UNITED STATES-SOVIET UNION ECONOMIC AID TO AFGHANISTAN: A COMPARATIVE STUDY

Thesis for the Degree of M. A.

MICHIGAN STATE UNIVERSITY

Mohammed Jamil Hanifi

1962

UNITED STATES-SOVIET UNION ECONOMIC AID TO AFGHANISTAN: A COMPARATIVE STUDY

BY

MOHAMMED JAMIL HANIFI

AN ABSTRACT

Submitted to the College of Business and Public Service
Michigan State University of Agriculture and
Applied Science in partial fulfillment of
the requirements for the degree of

MASTER OF ARTS

Department of Political Science

1962

Approved Harry J. Friedman

ABSTRACT

UNITED STATES-SOVIET UNION ECONOMIC AID TO AFGHANISTAN:
A COMPARATIVE STUDY

by Mohammed Jamil Hanifi

This thesis is divided into seven chapters. In the first chapter there is a brief presentation of the theme of the thesis, a comparative study of United States and Soviet Union economic aid to Afghanistan. It also includes a discussion of Afghanistan's geography, history, economy, government and foreign relations. Emphasis is placed on the historical developments of Afghanistan's relations with its neighbors, specifically the sub-continent of India and the Soviet Union.

The second chapter presents, in detail, the position of Afghanistan in the cold war, its position in the rivalry between the communist and non-communist worlds.

The third chapter contains a description of the developments leading to the present Afghan-Soviet-United States relations in the past decade. It emphasizes the change that has come about with competition in Afghanistan, largely because the Soviet Union has matched every American dollar since 1956, about $100 million, with approximately two of its own.

Included in the third chapter is a discussion of the Pushtunistan issue, the Afghan government's demand for self-determination for Pushtu-speaking people of the northwest frontier of West Pakistan, which has contributed significantly to the present Afghan position in the cold war.

Chapter four contains an account of the neutral position of Afghanistan in world affairs, a presentation of the historical, cultural, social, political and economic factors that have contributed to Afghan neutrality, and how the country has utilized its position to promote its development.

Chapters five and six present a detailed description and discussion of the United States and Soviet bloc economic and military aid to Afghanistan.

Chapter seven contains some conclusions derived from this study. These conclusions are focused on the ends and means of the United States and Soviet aid programs, as well as the goals, needs and aspirations of the Afghan nation.

UNITED STATES-SOVIET UNION ECONOMIC AID TO AFGHANISTAN: A COMPARATIVE STUDY

BY

MOHAMMED JAMIL HANIFI

A THESIS

Submitted to the College of Business and Public Service
Michigan State University of Agriculture and
Applied Science in partial fulfillment of
the requirements for the degree of

MASTER OF ARTS

Department of Political Science

1962

Approved Harry J. Friedman

PREFACE

The writing of this thesis suffered from several unavoidable handicaps. Perhaps the major limitation was the lack of sufficient reliable statistical and factual material, particularly concerning Soviet aid programs. There are only about half a dozen references from which a somewhat realistic picture can be obtained. Most of these sources are not up to date. The author had to deal primarily with material published between 1956 and 1959. Because of the lack of an original reference, the inconsistent and often contradictory nature of the available material was another major problem encountered by the author.

Since 1959, both the United States and the Soviet Union have increased their efforts to promote, along with their own goals, the development of Afghanistan. Unfortunately, there is very little information and literature available on the events since 1959. If such material is made available, undoubtedly the scope and quality of this study can be improved.

Another serious problem was the lack of published information by the Afghan government. It is unfortunate that the Afghan government has drawn a curtain of secrecy over matters which are of vital interest to the Afghan public, especially Afghan students, and to people and

students all over the world who are going to be affected directly or indirectly by what goes on in Afghanistan.

ACKNOWLEDGMENTS

The author hereby expresses his deep gratitude to Dr. Harry J. Friedman, upon whose suggestion this study was undertaken and without whose constant guidance, assistance and encouragement it would never have been completed.

I would also like to thank Mr. Tooryalai Etemadi, the educational officer of the Afghan Embassy in Washington, who made it possible for me to go to Washington, D. C. and to use the facilities of his office and other facilities in Washington.

I would also like to express my gratitude to my wife, Sarah, for her constant patience, encouragement and moral support without which the completion of this study would not have been possible.

TO THE MEMORY OF MY LATE FATHER

TABLE OF CONTENTS

CHAPTER I

INTRODUCTION AND BACKGROUND

The importance of foreign aid to underdeveloped countries makes it necessary to consider the role of such aid as one of the cornerstones for the development and progress of the host countries. The nature and objectives of such aid programs have a significant bearing on the direction a country might choose in the struggle of developing nations for self-sufficiency, independence and freedom.

Afghanistan has been one of the traditional neutrals in the conflict of East and West for the control and friendship of the Asian, African and Latin American countries. Since 1950, the country has received aid from both the USSR and the United States. The objective of the Afghan policy, as expressed by its external and internal policies, has been to enable Afghanistan to muster all the help the country can get to keep up with the fast moving world. So far, any type of aid from any source has been accepted so long as it has not borne any political strings and has not interfered with the independence and the neutral position of the country.

Though some attempts at modernization were made in the "20"s and "30"s, the material renaissance of the country has really occurred during the past fifteen years. The

Americans have been active since 1950, the Russians since 1956, and in their efforts to outdo each other, they have demonstrated their desire to win the friendship of the Afghan people.

United States and Soviet economic competition is one of the fundamental ingredients of the cold war. Economic actions are both a part, and symptomatic, of the cold war. The alert, agressive and calculating economic threat of the Soviet Union reflects its attitude toward the cold war generally, and its intentions to defeat the West. The United States foreign aid to Afghanistan, although not as substantial and spectacular, has recently been slanted not only to help improve the lot of the Afghan people, but also to outdo the Soviets by impressing the Afghans with the superiority of western technology. The United States and the Soviet Union have both, so far, avoided the attachment of manifest political strings to their economic aid. Both sides, perhaps more so the Russians, have done their best to impress the Afghans that their interest in Afghanistan is confined to the economic development of the country.

The theme of this thesis, therefore, is to discuss, compare and analyze the United States-Soviet aid to Afghanistan, the nature and type of both programs, and some of the elements of success and failure.

Today Afghanistan, like all of South and South East

Asia, is in the path of a traditional Russian pressure toward the sea and on the historic invasion route to India. The result is that this remote mountainous kingdom is the scene of a strange kind of tug-of-war. The "containment" powers of the West are trying to pull the Afghans away from the lengthening shadow of the USSR, both using the means of foreign aid.

One of the backward countries in the Middle East, Afghanistan is organized along tribal lines, with no organized political parties and no known Communist Party members. But the Afghans tend to look upon their powerful northern neighbor as a benefactor, and the Soviet Union has no intentions of disillusioning them. On the contrary, the USSR provided Afghanistan with a $100 million long-term credit in 1956, and an increasing number of Soviet-financed development projects have since been undertaken. In the same year, Mr. Khrushchev visited the country, and in 1957 the King of Afghanistan visited the Soviet Union and was warmly welcomed. Gradually, large numbers of Soviet specialists have been introduced into the country, ostensibly to work on the new projects under construction. While building roads, exploring for oil, constructing bakeries and automotive works and equipping the Afghan army, they may, of course, attempt an ideological infiltration. At the same time, Americans have been building irrigation networks, expanding

airport facilities, training Afghan teachers and advising the country on its budget.

Afghanistan is, geographically, about the size of Texas (250,966 sq. miles). The population is a mixture of many racial stocks (some 13,000,000, divided into: Pushtu: 60.5%; Tajik: 30.7%; Uzbek: 5%; Mongolian and others: 3.8%).[1] Islam is the dominant religion (Sunni: 90%; Shiah: 10%).

Wedged between Pakistan, Iran and the USSR, and without outlet to the sea, Afghanistan became an independent state only in 1747; previously, it had been either a cluster of small states under nominal Arab rule, part of Mongol or Moghul empires, or dismembered among India, Persia and the Uzbeks. By the 19th century, it had passed into the British sphere of influence. In 1880, Great Britain recognized Abdur Rahman Khan as Emir and gave him an annual subsidy of more than half a million dollars to delegate management of his foreign relations to London. His son, Habibullah, succeeded him (1901) and kept Afghanistan neutral in World War I despite strong pressure of pro-Turkish elements.

A treaty of August 8, 1919 made Afghanistan free and independent of all control by Great Britain. The new state was able to maintain its neutrality in World War II, and joined the United Nations in November, 1946.

---

[1]Donald Wilber (ed.), Afghanistan (Human Relations Area Files. New Haven, 1956), p. 33.

Only a fifth of the soil is under cultivation, the greater part of the country being mountainous and rocky. Farming is limited to the fertile valleys and plains, sometimes with the help of irrigation. Two crops a year are usually grown. Important ones include fruits and nuts, castor beans, cereals, madder, tobacco, cotton and vegetables. Wheat is the staple food. The fat-tailed indigenous sheep is a principal source of meat and wearing apparel. Industry is only in a primary stage of development. Manufactured products include cotton and woolen textiles and clothing, soap, leather, matches, beet sugar and furniture.

Among the items of exports are karakul skins (mostly to the United States), cotton, wool, rugs, carpets, spices and dried fruit. Most of the trade has been carried through Pakistan, until recently when Pakistan denied transit facilities to Afghanistan. Wool and cotton are mostly exported to the USSR in return for consumers' goods.

Though there are modern roads built and under construction, camels and pack horses are still used by the natives, but motor transport is gaining importance. The principal routes head south through the Khyber and Khojak passes to Pakistan, and north to the Uzbek and Turkmen Soviet Socialist Republics.

Except for the southwest, most of the country is featured by high snow-capped mountains and deep valleys, and

the state is split east to west by the Hindu Kush range of the Himalayas (reaching, in the east, 24,000 feet). The climate ranges from extremes of below zero to more than 100° in the north, and snowfall is heavy all over the country in winter.

Under the 1932 Constitution, Afghanistan is a constitutional monarchy, with authority vested in the sovereign and Parliament (which has a Senate of 50 members, named for life by the sovereign) and a National Assembly of 171 elected members. But the real power is exercised by the ruler, Mohammed Zahir Shah. There appear no definite signs of unrest, although most of the people are extremely poor. But they are isolated and illiterate, and anti-monarchical propaganda, such as Nasser's campaign, for example, is weakened in force by the time it reaches this remote land. This is not to say there is enmity between Egypt and Afghanistan. Because of friendly relations, due to the Afghan government's support of President Nasser's position and ambitions in the Middle East, there is no open campaign by him against the present Afghan Royal family. The anti-monarchy campaign of Nasser, through the voice of Radio Cairo, although directed primarily towards Iran, Jordan and Saudi Arabia (all western allies), does reach Afghanistan in a physical sense, but it has little significant effect because of the absence of facilities to overcome the height

of the mountains. Premier Mohammed Daud, in office since 1953, and his relatives call the tune politically and economically, as a kind of family corporation. As cousins of King Zahir, Mohammed Daud and his brother Naim, the Foreign Minister, are Princes. Together with the King they are the key men in the Kingdom. The Premier's modernism is reflected in his use of the airplane; unlike his predecessors in office, he likes to get a first hand view of what is going on in the Kingdom. Within the last three years he has had a good look around the Soviet Union, the United States and Communist China.

Maintaining his role of neutrality, Daud has been taking economic assistance from Moscow as well as from Washington, considering it his duty to take economic help where he can get it, so long as it has no strings attached. His critics have from time to time raised cries of alarm at his audacity in taking Soviet aid and in admitting 500 Soviet technicians. But, obviously, Premier Daud has no illusions, and remembers that, historically, the Afghans, like the Turks and the Finns, have been standing off the Russians for centuries. As a soldier, who formerly commanded his country's military college, he insists upon keeping up an army of about 200,000 men and a large Soviet financed air force.[2]

---

[2]Edward Hunter, The Past Present (London: Hodder and Stoughton, 1959), p. 92.

Even though Afghanistan is rugged and the people backward, the country is an important factor in world affairs. The country has a long border in the north with the USSR. If Soviet Russia were to gain control of Afghanistan, she would drive a wedge toward the Arabian Sea, a wedge which would come perilously close to separating the Middle East from the rest of Asia.

In spite of the denial about the political strings attached to the Soviet help, its geopolitical implications are evident. Much of the aid from the Kremlin, under a loan of 100 million dollars for 30 years at only two per cent, is being used to build a communications network between Afghanistan and the USSR. This involves widespread building of roads and bridges in the northern part of the country, and the construction of two airports with the latest in modern equipment around Kabul. The stated object of all this activity is to increase and facilitate Afghan-Russian trade. The Soviets are also known to have given the Afghans at least 25 jet fighters, about 25 medium and a few heavy tanks, four different types of artillery and various small arms. Soviet officers are training the Afghan forces to use these arms.[3] By contrast, American aid is less directly related to trade and defense, more with general development

---

[3]New York Times, September 5, 1956.

of the land. The United States is helping the Afghans to modernize and expand their fledgling air network, building dams and extending irrigation. More than 50 American teachers are working to improve the whole system of education.[4]

In 1958, without any fanfare, Pakistan and Afghanistan signed a new treaty that may be of great significance. It guarantees reciprocal rights of transit to each across the other's territory. Thus a better outlet for landlocked Afghanistan was assured and Pakistan was in a better position to be a friendly neighbor. The Kabul covenant signalized a marked improvement in relations of the two countries, strained in 1955 to the point where Pakistan closed her border against her neighbor to the west. The blockade was keenly felt in Afghanistan because most of her exports and many of her imports had for generations moved through the Khyber Pass.

Although the border was closed for only a few months, the situation stimulated the development of air transport in Afghanistan. Her main exports and source of foreign exchange, Persian lamb hides, were temporarily shuttled to Beirut (Lebanon), for shipment to the West. Trade between Pakistan and Afghanistan was resumed largely through the intervention of the United States.

---

[4]Ibid., July 9, 1961.

Today, Afghanistan's centuries-long isolation from the rest of the world has been broken down by the swift advance of transportation and communication. Within recent decades, and particularly since World War II, Afghanistan has entered actively into the community of nations. The country was admitted to the United Nations in 1946. By a policy of neutrality and non-alignment it seeks to maintain its independence and avoid involvement in the conflict of power between the eastern and the western blocs.

I. HISTORY

Afghanistan today is still a relatively unknown land, until recently by-passed by modern technological progress, and forgotten by all but its close neighbors. Not too long ago, it was the pivot point of all Asia, the center of the caravan trade between China and Rome, a mountain kingdom through which every conqueror passed on his way to India or the Near East. Now airplanes, railroads, ships and motor vehicles have changed things. Afghanistan is no longer on the beaten track of commerce, and in the jet age, can possibly be ignored by potential aggressors. As a cold war economic battleground, however, Afghanistan is of primary importance.

The Kingdom of Afghanistan was formed as a national state by Ahmad Shah Durrani in the middle of the eighteenth

century. Following the death of the Persian Emperor Nadir Shah in 1747, the Afghan contingents of his army withdrew to Kandahar where they chose their general, Ahmad Khan, to serve as King. He then chose the title Ahmad Shah Durrani. Under his leadership, the Abdali and Ghilzai tribal confederations united the Persian provinces north and south of the Hindu Kush with their diverse ethnic groups: Tajiks, Uzbeks and Turkmen in the North, Hazara Mongols in the central mountains, and Pushtuns, or "true Afghans", in the South. With the third battle of Panipat and the Afghan capture of Delhi, the Afghan Empire reached its zenith in 1761.[5]

Ahmad Shah Durrani's successors were less successful campaigners, and had to contend with the power of the British in India and the British-supported Sikhs in the Punjab and Peshawar areas. Civil strife and dynastic quarrels were added to external threats, and it was only in 1880 that the kingdom emerged in its present configuration. Thanks to a "Memorandum of Obligation" with the British, the Amir, Abdur Rahman, was able to secure Herat and the northwestern areas against Persian and Russian threats. The western and northern boundaries were surveyed by British and

---

[5]Aloy A. Michel, The Kabul, Kunduz and Helmand Valleys and the National Economy of Afghanistan (National Research Council, Foreign Field Research Programs, No. 5, 1959), p. 3.

British-Russian commissions between 1885 and 1903.[6] As the price of British support, however, Afghanistan had to surrender control over tribal areas in the Northwest Frontier of India and over its own foreign policy.

The position of Afghanistan as a "buffer state" thus dates from the period when the Russian and British Empires were thrusting toward each other in South-Central Asia, and particularly from the 1907 Anglo-Russian general settlement which cleared the way for their alliance in the First World War. As the lines were drawn, therefore, Afghanistan was not forced to choose between Russia and Britain, and managed to resist the invitations of Germany and Turkey to raise the Moslems in a jihad (Holy War) against the Allies.

In 1919, however, King Habibullah was assassinated. His young successor, Amanullah Khan, undoubtedly influenced by the need to consolidate his position, launched an attack on the Northwest Frontier in an attempt to recover the tribal areas. Despite the success of General Nadir Khan in the Kurram Valley, the month long conflict was abortive as far as Afghan aims were concerned, and after British and Indian forces had reinvaded Afghanistan, the Amir sued for peace.

Negotiations lasted for two years, by which time the

---

[6]Wilber, op. cit., pp. 23-24.

British, more from weariness than from weakness, were ready to concede Afghanistan full independence and control over its foreign affairs. Since the Afghans had already entered into direct relations with the Soviet Union, and since it would have required a full-scale campaign to restore the old domination, the British did little more than recognize the fact that Afghanistan was prepared to plot its own diplomatic course in South Central Asia and the world.

Indeed, for most of the ensuing decade King Amanullah did just that, both domestically and in foreign policy. After introducing a great many reforms, he embarked in 1927 on a tour of European and Middle Eastern capitals and the Soviet Union. He was apparently deeply influenced by what he saw, particularly in Turkey. But he lacked the degree of domestic control necessary to impose his more radical reforms in the face of strong opposition from the conservative religious mullahs (Moslem religious teachers) who succeeded in turning the tribes against him. When a local brigand led a rising against Kabul, the capital city, in 1929, the disaffected army proved unequal to the task and Amanullah was forced to abdicate and flee. The ensuing chaos and carnage in Kabul brought General Nadir Khan back from a health resort in France. After initial difficulties due to his lack of personal wealth, he was able to conciliate the tribes, organize an army and recapture the capital.

Nadir Khan was proclaimed King in October, 1929, and took up the tasks of restoring internal order and inaugurating a more moderate and reasonable program of modernization. Indeed, the wisdom of Nadir Shah lay in his ability to distinguish the practicable from the impossible, as well as in a concentration upon economic rather than social reforms. Nadir Shah was tragically assassinated in 1933, but his son, Zahir Shah, has continued his policies with considerable success since that time. Afghanistan obtained a new constitution, giving it the form of a limited monarchy. Actually, the office of Prime Minister was filled by one of the King's uncles until 1953, and since then by his cousin, Prince Sardar Mohammed Daud, so that close family relationships have reinforced the solidarity of the Afghan government.

Afghanistan has the resources to improve the lot of its people, but the transition to a modern economy will be long and difficult. Many problems must be attacked simultaneously if progress is to be made on any front. The economy of the country is not able to provide the large amounts of capital required for economic development and outside aid is essential. While preserving its independence and its neutral position in world affairs, Afghanistan is willing to obtain economic assistance where it can from the United States, from international organizations, such as the specialized agencies of the United Nations, and from the Soviet bloc.

II. FOREIGN RELATIONS

Afghanistan has traditionally pursued a policy of neutrality in its foreign relations. Afghanistan's foreign policy places emphasis on peace and the maintenance of friendly relations with all nations. Being a Moslem nation, it is particularly interested in developments affecting the Moslem nations of the Middle East. In forums such as the United Nations, Afghanistan has publicly avoided taking stands on major East-West issues which could be interpreted as favoring either side. Prime Minister Mohammed Daud, during his official visit to the United States in June 1958, described his country's position in a speech before the United States House of Representatives:

> Our history is witness to the fact that we have tolerated many sufferings for the preservation of our independence and freedom. At no time have we allowed any influence to damage our national prestige or hurt our national pride. We are determined to live in this way; we cannot think of any materialistic factor that would persuade us to accept the slightest change in the course of our national determination for the preservation of our independence and of our freedom.[7]

Afghanistan's relations with its neighbor, Pakistan, through which the bulk of its trade with the free world has traditionally passed, have been in recent years severely strained as a result of the Pushtunistan dispute. The

---

[7] Background: The Subcontinent of South Asia--Afghanistan, Ceylon, India, Nepal, Pakistan. Near and Middle Eastern Series 41. (Washington, D.C.: Department of State, 1959).

controversy, now about 10 years old, constitutes a major international problem for Afghanistan. Maintenance and strengthening of Afghan ties with the non-communist world are complicated by this controversy, which has also contributed to a measurable shift in Afghanistan's traditional foreign trade pattern away from the non-communist world toward the Soviet Union.[8]

The objectives of United States policy with regard to Afghanistan are very much in harmony with the basic national objectives of the government of Afghanistan. One of the major objectives of the Afghan government, in the words of its Prime Minister, is "to raise the standard of living of the people and to insure their material and spiritual well being, for the achievement of which we must fight ignorance, disease and poverty".[9] American economic assistance to Afghanistan is given in order to help in this fight against the common enemies of man.

As a symbol of the warm relations existing between the two countries and as an indication of a desire of both nations to base their relations on mutual understanding, there was concluded a United States-Afghan cultural agreement to promote the expansion of cultural contacts between the

---

[8]Peter G. Franck, Afghanistan Between East and West (National Planning Association, 1960), p. 71.

[9]Background, op. cit., p. 20.

people of Afghanistan and the people of the United States. The agreement provided that both countries will encourage reciprocal exchanges of prominent citizens, specialists, teachers and students, and will facilitate cultural activities such as the establishment of libraries and information centers by the other government in each country.

Prior to the conclusion of this agreement, there had already been some U.S.-Afghan exchanges under the provisions of the U.S. Information and Educational Exchange Act of 1948 (the Smith-Mundt Act). Through 1958, 15 Americans had visited Afghanistan and 34 Afghans had come to the United States.[10]

Upon the conclusion of discussions between President Eisenhower and Premier Mohammed Daud during the latter's visit to the United States in June 1958, a joint statement was issued expressing areas of agreement between the two governments. The President and the Prime Minister reasserted their firm attachment to the principles of the United Nations Charter and it was agreed that both nations share a belief in mutual respect for the sovereignty and independence of nations, in non-interference in the affairs of others, in social and economic progress for all peoples.

With these principles as a guide, the United States

---

[10] Ibid.

has maintained and extended the traditionally cordial relations which have existed between the two countries. The United States has welcomed Afghanistan's efforts to promote and extend its friendly contacts with other non-communist nations and to assume a larger role in the community of nations.[11]

Continuing the heritage of Czarist foreign policy, the Soviet government began its attempts to establish its influence in Afghanistan shortly after the Russian Revolution. Since the early twenties, it has used economic means as well as diplomacy in the attempt to achieve its objective.

In 1919, with the retreat of the British from their previous position in Afghanistan and their recognition of Afghanistan's independent status, the new Soviet regime sought immediately to extend its influence. Soviet and Afghan missions exchanged visits and the Soviet-sponsored Pan-Hindu Revolutionary Committee established a forward base on Afghan territory.[12] In 1921, Afghanistan and the Soviet Union concluded a treaty of friendship providing for the establishment of diplomatic relations, the opening of a number

---

[11]Louis Dupree, Afghanistan's Big Gamble, Part III. South Asia Series, vol. IV, no. 5 (Kabul: American University Field Staff, May 9, 1960), p. 13.

[12]Pan-Hindu Revolutionary Committee was established as a joint Afghan-Soviet venture, with practically no Indian leadership, to serve somehow as an Indian government in exile.

of Soviet consulates on Afghan soil, the payment of an annual subsidy of one million rubles to the Afghan government and the supply of munitions to Afghan armed forces.

During the twenties, Soviet technicians appeared in Afghanistan, assisting in road building, surveys and construction and providing instructions for Afghan Air Force pilots. But, warned by Soviet conquests in the neighboring Khanates of Bukhara and Khiva, Afghan leaders were careful to control Soviet activities.

Nadir Shah, who came to power in 1929, followed a policy of carefully balancing British and Russian influence in Afghanistan to preserve the country's independence. The utilization of Soviet technicians was discontinued. In 1930, relations between the two countries were disrupted by border incidents. However, trade and commerce continued to grow and the Soviet Union became the primary source of manufactured goods for Afghanistan.

During World War II, when the Soviet Union was unable to continue its exports, Afghan trade gravitated toward India. In the postwar period, trade with the Soviet Union was gradually revived, though initially no Soviet trade agencies were permitted to operate in Afghan territory. After the end of British rule in India, disputes with Pakistan were an influence in the Afghan decision to turn to Russia for support and assistance.[13]

---

[13]The Pushtunistan Issue, discussed in Chapter III.

CHAPTER II

AFGHANISTAN BETWEEN EAST AND WEST

Although the cold war is generally understood to typify the rivalry between the communist and non-communist worlds, in fact the cold war assumes different aspects in different parts of the world. In Europe, for example, it is a relatively closely defined frontier separating the open from the closed societies. Not surprisingly, many Americans and rather curiously, many Asians tend to force the same conceptual framework on the cold war in Asia. The present writer believes that the cold war, as seen from Afghanistan, is only a continuation of an older pattern of conflict.

Afghanistan, in the 18th and 19th centuries, was surrounded by the advancing forces of Russia and Britain. In the exact center, Afghanistan remained relatively untouched, while the great imperial forces of the century whirled around her, one coming up through India, on the flanks through Iran, Kashmir and even Tibet, while the other steadily and ruthlessly subjugated the Moslem states of Central Asia. The Russians moved from Orenburg to Termez and Khushka and the British from Madras to Peshawar and Quetta, always getting closer, but leaving the core more or less intact. Perhaps a more accurate way would be to

compare Afghanistan with the eye of a storm or the vortex of a whirlpool.

Although the progress of the British northward is well known and well chronicled, it is easier to forget the progress of Russia through Central Asia, perhaps because the old Russian empire shared one trait with the Soviet empire today--namely, a pathological obsession with secrecy. Although its authenticity has never been proved, the alleged testament of Peter the Great may have epitomized the object of the Russian push by counselling his successors "to approach as near as possible to Constantinople and India. Whoever governs there will be the true sovereign of the world. Arrived at this point we shall have no longer need for England's gold".[1]

Whatever the validity of Peter's will, it is a fact that, after taking the Caucasian peninsula early in the 19th century, the Russians moved by force to take Samarkand, Tashkent and Turkistan in the 1860's and Khiva in 1873 and by the turn of the century had extended their influence to the Oxus River opposite Afghanistan. Although the Russians occasionally sought to extend their influence into Afghanistan and a fluctuating British policy resulted in two

---

[1] Afghanistan-Ariana (Royal Afghan Government Department of Press and Information, Vol. I, No. 2, July 1961), (unpaged).

abortive thrusts into Afghanistan, that country was generally squeezed but not swallowed.

Finally, in 1907, the Afghan position in the eye of the storm was formalized in the Anglo-Russian convention which sought, in the face of a rising German militarism, to stabilize the Russian and British spheres of influence in Asia. Persia was divided into spheres of influence, Tibet was neutralized under titular Chinese suzerainty and, in the middle, Russia declared Afghanistan to be outside her sphere of influence while Britain agreed not to annex or occupy Afghanistan.

After World War I, the first sign of a changing pattern appeared when Britain returned to Afghanistan control over its own foreign relations, thereby withdrawing British influence southward. At the same time, however, Russia--far from withdrawing--was advancing under the new Soviet leadership to consolidate its control over the Asian Moslem states, the last of which, Bokhara, was finally subjugated in 1922, just at the time the Soviet-sponsored Congress of the Peoples of the East, in Baku, was proclaiming the end of imperialism. In the face of overwhelming Soviet power, Afghanistan was compelled to abandon its support of Bokhara.

Finally, in 1947, the old pattern was broken up with the withdrawal of Britain from the subcontinent, the

independence of India and Pakistan and the rivalry between these two. With this change, the old rules of the game were outmoded. Since 1947, Afghanistan has been seeking to cope with the changed circumstances. These changes are great.

The old bilateral pattern was simple. The Afghans may have resented the constriction it imposed, but could rely on Britain and Russia to restrain each other. Now the pattern is complex and requires more vigilance. Participants in the power struggle now are the United States, the USSR, Britain, in a different and less omnipresent role, plus Iran, India and Pakistan, not to mention Communist China, hovering in the wings. The point is that the alternatives in a six or eight-handed game of poker are more difficult to calculate than in a two-handed game of chess.

Not only is the new pattern more complex, the old area balance was upset. Whereas the southern flank became weaker by a massive devolution of power, the northern flank, monopolized by the totalitarian military power of the USSR, remained intact. Afghan neutrality before 1947 rested on the balance of British and Russian power, manifested right up to the frontiers of Afghanistan. The balance now has to be maintained, if Afghanistan is to remain neutral, by a combination of neighboring states and the power of the United States, admittedly great in Afghan eyes but also very far away by comparison.

One way of righting the balance would have been to encourage the military strengthening and political orientation toward the West of the countries south of the Soviet Union. When the United States signed an arms aid agreement with Pakistan in 1954, the Afghans were shocked. "Why should America arm Pakistan?", they asked. "Whom would Pakistan use the arms against?" Surely not the Russians, Afghanistan argued, because Pakistan has no common boundary with the Soviet Union. The Afghans made several requests for American arms in order to restore what they called "the balance of power in Central Asia". These requests were refused because neutral Afghanistan refused to sign mutual security agreements.[2] When the United States refused to give Afghanistan arms aid after several requests, (1953-1954),[3] Afghanistan contracted in August 1956, for $25 million in arms from the USSR, Czechoslovakia, Poland, Hungary and East Germany.

The major factor making the Afghan government receptive to Soviet overtures was the Western handling of the conflicts over the political status of Afghan tribes living beyond the Afghan border in Pakistan. Afghanistan found itself isolated on this issue from the family of Western nations on which it had firmly hoped to rely when it joined various international

---

[2]Dupree, op. cit., no. 3, p. 16.

[3]Ibid., no. 4, p. 11.

organizations. In the views of the government and a large number of enlightened Afghans, here was a clear case where the principle of self-determination for eight million people was being disregarded at the highest international policy-making level. Not being able to marshal other support, despite determined efforts to do so, the government found solace and hoped for help in closer relations with another major power center in the world. An Afghan Foreign Office official, in the summer of 1957, put it this way:[4]

> The Afghan government was obliged to use Russia after the United States showed itself unwilling to correct the situation. The United States not only did not press Pakistan into a more reasonable attitude, but indirectly supported Pakistan by the military alliance and the subsequent delivery of military airplanes, including F-86 jets, and funds for the construction of air bases. Moreover, the attempted economic strangulation by Pakistan undermined Afghanistan's position in the world. Without alignment with a big power, it could not stand up to Pakistan or the United States.

The anxiety over United States military support of Pakistan flared up anew when after a seemingly successful visit of Prime Minister Daud in America, the United States government formalized its Baghdad Pact commitments in bilateral alliances with Iran and Pakistan in the spring of 1959. The Prime Minister was quoted as saying, "The most important aspect is that such agreements result in the import and stockpiling of arms in the countries concerned....This upsets

---

[4]*Islah*, June 16, 1957.

the balance of power, causing lack of confidence between neighboring countries. The upset balance of power also creates a tense atmosphere and limits the likelihood of peace and security in all parts of the region. Furthermore, the existence of dreadful weapons exposes the regime to danger."[5]

Superficially, the organization of SEATO and CENTO might seem partially to restore the pre-war pattern, if not a precise balance, leaving Afghanistan in a position similar to the one it occupied before the war. Unfortunately this is not the case. The most pertinent fact in this connection is that, while Afghan relations with the USSR since 1954 have become progressively closer and more deeply intertwined, some rather broad gulfs separate Afghanistan from her Moslem neighbors on the west, south and east.

Afghan-Iranian relations are cordial enough but rather distant in view of the wide desolate wastes which separate the main political and economic centers of the two countries. Relations are also marred by the fact that in the one area where the two countries have a common interest which could and should be cooperatively developed, they are unable to come to an agreement. This area is the lower Helmand Valley and there has long been lack of agreement

---

[5]Quoted in Area Handbook for Afghanistan (Special Operations Research Office, Washington, 1959), p. 571.

between Afghanistan and Iran on the proper division of the waters of the Helmand River.

Pakistan and Afghanistan, have been at each others throats over the disputed area of "Pushtunistan".[6] When Pakistan was created in 1947, Afghanistan wanted a plebecite in the North West Province to determine whether or not Pushtunistan would be independent or remain with Pakistan. The Afghan demand is based upon eighteenth and nineteenth century control of the area by the Afghan empire. The Durand line of 1893, the basis of the new state of Pakistan, between British India and Afghanistan had split the Pushtu-language area between these two countries.

Because the majority of the Afghan people belong to the Pushtu element, and for ethnic considerations, the government of Afghanistan has urged a special status for Pushtunistan. In fact, however, independence for Pushtunistan would mean assimilation into Afghanistan. Pakistan has resisted vigorously. When the government of Afghanistan coupled its Pushtunistan demand with a demand for an outlet to the Indian Ocean, Pakistan retaliated by threatening and finally closing Afghanistan's principal transit route in 1950, 1955 and again in 1961.

---

[6]Based on the map of "Pushtunistan" published by the Afghan government, Pushtunistan includes the geographic area from Chatral in the north to all of Baluchistan in the south, practically all of West Pakistan west of the Indus River.

Another indigenous Afghan factor which changes the situation from pre-war days is the Afghan determination to force the rate of national economic and social development as rapidly as possible. The historical origin and significance of Afghanistan's underdevelopment may be illustrated by a lamb roasting on a spit over a hot fire.[7] The outside of the meat may be seared and blackened by the flames while the center remains raw. Thus did Asia revolve slowly through the political fires of the eighteenth and nineteenth centuries while Afghanistan was left raw and undeveloped in the center. Turkistan, Bokhara, Kazakhstan and Kirghizia all suffered deeply from the fires of the last two centuries while the Arab states, Iran, Pakistan, India and Southeast Asia were sorely tried but they all also profited as well in military, economic, social and educational development, leaving Afghanistan at a relative disadvantage.

From one point of view this is the price Afghanistan paid for the insulated hermit-like freedom it maintained during the earlier centuries, a freedom which was dependent as much on the balance of two world forces as it was upon Afghanistan's own policies. Some traditionalist Afghans say that the price was worth paying and some probably would be willing to go on paying the price of underdevelopment in

---

[7]This is an old Afghan proverb, depicting the intensity of a person's education and the depth of his scholarship.

return for a kind of cocoon-like independence behind mountainous barriers. It is at least doubtful that this would be possible. In any event it is not the policy of the Afghan government which, on the contrary, feels almost obsessively the need to catch up with its neighbors.[8]

Afghans realize that this underdevelopment dangerously exposes their country precisely at the time when it has suddenly been swept into the changing pattern of world forces on every side. The rapid Russianization and Modernization of the Moslem Central Asian states to the north and the menacing posture of the beehive state, Communist China, the herculean efforts of India toward industrialization, the rapid development of Pakistan on the east and south and the expanding economy of Iran on the west all symbolize the great distance Afghanistan must still run if she is to catch up. Situated in the middle of these dynamic forces, the people of Afghanistan can no longer accept the role of an underdeveloped trough between two great powers in rough balance. This is particularly true since the old balance no longer exists, from a regional point of view at least, in the face of the devolution of power in South Asia as contrasted with the accelerated aggrandizement of power in the north.

---

[8]Current Problems in Afghanistan (Princeton, New Jersey: Princeton University Press, 1961), p. 71.

Over the past five years Afghanistan has made a dramatic response to the challenges presented by the great political and economic changes occurring in Asia. The country has already emerged as an active element in the Middle East-South Asia complex of nation states.

The basis of this transformation has been the adoption of a program of forced-draft economic development, for which large-scale foreign aid was obtained. Another fundamental departure was the re-equipping and modernization of the armed forces. At the same time, the government encouraged far-reaching social changes, symbolized by the recent, publicized "lifting of the veil", and undertook the expansion and modernization of educational facilities, both in the general and technical fields. Modern techniques of public administration are gradually being introduced in the highly centralized bureaucracy which governs the country.

These changes add up to revolution--in the case of Afghanistan, revolution from above, for it has been the leaders of the present government who have provided the impulse and set the course and speed on which the country has embarked. Of necessity, so sweeping a program of economic and social change has been accompanied by a campaign to build up national unity. Press and radio stress the cultural and military heritage shared in common by the Afghan peoples, despite their diversity of languages and

their multiple ethnic and tribal origins. While much is made of the past, at least equal or greater emphasis is placed on the present and future needs of a developing state: education, technical training, hard work and the cooperation of all ages and sexes in the tasks of development. Using the Pushtu-speaking tribes as the basis, the government is endeavoring to impart a Pushtu character to this modern national state it is in the process of creating,[9] replacing the Persian cast which had been deeply etched into it.

While much attention is understandably focused on Afghanistan's relations with her neighbors, it is also instructive to note the manner in which the Afghans are establishing a place in the broader international arena.

Over the past few years one or another of the nation's top leaders has exchanged official visits with many other world leaders. King Zahir in 1961, completed state visits to the United Arab Republic and Yugoslavia, and as recently as December 9, 1959, President Eisenhower, Prime Minister Nehru, the Prime Minister of Iran, West German Vice Chancellor Erhard, Premier Khrushchev and other communist bloc leaders have been in Kabul. This partial list is indicative of the spreading range of diplomatic contacts which the Afghan

---

[9] Ibid., p. 102.

government now maintains. In increasing numbers, lower level officials are complementing these top level trips with technical and study missions abroad, while comparatively large numbers of Afghan students, a substantial proportion in the United States, are pursuing full courses of instruction in overseas universities.

These broadening contacts are not only indicative of the internal changes which have begun to shape Afghanistan into a modern state. They also underline the Afghan passion for independence and the continuing sense of self-identity which so sharply marks the Afghan character.

Just as Afghanistan's political role in the world is changing in accordance with post-war rearrangements of world forces, so is its economic role. Afghanistan's foreign trade has experienced a significant growth in the last ten years. Its principal exports are fresh and dried fruits; furs, principally karakul or the so-called Persian lamb; raw cotton, wool, including some very fine cashmere; and carpets. Imports cover a wider range. Tea and sugar loom large among imported foodstuffs. The largest import, however, has been textiles, although this commodity will decrease in importance with increasing domestic production. Motor vehicles and spare parts and petroleum products are large items. Miscellaneous manufactures and consumer goods make up the balance.

This increase in total foreign trade has not occurred in equal proportions for all of Afghanistan's trading partners.[10] Since 1954, especially, the share of the Soviet Union and its satellites has increased more than that of the non-communist world. To an extent this trend is natural. In fact, prior to 1954, trade with the Soviet Union was surprisingly low when geographic and economic factors are considered. Afghanistan's other two neighbors have basic economies which are more or less paralleled to Afghanistan's while the economy of the Soviet Union is more nearly complementary. Pakistan, for instance, is Afghanistan's seventh most important trading partner and trade with Iran has been minimal.[11]

Trade with and through Pakistan in recent years has been hampered,[12] occasionally by the general state of unsatisfactory political relationships existing between the two countries and more generally by the inadequacy of Pakistan's port facilities and transportation system, severely over-taxed by its own development program. Thus the traditional route

---

[10]Peter G. Franck, Afghanistan Between East and West (National Planning Association, 1960), pp. 16-20.

[11]Ibid., pp. 19-20.

[12]Since September 1961, the Afghan-Pakistan border has been closed, and the flow of transit goods through Pakistan has been stopped. Items that are affected include American aid goods, wheat, etc.

of outlet to the sea is slow and at times uncertain. Under these circumstances concessions, apparent or real, by the Soviet Union are attractive to Afghanistan. However, Soviet barter transactions have many flaws, such as blocked accounts, limited range of selection of goods, low quality, and the ever-present danger that the Soviets may dump imported Asian products in the regular markets of the Asian countries.

Considering only pure economic and geographical factors it would appear natural for the Soviet Union to be one of Afghanistan's principal trading partners, yet we must never lose sight of the fact that in the Soviet Union foreign trade is merely an adjunct of foreign policy. Mr. Khrushchev has said that his country values trade more for its political aspects than its economic importance.[13] So far, there is no evidence that the USSR has used its economic position to exert direct political pressure on Afghanistan.[14] On the contrary, it has made its offers more attractive with such devices as seemingly low prices, arrived at through artificial exchange rates, and by offering consumer goods on a consignment basis.

An Afghanistan excessively dependent on the USSR as a

---

[13]Robert L. Allen, "The Communist Economic Offensive," International Journal, Vol. XIV, No. 1, Winter, 1958-9, p. 23.

[14]R. K. Ramazani, "Afghanistan and the USSR," Middle East Journal, Vol. 12, No. 2, Spring 1958, p. 151.

source of supply and as a market for its exports would be highly vulnerable to a shift in Soviet foreign economic policy. For instance, Afghanistan already relies on the Soviet Union for an estimated 75 percent of its petroleum requirements, almost all of its metallic building materials.[15] On the export side the USSR takes over 70 percent of Afghanistan's cotton exports and over 75 percent, by quantity, of wool exports.[16] A shift in Soviet foreign economic policy could even now cause a serious temporary economic maladjustment in Afghanistan at a time in which it is deeply committed to an all-out program of economic development.

The Soviet Union has chosen to make Afghanistan a battleground in the economic cold war. The non-communist world faces a commercial challenge in this situation. The United States, in particular, engaged in a vigorous export promotion program, cannot afford to ignore the market potential of Afghanistan as it has in the past. Not only do the smaller, less developed nations of the world collectively constitute an important market for American exports, but these same countries are all developing and will in time individually provide significant markets.

American private business should also begin to

---

[15]Wilber, op. cit., p. 21.

[16]Ibid., p. 22.

recognize Afghanistan as a distinct market area and attempt to promote sales. The United States Trade Mission was a good step in this direction. The fact that American-made products already enjoy a good, if limited, market in Afghanistan indicates acceptability. There is much evidence that Afghan importers prefer American quality, even on slightly stiffer terms. Afghanistan is not lost to the non-communist world as a trading partner, but more vigorous sales activity is needed to maintain and strengthen the Western position. While the Soviet Union's state trading systerm has some tactical political advantages, the American free enterprise system is in the long run a better and more reliable trading partner for Afghanistan.

Soviet political aims in Afghanistan do not seem very different from those of the United States. A policy of force or subversion has never been tried in Afghanistan. Instead there prevailed for a long time official indifference, if not hostility, towards the Afghan rulers who, according to orthodox Communism, are nothing but feudal exploiters and/or tools of imperialism. However, since Stalin's death and the growing influence of the United States in Asia, Soviet policy has freed itself from the shackles of orthodoxy. Instead, it has taken advantage of the new exploitable possibilities, such as the conflict between Afghanistan and Pakistan over the border Pathans and the slow progress of the American

aided projects. The promising diplomatic harvest Russia hopes to reap includes;[17] weakening the influence of the United States, disturbing the relations between non-communist neighbors and pushing Afghan policy into directions favorable to Soviet interests. Effective economic aid serves as one of the tools with which to reap it.

There is no reason to believe that Afghan leaders are not sincere in wishing to maintain a free and neutral course in foreign policy. Perhaps the recent official itineraries of the King and Prime Minister, respectively, best symbolize the orientation of that policy; Moscow-New Delhi-Washington and Moscow-Washington-Peking.

In clarifying its own relations with the great powers, the Afghan government repeatedly has defended neutralism as a means to further national objectives. Up until 1954, probably more material appeared critical of the USSR than of the West. Since then, the government has stressed its friendly relationship with the USSR and the benefits it has derived from this relationship. But this has not involved the anti-westernism characteristic of some other Afro-Asian countries, such as Egypt and Indonesia.

Nevertheless, the Cabinet is concerned about a

---

[17]Charles Wolf, Jr., Foreign Aid Theory and Practice in Southern Asia (Princeton, New Jersey: Princeton University Press, 1960), p. 384.

situation in which acceptance of aid from one power for a specific project would compel it to accept a matching bid from the other. Irrespective of the competing credit lines offered, the government attempts to keep the amount of aid money actually at work in balance.

CHAPTER III

PRELUDES TO AFGHAN-SOVIET-UNITED STATES RELATIONS

Next to Yemen and Saudi Arabia, Afghanistan was the most conservative of Moslem countries before World War II. Its women saw their neighbors through the meshed visor of a shapeless costume that covered them from head to toe. Kabul was the most desolate of all capitals, its streets alternately mudholes or dust heaps, according to the season, but bearable only when they were frozen in the depths of winter. The Hotel Kabul charged less than a dollar a day--and was expensive at the price. If there was wealth anywhere, it was nowhere evident. Even the pageantry of the middle eastern kingdoms was missing. The royal oligarchy ruled firmly but without pomp or show. Its troops often went barefoot.

Landlocked, weather-worn and friendless, Afghanistan appealed to the United States for aid. It got a little--a loan of $21 million in 1950, another $700,000 in 1953, some wheat worth $1.5 million, a grant of the same size and two further loans of $18.5 million in 1954 and $39.5 million in 1955.[1] The loans came from the Export-Import Bank and went to the slow-moving irrigation and land-reclamation project in the Helmand Valley. The average Afghan noticed no change.

---

[1]George Lenczowski, The Middle East in World Affairs (Ithaca: Cornell University Press, 1956), p. 229.

Change came only with competitive coexistence, and largely because the Soviet Union has matched every American dollar since 1956--about $100 million--with approximately two of its own.

High in the blue skies are the vapor trails of Russian-made Afghan-piloted jet bombers and fighters. The troops not only have shoes and automatic rifles, but T54 tanks. Toward the Soviet border in the north, Russian engineers are burrowing through the peaks of the Hindu Kush Mountains to build the most spectacular stretch of a thirteen-hundred-mile circuit of highways that will sweep in a broad circle around the country, linking the interior towns and villages with the new factories and the markets of Kabul, Kandahar, Herat and Mazar-i-Sharif. Oil has begun to flow from new wells in the northwest. Textile mills, sugar refineries and cement factories have sprung up. Women have thrown off the veil and are working side by side with men in factories and in Kabul University. The new Hotel Kabul is ten times more expensive than the old, and is fifty times better.[2]

The changes should not be exaggerated. Men and women still work as human beasts of burden, staggering along the roads under crippling loads. Kabul is still unsewered and

---

[2]Afghanistan: Ariana (Royal Afghan Government Department of Press and Information, Vol. I, No. 1, June 1961), (unpaged).

perhaps less healthy than it was when farmers came with their donkeys to cart away the night soil which householders are now required to dispose of themselves. The unwary pedestrian may fall through a manhole into a partly covered drain. The markets offer a wide range of consumer goods, but prices are high. Inflation has hurt the poorly paid government servants and corruption is becoming more widespread. Yet Afghanistan is moving ahead, and much more rapidly than anyone might have guessed before Bulganin and Khrushchev came this way in 1955.

America's early reluctance to upset its allies in Pakistan and Iran by giving the Afghans weapons gave the Russians an opportunity and the terms of Russian economic loans may mean that more and more Afghan trade will be diverted from the West and towards the Soviet Union.[3] Nevertheless, gratitude for Russian help is not expressed in converts to communism. The Communist Party, like all other parties, is illegal. For years the Russians failed to persuade the Afghans to let them help in education,[4] while the United States has been busy in such matters as the preparation of textbooks in Persian, in technical and vocational education, in teaching English and in the establishment of the faculties of agriculture and engineering at

---

[3]Robert L. Allen and R. K. Ramazani, "Afghanistan: Wooed But Not Won," Swiss Review of World Affairs, October, 1957, p. 31.

[4]Ibid.

Kabul University.[5]

Afghanistan remains, in fact, a strict and conservative Moslem state, oriented more toward Iran and the Middle East than toward its Russian, Chinese and Pakistani neighbors. Not all women, and certainly not all men, approved of women's emergence from Purdah (veil worn by Afghan women until it was abolished by law in 1959). In Kandahar, for instance, tanks had to be called to restore order.[6] The power of the mullahs is still strong. Russian money is acceptable, Russian ideology is not.

Yet westerners in Afghanistan say that Russians have made more friends in the past six months than they made in all the preceding postwar years. The estimate does not seem farfetched. American aid equipment valued at $10 million is piled up in Pakistan and may not cross the border.[7] Trade with the West has all but dried up. The Russian "rich uncles" have suddenly become guardian angels. Their fleet of jet transport planes saved the Afghan vineyards from economic disaster by whisking the grape crop, usually sold to India and Pakistan, to Tashkent.[8] The Russians agreed that

---

[5]Project Progress Report (United States Operation Mission to Afghanistan, June 30, 1961), (unpaged).

[6]Denis Warner, "Afghanistan: A House with No Doors," The Reporter. Vol. 26, No. 2, (New York: January 18, 1962), p. 29.

[7]New York Times, February 15, 1962.

[8]Ibid., September 16, 1961.

Afghanistan could use their communication system to continue trade with the West, and hinted that even western aid might move through the Soviet Union.[9]

I. THE PUSHTUNISTAN ISSUE

The chief reason for the recent increase in Soviet prestige has been the border dispute between Afghanistan and Pakistan. Moscow can afford to be generous. While not responsible for the Afghan-Pakistani border dispute, it can only profit from it. Afghanistan feels that its future as an independent neutral state depends on its ability to trade freely with both East and West. Otherwise it must either be drawn into the economic, and eventually the political, orbit of its Russian neighbor or face the prospect of dismemberment. Yet the way to the Middle East is blocked by the deserts of eastern Iran and western Afghanistan, while Pakistan holds the passes to the Arabian Sea.

Afghanistan's approach has been to work for the creation of Pushtunistan, which would carve a window to the west out of Pakistan's North-West Frontier Province and other border regions. Since the tribesmen who live on both sides of the border are Pathans and since these people make up about sixty percent of Afghanistan's population, the new

---

[9] Ibid.

state would, by implication, become part of Afghanistan. The Afghans deny this and insist that all they want is the right of self-determination for the Pathans.[10]

In 1947, those living south of the Afghan border were called upon to decide whether they wished the region to become part of Pakistan or part of India. The majority of those who voted, being Moslems, chose Pakistan, but the plebiscite covered only the administered frontier regions, omitting the considerable areas over which the British never had control. Given the chance, the Pathans would have voted for Pushtunistan.[11] Pakistan's recent answer to this has been to propose a plebiscite throughout Afghanistan and to suggest that Afghan districts inhabited by those who do not speak Pushtu be united with neighboring countries on a linguistic and ethnic basis.

In 1955, when Pakistan closed the border to the transit of goods in and out of Afghanistan, Russia saw its opportunity. It provided Kabul with gasoline, transit rights and military assistance. At that time, nobody took Russian economic aid very seriously. Kabul's paved streets, its bakery, and its oil storage tanks, all of which were the result of Russian aid, were regarded primarily as propaganda gestures.

---

[10]A speech made by Premier Daud, and quoted in Afghanistan News, March 1961, p. 18.

[11]This is the point of view of the Afghan government.

Though the Afghans remained suspicious of Pakistan after the border reopened, the Pushtunistan issue went back into the cold storage and relations between the two countries slowly began to improve.

The advent of General Ayub Khan as president of Pakistan in 1958 upset the somehow cooperative relations with Afghanistan. The general is a tidy man and the unadministered regions of the North-West Frontier were untidy. Ayub Khan decided to clean them up. Afghanistan reacted angrily. If the unadministered regions of the North-West Frontier came under Pakistani administration, the dream of Pushtunistan would disappear for all time. Thereafter, access to the west would be opened or closed according to Pakistan's whim and fancy.

The Afghans decided to stir up the border tribes.[12] In September 1960, they reinforced one tribe with a substantial force of regular Afghan troops disguised as tribesmen.[13] In the ensuing battle the ruse was discovered. Early last year, there were further border incidents and lives were lost on both sides.[14]

On both sides there were formal expressions of

---

[12]New York Times, August 3, 1961.

[13]Ibid., August 5, 1961.

[14]Ibid.

disappointment that relations had deteriorated. Privately, however, the Pakistanis indicated grave misgivings. They offered Kabul talks with the suggestion that Pushtunistan not be discussed.[15] Kabul reacted predictably and became even angrier in June when Pakistan complained that consular officials in Kandahar and Jalalabad no longer were served in Afghan stores and could not get Afghan servants to work for them.[16]

Every year in Kabul, affairs of state are cast aside in the latter part of August while the country spreads itself on the week-long celebration of Jeshyn (the anniversary of independence). Pakistan chose this time to be firm. It demanded a decision on its complaint. The Afghans, preoccupied with the impending festivities, did not reply.

On August 24, 1961, the first day of the celebration, Pakistan announced that it was closing its consulates at Kandahar and Jalalabad. Sardar Mohammed Daud, the Afghan prime minister, was unprepared for the shock, when, on the following day, a second note demanded the closing of the Afghan consulates at Quetta and Peshawar within two weeks.[17]

Five days later the Afghans replied that they would

---

[15] Ibid., August 10, 1961.

[16] Ibid.

[17] Ibid.

break off diplomatic relations unless Pakistan withdrew its demands. Pakistan refused, and on September 6, 1961, the Afghan consulates in Pakistan closed.[18] The two countries withdrew their embassies and trade came to a halt as the border closed to the passage of goods, including supplies for western embassies in Kabul.

Pakistan got all the blame for the collapse of the transit traffic. Since all goods destined for Afghanistan were unloaded in Karachi, receipted by Afghan officials and checked again by the trade agencies in Quetta and Peshawar, the expulsion of the trade agencies destroyed the machinery of the Afghan transit trade.[19]

There seems no reason, other than loss of "face", why goods should not be cleared directly at the border. This solution, however, is rejected by the Afghans. As a temporary expedient, they suggest, it might work, but the final result would be that the trade would cease to be a right and become a favor, to be bestowed or withdrawn as Pakistan sees fit.

---

[18] *Ibid.*, September 11, 1961.

[19] After several unsuccessful attempts to negotiate with Pakistan, and after the abortive United States attempt to mediate between the two countries; Afghanistan recently signed a five year transit agreement with its western neighbor, Iran, and turned down the Soviet offer to allow western goods destined for Afghanistan its transit facilities. This is another evidence of the desire of the Afghan government to maintain its neutrality and of its determination to bring about the reality of Pushtunistan.

Angry and frustrated, the Afghans tend to blame Britain, a traditional foe, and to a lesser extent the United States for Pakistan's intransigence. Always critical and even fearful of western military aid to Pakistan, they are sure that the Pakistani Army has plans to invade Afghanistan, an impression that some officers at Rawalpindi do nothing to discount.

In September 1961, Foreign Minister Prince Naim flew to Moscow, where the Soviets once again agreed to provide transit for goods that normally pass through Pakistan. Purchase of the grape crop, usually worth about $1 million to Afghanistan, was a bonus, though instead of much needed foreign exchange, it earned only a credit entry on the barter agreement.[21]

The feasibility of diverting all of Afghanistan's normal transit trade through the Soviet Union is open to serious question. There is little reason to believe that the Russians can really make good their promise. Goods that came through this route six years ago turned up in poor shape, and the completion of the vital tunnel link through the Hindu Kush Mountains, which will shorten the journey from the Russian-built Oxus River ports to Kabul by about five or six hours and cut off 120 miles of extremely bad

---

[21] New York Times, September 28, 1961.

road, will be a long and difficult job.

Meanwhile, the deadlock continues. The Afghans demand the restoration of the trade agencies and consulates and say they will settle for nothing less. Ayub Khan has publicly committed himself to keeping them closed, and he is not prepared to go further than recommending the appointment of liaison officers to discuss the trade block.

The Afghans are sure that American pressure, properly applied, would force Pakistan to back down.[22] Pakistan, on its part, feels that American policy toward neutrals like Afghanistan has been flabby.[23] It neither consulted with nor advised the United States of its intention to expel the Afghan consulates and trade agencies and professed to be unmoved by the argument that this sort of action would tend to drive the Afghans closer to the Soviet Union.

According to one Pakistani view, Afghanistan has already sold out tot he Kremlin. A second opinion, shared by Ayub Khan, was that the Daud government was afraid of committing itself too deeply with the Russians and would quickly come to terms. Both conclusions have proved erroneous and damaging to western interests.

Under the circumstances it is less than surprising

---

[22] Islah, May 8, 1955.

[23] Ibid.

that the Russians now have won Afghan gratitude. The early American inclination to give no more than token economic aid--and not to give military aid at all--was followed in 1957 by more substantial economic allocations. Too often, however, inertia succeeded indifference. For instance, although funds were made available for the construction of five buildings at Kabul University in 1957, Pacific Architects and Engineers, Inc., which got the contract in January 1958, did not deliver the plans and specifications for nearly two years.[24] Planning on the American-supported sector of the 1,300 mile highway took many months and to the Afghans seemed painfully slow in comparison with the Russian's speed in getting started.

"We are not ungrateful for American aid. It has helped us in all sorts of ways; but you must remember that many of the things we asked the Americans to do, the Russians have done for us,"[25] said a Foreign Office official. "We pleaded for American aid in 1952, 1953 and 1954. We were very hopeful when Nixon came in 1955. But Bulganin and Khrushchev understood our problems better."[26]

---

[24] What ICA is Doing in Afghanistan (Department of State Publication 6671, Near and Middle Eastern Series 31, February 1959), p. 6.

[25] Louis Dupree, Afghanistan's Big Gamble Part I American University Field Staff, South Asian Series, Vol. IV, No. 3, 1960), p. 16.

[26] Ibid., Part II, Vol. IV, No. 4, pp. 10-15.

In the hope that the Americans, the West Germans and others might together match the Russian commitment, the Afghans postponed their Second Five-Year Plan from September 1961 to March 1962.

The Germans have pledged more than $60 million[27], but with millions worth of American road-building equipment already held up in Pakistan, the prospects of the long-term American aid that the Afghans want are not very bright. Now the Russians are in a position to attach strings to their aid, to be allowed to "help educationally." It is also widely believed that a substantial Russian military mission will arrive soon.[28]

The Afghans pin their faith on the hope that either the United States will put sufficient pressure on Pakistan to reopen transit facilities or that the government of Ayub Khan will be replaced by a more sympathetic administration. Neither seems likely, and the immediate prospects for a settlement seem worse rather than better. Pakistan has also brought the Afghan nomads into the dispute, denying them and their herds entry into Pakistan for the traditional winter pasturing. Unless they are allowed to cross the border, they and their herds will perish in the snow, for

---

[27]Afghan News (London: Afghan Embassy, September 1961). p. 9.

[28]New York Times, February 27, 1962.

there are no winter pastures for them in Afghanistan. If they do go on, they risk death at the hands of the border guards. Though to date they have been quiet, it would not be like these people to choose to die meekly rather than to fight for life.

On all counts, the need for a settlement of the dispute is urgent. It is far from insoluble. Pushtunistan, the state that never was and almost certainly never will be, reflects the instinct of self-preservation on the part of Afghanistan, not chauvinistic ambition. Some Afghan officials admit privately that Pushtunistan would be forgotten if access to Pakistan's ports and trade routes could be guaranteed and some modus vivendi established for the nomads. In a logical world there would seem to be no reason why Afghanistan should not be able to arrange to buy a strip of territory along the Iranian and Pakistani borders and enough land at the end for a port while renouncing its claims to Pushtunistan.

Mutual self-interest demands a solution. Despite the good intentions of the Afghan leaders and their determination to continue their economic progress without losing their sovereignty or their precarious neutrality, a continuation of the border breaches with Pakistan, coupled with Soviet aid in its present volume, can lead only to the extension of Russian influence and the disappearance of Afghanistan as a traditional buffer state in Central Asia.

CHAPTER IV

THE AFGHAN NEUTRALITY

In the world of today it is questionable whether any one nation can stay isolated and remain viable. International cooperation is on the increase. Some countries move together in alliances to strengthen joint defense or to promote mutual economic interests, and even the uncommitted neutrals come together to advocate the theme of neutralism. Regional groupings tend to form. Rampant nationalism features some of the so-called developing countries, and one goal of nationalism, international status and prestige, is aided by regional identification. Thus, the countries of the Middle East and those of South East Asia tend to draw more closely together. Afghanistan, however, remains aloof and isolated from most of its neighbors. As a result it is not considered by the countries of the Middle East to fall within their areas, nor by those of South East Asia to play a role in their region.

For a century and more Afghanistan was an unwilling pawn on the vast board of Asia where the rival Russian and British empires were opposing each other in the great game of penetration and consolidation. Afghanistan's Amirs (rulers) found their best defense against penetration in deliverate self-isolation; in a policy of closing the

country to all foreign influences, interests and ideas. As recently as the end of World War II, foreigners found it quite difficult to get permission to visit Afghanistan. Then almost overnight this situation changed. The ruling oligarchy decided to lead the people out of a way of life, unchanged for centuries, toward an era of economic development in which emphasis would be placed upon increased agricultural production and the building of industrial enterprise.[1]

As the old policy of isolation from outside contacts was abandoned, it was replaced by a policy of neutrality. The new policy of the government was to accept aid from any quarter. Other neutrals have adopted the same policy and found it to be advantageous as the great power blocs competed in extending aid, and in seeking their favor.

What then has been the practical relationship between the policy of neutrality and the new era of economic development? Afghanistan's development program moved into high gear in September 1956 with the inauguration of the Five Year Economic Plan which involved an expenditure of approximately $600 million.[2] A large amount of this vast expenditure was

---

[1] Afghanistan-Ariana (Royal Afghan Department of Press and Information, Vol. I, No. 5, October 1961), (unpaged).

[2] Afghan Progress in the Third Year of the Plan (London: Afghan Embassy Information Office, 1959), p. 32.

supplied by the United States and the Soviet Union. Since 1954, both of these countries have competed for their contributions to the Afghan development plans. The United States, up until 1961, has contributed $193.5 million in grants, loans and gifts. The Soviet Union, up until the end of 1960, has given Afghanistan about $250 million in foreign aid.[3] About $30 million of the Soviet aid has been devoted to the equipping, training and modernization of the Afghan Armed Forces. The nature, political and economic implications of United States-Soviet aid programs will be thoroughly discussed in the coming chapters of this thesis.

Afghanistan, with its thirteen million people, enjoyed close ethnic, linguistic, religious and historical ties with Iran to the west and with the lands to the east up to the Indus River for centuries before the country attained its present form in the 18th century, and up to the time when complete independence was won from the British in 1919. Since the later date, the country has not been able to find its desired place in the society of nations. In 1937, Afghanistan did join Iran, Turkey and Iraq in an agreement for mutual non-aggression called the Saadabad Pact[4] but in the

---

[3]Richard P. Stebbins, The United States in World Affairs, 1960 (Council on Foreign Relations. New York: Harper and Brothers, 1961), p. 232.

[4]George Lenczowski, The Middle East in World Affairs (Ithaca, New York: Cornell University Press, 1956), p. 219.

more recent years of ferment and change, the government has shown no interest in alliances or regional arrangements with its neighbors. As a relatively small country which stands alone, it lacks identity on the world scene and the international community tends to overlook and neglect Afghanistan. As a natural reaction its leaders bolster national pride and prestige by displaying an unbendingly independent attitude toward some of its neighbors.

With its neighbor Iran, the government of Afghanistan is in dispute over the water of the Helmand River which rises in central Afghanistan, flows for hundreds of miles toward the southwest and finally empties into lakes and swamps astride the Iran0-Afghan border. Iran wants a guaranteed flow from the river to farming land on its side of the frontier. Year after year, teams of negotiators meet; each side says that the other is stubborn and unyielding and the talks break off to the detriment of good relations.

With its neighbor Pakistan, the Afghans have a dispute over the issue of Pushtunistan, which has already been discussed.

India's interest in Afghanistan has, in part, been a reflection of its own dispute with Pakistan over Kashmir. As a natural result, India has chosen to support the Afghan position on Pushtunistan, and has also welcomed the policy of neutrality expressed by the leaders of Afghanistan. On

September 14, 1959, Prime Minister Nehru came to Kabul for a four day visit. In one of his speeches he stated: "The non-alignment policy of India and Afghanistan brings us together....We, like your country, are convinced that we must keep away from military alliances and seek friendship with all countries."[5]

What will the future bring in the field of relations between India, Pakistan and Afghanistan? In the light of the Chinese aggression against India it seems probable that India may be less disposed to side with one of these neighbors against the other, and may be less interested in Afghanistan.

What states and what powers do display an extreme interest in Afghanistan? They are the USSR and the People's Republic of China. The Chinese leaders have gone all out to attract the attention of the Afghan oligarchy, although the countries share only a few miles of sky-high frontier, have no trade with each other and cherish no long established ties and relations. According to Premier Chou En-lai the reason is very simple: "The Afghan government...has won the applause and admiration of the Chinese people."[6]

In January 1957, Chou En-lai visited Kabul and in

---

[5]Afghan Progress in the Third Year of the Plan (London: Afghan Embassy Information Office, 1959), p. 18.

[6]Islah, January 18, 1957, (Persian and Pushtu).

October of the same year Prime Minister Mohammed Daud went to China.[7] On September 4, 1959, Muhammad Naim, the Afghan Foreign Minister and Deputy Prime Minister, arrived at Canton. He left the country on the 14th.[8] Premier Chou En-lai devoted part or all of the days of the 5th through the 9th in looking after his visitor, and his example was followed by the ranking officials of the country. As that visit ended, an official communique stated that both countries had "agreed to continue, strengthen and develop their economic and cultural relations and expand their technical cooperation."[9] While the Afghan leaders must be flattered by the attention shown by the Chinese communist state, they may well speculate on what may lie behind this interest, especially in view of the fact that China extends no financial aid to Afghanistan.

Afghanistan has had a long experience of trying to maintain its territorial integrity by playing off the interests of rival powers, a strategy which Dr. Mossadeq of Iran once described as "positive neutrality". In the world of today the logical extension of this policy of a balance of interests is the policy of accepting aid from one party,

---

[7] Ibid.

[8] Ibid., September 5, 1959.

[9] Ibid.

group or bloc in the expectation that a counter force will extend a matching offer and offer as much, or more, friendship.

In this great game of action and reaction, according to all logic, the United States should step forward and match the amount of Soviet aid. So far this has not happened. The American aid program in Afghanistan has not been increased in response to massive Soviet loans and grants. The United States is tied closely to Iran, Turkey and Pakistan through its support of CENTO and with each country named through bilateral treaties against aggression. Iran and Pakistan stand firmly opposed to communist expansion and subversion and it seems unlikely that Afghanistan, which denies that it is threatened by communism, will be rewarded by the United States for this position. The United States appears to have three choices with respect to its policy toward Afghanistan. It can cut down or cut out its aid to indicate the extent of American concern over the continuing drift of Afghanistan into the Soviet orbit; it can make no statement about Afghanistan's foreign policy and maintain the aid program at the present level; or it can extend additional aid on a scale matching that of the Soviet Union.

President Eisenhower's trip to Kabul in December of 1959 seemed to reveal that the United States has chosen the

middle course of moderation. According to the official communique, the president "gave assurances of an American desire to continue to assist Afghanistan in its task of strengthening its economical and social structure."[10] Neither in the text of the communique, nor in two short speeches delivered by the President at Kabul was there any mention of the immediate neighbors of Afghanistan and the unproductive atmosphere of tension remains. Two statements of recent months reflect this atmosphere. President Ayub stated that the completion of the Soviet sponsored and directed highway program in Afghanistan will represent a menace directed against India and Pakistan, while Prime Minister Daud referred to the bilateral pacts between the United States and Pakistan, Iran and Turkey as short sighted sections which would compel the Afghan government to make a close scrutiny of the situation created by these actions.[11]

Since it seems difficult to avoid the conclusions that Afghanistan is being drawn into the Soviet orbit and that the ruling oligarchy of the country seems undisturbed by this trend, what developments may be expected in the field of Afghan-Soviet relations? More specifically, what

---

[10]Louis Dupree, The Mountains Go to Mohammed Zahir (American University Field Staff, South Asian Series, Vol. IV, No. 6), p. 33.

[11]Islah, August 16, 1958.

are the probable Soviet objectives in Afghanistan, and how may the Afghan government be expected to react to its own interpretation of these aims? Thus far, the Soviet Union has displayed a "correct" attitude with respect to the internal situation of Afghanistan; Soviet technicians in the country are said to remain aloof from the population:[12] there appears to be no subversive propaganda and no indications that the Soviets are working with potential opposition groups;[13] and, there have been no overt attacks on the Afghan government by Soviet press and radio outlets.[14]

This tolerant, objective Soviet attitude is, of course, in sharp contrast with that displayed by the USSR toward Pakistan, Iran and Turkey. It is of real interest in light of the fact that the USSR can feel no relative affinity for the "feudal-monarchical" government of Afghanistan as Marxists are compelled to regard such a backward, outmoded kind of state as an anachronism in the modern world and one which cannot long survive.

There may be three reasons for the Soviet attitude toward Afghanistan but it is, of course, impossible to say

---

[12]Willard L. Thorpe, "American Policy and the Soviet Economic Offensive," Foreign Affairs. Vol. 35, No. 2. January, 1957, p. 19.

[13]R. K. Ramazani, "Afghanistan and the USSR," Middle East Journal. Vol. 12, No. 2, Spring, 1958, p. 146.

[14]Ibid.

what relative weight the USSR places on each such reason.[15] First, the USSR feels that it must have friendly nations along its frontiers and the posture of the present government of Afghanistan satisfies this requirement. Second, the "correct" example of Soviet aid extended without strings is designed for a wider audience. That is, to illustrate to all the neighboring countries that it is both safe and advantageous to do business with the Russians. Third, all the Soviet undertakings in the country are of just the kind which will be most valuable when the USSR takes over Afghanistan. Among these projects are the construction of highways traversing the country, the building of military airfields, the establishment of gasoline storage areas, the exploitation of the oil resources and the erection of silos and bakeries. Some students of Soviet affairs believe that Russian policy and plans are designed for the long rather than the short term and that the actual passage of time will aid in their fruition and resolution. According to this theory, the third reason just cited is the proper explanation of the Soviet attitude toward Afghanistan.

Since the comments of the Afghan government about the future of the country are guarded and reserved, it is impossible to know what explanations they attach to the

---

[15]Raymond F. Mikesell and Donald A. Wells, The Soviet Economic Offensive, Headline Series, Fall, 1959.

active Soviet interest. It is possible that these leaders are aware of the fact that Soviet economic aid is along the lines favored by the USSR and that the eventual outcome may be unfavorable to Afghanistan. They may feel that there is no other alternative, that aid must be accepted from whatever sources it is offered in order to develop the country as rapidly as possible, hoping that the international situation will so evolve that the aggressive designs of the Soviet Union will fade away and that the USSR will be content to stay within its present boundaries. As a corollary, they may feel it may become easier to withdraw from intimate contacts with the Soviet Union at some later date rather than at this time when such a move might place them in the camp of the enemies of the USSR, a camp now represented in the region by the CENTO nations.

If there is validity in this portrayal of the belief of the leaders of Afghanistan, the question remains as to whether it is responsive to the political needs of the country. First, it does seem that Afghanistan would be well advised to adopt a more friendly attitude toward their ethnic and religious neighbors so that in case the day comes when the country wishes to turn away from the Soviet Union it will not be rebuffed. Second, continuing contacts with Soviet technicians in Afghanistan and by Afghans on training missions in the USSR will demonstrate to the Afghans that

their government has not brought them the industrial development and intensive productivity now visible just to the north of the frontier with the Soviet Union, and may lead them to wonder whether there is not a direct relationship between their type of government and the backwardness of the country. Treading a delicate course in an effort to reconcile the rising middle class which favors rapid, even drastic, reforms and advances, and the more conservative tribal and religious elements which still represent the power elite of the country, the Afghan government must be searching for ways to enhance national stability and unity. It may be suggested that programs and projects of social and economic development could be paralleled by development in the political field through the introduction of measures designed to draw the people into participation in the government and allotting to them a greater share of the responsibility for the future of Afghanistan.

CHAPTER V

UNITED STATES ECONOMIC AID TO AFGHANISTAN

The United States economic assistance to Afghanistan began in November 1949 with an Export-Import Bank loan for development of the Helmand Valley. This loan totaled $21,000,000 and was followed by another loan of $18,500,000 in 1954 for the same purpose. Afghan-United States economic cooperation under the mutual security program began in 1951 with a $100,000 program. The mutual security program at that time was limited to technical assistance, in which United States technicians, in cooperation with their Afghan counterparts, undertook training and demonstration activities to impart their specialties to local citizens.

There were two project agreements signed in 1952, one for the development of vocational agriculture education and the other for land reclamation demonstration in the Helmand Valley. Subsequently, technical cooperation was extended to many fields of activities in Afghanistan, including agriculture, mining, transportation, education and public administration. A loan of $1,424,00 in 1953 was for the purchase of wheat.

Special assistance funds were added to the Afghan program in 1956. They are intended for major development projects concerned with basic essentials which the country

needs for expansion of production and trade and for the well-being of the people, such as roads, irrigation facilities, electrical power, educational institutions, mining equipment and industry.[1]

In fiscal year 1961, the year's obligations of the United States (all funds and all in the form of grants) were $30,845,000.[2] Of this, $18,000,000 was obligated for wheat imports under the PL 480 program, with the balance of $12,845,000 for development projects under the mutual security program. Over the last five years the obligations averaged almost $26,000,000 yearly, including wheat grants, and almost $18,000,000 excluding the wheat.

United States assistance since the beginning of the program has amounted to a total of $194 million, including grants of $102 million, loans of $52 million and surplus wheat valued at $40 million.[3] In addition, United States citizens contributed to such programs for Afghanistan as the Asia Foundation, CARE, UNICEF and MEDICO.

The United States Operation Mission (USOM) to Afghanistan is now one of the larger of such missions if measured by numbers of technicians. As of June 30, 1961 there were

---

[1] Project Progress Report (United States Operations Mission to Afghanistan, June 30, 1961), (unpaged).

[2] Ibid.

[3] Ibid.

365 United States direct-hire and contract employees in Afghanistan. Five years ago, in 1956, the comparable number of Americans was 75. In addition, on June 30, 1961, there were 201 nationals of other countries in Afghanistan, financed by United States funds, who were helping to carry out United States assistance projects. It is appropriate, as the Afghan first five year plan has just ended, to review the past performance of the United States in Afghanistan in terms of aggregate obligations and expenditures.

I. MUTUAL SECURITY PROGRAMS

About $59 million of mutual security funds (excluding wheat and Export-Import Bank loans) have been spent in Afghanistan since 1951 on developmental projects, while total obligations have amounted to $115 million.

One reason for the lag between obligations and expenditures is the distance between the United States and Afghanistan, necessitating careful forward planning and early obligation of funds. In other cases, funds have been obligated at the planning stage to insure availability of funds when, in fact, expenditures were not expected for many months. Funds for the Regional Transit Project, for example, were made available as early as 1958, accounting for a substantial increase in obligations in that year. Expenditures of much of this money could not take place until

detailed design work was completed and a construction contract awarded. Similarly, a large part of the obligations for the Air Transportation Project was made available in 1956 and 1959.

These two projects account for almost 50 per cent of all dollar obligations to date and for more than 60 per cent of the current balance of unexpended funds. They, and another large development activity, Kabul University construction, are rapidly being implemented. Further growth in the expenditure can be expected as soon as these projects move at an even more rapid pace. Whereas a major problem confronting the ICA program eighteen months ago was the delay in getting its major construction projects underway, by June 1961 most construction projects were moving satisfactorily, as is evidenced by the individual project descriptions contained in this chapter.

II. WHEAT PROGRAM AND OTHER ACTIVITIES

A form of assistance to Afghanistan which has materially lightened the Afghan burden of economic development has been the shipment of United States surplus wheat as a gift from the American people under Public Law 480. In four years, 1954, 1957, 1958 and 1959, a total of 151,000 metric tons of wheat was delivered to Afghanistan.[4] The

---

[4] Ibid.

wheat served to augment the supply of food, and the sale of the wheat generated a total of 220,000,000 afghanis for the Afghan government to use for the country's economic development by providing local support of United States aided projects. The wheat program was to continue with a shipment of about 50,000 metric tons of wheat in the summer of 1961. An additional 50,000 metric tons were scheduled for arrival in the latter part of 1961.

III. NATURE OF UNITED STATES AID TO AFGHANISTAN

Industry and Transportation

Air Transportation. The basic objective of the air transportation program is to meet a major transportation need by creating a reliable and functional air service, both within the country and to other countries. A total of $27,657,000 in United States aid was spent on this program in the years 1956 through 1959.[5] The main goals of the air transportation program are (1) to develop an international airport at Kandahar; (2) to develop an Afghan airlines; (3) to develop Afghan domestic airports; (4) to develop an Afghan airways system; and (5) to develop organizations and skills in the Afghan Department of Civil Aviation.

---

[5]Statistics in this section based on Afghanistan Builds On An Ancient Civilization, I.C.A. (not dated).

The International Airport at Kandahar has been completed and is now in operation. Twenty-five Pan-American Airways specialists have been brought to Afghanistan through an ICA contract and are supplying technical assistance in the management and operation of Aryana Airlines. Provision has been made in the Aryana development plan for maintenance facilities, inservice training, advanced training abroad for Afghan pilots, sales, traffic and management personnel. Domestic airports are being built or improved. Approximately ₱1,303,500 worth of communications and navigation equipment has arrived in Afghanistan. Manuals for training, air traffic control, air tower control, airport operations and many other subjects are being written to aid in establishing a controlled and reliable Afghan air operation. Under this development program, adequate air service between airports within Afghanistan and to airports of other countries is becoming more dependable daily.

Aerial Photography and Mapping. In 1957, Fairchild Aerial Surveys, Inc., through ICA, signed a contract with the Afghan government to provide aerial photographic coverage of the greater part of the country. Ground control surveys, compilation of photographic mosaics and topographic contour maps of Afghanistan are also included in the plans. A total of $1,250,000 in United States aid was spent on this project through 1959. Completion of the project including

photographic maps, is scheduled for the end of 1962. Maps produced as a result of this project will facilitate future studies of water, timber, mineral and agricultural resources as well as transportation and civil aviation.

Afghan Regional Transit. A total of $18,993,000 was spent by the United States in 1958 for the improvement of transit facilities from the Pakistan border at Spin Baldak. This program, along with a companion sub-project in Pakistan, was intended to increase the volume of Afghan foreign trade by improving import and export facilities in Karachi, by improving the Pakistan railways and by rebuilding and paving the Afghan highway from the border at Spin Baldak to Kabul. When completed this project will make available convenient, economical, safe and speedy means of transporting Afghanistan's import and export trade to the nearest major international seaport, Karachi, provided the Pakistanis allow Afghan trade to pass through their territory. If so, this will stimulate the growth of regional as well as international trade.

National Roads Improvement and Maintenance. United States funds totaling $3,336,000 were used in the three year period of 1957 through 1959, for the purpose of establishing an effective national highway department for road improvement and maintenance. The Afghans have begun full-scale

operations on a 150-mile stretch of modern, two lane asphalt surfaced roadwar from Kabul to Torkham near the Kyber Pass. The E. B. Steele Company is under contract to ICA (now AID) to help the ministry of public works implement this project. In-service training is provided to the Afghan ministry personnel by road engineers and other specialists provided by AID. A technical training course was conducted near Jalalabad for training highway technicians in reconnaissance surveying, drafting, material sampling and testing and bridge design. Less than 7,000 miles of primary and secondary roads have been built at present, and many of these are impassable during winter. Concentrated road building efforts in the next few years should greatly aid in the development of Afghanistan.

Motor Vehicle Transportation. A total of $2,576,000 in United States funds were spent in the three year period from 1957-1959 on this program. The project involves providing 443 new transport trucks and building, equipping, and operating motor vehicle maintenance and repair shops in Kabul and Kandahar, and a truck assembly shop in Kandahar. An in-service training program has been set up at the Kabul shop, and arrangements have been made for other Afghan shop personnel to study abroad. This project is handled by an AID project technician and a specialist in truck transportation organization and management.

Architectural and Engineering Services. A sum of $345,000 in United States aid for the three years 1957-1959, has been spent on this project. The services provided by this enterprise were necessary for the completion of many other projects, for example, the plans and specifications for the new Kabul University campus, the design for the terminal building at Kandahar International Airport and designs and plans for the Public Health Hospital Clinic at the model city of Lashkar Gah (the headquarters for the Helmand Valley Authority).

Mineral Resources and Coal Production. From 1952 through 1959, $1,398,000 in United States aid money was spent to solve various special problems with respect to coal production and mineral explorations. Coal production at Kar Kar and Ishpushta mines has already been increased as a result of this project which includes use of imported equipment and supplies and the construction of an eight-mile long tension power line. The Afghan government is also considering draft legislation of mining and petroleum laws prepared by two specialists from the United States Geological Survey.

Industrial District Kandahar. In 1957, a total of $100,000 was spent by the United States on a project to discover what small industries might, technically and

economically, be established near Kandahar. If it is decided that an industrial district can be established, further assistance will be considered for building and equipping some plants of varied types on a site in or near Kandahar.

Nuclear Science and Engineering. From 1957 through 1959, $16,000 were used to send two Afghan scientists to the United States to study nuclear physics in an effort to pave the way for Afghanistan's future use of nuclear energy in resource development.

The Helmand Valley

A total of $10,145,000 in American aid was spent on the Helmand Valley Project during the period from 1952 through 1959.[6] This is an irrigation and land development project with provisions for flood control and power development. Other facets of the project are broad programs of improvement in agriculture, settlement of nomads as farmers and rural development, including health and education. At the completion of this program, 202,138 acres of land will receive water from newly constructed distribution systems and an additional 337,685 acres will receive regular water for use through existing canals.

---

[6]Statistics in this section are based on the AID publication United States Operations Missions to Afghanistan, June 30, 1961.

Helmand Resources Development. This project has four facets, irrigation construction, electric power, land development and resource development. Morrison-Knudson Afghanistan, Inc., has completed construction of main irrigation canals, laterals, drains and intakes on the Arghandab and Darweshan irrigation areas. An electrical distribution system for Kandahar was installed and two 500-kw diesel driven generators are now in operation.

Technical services and equipment are being provided for the land development branch of the Helmand Valley Authority. This branch is responsible for land leveling, leaching of saline areas, construction of irrigation laterals, as well as major canal repair work and construction of public buildings and improvements.

Morrison-Knudson Afghanistan is also handling the controlled intake and protection from the flood damage for the Seraj canal and correcting the seepage problems in the lower Boghra canal. The project also provides for the purchas and installation of hydro-electric power equipment at Arghandab Dam.

Over 250 kilometers of major canals have been built to bring water to new land and to improve water delivery to land previously irrigated.

Surface Water Investigation. This project has two basic objectives: (1) to provide accurate stream flow and

climatological information for the development program in the Helmand Valley, and (2) to train Afghans to carry out the investigations and assume ultimate responsibility. Hydrologists have been furnished the project by the United States Geological Survey. Several Afghans have been sent abroad for advanced training.

Helmand Valley Authority Development Operations. The Helmand Valley Authority, an agency of the Afghan government, has the tremendous task of planning and managing operations, including preparing, settling and administration of large areas of new land reclamation programs in southwest Afghanistan. The Agency for International Development (AID) has supplied both technical and economic assistance to this Afghan program. One important area of endeavor is the provision of engineers and specialists to work with the board of directors of the Helmand Valley Authority.

Helmand Public Health and Sanitation. The improvement of health practices and the general level of public health are being accomplished by completing and equipping a public health hospital and clinic at Lashkar Gah and by providing training abroad for Afghan public health personnel. The training center and hospital at Lashkar Gah will be staffed with Afghan personnel with assistance from WHO and MEDICO. So far many public health activities, such as small

pox vaccination, malaria control and public health education, have been successfully undertaken.

Education

Institute of Education. During the years, 1955-1959, a total of $2,528,000 in United States funds was spent for the development of the Institute of Education.[7] Nine American specialists in teacher education were sent to Afghanistan from Teachers College, Columbia University. These specialists are working closely with the Afghans who will eventually take over the complete leadership responsibility for an adequate and self-sufficient Afghan educational program. Work is being done on similar lines to provide for the education of women in Afghanistan. Books, paper, and other tools of knowledge, including visual aids, have been furnished by AID. The Institute of Education has now been made officially a part of Kabul University and is responsible for experimentation and research in education. One important facet of the Institute of Education is the English language program. The purpose of this program is to assist in developing basic linguistic research, to improve instruction in English in Afghan schools, and to prepare Afghans to take complete responsibility for teaching

---

[7] Ibid.

English in Afghanistan. Seventeen specialists in teaching the English language were provided by Columbia Teachers College. In-service training is given English teachers, and special research in Pushtu and Persian has been done on the problems of teaching English to native speakers.

Educational Facilities. Funds totaling $3,100,000 have been provided by the United States for the construction of a new Kabul University campus and the equipping of Habibia college. Pacific Architects and Engineers has designed the new campus which will provide classrooms, laboratories, offices and other space for the Faculty of Agriculture and Engineering, the Faculty of Education and other faculties, as well as space for administration offices, a library and a student dormitory.

Kabul University Administration. The United States has provided $245,000 to help Kabul University improve its administration and to expand its facilities. Areas to be covered under this program are the organization of the administrative staff, the relationship of physical facilities to the educational program, instructional administration and the administration of publications and other communications media.

Faculty of Agriculture and Engineering. A total of $1,105,000 in United States aid is being spent under an

AID financed contract with the University of Wyoming to establish a Faculty of Agriculture and Engineering at Kabul University. The staff consists of American instructors and their Afghan counterparts and according to plan for training instructors, both by study abroad and the counterpart program, all the Americans should be replaced by 1965.

Afghan Institute of Technology. From 1951 through 1959, $627,000 were spent on this program, the completion of which is based on the creation of a wholly Afghan faculty through participant training. The University of Wyoming is furnishing American technicians in vocational technical education, and instructors in mechanics, hand tools and electrical and civil technology. A.I.T. now offers training in civil, electrical, aeronautical and mechanical technology.

Agriculture

United States technical assistance in agriculture is directed towards finding the solution of several problems such as low soil fertility, inadequate irrigation water, primitive farming methods, poor seeds, plant disease and insects, absence of agricultural credit, uneconomic breeds of livestock and low crop yields, which have been hampering agriculture, the bulwark of the Afghan economy. Through June 1960, $1,323,500 has been spent by ICA on various

agricultural subprojects in Afghanistan.[8] The major goals of the National Agriculture Development project are as follows:

1. To assist in the reorganization and strengthening of the technical and administrative divisions of the Ministry of Agriculture
2. To develop a national agriculture extension service.
3. To improve the supply and utilization of water in small irrigation systems.
4. To develop a national forestry and soil conservation program.
5. To implement an effective plant protection program.
6. To continue agricultural research (including livestock and soils), varietal testing and related experimentation.
7. To establish an agricultural machinery workshop and develop agricultural hand tools.
8. To assist in developing a workable agricultural credit organization and establish pilot credit projects.

---

[8] Ibid.

Public Administration

National Fiscal Administration. Because of the growing complexity of the Afghan economy, the increase in loans, a multitude of governmental projects and a need for a sound and balanced budget, there is a growing need for the application of modern fiscal management systems and principles. The United States has aided the government of Afghanistan in this area by providing advisory services to key ministries in areas of general management, budgeting, accounting, revenues, statistics, cadastral survey and assessment. The total United States aid from 1956 through 1959 was $777,000.[9]

National Public Administration. Training of Afghan officials in public administration is the main objective of this project. The program in general is a very important part of AID activities in Afghanistan, with over 300 students having already been sent abroad for training. The total United States aid for this project from 1957-1959 was $82,000.

Civil Police Administration. Improvement of civil police services through introduction of modern equipment and

---

[9] Ibid.

techniques is the basic goal of this program. AID has provided the Afghan Police Department with an advisor and has sponsored the training of 20 civil police officers in the United States. This program used a total of $499,000 in United States aid from 1956 to 1959.

CHAPTER VI

SOVIET ECONOMIC AID TO AFGHANISTAN

Afghanistan, lying at the triple junction of the Far East and Middle East with Soviet-dominated Central Asia, has been one of the major targets of the recent Soviet economic offensive in the underdeveloped countries of the world. The complete economic and political domination of that country by the Soviet Union, if established, may well jeopardize the position of the West in the area between the Mediterranean and the South China Seas.

One of the four remaining non-communist countries bordering on the USSR, Afghanistan is committed to a policy of neutrality under the Treaty of Neutrality and Mutual Non-Aggression with the Soviet Union of June 24, 1931,[1] extended in December, 1955. This neutrality possibly derives to some extent from Afghanistan's long tradition of isolationism, and from an uneasy consciousness of her vulnerable border position.

An examination of postwar developments reveals clearly, however, that the present position of Afghanistan derives, to a more significant extent, from intensive Soviet economic

---

[1]For the authentic text in Persian and Russian with French and English translations see, League of Nations, Treaty Series, no. 3611, Vol. 157 (1955), pp. 370-381.

activities in Afghanistan during recent years. Afghan neutrality is regarded by the Soviet Union as an important step toward the attainment of its objectives in South Asia and the Middle East. The opportunism, insidiousness and remarkable flexibility which constitute some of the most dominant characteristics of the Soviet economic policy in underdeveloped countries can find, perhaps, no more striking illustration than the example of Afghanistan.

Afghanistan, following the end of the Second World War, demonstrated an unprecedented desire for quick economic development. She sought United States and United Nations assistance. The United States has made grants of about $15 million in the last five years for technical assistance. The United States has also granted another $10 million (plus a loan of $5 million) to improve air transport. Export-Import Bank loans to Afghanistan, beginning in April, 1950, have amounted to $39.5 million. The major portion of this sum has been expended on the Helmand-Arghandab Valley Project, the most vital irrigation project in the country. The first stage of the project, consisting of soil drainage survy and the building of the Kajaki and Arghandab dams and the Boghra-Marja-Shamalan canal system has already been completed.

Afghanistan was also one of the first applicants for United Nations technical assistance, covering 17 projects.

Technical assistance since 1949, provided through UNTA, ILO, FAO, UNESCO, ICAO and WHO has indeed materially helped the economy of the country. In 1957, for instance, Afghanistan received nearly $1 million in United Nations technical assistance in the fields of agriculture, health and public administration.[2]

Despite the valuable assistance furnished by the United States and the United Nations, Afghanistan is fundamentally dependent upon her own resources for economic development funds. Exports, mainly karakul and wool, constitute nearly 12 per cent of the gross national product. At least half of Afghan imports, at present, are finished cotton and rayon. The proportion of capital goods imports is climbing rapidly as Afghan economic development plans, formalized in a Second Five-Year Plan adopted by the parliament in 1956, become of greater significance to the overall economy. Foreign trade has been increasing steadily in the postwar period and has usually produced an export surplus. In the light of the continuous dependence of Afghanistan's economic development expenditures on her earnings by exports, the main source of capital for the country, the vital nature

---

[2]United States Department of Commerce, Basic Data on the Economy of Afghanistan, Part 1, No. 55-74. See also, United Nations Technical Assistance Committee, Seventh Report of the Technical Assistance Board, (New York: 1956) and United Nations Report on the Training Center of Vital and Health Statistics (Doc. St./Stat. Ser. M/24).

of foreign trade for the nation's overall economy is apparent.

The foreign trade of Afghanistan, however, is crucially conditioned by the country's geographical location. Afghanistan is landlocked, is without rail transportation and is therefore anxious to develop her air transport extensively. Only three main overland routes exist; to Iran, the USSR and Pakistan. The route through Iran is long, tortuous and expensive. Traditionally, the Soviet Union has not permitted Afghan trade through its territory. The route through Pakistan to Karachi, the most extensively used in the past and the most natural transit route for Afghanistan, is thus the jugular vein of that country's foreign trade. In 1954-1955 alone, for instance, about 80 per cent of both imports and exports of that country were carried along this route.[3]

However, the suppurating sore of "Pushtunistan" has poisoned Pakistan's relations with Afghanistan since 1947 and has, at times, created tremendous foreign trade difficulties for the latter. When Pakistan was about to be created the Afghan government demanded a plebiscite in the Northwest Frontier Province to determine whether the disputed area of Pushtunistan would become an independent state

---

[3]United Nations Economic Survey of Asia and the Far East, 1954, p. 61.

or remain with Pakistan.[4]

Afghanistan's demand is based in part upon past control of the Afghan Empire over the area. The so-called Durand Line of 1893 (the basis of the border of the new state of Pakistan) between British India and Afghanistan had split the Pushtu-language area between these two countries. The Afghan ruling family belongs to this Pushtu element which, in fact, comprises only one-third of the inhabitants of Afghanistan. So far, Pakistan has indignantly rejected any proposal for a plebiscite in Pushtunistan, charging that Afghanistan's real motivation is annexation of the Pushtu-inhabited area rather than the creation of a truly independent and sovereign state. This bitter dispute threatened Afghan foreign trade seriously in 1950, 1955 and again in 1961.

In 1950, Pakistan cut off the importation of petroleum products into Afghanistan for about three months, by closing Afghanistan's main transit route. Under these circumstances, and in dire need of petroleum, Afghanistan relaxed her traditional cautious and suspicious attitude toward her northern neighbor. She agreed resignedly, if not reluctantly, to expand her trade with the Soviet Union in a four-year trade agreement signed in July 1950. Under this agreement the Soviet Union undertook to export oil products

---

[4]See, H. E. Crocker, "Afghanistan, a Buffer State," Contemporary Review, June 1, 1953, pp. 343-346.

and cotton cloth, among other commodities, while Afghanistan would export wool, cotton, etc.[5] The Soviet Union also offered the services of its own oil-prospecting technicians,[6] after having been assured of an indefinite suspension of the United Nations project for oil exploration.

The Afghan government had long set itself the goal of an oil production sufficient to satisfy the home market. In pursuance of this goal the government requested the United Nations as early as 1949 for assistance in oil exploration. At the beginning, the Soviet Union watched the United Nations activities in Afghanistan quietly, but later it vigorously protested against the United Nations mission, condemning the "suspicious attitudes of the Americans" serving on it.[7]

The 1950 trade agreement marked only the beginning of intensification of Soviet economic activities in Afghanistan. By early 1952, Afghan-Soviet trade had doubled,[8] and the Soviet Union had opened a trade office in Kabul. In 1952

---

[5]Foreign Assistance Activities of the Communist Bloc and Their Implications for the United States, 85th Congress, 1st Sess. (March, 1950), p. 80.

[6]Christian Science Monitor, September 2, 1950.

[7]Howard M. Teaf Jr. and Peter G. Franck (eds.), Hands Across Frontiers, p. 32.

[8]Vneshniaia Torgovlia, 1954, No. 5, p. 3, as cited in Soviet Technical Assistance, 84th Congress, 2nd. Sess. (July 12, 1956), p. 8.

also, the construction of four oil tanks having a general capacity of about 1200 cubic meters was started. Vneshniaia Torgovlia, the official Soviet foreign trade journal, commenting on the Soviet technical assistance to Afghanistan prior to 1953, stated in part that Soviet specialists in the fields of entomology, veterinary medicine and in the exploitation of oil resources had been sent to that country. Furthermore, the Soviet Union had built the largest cotton cleaning plants in the country, and had delivered metal poles and wires for the establishment of over 1,000 kilometers of telegraph and telephone lines. All this Soviet assistance, the journal concluded, had received "high praise from the Afghan people."[9]

Further credit for capital goods and technical assistance was provided in 1954 when the Soviet Union granted at least $8 million credit to Afghanistan.[10] Having by 1954 completed the construction of eight gasoline storage tanks, the Soviet Union then signed an agreement for a loan of $3.5 million to Afghanistan at 3 per cent interest to be applied to the construction of two wheat silos, in Kabul and Pul-i-Khumri, a flour mill and a bread-baking plant. The loan, to be spent on Soviet equipment and technical services,

---

[9] Ibid.

[10] This figure was given publicly by the Ambassador of Afghanistan to the United States, New York Times, January 16, 1954.

was repayable in United States dollars, or in karakul, cotton and other commodities at the rate of $1 million a year.

Another loan, $5.6 million, was granted in the same year and was to be repaid in deliveries of cotton and wool over a five-year period beginning in 1957. This loan has been used in part to purchase Soviet materials and equipment for the construction of silos, a mill, a mechanized bakery and for asphalting the streets of Kabul. It has also been expended on Soviet specialists who are in Afghanistan to teach Afghan workers how to operate the grain silos located on the outskirts of Kabul.

The Soviet Union also agreed to commence construction of a 60-mile pipeline from Termez in the Uzbek Soviet Socialist Republic across the Amu Darya (Oxus) River to the Afghan city of Mazar-i-Sharif. This pipeline, which will have an annual capacity of 30 million gallons of gasoline will be paid for through the barter of cotton and other commodities.[11]

Soviet economic activities in Afghanistan reached their peak in 1955, again subsequent to a grave intensification of tensions between that country and Pakistan over the question of Pushtunistan. When Afghanistan learned in March, 1955, about the plan of the government of Pakistan to merge the provinces of West Pakistan, including the area

---

[11] New York Times, June 3, and July 30, 1954.

of Pushtunistan, into a single administrative unit, Sardar Mohammed Daud Khan, the Prime Minister of Afghanistan, bitterly protested against any such action.

A month later, in April 1955, the Pakistan consulate in Jalalabad was attacked by Afghan street demonstrators. In retaliation, the Afghan consulate in Peshawar was attacked and the Afghan flag burned. Finally when Pakistan decided definitely to implement her plan on the merger of provinces, the Afghan government recalled its Karachi envoy from his post and the government of Pakistan did the same.

Following these events Pakistan closed her border to Afghanistan for the second time, this time for a period of five months. Disastrous consequences from this action inevitably followed for Afghanistan's economy. Afghanistan's exports, especially of fruits, were substantially reduced. Afghanistan's imports of consumer goods and the capital goods required for development projects were injuriously delayed. Her earnings from exports which, as stated above, constitute the main source of capital for the country and on which development expenditures materially depend were sharply curtailed.

Despite all this, the Afghan government did not immediately turn to the Soviet Union for a right of way through its territory. Rather it continued earnestly to negotiate with Iran for a right of way across that country

to the port of Chahbar, on the Persian Gulf. This would have required the improvement of 3,600 miles of Iranian roads,[12] too costly and time-consuming a project to furnish any prompt and effective solution to the vital transit problem of Afghanistan.

In the face of this economic strangulation the Afghan government turned to the Soviet Union for assistance. A transit agreement was promptly concluded, and Afghanistan acquired the right of duty-free transit for her goods over Soviet territory.[13]

Subsequently, the trade between the two countries increased substantially.[14] The protocol on commodity exchange, signed on August 27, 1955, provided for the export of, to mention a few items, petroleum products, rolled ferrous metals and building materials by the Soviet Union, and the export of wool, cotton and raw hides by Afghanistan.[15] The value of exports to the USSR in 1954-1955 was approx-

---

[12]Peter G. Franck, "Economic Progress in an Encircled Land," The Middle East Journal, Vol. 10 (Winter, 1956), p. 58.

[13]United Nations Economic Survey of Asia and the Far East, 1955, p. 55.

[14]N. Von Ostrowska, "Afghanistan, the Soviet Union and the West," Bulletin (Institute for the Study of USSR), December, 1955, p. 17.

[15]Review of Soviet Press, August 27, 1955.

imately 19 per cent of the total exports of Afghanistan.[16] This showed an increase of seven per cent over that of the previous year.

In 1954-1955 about half of Afghan cotton, three-fourths of its wool, one-fourth of its hides and more than nine-tenths of its oil seeds were exported to the USSR, which supplied four-fifths of the imported sugar, two-thirds of the imported iron and steel products, more than one-third of the imported cotton piece goods, one-fourth of imported construction materials and one-tenth of the petroleum requirements of the country.[17] The 1953-1954 trade deficit of Afg. 156 million with the USSR was changed into a surplus of Afg. 57 million in 1954-1955.[18]

December 18, 1955, marked the high point of Soviet economic assistance to Afghanistan. At the end of their three-day state visit to Afghanistan, Premier Bulganin and Mr. Khrushchev offered a long-term loan equivalent to $100 million to the government of Afghanistan,[19] amounting to about five times the total revenue of that country

---

[16]United Nations Economic Survey of Asia and the Far East, 1955, p. 55.

[17]Ibid.

[18]Ibid.

[19]Robert L. Allen, Soviet Economic Warfare (Washington, D.C.: Pacific Affairs Press, 1960), p. 182.

during the 1954-1955 fiscal year. The offer of this loan was accompanied by a gift of a one-hundred-bed hospital and fifteen buses to the city of Kabul.[20] An agreement regarding the $100 million loan, signed on January 28, 1956, provided that the USSR would export equipment and materials for cooperative ventures in development of agriculture, building of irrigation projects, etc. Afghanistan would repay in export goods, within 30 years, in twenty-two annual installments at two per cent interest.[21]

Another agreement also concerned with the loan, signed on March 1, 1956, provided that the Soviet Union would supply materials, equipment and technical aid for the construction of two hydroelectric stations, three vehicle repair factories, irrigation works, a physics and chemistry laboratory, reconstruction of the airport at Kabul, construction of a new airport at Bagram and a highway across the Hindu Kush mountain range. Further, Soviet specialists and technicians would supervise the construction of these projects and would train local labor.[22]

---

[20]Joseph S. Berliner, Soviet Economic Aid (New York: Council on Foreign Relations, 1958), p. 47.

[21]Soviet Technical Assistance, 84th Congress, 2nd Sess. (July 12, 1956), pp. 11-12.

[22]R. K. Ramazani, "Afghanistan and the USSR" The Middle East Journal, Vol. 12, No. 2, Spring 1958, p. 150.

On the same day that the offer of $100 million loan was made, the Treaty of Neutrality and Mutual Non-Aggression of 1931, mentioned above, was extended for ten years. Later developments also indicated clearly that the Soviet Union has no intention of confining itself solely to economic activities in Afghanistan.

On August 25, 1956, the Afghan Prime Minister announced in Kabul that the Soviet Union had agreed to give military aid to Afghanistan.[23] An eight-year easy-installment agreement for arms was signed between Afghanistan on the one hand, and the Soviet Union, Czechoslovakia,[24] Poland,[25] Hungary and East Germany on the other. The $25 million credit granted under this agreement is to be repaid in Afghan goods. Already, eleven jet aircraft, a Soviet Ilyushin-14 plane for the King's use, and two Soviet helicopters have been delivered to Afghanistan.[26]

From the foregoing considerations three points

---

[23] New York Times, September 5, 1956.

[24] On August 22, 1954 Czechoslovakia granted Afghanistan $5 million credit for eight years at three per cent interest. For details see, Foreign Assistance Activities of the Soviet Bloc and Their Implications for the United States, 85th Congress, 1st Sess. (March, 1957), p. 81.

[25] On August 30, 1956, Poland concluded a trade agreement with Afghanistan.

[26] Ibid., p. 82.

appear clearly: (1) The present close economic link between Afghanistan and the Soviet Union is unmistakably a result of the frustration of the former's anxious and laudable desire for rapid and extensive economic development. (2) The vexatious and harassing problem of Pushtunistan has, more than any other single factor, given rise to that frustration. (3) The Soviet government, constantly alert to any favorable opportunity, has skillfully exploited Afghanistan's economic predicament in an attempt to draw her closer to itself and away from the West.

Accurate determination of the implications of Afghanistan's present close economic relations with the Soviet Union is at best a difficult task. Nevertheless, some observations may be ventured. Economically speaking, it must be admitted that the Soviet economic activities in Afghanistan could meet, to a satisfying extent, the immediate wants, if not the fundamental needs, of that country. The construction of the oil pipelines, gasoline tanks, grain silos, bakeries and the paving of the streets of Kabul would mean, in plain terms, better and a greater variety of bread, more electricity and better streets for the Afghan people. Furthermore, the combination of these means of production with the benefits derived from trade with the Soviet Union could measurably increase the output of Afghanistan.

The short-run profits derived from trade with the

Soviet Union should be balanced against Afghanistan's commitments to repay the USSR, Czechoslovakia, Poland, Hungary and East Germany in goods for the credits they have granted her. Repayment in goods of about $150 million in credit will inevitably require the earmarking of substantial quantities of Afghan wool and cotton as well as opium, dried fruits and skins and result in a serious strain on the international economic position of Afghanistan for many years to come.

However, the biggest item of these credits is that of the $100 million, which has not been used up thus far.[27] But the fact of its availability to the government of Afghanistan is no slight temptation. Since Afghanistan's Second Five-Year Plan is to be financed in part by borrowing from abroad[28] such temptation may become increasingly difficult to avoid, unless some offers of financial assistance, at least as attractive as those made by the Soviet Union, are forthcoming from other sources.

It is clear that Afghanistan, in establishing close economic ties with the Soviet Union, has not been motivated by any political or ideological predilections toward that country. Nevertheless, it is not justifiable to assume

---

[27]Reportedly about $10 million had been used by 1957. New York Times, August 29, 1957.

[28]United Nations Economic Survey of Asia and the Far East, 1955, p. 53.

that such ties can have no political implications. It is true that the Prime Minister of Afghanistan told the Soviet leaders emphatically and seriously that his country would accept the Soviet assistance provided that it is not linked to any political obligations.

While it is also true that Afghanistan has not so far entered into any alignment with the Soviet Union, she has definitely accepted a significant obligation toward that country. On the same day that she accepted the $100 million she also undertook, through the extension of the Treaty of Neutrality and Mutual Non-Aggression of June 24, 1931, not to become a party to any alliances or agreements of a military or political character, a most conspicuous political string attached to the Soviet economic assistance.

To Afghanistan this obligation may seem eminently compatible with her independence and sovereignty as well as her long tradition of neutrality. To the Soviet Union, however, it is a most desirable political return that its calculated economic assistance to Afghanistan since 1950 has finally yielded. Neutralization of Afghanistan is, for Moscow, a matter of many beneficial possibilities. It can assist the successful attainment of the short-run objective of the Soviet South Asian and Middle Eastern policy which only begins in Afghanistan and ultimately aims at "New

Delhi and Cairo".[29]

This short-run objective, according to Mr. Khrushchev, [30] is the destruction of all military alliances in that region. Afghanistan, politically neutralized and economically dependent upon the Soviet Union, can well serve as a wedge between Iran and Pakistan, two members of CENTO. Until the destruction of CENTO is insured, the Soviet Union may conveniently tolerate Afghanistan's view on neutrality and her determination to preserve her territorial integrity and independence. Whether the Soviet Union would still maintain this attitude if and when that objective were effectively achieved will remain to be seen.

---

[29]Ramazani, op. cit., p. 152.

[30]He made this statement publicly while in Kashmir, on his way to Afghanistan. New York Times, December 17, 1955.

CHAPTER VII

SUMMARY AND CONCLUSIONS

Afghanistan has no tradition of democratic government and efficient civil service. Established authority governs tribal and family relations and autocratic rule by the king and appointed officials is the norm on the national level. The idea of strong government is thus deeply ingrained, but this is not necessarily an advantage for either the United States or the Soviet Union. The Soviet bloc has made a point of getting along well with the feudal system and the military aid that it has given to Afghanistan has incidentally served to strengthen the central government against the possibility of regional tribal opposition. But even without communist propaganda which is strictly outlawed,[1] the massive presence of Soviet officials, advisors and technicians has probably furthered a sense of identification of the Soviet bloc with economic progress through government activities, in line with the vaguely anti-capitalistic leanings of many highly placed Afghans.

In Afghanistan, as in most other underdeveloped countries, economic development has become a driving force of

---

[1]Henry G. Aubrey, Coexistence (Washington, D.C.: National Planning Association, 1961), p. 39.

great power, whether it serves as a symbol of enhanced status through participation in international progress or a desire to meet the urgent needs of the people. For its consumption, for its exports, and thus for its imports as well, Afghanistan depends primarily on the products of its soil. But techniques have barely changed for centuries and irrigation, while well known in this semiarid land, was primitive. An improvement of irrigation was a prime need and the government first turned to the United States for technical assistance on a contract basis, then obtained governmental help, and finally, but significantly only after overtures by the Soviets, capital assistance as well. Thus, American aid became identified with a real need, but one geographically remote from the centers of political activity, its visible impact a long way off. Moreover, the United States aid program was beset by innumerable difficulties, some perhaps foreseeable, while other lessons were only learned in time-honored fashion, the hard way.

By contrast, the Soviet bloc initially addressed itself to aspirations that could be satisfied more readily. It supported Afghanistan's nationalistic sentiments in the protracted quarrel with Pakistan over the allegiance of the border tribes, "the Pushtunistan issue", both morally and with arms,[2] while the United States appeared to stand on the

---

[2]Ibid., p. 40.

other side of the fence through its military alliance with Pakistan and the large economic aid associated with it.

When the Afghan government wanted grain silos, a flour mill and a bread plant to achieve a better leverage on the supply and use of grain and the provisionment of the Army, the USSR supplied them, even though there were undoubtedly projects of greater developmental importance than these. The Soviets also paved the streets of Kabul and donated some buses and a hospital, all highly visible tokens of Soviet capabilities. Gasoline storage tanks in urban centers and a pipeline to facilitate import across the northern border filled another visible need. A cement mill and other manufacturing enterprises catered to the desire for industrialization. Important and potentially strategic road projects which modernize age-old routes of trade and communication are being surveyed or already taken in hand. The enlargement of the airport in Kabul, the capital, is a project of immediate usefulness in a landlocked nation. And exploration by the Russians for natural resources, such as oil, in a resource-poor country is obviously as welcome to the beneficiary as it may be interesting to a solicitous neighbor.

Lately, however, the contributions of East and West in Afghanistan have become more similar. The Soviet Union has gone in for some projects with remote payoff, such as irrigation, and the United States has undertaken assistance

to civil aviation and helped improve Afghanistan's two vital transportation links with the outside world through Pakistan. The interruption of these routes for political reasons had given the Russians one of their most important openings. While initially the transit arrangements for Afghan exports and imports through the USSR were not efficient, the Soviets are now striving to improve these arrangements, both physically and economically.

For isolated Afghanistan, trade with the outside world, its neighbors, including the Soviet Union and Western countries, is a vital need. Because of proximity, Soviet trade is important for Afghanistan and every effort has been made by the USSR to make it more so. Demand and price fluctuations in Western markets for cotton and wool, compared with Russian willingness to absorb anything proffered, have played a part. Karakul, the most important Western import, still is the largest earner of hard currency from the West. But the growing Soviet predominance in aid and technical assistance tends to implant Soviet standards in related branches of the Afghan economy and increases trade with the Soviet Union. Moreover, the closing of the transport link with the West through Pakistan in 1955 and the resulting fear of overdependence are unlikely to be soon forgotten. Accordingly, Afghanistan's need for trade and foreign exchange does not afford the West any ground for complacency.

This thumbnail sketch of the constellation of needs in Afghanistan was focused on the elements that give rise to an interaction between Afghanistan as a developing country and the rest of the world, for it is these foreign requirements that provide the openings for competitive moves by East and West. The extent to which either side can make this interaction serve its policy interest depends on its affinity with the needs of Afghanistan and the endorsement of her aspirations in a credible and impressive manner. This credibility constitutes an important element because the political impact of economic relations does not rest solely on the economic effects achieved. The impression left on the other party is apt to be colored by the spirit and intent inferred, by historical experience, and even by prejudice. Since the West labors under a heritage of distrust that goes back to the days of colonialism, its reliance on the profit system wakes a suspicion of ulterior motives where this bias is prevalent. And as the aspirations of Afghans are fanned by their ambitions to catch up rapidly, a counsel of moderation and a long view of development priorities can be interpreted as a deliberate go-slow policy by important leaders who have been suspecting the West of holding back for fear of losing business.

The communists, of course, have been taking this propaganda line all along and using such sentiments to good

advantage. What is more, the Soviet Union is not liable to these historic suspicions, partly because she was in the less developed league only recently, partly because she does not operate under the profit system, and partly because she sincerely endorses rapid industrialization and state initiative in line with her own dogma. It is well for the United States to be aware of this handicap without necessarily permitting it to deflect western policy from its concern with the long-term aspects of economic development.

In Afghanistan, not only the speed of development, but the selection of projects for which assistance will be available, has been colored by the East-West competition. In line with its own philosophy, each side implicitly backs different priority concepts. The Soviet bloc in Afghanistan has demonstrated a great deal of affinity to industrialization, the most emphatic of development aspirations, and certainly a real need, even if priorities may be subject to argument while, on the whole, the West is content to leave industry to the uncoordinated initiative of private investment. The problem is not as it has often been said, the absence of entrepreneurial initiative. On the contrary, where conditions permit, this has often been forthcoming with surprising vigor; in fact, in recent years, private industry has far outdone the public sector in the fulfillment of plan targets in Afghanistan.[3]

---

[3]Peter G. Franck, Afghanistan Between East and West (National Planning Association, 1960), p. 23.

But for very large projects, Afghanistan finds it difficult to muster the requisite large finance. Public initiative is therefore often favored where rapid growth is desired, though no one can deny that a statist-ideology inclination is often at work, too. It is frequently emphasized by brave words even where the practice is more moderate. Thus, in a relatively figurative sense, the state probably plays as large an economic role in America as it does in Afghanistan. The United States government, in comparison to the Afghan government, provides some of the most essential, and indeed only, services in terms of tabulations of business statistics, economic data and information, price fluctuation, investment abroad and other vital economic data. This enhances the controlling role of government on the functioning of free enterprise and the competitive, capitalistic, American economy. There are also federal agencies and laws that provide for governmental control on business. On an informal basis, the role played by the government in controlling and preventing a price rise in the steel industry would also help to illustrate this statement.

The United States, for its part, has largely, though not exclusively, interested itself in long-range needs for irrigation, agricultural improvements, community development, small industry and the immensely important field of education, technical training, administration and health. This is

unquestionably appreciated by the Afghans, but it is none the less true that these programs lack the visibility and developmental "glamor" of the projects with which the Soviet bloc is largely identified in Afghanistan. The payoff of the American-assisted projects is usually far away, the American contribution is often intangible and the result is not easily identified with western achievements, while a Russian factory of silo is more visible as a monument to Soviet accomplishment and as tangible evidence of identification with progress and modernism.

Mere amounts of aid apart, some differences in Soviet and Western terms are frequently discussed. Except for some hospitals and "ceremonial" gifts, Soviet assistance has been in the form of credits; the Chinese Communists have also given some grants.[4] The United States has been far more liberal with grants and it has been said that the more "businesslike" loan method of the Soviets is a psychological advantage. The author is not convinced that such a generalization is justified. Much depends on the purpose and circumstances of each case. It is wondered whether, for one instance, food grants under Title II of Public Law 480 to Afghanistan or other countries were ever resented. In any event, Congressional attitudes are now leaning toward loans

---

[4]New York Times, January 6, 1960.

in preference to grants; but critics of the United States have no trouble finding fault with such a "Shylock-like" attitude as well.

The length of Soviet credits is not unusual; they are in the medium-to-long range, perhaps not unlike Export-Import Bank practice. The United States still holds the edge in the long-term field.[5] There is a great variety of repayment terms in Soviet credit agreements, ranging from convertible exchange to local currency[6] or local products at prices to be negotiated later but presumed to be at world market levels. There are indications that some early experiences with the price relationships in Soviet trade agreements have not been uniformly happy for Afghanistan. But we ought to recognize that we are not certain how "hard" Soviet loans will turn out to be. If eventually the Soviets want to be gentle and extend, or perhaps even forgive, payments, they might gain the psychological benefits of giving grants in two installments, first by giving "businesslike" loans, and later by being "generous" with regard to repayments.

Moreover, uncertainty about prices may be discounted

---

[5]Most Soviet loans are repayable in 12 annual installments beginning from one to three years after delivery. In the Afghan case, 22 annual installments, beginning after eight years, have been stipulated.

[6]Many Soviet agreements seem to provide maintenance of value clauses for local currency deposits.

by Afghanistan which is happy at the prospect of paying with commodities it is perennially unsure of placing in world markets. In fact, it may feel that it risks less in bargaining with the Soviets than in facing the erratic and wide price swings of Western markets. Some shrewd politicians might well bank on the chance that Afghanistan, rather than the Soviets, can afford to be stiff-necked about prices. But accepting payment in local currency or products, the lender is in effect shouldering the task of creating a market, a grave burden that primary products often face in the West. Except for refusing further loans, there is little the Soviets could do with a recalcitrant debtor, unless they were to apply political or military pressure in the "imperialist" manner; and by such an attitude they would risk undoing whatever good their deeds have wrought.

The United States has been slower to recognize the important place of soft loans repayable in local currency and, for obvious reasons, is not willing to accept local products in payment.[7] Actually one might speculate whether in procedures laid down for commodity disposal under Public Law 480 the United States is not getting the worst of two worlds. Although much of the sales proceeds is reloaned for development on the "never-never", as the British aptly call

---

[7]Except by the barter of strategic materials against surplus commodities.

their installment plans, the United States insists on calling the transactions "sales". As a result, Afghanistan feels it is doing the United States a good turn by taking the surpluses; but in reality these transactions are apt to become permanent investments, or perhaps even grants, unless the United States eventually becomes willing to accept more imports and in this way use inconvertible currencies. It is hardly necessary to describe what difficulties this might create in the United States, while the perennially resource-starved bloc economies find it much easier to absorb more imports without economic cost and perhaps even with benefit.

While this difference in "comparative aid-and-trade advantage" has perhaps not yet received sufficient attention, the East-West discrepancy in interest rates is frequently discussed. Soviet loans to Afghanistan usually carry only 2 1/2 percent interest;[8] United States and international loans cost more, often much more.[9] Why the Soviets picked 2 1/2 percent has never been clearly explained; perhaps such a rate looked "businesslike" though inexpensive for the borrower, and at the same time comfortably lower than the Western rates, which are denounced as "exploitative". The problem is awkward for the United States, where interest

---

[8]Joseph Berliner, Soviet Economic Aid, Council on Foreign Relations (New York: Frederick A. Praeger, Inc., 1958), p. 39.

[9]Ibid., p. 179.

rates have important institutional functions in the capital and money markets which they lack under the Soviet system. One might consider getting around the problem by mixing loans with grants and thereby lowering the average interest cost. This would not work well with Afghanistan which does not want grants, because loans and grants register at quite different levels of political receptivity. At present there is no easy answer to the Soviet gambit, short of subsidizing interest rates. Nonetheless, it seems that the problem of low-interest loans would exist even in the absence of "competitive coexistence"; the real obstacle in coping with it is the difficulty of the United States in meeting certain external situations for internal institutional reasons of its own, such as the interest rate structure in free money markets.

For our present purpose, these strands of thought can be gathered in three conclusions. First, since aid is only one of a number of instruments of foreign policy, we cannot be certain of the precise extent to which Soviet aid has paid off, or will do so; and the Soviets are no wiser in this respect than the United States. Secondly, in the face of this indeterminacy, it seems risky, perhaps even futile, to let competition be the primary guide of United States aid policy. In concrete instances, as in Afghanistan, one cannot fail to note the degree to which the Soviet and Western aid

programs complement each other. For reasons of differing economic philosophies, they have been concentrating on different sectors of the economy; and if one believes that greater development in Afghanistan will ultimately benefit the United States along with the developing countries, this may be all to the good.

True, it is often said that the Soviets build impressive monuments of modernism in places where people can see them rise in short order while the Americans seem to putter around the countryside and initiate projects that will not bear fruit until many years later. For the purpose of the present thesis, the third point is that, whatever policy may be decided upon in a specific situation, the decision ought not to be primarily or preponderantly dictated by what the Soviets do. I am not saying that the policy-maker can ignore the actions of the other party, for he can never afford to overlook tactical considerations, knowing that the failure of the United States to act properly will be capitalized upon by the Soviets. The United States might well be less concerned with Soviet motivations and more concerned with its own.

By way of an example, in Afghanistan, the Russians, probably encouraged by repeated faltering in the United States programs, have perhaps deliberately decided on a radically different approach. While they may have made some

gains, the United States has not lost in the process. On the contrary, with a certain dogged determination, possibly in the absence of a realistic alternative, an independent course was pursued by the United States.

But such pragmatic reasoning is not the only, or the most important, argument against a policy of response and in favor of a broadly autonomous approach. If the American foreign-aid policy has seemed to lose support in Congress and elsewhere, it is believed that the reason has been not so much the lack of demonstrable results as the paucity of inspired purpose. It was probably heartening to many to hear the Secretary of the Treasury point to the obligation of rich nations toward the poor.[10] But whether one speaks of a moral obligation, or of greater equality of opportunity, or of enlightened self-interest in a shrinking world, one seeks a broad, autonomous motivation as the foundation of a policy that the United States would want to pursue even in the absence of Soviet competition. It is the incurable weakness of the "security" argument that it is inevitably governed by an adversary who is thereby implicitly accorded an important measure of initiative in policy formation. In contrast, a confident, autonomous policy of assistance,

---

[10]C. Douglas Dillon, "Imperatives of International Economic Growth," speech delivered before the Foundation for Religious Action in the Social and Civil Order, Washington, D.C., January 16, 1959, Department of State Release No. 37.

based on a genuine community of interest between the United States and Afghanistan, would find its reward in whatever appreciation foreign aid can still kindle in a cynical world. It is suspected that whatever psychological success the Soviets may have so far reaped from their economic assistance program in Afghanistan has been due to their vocal and unqualified endorsement of the recipients' development aspirations.

Economic actions are both a part and symptomatic of the cold war. The alert, aggressive and calculating economic warfare of the Soviet Union reflects its attitude toward the cold war generally and its intention to out-do the West. The Soviet Union feels that the world is moving in its direction and that with its assistance the historical processes can be accelerated.

In some ways it is unfortunate that Afghanistan is one of the targets of Soviet attention in its economic offensive. It subjects it to the possibility that it will lose its freedom and that its economic development will be impaired. On the other hand, to the extent that an underdeveloped country can exploit both sides in the power struggle, can extract economic assistance from both without alienating either, and can maintain its economic and political integrity, the cold war setting can be beneficial. It is a hazardous proposition, threading the way between two great

powers, especially when one of the powers has announced its intention to control the world, by force, by revolution or by any other means.

The United States, of course, has no choice but to meet the challenge, to compete with the Soviet Union in Afghanistan and to prevent that country from endangering the values inherent in the Afghan spirit and tradition of freedom and independence. How to compete effectively is beyond the scope of this thesis. It is certain, however, that it cannot be done by the same methods and techniques and same purposes and motives employed by the Soviet Union. To do so would do as much violence to democratic values as the Soviet Union proposes to do.

United States foreign assistance to Afghanistan, at least in part, serves the purpose of preventing those conditions from arising which the Soviet Union can exploit to its advantage. The apparent success of Soviet efforts with foreign assistance have made some wonder whether or not the United States should emulate the Soviet Union in the conduct of its foreign assistance program. It must be understood, however, that the Soviet program in Afghanistan is an imitation of the United States aid, particularly as embodied in the Marshall Plan and the Truman Doctrine. Furthermore, the objectives of the two nations must be borne in mind. The Soviet Union hopes to break Western alliances

and gain political influence by selective use of small amounts of assistance and a great deal of publicity. The United States is interested in economic development, hoping thereby to create conditions helpful to United States interests in terms of an economically and politically stable democratic Afghanistan. If the United States were to try to imitate the Soviet Union, it would in essence be abandoning its basic aims and would probably spend its entire time and substance chasing around putting out fires.

The United States requires an assistance program based coordinately upon the development needs of its friends and allies and those neutrals, like Afghanistan, who share the same general public philosophy, and upon the United States ability to supply public loans and grants. Such an effort should be supplemented by large-scale private investment, fostered by whatever public measures are necessary to encourage this development. This program would not be insensitive to what the Soviet Union does, but would not be built around Soviet actions, either in fact or in the minds of the American people or the people of Afghanistan.

In sheer power the West has an overwhelming margin. Should the United States decide so, by concerted action it could squeeze the Soviet Union out of the Afghan market, itself supply every economic development program, embargo the Soviet Union and get along without any Soviet products.

Fortunately, the organization and concepts of the United States prevent this, but there remains the problem of effectively mobilizing the United States' resources to counter the Soviet economic offensive in Afghanistan. One thing is certain; the United States will find that combination of public and private activity and those methods which will promote and expand an equitable economic system and a value system which attaches the highest priority to the Afghan people will not fail in the long run.

SELECTED BIBLIOGRAPHY

A. BOOKS

Adams, Walter, and John A. Garraty. Is the World Our Campus? East Lansing, Michigan: Michigan State University Press, 1960.

Allen, Robert L. Middle Eastern Economic Relations with the Soviet Union, Eastern Europe, and Mainland China. Charlottesville, Virginia: University of Virginia Press, 1958.

_____. Soviet Economic Warfare. Washington: Public Affairs Press, 1960.

Almond, Gabriel A. and James S. Coleman (eds.). The Politics of Developing Areas. Princeton, New Jersey: Princeton University Press, 1960.

Bauer, P. T. Economic Analysis and Policy in Underdeveloped Countries. 1957.

Berliner, Joseph. Soviet Economic Aid. Council on Foreign Relations. New York: Frederick A. Praeger, Inc., 1958.

Curti, Merle and Kendall Birr. Prelude to Point Four. 1954.

Current Problems in Afghanistan. Princeton, New Jersey: Princeton University Press, 1961.

Franck, Peter G. Afghanistan Between East and West. National Planning Association, 1960.

Golenpaul, Dan (ed.). Information Please Almanac. New York: McGraw-Hill, 1961.

Hazelwood, Arthur. The Economics of "Under-Developed" Areas, an Annotated Reading List, etc. 1954.

Hunter, Edward. The Past Present. London: Hodder and Stoughton, 1959.

Kovner, Milton. The Challenge of Coexistence. Washington: Public Affairs Press, 1961.

Lenczowski, George. The Middle East in World Affairs. Ithaca, New York: Cornell University Press, 1953.

Mason, Edward S. Promoting Economic Development, The United States and Southern Asia. Claremont, California: 1955.

Michel, Aloy A. The Kabul, Kunduz and Helmand Valleys and the National Economy of Afghanistan. National Research Council, Foreign Field Research Programs, No. 5. Washington: 1959.

Mid-West Debate Bureau. What Should Be the Nature of United States Foreign Aid? Normal, Illinois: (no date).

Nurkse, Ragnar. Problems of Capital Formation in Underdeveloped Countries. 1955.

Smith, Howard K. The Ruble War. Buffalo: Smith, Keynes and Marshall (Economica Books), 1958.

Specter, Ivar. The Soviet Union and the Moslim World. University of Washington Press, 1956.

Stebbins, Richard P. The United States in World Affairs, 1960. Council on Foreign Relations. New York: Harper and Brothers, 1961.

Walch, J. Weston. Discussion Handbook on Foreign Aid. Portland, Maine: J. Weston Walch Publisher, 1957.

Wilber, Donald N. (ed.). Afghanistan. New Haven: Human Relations Area Files, 1956.

Wilson, Andrew. North From Kabul. London: George Allen and Unwin, Ltd., 1961.

Wolf, Charles Jr. Foreign Aid Theory and Practice in Southern Asia. Princeton, New Jersey: Princeton University Press, 1960.

B. PERIODICALS

Afghan Progress in the Third Year of the Plan. London: Royal Afghan Embassy, Sept. 1959.

Afghan Progress in the Fourth Year of the Plan. London: Royal Afghan Embassy, Sept. 1960.

Afghanistan Builds on an Ancient Civilization. International Cooperation Administration. (no date).

Allen, Robert L. "The Communist Economic Offensive," International Journal, Vol. XIV, No. 1, Winter, 1958-1959.

_____. "A Critical Appraisal of the Soviet Aid Program," Review of Foreign Policy, 1958. Hearings before the Committee on Foreign Relations, United States Senate, Part I, testimony before the Committee, February 27, 1958.

_____. "Economic Motives in Soviet Foreign Trade Policy," Southern Economic Journal, Vol. XXV, No. 2, October, 1958.

_____. "Soviet Russia and the Underdeveloped Countries: Trade and Aid," The World Today, Vol. 13, No. 5, May, 1957.

_____. "Soviet Russian Economic Penetration in the Middle East," Free World Forum, September-October, 1959.

_____, participant. "What the Communist Offensive Means to American Business," Chamber of Commerce of the U. S. Special Committee report, 1959.

_____ and R. K. Ramazani. "Afghanistan: Wooed But Not Won," Swiss Review of World Affairs, October, 1957.

Armstrong, Willis C. "Russians, Asians, and Development," School of Advanced International Studies Review, March 1957.

Background: The Subcontinent of South Asia--Afghanistan, Ceylon, India, Nepal, Pakistan. Near and Middle Eastern Series 41. Washington, D.C.: Department of State, 1959.

Crocker, Lt. Col. H. E. "Afghanistan and Russia," Eastern World. Vol. 10, January 1956.

_____. "Russia and Afghanistan," Contemporary Review. February 1956.

Dupree, Louis. Afghanistan's Big Gamble. Part II. South Asia Series, vol. IV, no. 4. Kabul: American University Field Staff, May 2, 1960.

_____. Afghanistan's Big Gamble. Part III. South Asia Series, vol. IV, no. 5. Kabul: American University Field Staff, May 9, 1960.

Galay, N. "The Soviet Breakthrough in the Near East and in Southern Asia," Bulletin of the Institute for the Study of the USSR, Vol. III, March, 1956.

Knorr, Klaus Eugene, Ruble Diplomacy: Challenge to American Foreign Aid. Princeton: Princeton University (Center of International Studies, Memorandum No. 10), 1956.

Mikesell, Raymond F., and Donald A. Wells. The Soviet Economic Offensive, Headline Series. Fall, 1959.

Nielson, Waldemar A., and Zoran S. Hodjera. "Sino-Soviet Bloc Technical Assistance--Another Bilateral Approach," Annals of the American Academy of Political and Social Science, May, 1959.

Ramazani, R. K. "Afghanistan and the USSR," Middle East Journal. Vol. 12, No. 2, Spring, 1958.

_____. "Economic Aid to Afghanistan," Danneshjoo, Vol. 6, No. 2, March, 1958.

_____. "Soviet Military Assistance to Uncommitted Countries," Midwest Journal of Political Science, Vol. III, No. 4,

Rubinstein, A. Z. "Point Four Soviet Style: Russia's Economic Courtship of Underdeveloped South Asia," New Leader, March 5, 1956.

_____. "Selected Bibliography of Soviet Works on Southern Asia, 1954-1956," Journal of Asian Studies. November 1957.

_____. "Soviet Policy Toward Underdeveloped Areas in the Economic and Social Council," International Organization. Vol. 9, May 1955.

Thorpe, Willard L. "American Policy and the Soviet Economic Offensive," Foreign Affairs. Vol. 35, No. 2. January, 1957.

Warner, Denis. "Afghanistan: A House with No Doors," The Reporter. Vol. 26, No. 2. New York: January 18, 1962.

Whitnack, Doris S. "Sino-Soviet Economic Offensive in Underdeveloped Countries," Foreign Agriculture. (USDA), Vol. 20, October, 1956.

Wilson, Andrew. "Inside Afghanistan--A Background to Recent Troubles," Journal of the Royal Central Asian Society. Vol. XLVII, July-October, 1960.

Zyzniewski, Stanley J. "The Soviet Bloc and the Underdeveloped Countries: Some Economic Factors," World Politics, Vol. XI, No. 3, April, 1959.

_____. "Soviet Foreign Economic Policy," Political Science Quarterly, Vol. LXXIII, No. 2, June, 1958.

C. NEWSPAPERS

Christian Science Monitor, September 2, 1950.

Islah, January, 1950 to current issues. (An organ of the Afghan government, published in Pushtu and Farsi.).

New York Times, June, 1954 to current issues.

D. UNITED NATIONS PUBLICATIONS

United Nations. Economic Development and Planning in Asia and the Far East (from Economic Bulletin for Asia and the Far East, November 1955), 1955.

United Nations. Some Problems in the Organization and Administration of Public Enterprises in the Industrial Field. 1954.

United Nations. Training in Public Administration. 1958.

E. UNITED STATES GOVERNMENT PUBLICATIONS

Criticisms of the Foreign Aid Program. Comments by the Department of State, the International Cooperation Administration, and the Department of Defense. Washington: 1959.

Mutual Security in Action--Afghanistan. Fact Sheet. Department of State Publication no. 6752. International Cooperation Administration. January 1959.

"United States Operations Mission in Afghanistan," Project Progress Report. International Cooperation Administration. January 1, 1960.

United States Congress. Joint Economic Committee. Soviet Economic Growth: A Comparison with the United States, by the Legislative Reference Service of the Library of Congress. 85th Cong., 1st. sess. Washington: Government Printing Office, 1957.

United States Department of Commerce. Foreign Grants and Credits by the United States Government. Quarterly reports. Washington: Author, various years.

United States Department of State. The Sino-Soviet Economic Offensive in the Less Developed Countries. 1958.

United States House of Representatives. Committee on Foreign Affairs. Mutual Security Act of 1961. 87th. Cong. 1st sess. Washington, 1961.

United States House of Representatives. Committee on Foreign Affairs. Report of the Special Study Mission to Asia, Western Pacific, Middle East, Southern Europe, and North Africa. 86th Cong. 2nd. Sess., House Report no. 1386. Washington. 1960.

United States Senate. Committee on Foreign Relations. Foreign Assistance Act of 1961. 87th Cong. 1st. Sess., Report no. 612. washington, 1961.

United States Senate. Committee on Foreign Relations. International Development and Security. Parts 1 and 2. 87th. Cong., 1st. Sess., Washington: 1961.

United States Senate. Committee on Foreign Relations. United States Foreign Policy--Compilation of Studies. 87th Cong., 1st. Sess., Document no. 24. Washington: 1961.

United States Senate. Committee on Foreign Relations. United States Foreign Policy--Middle East. 86th Cong., 2nd. Sess., No. 13. Washington: 1960.

United States Senate. Special Committee to Study the Foreign Aid Program. Foreign Aid Program--Compilation of Studies and Surveys. 85th. Cong., 1st. Sess., Document no. 52.

United States Senate. Studies and Surveys perpared by or for the Special Committee to Study the Foreign Aid Program. 1957.

United States Senate. Subcommittee on Technical Assistance Programs. Soviet Technical Assistance. 84th. Cong., 2nd. Sess., Staff Study no. 7. Washington: Government Printing Office, 1956.