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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

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26 June 1961

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Ayub's Pakistan: Problems and Prospects

1. Field Marshal Ayub, president of Pakistan, took power by a bloodless military coup in October 1958. During the more than thirty months since that time he has grappled shrewdly and energetically with three fundamental problems: (a) how to broaden the base of his government and at the same time to infuse a spirit of national unity into his regionally-minded people; (b) how to encourage economic development in his resource-poor country; and (c) how to promote Pakistan's foreign policy interests in a complex and changing international scene.

The Political Problem

2. Ayub's personal power and leadership is virtually unchallenged in Pakistan. Despite some jealousies and dissensions among his top military and civilian advisers, he has managed to

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keep close control over them, to make them work effectively, and to retain their personal loyalty. He continues to enjoy wide support among the civil and military services generally. The old line politicians whom he displaced have been intimidated, their party organizations shattered, and many of them have been personally discredited by disclosure of their dishonest and inefficient conduct while in office.

3. Ayub has also brought to Pakistan a greater sense of cohesion and national entity than it has had since its very early days. He himself and most of his advisers are free of the regional biases which preoccupied many of his politician predecessors. By removing regional issues from the forefront of politics and by ending the frequent turnovers in national and provincial governments, he has brought a period of stability and increasing centralization in which effective national planning has been possible for the first time. He has not, of course, been able to eliminate the fundamental political and economic problems which arise out of the country's division into two parts or the very deep cultural and linguistic divisions between East and West Pakistan and within the latter. As far as the bulk of the people are concerned, Ayub's benevolent authoritarianism has not been particularly repressive;

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he still has fairly wide, albeit mostly passive, support in the country at large.

4. Ayub's greatest weakness has been his lack of confidence and support from many of the politically-conscious elements in the country. These range all the way from impoverished students and petty trade unionists to successful professional people and influential intellectuals. Most of these groups resent their virtual exclusion from the governing process by Ayub. Many have been associated with the parliamentary system and are unlikely to be satisfied with any limited representative forms, such as the "Basic Democracies" scheme, which Ayub is now implementing.* Though unorganized, their discontent has recently been manifested in student disturbances in Karachi and the locally famous "Snelson Case" in which the judiciary strongly repudiated what it construed as an effort by the executive to interfere in the traditional responsibilities of the courts.

5. We believe Ayub will continue to dominate the Pakistani scene for the next few years at least -- although promulgation

* The "Basic Democracies" are a series of representative bodies beginning at the village level and intended to go on up to the national level. Except at the village level, election is indirect and some members are appointed by the government. No party organizations are involved.

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of a new constitution and full implementation of the "Basic Democracies" will probably change the forms through which his power is exercised. We anticipate that his regime will continue to be relatively honest and efficient, that he will be able to handle any dissension that develops among his advisers, and that his rule will not become unduly repressive. He will continue to have a fairly broad base of primarily passive support but is unlikely to win the trust and cooperation of most of the politically-conscious elements; he will be unable to do any more than make a start at weakening basic regional antagonisms.

6. The longer term outlook is less clear. If the efficiency and dynamism which Ayub has brought to Pakistan is to continue, he will sooner or later have to broaden participation in the government and probably also provide some form of legitimate expression for regional feelings. There is still something like an even chance that some generally satisfactory form of representative government will evolve out of his constitutional experimenting.

7. However, it is going to be difficult for Ayub to share power. He is inclined by training and tradition to have little patience with civilian politicians and parliamentary government. He is still vigorous and relatively young (54); if he chose, he

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could probably go on for a number of years on his own, resting his power on his influence over the military forces and the lack of any satisfactory alternative to his own rule. In such a case, discontent would probably grow, narrowing the base of his support, and he would probably become more vulnerable to a coup by some other military leader or group -- perhaps in alliance with particular civilian or regional interests.

The Development Problem

8. At the core of Pakistan's development problem is the country's lack of resources. Much of the land is desert, mountains, and jungle. The large population (93 million) is generally unskilled with a high percentage of illiteracy. The living standard is as low as that in any major country in Asia. A large military force imposes a substantial burden on the national budget. Few useful minerals have been discovered despite fairly intensive exploration. Pakistan does, however, have two valuable, if not always dependable, cash crops (cotton and jute) and the potential at least for self-sufficiency in food.

9. The President has selected honest and competent advisers in the economic field and given them the authority to act. He has

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restricted unnecessary imports, encouraged exports, and remedied the worst inequities of the land tenure and taxation systems. Sympathetic economic policies and political stability have encouraged the private sector of the economy, and private as well as public industrial investment has risen significantly in the past two years. These developments have provided a tenable, though by no means solid, base for Pakistan's Second Five-Year Plan (1961-1966).

10. In general, the new plan appears to be sound, although in its present form it may tend to overemphasize long-term basic development programs at the expense of useful short term projects with more direct impact on the economy. The plan calls for total investment in the neighborhood of \$5 billion and is intended to achieve an increase of about 20 percent in national income and about 10 percent in per capita income. Recent indications that the rate of population growth may be somewhat greater (over two percent annually) than was previously believed may shave the latter figure somewhat. Nevertheless, successful implementation of the plan would probably provide some increase in the standard of living and prevent for the next few years at least the economic pressures on the political structure from becoming dangerous.

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It would also provide a broadened base for future economic development and encourage greater public interest and participation in the development process.

11. Execution of the plan, however, is dependent on the receipt of large scale foreign aid: an estimated \$2.1 billion for the 1961-1966 period, or about double the rate of recent year. If the pace of development is to be maintained beyond that period, substantial aid will need to continue as it will be many years before the Pakistani economy is self-generating even under the best of domestic conditions. Thus President Ayub will continue almost indefinitely to be in the unpleasant position of being responsible for an economic development program the success or failure of which will be determined by external factors over which he can at best exert only limited influence.

International Position

12. The need for external assistance looms large in Ayub's approach to foreign policy. He has made it clear that Pakistan relies for a major portion of its required aid, economic as well as military, on the US, that as an ally it should have a special right to such aid, and that the aid it has received to date has

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not fulfilled its expectations. At the same time, he has permitted his aggressive Minister of Fuel, Power, and Natural Resources, Z. A. Bhutto, to arrange for a \$30 million oil exploration assistance project with the USSR and is now investigating the possibility of Soviet help in dealing with Pakistan's serious water-logging and salinity problem.

13. Pakistan's foreign policy problems are not just a question of obtaining external assistance, however. Ayub's government feels itself to be under increasing pressure from the Communist Bloc. The USSR has long been frank about its hostility toward Pakistan's alliance with the West, and since the U-2 incident Pakistanis have been made acutely aware of the threat of Soviet power. (The plane took off from Peshawar.) Soviet pressure has also been manifested in the growing Soviet presence in Afghanistan with which Pakistan is prone to connect the increasing unrest on its border with Afghanistan. In addition, The USSR has openly supported India and Afghanistan against Pakistan on the Kashmir and "Pushtoonistan" issues.

14. These issues are of themselves of immediate and highly emotional concern to Pakistan. The "strong" policy toward Afghanistan which the Ayub government adopted when it

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came to office has served merely to intensify unrest on the North-West Frontier. The cooperative policy toward India did facilitate a settlement of the Indus waters question, but it did not lead India to take up Ayub's offer for a joint defense effort in South Asia, and most importantly, it failed to achieve any progress on Kashmir. Pakistan's membership in CENTO and SEATO has not brought from the US the support on regional issues for which Pakistan hoped. Indeed, many Pakistanis fear that the US desire to maintain amicable relations with Afghanistan and to support strongly a major economic development effort in India are manifestations of an increasing partiality toward the "uncommitted" nations. A resulting frustration has tended to increase the already substantial neutralist sentiment among certain sections of the Pakistani public.

15. In this situation, more complex than any Pakistan has faced in the international field for some years, Ayub's foreign policy is likely to be less susceptible to US influence. Additional technical and economic agreements with the USSR are possible, as are more comprehensive negotiations with Communist China on Himalayan border questions. Pakistan has already indicated its intention to abandon the US position on Communist China's

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membership in the UN; other shifts on emotional Afro-Asian issues and the establishment of closer ties with Tito and Nasser may follow. Ayub's vigorous policy on the "Pushtoonistan" issue will probably continue. In addition, he will try to focus international attention in the Kashmir problems again, perhaps even by provocations or agitation in the disputed area.

16. Pakistan's relations with the US will probably continue to be judged to a considerable degree in the light of ^{US relations with India and} Afghanistan. There are likely to be fairly persistent expressions of dissatisfaction with US aid and repeated requests for demonstrations of US confidence and support. In this atmosphere, the possibility will remain that foreign policy problems, especially if they are coupled with unfavorable internal developments, could eventually erode Pakistan's association with the US to the point where it ceased to be an effective ally.

17. We believe this to be unlikely, however, at least for some time to come. Pakistan is firmly committed to the pro-Western alignment implicit in its SEATO and CENTO memberships, and short of a radical change in government it would be difficult for it to find a congenial place among the neutralist nations. In addition, Ayub and many Pakistanis have a genuine fear of communism.

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Moreover, Pakistan is heavily dependent on the US for both military and economic aid, and, despite occasional recriminations and manifestations of greater independence, Pakistan will probably continue to place its basic reliance on the West and to cooperate actively with it within the established framework of the alliance. Indeed, a major effort to demonstrate Pakistan's loyalty and to win increased US support and commitments will almost certainly be made during Ayub's visit to the US in July 1961.

FOR THE BOARD OF NATIONAL ESTIMATES /



SHERMAN KENT
Chairman

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MEMORANDUM FOR: [redacted] DCI

The attached memorandum is forwarded for information. As we indicated at your briefing session yesterday afternoon, we propose to coordinate it as an SNIE for use in conjunction with policy planning now going forward and President Ayub's visit to the US in mid-July.

[redacted]
Sherman Kent

Typed by [redacted]
28 June 61

cc: DDCI
DDI

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