULTURE

SURPLUS OR DEFICIT POSITION OF VARIOUS COUNTRIES IN MAJOR AGRICULTURAL  
COMMODITIES AVAILABLE FOR EXPORT FROM THE UNITED STATES

SUMMARY<sup>1/</sup>

I. Introduction

1. The principal U.S. agricultural commodities which:

- a. create major surplus disposal problems for the U.S. economy, or
- b. could be made available, if desired, in sufficient quantities to be potentially important economic or psychological factors in the struggle between the Soviet Bloc and the Free World

include the following:

<u>Commodity</u>	<u>Estimated Volume of U.S. Stocks July 1954</u>
Wheat	830 million bushels
Butter	425 " pounds
Cottonseed Oil	1,080 " "
Linseed Oil	580 " "
Cotton	9,800 thousand bales
Dried Milk	615 million pounds
Rice	400 " "

2. Attached is a tabulation comparing U.S. and other Free World surpluses of these products with the generally deficit situations in the Soviet Bloc and in bordering<sup>2/</sup> non-Bloc countries.

<sup>1/</sup> This is a preliminary summary of an EIC Working Paper under preparation by the EIC Subcommittee on Agriculture. It is based on material prepared by a small working group from CIA and the U.S. Department of Agriculture, and it has not yet been reviewed or approved by either the EIC or its Subcommittee on Agriculture. While its conclusions reflect the best data available, they are subject to minor modifications - particularly in detailed statistics. It is planned to issue a fuller, agreed Working Paper as soon as the working group material can be reviewed by the EIC.

<sup>2/</sup> Although only bordering non-Bloc importers are discussed in this summary, all major importers or exporters are covered in supplementary appendices.

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S-E-C-R-E-TMAJOR SURPLUS COMMODITIES IN THE UNITED STATES WITH SURPLUS OR DEFICIT POSITION  
OF SPECIFIED COUNTRIES INDICATED BY POTENTIAL EXPORTS OR IMPORTS - 1953-54

Commodity	Units of Quantity	SURPLUS COUNTRIES				DEFICIT COUNTRIES			
		U.S. Stocks June 30, 1954 (millions)	Soviet Bloc Probable Exports (millions)	Non-Bloc Probable Exports (millions)		Soviet Bloc Probable Imports (millions)		Peripheral Non-Bloc Probable Imports (millions)	
MEAT	Bushels	830.0	USSR 61.3	Canada 300.0 Australia 85.0 Argentina 125.0	Czechoslovakia 14.7 E. Germany 18.7	W. Germany 73.5 Austria 11.0 Yugoslavia 20.0 India 44.0 Japan 73.5			
BUTTER	Pounds	425.0	USSR 20.0	New Zealand 345.3 Denmark 264.6 Australia 83.0 Argentina 20.0	Czechoslovakia 20.0 E. Germany 130.0	W. Germany 24.0 Finland 3.5 Austria 1.8			
DRIED MILK	Pounds	615.0	USSR None	New Zealand 95.0 Netherlands 75.0 Australia 60.0		Japan 50.0 India 30.0			
COTTONSEED OIL	Pounds	1,080.0	China 150.0	Anglo EGY Sudan 40.0 Uganda 20.0 Pakistan 20.0	USSR 150.0 E. Germany 10.0 Czechoslovakia 5.0	W. Germany 20.0 Japan 10.0 India 4.0			
LINSEED OIL	Pounds	530.0	China 15.0	Argentina 300.0 Canada 100.0	USSR 330.0 Czechoslovakia 60.0 Poland 45.0 Hungary 16.0	W. Germany 150.0 Japan 28.0 India 60.0			
COTTON	Bales	9.8	USSR 1.0	Egypt 1.5 Brazil 1.3 Pakistan 1.1 Mexico 0.9	China 0.3 Czechoslovakia 0.3 Poland 0.5 E. Germany 0.3	W. Germany 1.2 Yugoslavia 0.1 Sweden 0.1 Japan 2.4 India 0.4			
RICE	Pounds	400.0	China 1,322.8	Thailand 2,850.0 Burma 4,180.0		Ceylon 1,210.0 India 2,200.0 Japan 2,865.0 Malaya 1,045.0			

S-E-C-R-E-TII. Individual Commodity Positions

1. Wheat. The USSR and its European satellites have traditionally been heavy grain exporters, although increasing populations and redistribution of agricultural emphases have greatly reduced farmer wheat surpluses. Now only the USSR itself is a substantial wheat exporter, having shipped some 60 million bushels over the past year. East Germany and Czechoslovakia, however, must import wheat; so that the net Bloc surplus for 1953-54 was only about 40 million bushels. Both the USSR and its European satellites have recently initiated vigorous programs to increase wheat production.

The Bloc clearly will ordinarily be self-sufficient in wheat over the next 15 months, and may be in position to increase its own exports to bordering non-Bloc countries. Of these, West Germany, India, Pakistan, Japan and Yugoslavia have the heaviest import deficits. Canada, Australia and Argentina are major exporters.

2. Butter. Most of the non-Bloc countries of the world are more adequately supplied with edible fats and oil, generally, than are Soviet countries. Butter supply, as such, is particularly deficit in East Germany, Czechoslovakia and the USSR itself. Although per capita butter consumption in the USSR is only 4.4 pounds per annum, the Soviet has been obliged during the past year to ship 150 million pounds to East Germany and Czechoslovakia to relieve food shortages there. No Soviet Bloc countries have any surplus butter and their generally inadequate butter supplies are not expected to improve over the next 15 months.

Among Free World countries West Germany, Finland and Austria are heavily deficit in butter while New Zealand, Denmark, Australia and Argentina are important exporters.

3. Dried milk. Of Bloc countries only the USSR uses substantial quantities of dried milk, all of which is produced internally for domestic consumption. Of bordering non-Bloc countries only Japan and India are significant importers. Since there is rather limited consumer acceptance of powdered milk, it is doubtful if any Bloc or bordering non-Bloc countries could be particularly interested in obtaining large quantities.

Other Free World exporters include New Zealand, the Netherlands and Australia. Significant changes in levels of adequacy of dried milk supply are unlikely over the next 15 months - especially in view of the slowness with which consumer acceptance would seem subject to change.

4. Cottonseed oil. In the Soviet Bloc this is of major importance for soap - since palm and coconut oils are difficult for them to obtain, and they do not have adequate technical facilities to use cottonseed oil freely as an edible oil. During the current year the

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USSR is expected to import (principally from China) the equivalent of China's export surplus, estimated at 150 million pounds; while East Germany and Czechoslovakia will import an additional 15 million pounds from non-Bloc sources. In general, the Bloc (exclusive of China) will probably attempt to import as much cottonseed oil as possible during the next 15 months as part of the over-all plan to increase consumer goods.

It is estimated that U.S. stocks of cottonseed oil will approximate 1,080 million pounds by July 1954 - representing some 80 percent of Free World stocks. (Bloc stocks will probably be negligible.) Other important non-Bloc exporters will probably be:

Anglo-Egyptian Sudan  
Uganda (East-central Africa)  
Pakistan  
West Germany  
Japan  
India

5. Linseed oil. In Soviet Bloc countries the principal use of linseed oil is for making paints - although it also has limited utilization for edible purposes. The USSR and its European satellites are inadequately supplied with linseed oil and other industrial oils generally. Their 1953/54 levels of imports of linseed oil will about equal their own indigenous production. The USSR, Czechoslovakia and Hungary are the principal Bloc consumers of industrial oils and should import some 385 million pounds this year from non-Bloc sources. In addition, China is expected to sell the other Bloc countries most of its own surplus of 15 million pounds.

The USSR is planning a sharp increase in linseed oil production in 1954/55 and may be in a position to reduce her imports by that date. Offsetting this factor will be the increased consumer demand for paints.

Western Germany, Japan and Sweden are the only significant peripheral country importers.

The major non-Bloc exporters during 1953/54 will be Argentina, Canada and the United States. These countries will have July 1955 stocks of linseed oil far in excess of the negligible stocks which will be available in the Bloc at that time. U.S. stocks alone exceed the estimated annual industrial consumption of linseed oil in the entire Soviet Bloc.

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6. **Cotton.** Despite intensified production in the USSR, the Soviet Bloc as a whole remains an important net importer of cotton. Having achieved self-sufficiency at very low per-capita levels, the USSR finds it necessary to ship about one million bales annually to the European satellites - which produce only limited quantities domestically and must import an additional 434,000 bales this year from non-Bloc countries. Furthermore Communist China will import an estimated 300,000 bales from non-Bloc sources in 1953/54.

Over the next 15 months any USSR success in further increasing cotton production will tend to be offset by promised increases in consumption of textiles. In any event neither China nor the European satellites can depend on Bloc production to support an increase in present meager supplies of cotton textiles; and they may accordingly be under strong pressures to increase imports from non-Bloc sources.

Principal peripheral (non-Bloc) importers include Japan, West Germany, India, Austria, Sweden and Yugoslavia. Major non-Bloc exporters are Egypt, Pakistan, Brazil and Mexico.

7. **Rice.** Communist China is the only large-quantity dealer in rice in the Soviet Bloc, producing and consuming over 98 percent of total Bloc output. Although rice provides some 55 percent total caloric intake in China (perhaps 80 percent in much of South China), its consumption in the USSR and European satellites is unimportant - except in a few isolated localities. Actually it is expected that Communist China may export relatively small quantities of rice in 1953/54 (perhaps 600,000 tons of nearly 50 million tons production), probably to the Bloc (possible diversions to forces in Indo-China are not known). No specific estimates are feasible for Communist Chinese rice stocks as of July 1955, although they are expected to be substantially lower than those of important non-Bloc producers.

Major peripheral non-Bloc importers over the next 15 months will probably be Japan, India, Ceylon and Malaya - while Burma and Thailand will be the principal Free World exporters.

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DEPARTMENT OF DEFENSE  
WASHINGTON, HEADQUARTERS SERVICES  
WASHINGTON, D.C. 20301

April 1, 1982

MEMORANDUM FOR THE CHIEF, CLASSIFICATION REVIEW DIVISION, CENTRAL INTELLIGENCE AGENCY

SUBJECT: Request for Declassification Review

During the systematic review of all classified Office of the Secretary of Defense (OSD) documents over 20 years old, the Declassification and Historical Research Branch, Records Management Division, Directorate for Correspondence and Directives, Washington Headquarters Services, turned up the attached document(s).

The documents were either originated by your agency, contain information for which your agency is the classification authority, or are otherwise of interest to you.

It is therefore requested that your agency review the documents and recommend declassification, continued classification at the present or lesser level of classification, and/or review by other agencies. If your agency is recommending continued classification, in accordance with Paragraph 3-401, Executive Order 12065, it is requested that an authority for continued classification be specified, along with a date for the next review.

The time permitted by Executive Order 12065 to reach the point where all OSD documents over 20 years old have been reviewed, and the large volume of over 20 year old OSD documents, make it necessary to request your response within 60 days. In your response, you may wish to provide guidance with regard to what categories of information you do and do not wish to have referred to you in the future.

Your assistance in effecting this review will be most appreciated. Please return the documents to Mr. Brian V. Kinney, Chief, Declassification and Historical Research Branch, Records Management Division, Washington Headquarters Services, Room 1D517, Pentagon, Washington, D.C. 20301, upon completion of your review.

Without attachments, this memorandum is UNCLASSIFIED.

*E. E. Lowry Jr.*  
E. E. Lowry, Jr.

OSD Records Administrator

Attachments (6)

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OSD-DB-TS-066-82

LIST OF ATTACHMENTS

1. Paper, Undated, Subj: Intelligence on Attitudes of Afghanistan Government  
Toward Middle East Regional Defense Pact and Soviet Communism (TS) OK
2. Paper, Undated, Subj: Possible U. S. Courses of Action With Regard to  
Afghanistan (S) OK - state
3. Paper, 25 Jan 54, Subj: Notes on South Asia (TS) OK - state
4. Paper, 22 Mar 54, Subj: CIA Proposed Amendment to Draft Conclusions Re  
Agricultural Surpluses (S) OK
5. Paper, 17 Mar 54, Subj: Surplus or Deficit Position of Various Countries  
in Major Agricultural Commodities Available for Export from the United  
States/w 1 Attachment--Chart, EIC-P-9 (S) ~~OK~~  
~~ETC must~~
6. Memo, Feb 1, 54, Re: Comments on the Philippines Draft, TS-78035 (TS) OK - state