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PROBABLE DEVELOPMENTS IN PAKISTAN

Submitted by the
DIRECTOR OF CENTRAL INTELLIGENCE

The following intelligence organizations participated in the preparation of this estimate: The Central Intelligence Agency and the intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and The Joint Staff.

Concurred in by the
INTELLIGENCE ADVISORY COMMITTEE

on 13 November 1956. Concurring were the Special Assistant, Intelligence, Department of State; the Assistant Chief of Staff, Intelligence, Department of the Army; the Director of Naval Intelligence; the Director of Intelligence, USAF; and the Deputy Director for Intelligence, The Joint Staff. The Atomic Energy Commission Representative to the IAC, and the Assistant Director, Federal Bureau of Investigation, abstained, the subject being outside of their jurisdiction.

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PROBABLE DEVELOPMENTS IN PAKISTAN

THE PROBLEM

To estimate the present situation and probable developments in Pakistan with particular emphasis on the period through 1957.

CONCLUSIONS

1. At least over the next few years, Pakistan will remain basically unstable, plagued by serious differences of interest and outlook between the two parts of the country, by a dearth of responsible leaders, by weak political institutions, and by widespread frustration and discontent, particularly in East Pakistan. (Paras. 10–20)

2. President Mirza will probably continue for the next few years to exercise a dominant influence over the government, thus assuring a modicum of stability. Despite the difficulties which Mirza and Prime Minister Suhrawardy will experience in working with one another, their present alliance will probably continue at least for the next six months or so and possibly past the general elections contemplated for late 1957 or early 1958. (Paras. 21–26)

3. If Mirza cannot preserve his dominance over the government by ordinary means, he would almost certainly exercise his emergency powers to rule by decree. Such action would widen the existing gap between the government and the people and would probably entail more pervasive and sustained use of authoritarian methods than has hitherto been required. Such action would also create additional discontent in East Pakistan and increase tensions between the two wings of the country. (Paras. 27–28)

4. Despite probable delays and difficulties in finalizing and putting into effect the proposed five year development program for 1955–1960, there will probably be an acceleration of development activities and expenditures in 1959 and 1960, and by the latter year the rate of growth of the national income may approach a level of somewhat over three percent a year. However, Pakistan will almost certainly fail to realize a substantial part of the
plan goals by 1960 and, despite probable progress in raising food grain production levels, will probably remain subject to food shortages resulting from floods and droughts. (Paras. 40–43)

5. With Pakistan's foreign exchange earnings likely to hold up at approximately present levels and economic development expenditures likely to lag, Pakistan will probably require a lower annual level of economic assistance (exclusive of military aid) in FY 1957 and 1958 than was provided by the US in FY 1956. However, in the period following 1958, the probable rising expenditures for the development program and the increase in annual costs of an enlarged military establishment are likely to require a substantial increase in US economic assistance. It is likely that Pakistan will be dependent on larger-scale economic assistance by FY 1960 than was granted by the US in FY 1956. (Paras. 43–44)

6. Pakistan will probably continue to make heavy expenditures on its military establishment. However, maintenance of that establishment will require continuing US materiel and direct forces support, not only through the expected completion of the present military aid program in 1959 or 1960, but probably for an indeterminate period. (Paras. 46, 53)

7. Present strains in Pakistan's relations with India will probably continue substantially unchanged. There may be some improvement in Afghan-Pakistan relations. (Paras. 63–64)

8. Despite the strain placed on Pakistan's relations with the UK by the crisis arising out of the Anglo-French intervention in Egypt, we believe it unlikely that the Pakistan government presently plans to leave the Commonwealth, the Baghdad Pact, or SEATO. However, it is still possible that the crisis may develop so as to cause Pakistan's withdrawal from the Commonwealth and these organizations. (Para. 60)

9. At best, the Pakistan government will be under increasing popular pressure to de-emphasize its ties with the West and demonstrate its independence of "Western domination." It will probably take a less active interest in regional defense matters, at least in the absence of greatly increased US support. It would probably be unwilling to grant military bases to the US in peacetime, and almost certainly remain unwilling to commit more than token forces for use under SEATO or the Baghdad Pact outside Pakistan. It will probably be increasingly receptive to offers of trade and friendship by Communist China, the USSR, and other members of the Bloc. These trends would be accelerated if US military and economic aid were reduced. (Paras. 58–62, 65–66)

**DISCUSSION**

1. POLITICAL

10. Despite its success in coping with the weighty problems which confronted it at the outset, Pakistan after nine years of independent existence still lacks many of the basic ingredients of national unity and stability. The eastern and western parts of the

\[\text{For map of Pakistan see Appendix, following page 20.}\]
country, separated by about a thousand miles of Indian territory, represent two widely disparate cultural groups, differing from each other in language, social and economic structure, and outlook. These differences lie at the root of the continuing political tug of war between the Bengali leaders of East Pakistan, whose province contains 45 million of Pakistan’s 80 million population, and the Punjab and Pathan elements of West Pakistan who still predominate in the army, the civil service, and the higher offices of the government. Islam is now less of a force for national unity than it was at the inception of Pakistan and has increasingly become a source of fundamentalist opposition to the development of a modern secular state. The Muslim League, which Pakistan’s original leaders used as a vehicle of political control, has steadily degenerated, and no effective rival organizations have emerged to take its place. Although much of the Pakistani population remains ignorant and apathetic about political matters, chronic political instability, recurrent economic crises, and continuing frustration over relations with its neighbors, particularly India, have all contributed to growing popular dissatisfaction with the present state of affairs.

11. During the past few years, ultimate political authority in Pakistan has been in the hands of a small circle of Western-oriented senior administrators headed by the late Governor General Ghulam Mohammed and his successor (now provisional president of Pakistan) Iskander Mirza. This group, entirely composed of West Pakistanis, first asserted its authority in early 1953, when Ghulam Mohammed summarily dismissed the inept Nazi-muddin Cabinet without reference to the Constituent Assembly, which also served as a provisional legislature. In September 1954 a number of disgruntled members of the Constituent Assembly, mostly from East Pakistan, challenged the power of the group by pushing through a bill curtailing the powers of the Governor General. As a countermove, he dismissed the Constituent Assembly and brought about a cabinet reshuffle in which Mirza and Army Commander in Chief Ayub, who had worked closely with Ghulam Mohammed, took over the key portfolios of Interior and Defense respectively. After a High Court verdict against the continuation of executive rule, Ghulam Mohammed was persuaded to yield to the Court’s decision and in June 1955 he had the provincial legislatures select representatives to a new Constituent Assembly. However, preponderant power continued to rest with the executive because of its control of patronage, its broad emergency powers, and the continuing support of the army. Because of the deteriorating health of Ghulam Mohammed, this executive power was increasingly assumed by Mirza, who finally took over as acting Governor General in August 1955. 

12. Although Mirza has continued to hold the political ascendancy, the restoration of parliamentary government has ushered in a period of intense political jockeying for position in which both Mirza’s freedom of action and over-all political stability in Pakistan have declined. Possessing neither organized political support of his own nor sufficient popular backing to appeal to the country over the heads of the politicians, Mirza has been forced into a series of deals and compromises in order to secure parliamentary backing for a cabinet acceptable to him. This political maneuvering has also encouraged some strains within the Mirza group, whose prestige and effectiveness had been weakened by the disappearance from the political scene of Ghulam Mohammed.

13. The ruling group initially sought to form a coalition government based on an alliance with the Muslim League, which despite its debility remained the only major political organization in West Pakistan and, with strong government backing, was able to secure most of the 40 West Pakistan seats in the new 80-man Constituent Assembly. Although neither the Muslim League nor the ruling group had significant influence in East Pakistan, the lack of a unified political organization there left the West Pakistan leaders in a strong bargaining position. They finally took

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*For a listing of major political parties and groupings in Pakistan see Appendix, page 19.*
Pazlul Huq's loosely-knit United Front into the coalition, leaving H. S. Suhrawardy's Awami League, which had insisted on the prime ministership for Suhrawardy as the price of cooperation, in opposition. Shortly before the new Constituent Assembly met in September 1955, a new cabinet was set up in which Mohammed Ali of Bogra, whom Mirza had distrusted for some time, was replaced as prime minister by Chaudri Mohammad Ali, a career civil servant who had made a good reputation as finance minister and was one of Mirza's principal associates.

The "One-Unit" Plan and the Constitution

14. This arrangement with Huq's group involved the acceptance of United Front rule in East Pakistan, where the United Front's previous ineptness in office had resulted in the imposition of direct administration by the central authorities for more than a year. However, it left Mirza in a strong position at the national level, where the United Front members of the cabinet were effectively isolated from real power. This arrangement also provided a basis for a final drive to push through the "one-unit" scheme for integrating the several provinces of West Pakistan into a single unit. This regrouping, which was finally effected in October 1955 after much heavy and sometimes high-handed pressure from Karachi, was designed to confirm the political ascendancy of the Punjabi elite, with which Mirza and most of his friends were associated.

15. With the adoption of the "one-unit" plan, the government promptly proceeded to push through a constitution, which the old Constituent Assembly had failed to agree upon despite years of wrangling. This involved some dissension within the Mirza group and some concessions to outside pressures, notably on the religious issue. Despite the objections of Mirza and opposition leader Suhrawardy, Prime Minister Chaudri Mohammad Ali yielded to pressures within the assembly for designation of the new state as an "Islamic Republic," for a requirement that the president be a Moslem, and for a vaguely worded provision calling for appointment by the president of an Islamic Commission to recommend means of bringing the laws of Pakistan into conformity with the Koran. The thorny related issue of whether to have Hindus and other religious minorities vote along with the Moslems (as the secularists and Bengalis wished) or in separate electorates for specially designated minority seats was finally referred to the provincial legislatures for advice. The National Assembly has recently voted to have joint electorates in East Pakistan and separate electorates in West Pakistan.

16. By and large, however, Mirza got what he wanted: a parliamentary form of government with enough power concentrated in the executive to provide the "controlled democracy" which he considered essential for stability at Pakistan's present state of political development. The constitution provides for government through a prime minister and cabinet having the confidence (and legislative support) of an elected National Assembly and for a judiciary empowered to pass on constitutional questions. However, the president is in many respects the actual as well as nominal fountainhead of governmental authority. In exercising normal executive powers, including the appointment of officials and the exercise of the police functions, he is directed to act in accordance with the "advice" of the cabinet. If the view expressed by the former law minister is to be accepted, however, he cannot be held too strictly to account for failure to accept such "advice." Moreover, he is allowed to exercise discretion in determining whether an individual commands sufficient confidence within the National Assembly to be appointed or retained as prime minister. In addition, the president is specifically granted broad discretionary powers, including a conditional right of veto, the right to dismiss the national and provincial assemblies, the right to pro-

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Footnote:

Once general elections have been held, the president will be elected for a five-year term by combined majority vote of the National Assembly and the two provincial assemblies, meeting concurrently but separately. He can be removed only by the vote of three-quarters of the National Assembly.
mulgate ordinances when the assembly is not in session, and the right to institute executive rule on the basis of a national or provincial emergency. The two provincial governors, appointed by the president, also have wide powers within their respective spheres.

17. Adoption of the new constitution in early 1956 regularized the position of the Constituent Assembly (which became the provisional National Assembly) and of Mirza (who was promptly named provisional president), thus removing some of the uncertainties which had previously plagued Pakistan politics. It also provided at least a provisional settlement of the status of East Pakistan: Bengali was designated a “state language” along with Urdu, but East Pakistan was forced to accept equal representation with less populous West Pakistan in the National Assembly and the continuation of effective concentration of power in the central government.

Recent Crises

18. Any hopes that adoption of a constitution would pave the way for rapid and orderly progress toward more stable and representative government were soon dispelled. In West Pakistan a full-scale political revolt developed under the direction of Mian Mumtaz Daultana, a prominent and wealthy Punjab politician, and other old-line Muslim Leaguers who had long been unreconciled to the centralization of power in the Mirza group. Although ostensibly directed against Dr. Khan Sahib, a prominent North West Frontier Province independent whom Mirza had had installed as provincial chief minister, it was clearly aimed at undermining Mirza’s position in the central government. Meanwhile, in East Pakistan, the poor administrative showing of Mirza’s United Front allies led to a progressive deterioration of their political position.

19. Mirza succeeded in surmounting the immediate threat in West Pakistan by having Khan Sahib and provincial Governor Gurmani set up a new Republican Party in opposition to the Muslim League. Strongly backed by all the pressures at the Karachi government’s disposal, it was able to lure away enough provincial deputies from Daultana and his associates to secure (with some extra help from the presiding officer) a vote of confidence in the provincial assembly when it met in May 1956. Similar switches at Karachi turned the central government into a predominantly Republican-United Front coalition.

20. Nevertheless, the government’s political position remained precarious. Although the Republicans had won an initial victory in West Pakistan, their majority was not a firm one. Prime Minister Chaudri Mohammad Ali’s refusal to make a clean break with the Muslim League in favor of the Republicans added to political strains which had been developing between him and Mirza. Most importantly, the United Front, on which the government relied to fill out its parliamentary majority, came under increasingly heavy attack in East Pakistan. Despite crude efforts by provincial Governor Fazlul Huq to save the United Front government in East Pakistan, it was finally supplanted by the Awami League in September 1956. A brief effort was made to continue the United Front in the central government despite these events. However, when Chaudri, for a number of reasons, resigned on 8 September, Mirza finally accepted H. S. Suhrawardy, whom he had long recognized as his most important rival for power in Pakistan, as prime minister. The Awami League thereupon replaced the United Front in the central government coalition.

Probable Developments

21. An extremely able politician and a capable administrator, Suhrawardy is the first prime minister since the assassination of Liaquat Ali Khan in 1951 with any significant degree of national prestige and appeal as a political leader. His accession may thus help to overcome the mixture of apathy and mistrust which have to date characterized popular attitudes toward the government. As an

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*For chart of present alignment of political groups in the national and provincial assemblies see Appendix, following page 18.*
accepted Bengali leader who will presumably be alive to East Pakistan's problems, he may make some progress in developing the support from East Pakistan which the Karachi government has so conspicuously lacked in recent years.

22. We believe that the present alliance between Mirza and Suhrawardy will probably remain in effect at least for the next six months or so and possibly past the general elections contemplated for late 1957 or early 1958. Despite Suhrawardy's career in opposition, he is far closer to Mirza in general outlook than most other Pakistani politicians. He shares Mirza's aspirations for development of a strong Pakistan along secular, Westernized lines, and over the last few months the two men appear to have moved closer together on many issues. In taking the premiership, Suhrawardy specifically promised Mirza that he would maintain Pakistan's Western ties, refrain from interference with the military establishment, and attempt to eliminate leftist elements from his party.

23. On a more practical plane, both men recognize their dependence on one another. Suhrawardy realizes that he needs Mirza's support to retain his present position, since the latter not only has the power of the presidency and the support of the army, but is now also sponsor of the Republican Party. Suhrawardy, long ambitious for the premiership, will probably not readily expose himself to losing it. Mirza, for his part, probably recognizes that Suhrawardy presently represents the only practical alternative to suspension of parliamentary government and rule by decree.

24. Mirza and Suhrawardy will, however, almost certainly experience some difficulty in working with one another. Both are ambitious men and differ in their fundamental views regarding their respective roles. Basically mistrustful and contemptuous of politicians, Mirza is convinced that he, as president, must retain essential control if stability in Pakistan is to be maintained and he will probably continue to express himself on specific matters with characteristic bluntness. He will probably continue to suspect Suhrawardy on grounds of opportunism and to have reservations about the presence of radical and anti-Western elements in the Awami League. Suhrawardy, on the other hand, is convinced that the prime minister must be the active political head of the government rather than a mere executive agent for the president, and will accordingly be jealous of his prerogatives. Differences may arise over such questions as what role Suhrawardy and the Awami League are to play in West Pakistan politics and when elections are to be held. There may also be disagreement regarding foreign and military policy; Suhrawardy has in the past been critical of the government on these matters and in the present Middle East crisis he may wish to take a stronger stand against the UK and France than would Mirza. Finally, basic social and regional conflicts of interest between the Punjabi elite of landlords and merchants with which Mirza is associated and the more egalitarian political society of East Pakistan will also complicate the Mirza-Suhrawardy relationship. Any of these differences, we believe, may bring these men to a parting of the ways.

25. Pakistan will remain politically unstable, particularly with the approach of the general elections which the government is more or less committed to holding within the next 12 to 18 months. In West Pakistan, it will be difficult for Mirza to hold the Republican Party's slim majority intact in the face of probable renewed efforts to undermine it by Mirza's Muslim League antagonists, possible similar maneuvers by Suhrawardy's followers, and factionalism within Republican ranks. Resort to emergency powers by Mirza or provincial Governor Gurmani will also remain a possibility. In East Pakistan the fall of the United Front cabinet has given the Awami League an opportunity to build up its position, but its capacity to cope with the chaotic administrative situation it has inherited is uncertain. The Awami League itself is also strained by personal and factional differences between Suhrawardy and Maulana Bashani, the head of the East Pakistan branch of the party. The East Pakistan situation is likely to be further complicated by deal-
making between elements of the Awami League and the United Front. At all government levels preoccupation with political maneuvering will continue to interfere with effective administration, thus encouraging a further growth of popular discontent. In this situation, opposition leaders, and many pro-government politicians as well, will probably be increasingly inclined to resort to demagogic appeals on religious, economic, and foreign policy issues.

26. The struggle for political and popular support is likely to be especially chaotic in East Pakistan, where a long history of political agitation, the relatively limited political power of the landlord class, and continuing popular grievances have made for a high degree of popular responsiveness to political stimuli without as yet producing any firm party loyalties. In West Pakistan the semi-feudal character of society puts the big landlords and other notables in a position to control elections and otherwise dominate political life and has made for general cynicism and apathy on the part of most of the general public. Despite Mirza's probable inability to secure a genuine popular mandate, he may therefore be able, by use of the considerable pressures and inducements at his disposal, to assure the continuance in office of men willing to cooperate with him. However, popular discontent is growing, and Mirza's Muslim League rivals are in a favorable position to capitalize on it, even though they themselves suffer from a lack of real grass roots support.

27. At least in the period prior to general elections, Mirza could and almost certainly would exercise his emergency powers to rule by decree if he were unable to preserve his dominance over the government by ordinary means. Such a crisis would probably be precipitated in the event of a split between Suhrawardy and Mirza.

28. A resort to emergency executive rule on a nationwide basis could probably be carried out effectively. Despite General Ayub's desire to preserve the professional, nonpolitical character of the armed forces and his own withdrawal from active participation in political affairs, he would probably provide full army backing in an emergency. Mirza could also depend on the civil machinery of government, whose senior members generally share his viewpoint. With both of these elements lined up behind the president, the establishment of executive rule could be accomplished without significant resistance.

29. Nevertheless, a resort to nationwide executive rule would involve serious hazards both for Mirza and for the country. By widening the gap between the government and the people and by sharpening the differences between Mirza and his parliamentary opponents, a resort to executive rule would create an atmosphere in which a restoration of parliamentary government would involve the risk of serious defeat for Mirza. In order to retain power, he would probably feel compelled to resort to considerably more pervasive and sustained use of authoritarian methods than has hitherto been required. Suspension of parliamentary government would create additional discontent in East Pakistan and increase tensions between the two wings of the country.

30. Should general elections result in solid majorities for forces strongly opposed to Mirza's policies and unwilling to accept his reelection as president, Mirza would be strongly tempted to dismiss the legislatures and institute executive rule. However, whether he took such a step would depend on the extent to which the army and civil service were solidly behind him. This in turn would be conditioned by the nature of the opposing majority. If this majority clearly threatened the dominance of the Punjabi elite, the senior army and civil service officers would probably support and even encourage Mirza to institute authoritarian rule.

The Communist Party

31. The Communist Party of Pakistan as such is unlikely to figure importantly in the Pakistan political situation, over the next year or two at least. A small party estimated to number approximately 1,500, with perhaps twice as many fellow travellers, it is beset by fac-
tional disputes and a lack of effective leadership or adequate funds. Banned since 1954, the party is subjected to reasonably effective (though not always firm and consistent) government surveillance and repression. The more important East Pakistan branch of the party, which has close links with the Communist Party of India, is not closely tied in with the West Pakistan branch. There are an estimated three or four Communists or pro-Communists in the 80-man National Assembly and perhaps as many as 25 members in the 309-man East Pakistan legislature.

32. Despite their numerical weakness, the Communists are in a position to encourage and exploit anti-Western, neutralist, and anti-regime sentiment. The pro-Communist bias of the wealthy Mian Iftikharuddin, who controls three of Pakistan's leading newspapers, the English-language Pakistan Times and the Urdu journal Imroz (which has separate Lahore and Karachi editions) provides a powerful propagandist medium for the dissemination of pro-Communist and anti-American themes in West Pakistan. In East Pakistan, where the growth potential of the Communist Party is greatest, the Communists have achieved some success in infiltrating the Awami League and other groups. The League's provincial Chairman, Maulana Bashani, is a fellow travel-ler who moutthes Communist doctrine, though like other leftists in the party who adopt various portions of the Communist line he is probably motivated less by ideological conviction than by opportunism. The only clearly identifiable Communist-front parties—both small—are the Azad Pakistan Party, Iftikharuddin's personal political vehicle and largely confined to the Punjab, and the Ganatantri Dal of East Pakistan, which elected an admitted Communist to the National Assembly and has estimated 11 members in the East Pakistan legislature. One Ganatantri Dal member, possibly a Communist, is a member of the provincial cabinet. Communist efforts to organize popular fronts have been generally unsuccessful, and while the party is reportedly still heavily represented in student groups in East Pakistan, its effectiveness in West Pakistan and at the national level is now small.

II. ECONOMIC

Present Situation

33. Pakistan's principal economic asset is agriculture, which provides 60 percent of total production, most of its foreign exchange earnings, and (in a good year) a precarious self-sufficiency in food at a low standard of living for its large and growing population. It has a national income of less than $6 billion or about $70 per capita for a population of some 80 million. Pakistan is dependent on imports to satisfy nearly all its capital goods requirements and much of its fuel requirements. It imports a wide array of manufactured consumer goods and in most years has been a marginal importer of food grains. To pay for these items it depends primarily on foreign sales of cotton and jute, which provide 85 percent of Pakistan's export earnings. In recent years it has also relied on US development and emergency aid.

34. High export earning during the Korean war boom, coupled with good food harvests, encouraged the government to proceed with an ambitious development program. The subsequent sharp decline in world commodity prices for cotton and jute and the accompanying drop in export earnings led to severe strains on the economy. The difficulties were compounded by food deficits as a result of severe drought in 1952 and 1953 and widespread flood damage in the three following years. Inflation threatened political stability. In spite of these developments, Pakistan has made progress in certain fields of industrial development during the past five years through a sharp curtailment of consumer goods imports and the support of foreign assistance and external borrowing, about 95 percent of which has come from the US. Emergency US shipments of food and raw materials eased the critical shortages which had been developing, particularly in East Pakistan.

35. Within the last two years the situation has improved in certain respects. Since mid-1955 the downward trend in foreign exchange earnings was reversed and Pakistan's balance of payments on current account went from a
surplus of under $1.1 million in 1954–1955 to one of about $80.5 million in 1955–1956. The favorable turn in exports was due largely to substantially increased production of jute and to the improved competitive position of Pakistan's jute and cotton as a result of the devaluation of the Pakistan rupee on 1 August 1955. Export earnings were also increased by the growth of Pakistan's new textile and jute processing industries, which by late 1955 were not only largely meeting domestic demand but also producing surpluses in some categories for sale abroad. Despite the upward turn in foreign exchange earnings there has only in the last few months been any relaxation of the restrictive import policy maintained through the last four years. The expansion of domestic consumer good industries—particularly textiles and to a lesser extent sugar—has, however, reduced Pakistan's dependence on foreign sources of supply and thus relieved considerably the initial pressure on the economy resulting from the restriction of imports. For example, textiles, which averaged a quarter of total purchases abroad during the period 1949–1952, are now almost entirely supplied domestically.

36. Currently, Pakistan is meeting its essential import requirements as well as a good part of the imports which can be presently absorbed by its development program. In the 18 months ending June 1956, the new turn in Pakistan's foreign trade resulted in a balance-of-payments surplus, and in net addition to foreign exchange holdings of about $120 million. Delivered US economic aid in this period accounted for $120 million of the total imports. The equivalent of the US economic aid program during the past year has therefore gone to build up the foreign exchange reserves of the economy.

37. Total development expenditures in Pakistan during the five year period through FY 1956 amounted to about $1.4 billion, or about five percent of national income. Public development expenditures in Pakistan in this period were slightly over one billion dollars, rising from $125 million in FY 1952 to $244 million in FY 1955. In FY 1956 they fell

Pakistan's balance of payments position for 1954–1955 and its gold and foreign exchange holdings since 1951 are shown in the following tables:

**BALANCE OF PAYMENTS OF PAKISTAN**

(millions of dollars)*

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<th>1954</th>
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<td>Goods, services, and capital (total)</td>
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<td>Exports</td>
<td>347.0</td>
<td>402.8</td>
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<tr>
<td>Imports</td>
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<td>-364.7</td>
<td>-214.0</td>
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<td>Services (net)</td>
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<td>31.6</td>
<td>8.6</td>
<td>15.0</td>
</tr>
<tr>
<td>Errors and omission</td>
<td>-10.7</td>
<td>-8.7</td>
<td>-</td>
</tr>
<tr>
<td>US Government grants and loans</td>
<td>11.7</td>
<td>61.9</td>
<td>60.0</td>
</tr>
<tr>
<td>Change in foreign exchange holdings</td>
<td>-35.1</td>
<td>69.6</td>
<td>51.0</td>
</tr>
</tbody>
</table>

* Exchange rate conversion from rupees to dollars was accomplished by using $0.302 for 1954 through July 1955 and $0.210 for the last five months of 1955 and first half of 1956.


**GOLD AND FOREIGN EXCHANGE HOLDINGS OF PAKISTAN**

(millions of dollars as of end of period)

<table>
<thead>
<tr>
<th></th>
<th>1951</th>
<th>1952</th>
<th>1953</th>
<th>1954</th>
<th>1955</th>
<th>1st half 1956</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>447.5</td>
<td>183.0</td>
<td>208.3</td>
<td>173.2</td>
<td>242.8</td>
<td>293.8</td>
</tr>
</tbody>
</table>
slightly to about $220 million. These expenditures have been largely directed to industry, power, and transportation. Private investment in the five year period, estimated at roughly $430 million, was concentrated in the fields of textile manufacturing and urban housing.

38. Starting from a negligible base there has been rapid though somewhat unbalanced progress in the establishment of new industrial plants and the expansion of supporting power and transportation. In agriculture, while production of major commercial crops expanded, food grain production has made no appreciable progress and on a per capita basis has been declining since 1949. Despite this lag in food grain production, national income in this period has increased at an estimated average rate of between 2.5 and 3 percent per year and on a per capita basis between 1 and 1½ percent per year. Although capable of feeding itself in good crop years, Pakistan has experienced food shortages in six of the last nine years as a result of drought or flood. These shortages have resulted in local food crises, particularly in East Pakistan, because of poor marketing and storage facilities and inept administration.

39. The Pakistan government now has under consideration a draft Five Year Development Plan (1955–1960). The plan envisons total development expenditures (public and private) of over $2.4 billion, as compared to about $1.4 billion in the previous five years, almost 70 percent of which is to be provided by the government. The emphasis is on developing agriculture, power, and transport and on consolidating the gains already made in industry. The plan aims at raising national income by an average of four percent a year over the plan period. An important theme of the plan is an attempt to rectify the past neglected development of East Pakistan. Approximately 40 percent of planned government expenditures has been earmarked for East Pakistan, although it is recognized that the lower level of technical and administrative competence in the region will greatly inhibit its ability to utilize the full sum.

Probable Developments

40. The draft plan with some revision will probably be adopted by the government by the end of 1956 or early 1957. Although some projects included in the plan have already been initiated, progress on the implementation of the plan as a whole will involve major delays and difficulties. Some progress will have to be made in resolving current political and administrative problems within the government. Only then will the necessary lines of authority within the central government and between the central government and the provincial governments be sufficiently established to permit a faster implementation of the development program. Furthermore, as a result of the shift in emphasis to agricultural development, several years lead time will probably be required to train the necessary technical and administrative personnel.

41. In view of these delays Pakistan will fail to realize a substantial part of the plan goals by 1960. It is almost certain that administrative difficulties in implementing projects will prevent development expenditures from rising much above last year’s level in the next two years. This lag will be particularly pronounced in East Pakistan. Consequently the feeling in East Pakistan that it is not getting a “proper share” of development funds is likely to persist.

42. There probably will be an acceleration of development activities and expenditures in

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*The growth of industrial production in selected industries between 1951 and 1955 is shown in the following table:

<table>
<thead>
<tr>
<th>Industry</th>
<th>1951</th>
<th>1955</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cotton cloth (million yards)</td>
<td>127.7</td>
<td>453.2</td>
</tr>
<tr>
<td>Jute goods (thousand long tons)</td>
<td>1.4</td>
<td>61.2</td>
</tr>
<tr>
<td>Sugar (thousand long tons)</td>
<td>42.8</td>
<td>95.1</td>
</tr>
<tr>
<td>Cement (thousand long tons)</td>
<td>499.0</td>
<td>682.0</td>
</tr>
<tr>
<td>Electric power (million kilowatt hours)</td>
<td>225.1</td>
<td>607.3</td>
</tr>
<tr>
<td>Gasoline (refined from imported crude oil) (million imperial gallons)</td>
<td>11.1</td>
<td>19.4</td>
</tr>
<tr>
<td>Rubber tires and tubes (thousand units)</td>
<td>620.5</td>
<td>2,034.8</td>
</tr>
</tbody>
</table>

*There will be some adverse effects to the Pakistan economy as a result of the dislocations in international trade arising from the blocking of the Suez Canal. We cannot now estimate the extent of these adverse effects.
1959 and 1960. Some progress in the field of agriculture is likely, and therefore the declining trend in per capita food grain production which has characterized the period since 1949 will probably be arrested. Recurrent food shortages, however, will probably still result from floods and droughts. Moreover, localized food crises remain likely unless the government presses on with planned improvements in the storage and distribution of food grains. The degree of agricultural development in West Pakistan will depend upon the outcome of the present canal water dispute with India. Although optimum development of Pakistan's agricultural resources in the area is contingent on an early and favorable settlement of the dispute, significant agricultural progress could be made even without a settlement as long as India does not curtail the water supplies now available to Pakistan.

43. By 1960 the rate of growth of national income may approach a level somewhat over three percent a year. This should permit a slight improvement in consumption standards despite the rapid increase in population. Pakistan will still be facing formidable problems but a firmer foundation for further balanced economic growth will have been established.

44. Pakistan's present development plan is predicated on a continuation of substantial foreign aid over the entire plan period. The Pakistan government has estimated that the foreign exchange gap to be met through foreign aid totals $800 million for the implementation of the complete five year program. With Pakistan's foreign exchange earnings likely to hold up at approximately present levels and economic development expenditures likely to lag, Pakistan will probably require a lower annual level of economic assistance (exclusive of military aid) in FY 1957 and FY 1958 than was provided in FY 1956.10 However, in the period following 1958 the rising

10 US economic aid to Pakistan is summarized in the following tables:

**US ECONOMIC AID OBLIGATED TO PAKISTAN**

Fiscal Years 1952–1957

(millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>FY 1952</th>
<th>FY 1953</th>
<th>FY 1954</th>
<th>FY 1955</th>
<th>FY 1956</th>
<th>FY 1957</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSA Economic Assistance</td>
<td>10.0</td>
<td>10.8</td>
<td>22.7</td>
<td>71.8</td>
<td>107.7</td>
<td>88.0</td>
</tr>
<tr>
<td>Famine and other urgent relief</td>
<td>0.0</td>
<td>68.0</td>
<td>38.0</td>
<td>49.5</td>
<td>47.0</td>
<td></td>
</tr>
<tr>
<td><strong>Total Obligated</strong></td>
<td>10.0</td>
<td>78.8</td>
<td>22.7</td>
<td>109.8</td>
<td>157.2</td>
<td>135.0</td>
</tr>
</tbody>
</table>

a. PL 77  
b. PL 480  
c. as of 4 August 1956

**US ECONOMIC AID DELIVERED TO PAKISTAN**

1952–1956

(millions of dollars)

<table>
<thead>
<tr>
<th></th>
<th>1952</th>
<th>1953</th>
<th>1954</th>
<th>1st half 1955</th>
<th>2nd half 1955</th>
<th>1st half 1956</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSA Economic Assistance (grants and loans)</td>
<td>8.0</td>
<td>24.6</td>
<td>10.3</td>
<td>18.9</td>
<td>34.4</td>
<td>30.0</td>
</tr>
<tr>
<td>Famine and other urgent relief</td>
<td>0.0</td>
<td>66.5</td>
<td>1.4</td>
<td>7.8</td>
<td>30.0</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>8.0</td>
<td>91.1</td>
<td>11.7</td>
<td>21.0</td>
<td>42.2</td>
<td>60.0</td>
</tr>
</tbody>
</table>

a. Mostly PL 480 shipment
expenditures for the development program are likely to require a substantial increase in US aid. The need for economic assistance after FY 1958 will be further increased as a result of the increased recurring costs to Pakistan of the enlarged military establishment. The national income will not rise significantly during this period. It is likely, therefore, that the increasing requirements of the development and military programs will find Pakistan dependent on larger-scale economic assistance by FY 1960 than was granted by the US in FY 1956.

45. Over the last two years Pakistan’s trade with the Bloc has represented about nine percent of its exports but little more than one percent of its imports. Over 80 percent of this trade has been with Communist China (principally in cotton exports). Pakistan has indicated its willingness to increase imports from the Bloc in return for an expanded market for its exports by recently concluding, for the first time since 1952, trade agreements with the USSR, Poland, Czechoslovakia, and Hungary. While over the next few years trade with the European Bloc will probably expand somewhat, over-all trade with the Bloc will probably remain about the same or may even decline, since the estimated expansion of cotton production in China may reduce its need for Pakistani cotton. Only in the unlikely event of a sharp decline in free-world demand for Pakistan exports would the Soviet Bloc be in a position to move significantly into the Pakistan market. There have been no firm Soviet Bloc offers to help Pakistan with its development program. In any event, Pakistan is not likely to accept Bloc offers of aid on a scale which might in the government’s opinion jeopardize economic and military assistance from the US.

III. MILITARY

46. The Pakistan government continues to place heavy emphasis on maintaining and improving its armed forces, primarily to attain a strong military posture vis-a-vis India and to secure the Afghan border. In recent years, the military establishment has also been important as a pillar of state power and prestige and as an instrument of internal control. Pakistan has participated in SEATO and the Baghdad Pact with the primary objective, from a military standpoint, of acquiring increased military aid and strengthening its position vis-a-vis India and to a lesser extent Afghanistan. Pakistan entered an MDAP agreement with the United States in May 1954 under which it is receiving substantial quantities of military end items and direct forces support. However, Pakistan itself has also continued to spend heavily on the military establishment. Defense expenditures for 1956–1957 are estimated at about $200 million, or about one-third of the total national budget. These expenditures constitute an unusually heavy drain on current revenues, consuming approximately two-thirds of these funds in the 1956–1957 budget.

47. Pakistan’s regular military establishment (exclusive of Azad Kashmir and quasi-military security forces) consists of approximately 180,000 men. The dominant service is the Army, whose major units currently comprise six infantry divisions; an armored division still in the formative stage; an infantry brigade group; two separate infantry brigades; and an antiaircraft brigade. Almost all of those units are understrength and only partly equipped. Army strength probably is slightly in excess of 161,000, estimated as of 30 June 1956. The Army is supplemented by and controls a 20,000-man Azad-Kashmir State Force, raised and stationed in Pakistan-controlled portions of Kashmir. Quasi-military security forces totalling some 53,000 also augment Army strength in an emergency. The Navy, with a personnel strength of 6,100, has four destroyers, two patrol escorts, and five minesweepers. The Air Force of 12,500 men has a total of 350 aircraft, of which, however, only 75 (about half fighters or fighter-bombers) are in operational units. F-86F’s are now being introduced into operational units.

48. Pakistan’s armed forces, which are outgrowths of the military establishment of form-

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11 This figure excludes civilian employees, which total: Army, 23,500; Navy, 700; and Air Force, 8,000.
er British India, have good leadership and training standards and excellent discipline and morale. All personnel except doctors are volunteers, many coming from families in which military service is traditional, and high professional standards have been maintained in the officer corps. However, the dearth of technicians and the low literacy rate of the population create continuing operating and maintenance problems.

49. The US military assistance program for the Pakistan Army aims at streamlining, equipping, and filling out with manpower four of the existing six infantry divisions and increasing armored strength from one brigade to one and a half divisions. Two corps headquarters and units of supporting corps troops would also be established to take over administrative and operational command functions which are now performed by GHQ, thus assuring greater flexibility and efficiency. Under the existing program, these goals probably will not be attained before 1960. Provision is also made for a modest program of spare parts replacement, training ammunition, and a war reserve. Materiel shipments to date have been concentrated mainly on alleviating critical deficiencies in artillery, light armor, signal equipment, and motor transport. New T&OE's are being developed in order to improve the over-all efficiency of tactical units and to bring them in line with US counterparts. Selected Pakistan officers and enlisted men are being trained in US staff and branch schools and with US units in Europe. Some use is still being made of British advisers and training facilities. To date, the capabilities of the Pakistan Army have improved only slightly but the rate of improvement will increase as the program nears completion. Even when the present military assistance program is completed, however, the Army will still be handicapped by a critical shortage of motor transport, and by 1960 will face the need of a major replacement of tanks.

50. The Navy, most of whose present vessels are obsolescent, is scheduled to receive one light cruiser and four destroyers from the UK in the next year, as well as three additional minesweepers from the US under the military assistance program. In addition, three of Pakistan's present destroyers are to undergo conversion and modernization under the program, which will improve Pakistan's capability for defense of Karachi and lines of communication in the Arabian Sea. Over-all effectiveness is low, but is slowly improving.

51. The Pakistan Air Force, though still weak, especially in jet aircraft, should improve considerably in the next few years. It has an excellent pilot training program, and is scheduled to receive 120 F-86F's by late 1957. When these aircraft have been received and necessary training carried out, the Pakistan Air Force should be able to give a good account of itself. Present weaknesses in airfields are also scheduled to be overcome before 1960 under the military assistance construction program.

52. Despite the improvements being effected in the Pakistan armed forces, their capabilities will remain limited. The military establishment as a whole faces tremendous logistical, security, and defense problems inherent in the geographical division of the nation into two parts separated by 1,000 miles of Indian territory. At the end of the present military aid program, Pakistan's capabilities will still be inferior to those of India in view of the latter's determined efforts to maintain its margin of superiority and in view of its stronger economy. With regard to Afghanistan, Pakistan will probably retain its military superiority and its ability to maintain security in the border area for a considerable time despite the flow of Soviet military aid into Afghanistan. However, Pakistan can be expected to press for increased US military assistance to offset possible Afghan gains. Since it is primarily concerned with its defenses against India, Pakistan has demonstrated no firm interest in sending in an emergency more than a token force to the defense of the SEATO and Baghdad Pact countries. Pakistani commitments to regional defense arrangements would depend heavily upon US military assistance and the development of armed forces considerably in excess of those presently planned.
53. Pakistan's ability to achieve and maintain a strong military posture will continue to depend on large scale foreign military and budgetary assistance not only up through the completion of the present military aid program but also for many years thereafter. Pakistan will remain dependent on outside sources of supply for most items of equipment. Recurring costs of maintaining the re-equipped and expanded armed forces at the levels called for by the present aid program will be substantially greater than they now are.

54. Although General Ayub will seek to preserve the integrity of the armed forces as a professional body removed from politics and to keep his own involvement in political matters to a minimum, he will almost certainly continue to regard the military establishment as the mainstay of the state, not only against external attack but also against threats of internal disintegration. With Mirza's support, Ayub will almost certainly put up vigorous opposition to a repetition of past efforts by Chaudri Mohammad Ali, Suhrawardy, and others to make substantial reductions in the military budget; he will also resist any shift in foreign policy which might jeopardize US military assistance.

IV. FOREIGN AFFAIRS

55. After entering into a US military aid agreement in May 1954, Pakistan pursued a pro-Western and in particular pro-US policy. It joined with Turkey in the initial moves leading to the formation of the Baghdad Pact grouping, which it joined in the fall of 1955, and is also a member of the Southeast Asia Treaty Organization, to which it played host in March 1956. Pakistan was actively associated with the pro-Western group at the Bandung Afro-Asian Conference in April 1955, and its leaders have on numerous other occasions reaffirmed their opposition to Communism and their rejection of neutralism. Pakistan is a member of the Commonwealth.

56. Within the last year and a half, however, Pakistani enthusiasm for the present pro-Western policy has cooled. Early disappointments over the size and timing of US military aid shipments, coupled with increased skepticism about US willingness to give active support to the Baghdad Pact organization, have led to some disenchantment. Having adopted a pro-US policy in the hope of achieving additional prestige and more favored Western treatment vis-a-vis India and Afghanistan, the Pakistanis have been disappointed to find that while their acceptance of military ties with the West has provided India with a new excuse for its intransigence on Kashmir, it has not produced any compensating increase in support for Pakistan from the US and the other members of SEATO or the Baghdad Pact. They are also resentful of the fact that India's neutralism has not impeded its continued receipt of large-scale economic aid from the US.

57. Skillful Soviet use of carrot-and-stick tactics — on the one hand supporting India and Afghanistan in their controversies with Pakistan, and on the other discreetly hinting that Pakistan might be eligible for special favors if it were not linked with the West — have stimulated second thoughts about Pakistan's present policy. Finally, all of these factors have underlined the lack of real support for the government's pro-Western policy. As in other Arab-Asian countries, much of the press and articulate public has from the outset been strongly influenced against a pro-Western policy by anticolonialist suspicions of the West, a sense of loyalty to other Islamic and Asian countries, a preoccupation with national independence and equality, and a desire to remain aloof from the struggle between the West and the USSR.

Relations with the West

58. President Mirza, General Ayub, and certain other key members of the administrative hierarchy are predisposed toward the West by both inclination and self-interest and will almost certainly seek to maintain Western ties. Prime Minister Suhrawardy may be somewhat more responsive to popular neutralist sentiment, but he is unlikely to press for any drastic reorientation of Pakistan's foreign policy. Almost all of its leaders rec-
ognize Pakistan's continuing dependence on Western economic and military aid. Most of them probably also appreciate that Pakistan as a neutral would probably be at even greater disadvantage vis-a-vis India in attempting to compete for world attention and support.

59. Nevertheless, Pakistan will almost certainly give less support to the West than in the past. Its leaders are increasingly impelled to de-emphasize their ties with the West, including the US, by their growing recognition of the limits on Western willingness and ability to aid Pakistan and by the need to deal with vocal popular and political sentiment — to some extent shared by Suhrawardy and other members of the government — for a demonstrably more independent stand.

60. These tendencies have been greatly increased by the Anglo-French military intervention in Egypt, which has severely strained Pakistan's Commonwealth tie and has complicated relations with the Baghdad Pact. The strong pro-Egyptian, anticolonial popular reaction common to most Asian nations in this crisis has been intensified in Pakistan by the religious factor — the Pakistanis' emotional identification with their Moslem "brothers" in Egypt. Despite the strain placed on Pakistan's relations with the UK by the crisis arising out of the Anglo-French intervention in Egypt, we believe it unlikely that the Pakistan government presently plans to leave the Commonwealth, the Baghdad Pact, or SEATO. However, it is still possible that the crisis may develop so as to cause Pakistan's withdrawal from the Commonwealth and these organizations.

Relations with the Bloc

61. Although Pakistan's ties with the West will probably continue to place important limitations on Pakistani relations with the Bloc, the Karachi government already has a variety of contacts with the Communist countries and is likely to become more receptive to Communist offers of trade and friendship as time goes on.12 This tendency would be intensified

12 See paragraph 45 above for discussion of economic relations with the Bloc.

should Mirza's control of the government be weakened.

62. Pakistan has thus far treated Soviet diplomatic overtures somewhat gingerly. However, it welcomed Mikoyan's presence at the Independence Day ceremonies in March 1956, and later sent a parliamentary delegation to the USSR, partly in the hope that Moscow might be induced to change its mind on Kashmir once it heard Pakistan's side of the case and partly in order to demonstrate that its commitments to the West did not restrict its independence. Relations have gone further with Communist China, with which a number of reciprocal visits by various kinds of delegations have been arranged since the Bandung Conference. In October 1956 Prime Minister Suhrawardy honored a twice-postponed commitment by his predecessor to visit Communist China, and Chou En-lai is scheduled to visit Pakistan in December. The Pakistanis are especially interested in developing relations with Communist China because of the latter's role as a rival of India for leadership in Asia. Various of them also hope that Pakistan might at least in part supplant India as a channel between Communist China and the West. While Pakistan will probably continue for the immediate future to cooperate with US efforts to bar Communist China from the UN, it will be increasingly difficult to hold in line as time goes on.

Relations with India and Afghanistan

63. Pakistan's relations with India will almost certainly continue to be a source of frustration to the Pakistanis, thus contributing to internal dissatisfaction and to Pakistani misgivings about relations with the West. In the wake of Pakistan's military aid deal with the US in 1954 and the backing given India by Bulganin and Khrushchev during their visit to India in December 1955, the latter's attitude on the all-important Kashmir issue became more forthright. A number of border incidents took place which India exploited (if it did not actually instigate) as indications of an increased military threat from Pakistan. When the latter sought to regain the initiative by getting the SEATO council to endorse
settlement of the dispute by plebiscite or negotiation, Nehru retaliated with a blunt statement in effect repudiating India's prior commitments to a plebiscite on the ground that circumstances had changed as a result of Pakistan's membership in the Baghdad Pact and SEATO. Pakistan's plans to reintroduce the matter at the UN are likely to result only in further exacerbation of Indo-Pakistan relations, and in further demonstration of Western unwillingness to take effective action against India and of Pakistan's impotence. There is little likelihood that any solution of the Kashmir issue satisfactory to Pakistan will emerge in the foreseeable future. Moreover, the canal waters discussions being conducted by the International Bank for Reconstruction and Development are still stalled, and various lesser disputes between the two parties continue. However, war between the two countries remains highly unlikely.

64. Pakistan's relations with its smaller neighbor, Afghanistan, have also been highly unsatisfactory. In the spring of 1955 Pakistan attempted to discipline Afghanistan for continued agitation of the Pushtunistan issue and for other affronts by imposing a de facto embargo on the approximately three-fourths of Afghan foreign trade which hitherto had passed through Pakistan. However, Afghanistan promptly turned to alternate supply routes through the USSR and, with the Bulganin-Khrushchev visit of December 1955 and the acceptance of heavy Bloc credits, in effect accepted the USSR as a protector. In recent months there have been moves by both sides toward a rapprochement, culminating in a visit by Mirza to Kabul in August 1956. There now appears to be some chance that Afghanistan would be willing to reinsure itself against overdependence on the Bloc by building up trade and transit facilities with Pakistan, particularly if necessary construction were financed by the US. Mirza is also hopeful that some way can be found for persuading the Afghans to moderate their attitude on the Pushtunistan question.

Pakistan as an Ally

65. Pakistan will almost certainly wish to maintain close ties with the US and to continue the US military aid program. However, the present Middle East crisis has caused many Pakistanis to question the desirability of continued formal association with the West through SEATO and the Baghdad Pact and in fact has made it uncertain whether the latter grouping can continue in its present form. At best, it appears likely that Pakistan will continue to regard SEATO as a purely nominal organization, and will take a less active interest in Baghdad Pact matters, at least in the absence of US adherence and greatly increased US support. It will almost certainly remain unwilling to commit more than token Pakistani military forces for use under these treaties outside Pakistan. In view of the present precarious domestic political situation and the increased strength of neutralist elements in Pakistan, it would probably be unwilling to grant military bases to the US in peacetime.

66. Greater US political support and substantially increased economic aid, which were clearly tied to the SEATO or the Baghdad Pact, would probably encourage greater governmental interest in regional defense activities. Such support and aid would also give the present regime a talking point in defending its pro-Western policies before public opinion. However, unless US political support included strong backing on the Kashmir issue, it would be unlikely to counter effectively current popular neutralist pressures. A sharp reduction in US aid, on the other hand, would probably accelerate the drift away from the West since it would strike at the prestige of the military and civilian leaders who have advocated a pro-Western policy. Even if US
aid were sharply reduced, however, most Pakistani leaders would probably wish to maintain connections with the West at least as counterweights against India and as a means of increasing Pakistan's bargaining power vis-a-vis the Bloc.
APPENDIX

SUMMARY CONCLUSIONS

A. Over the next few years, Pakistan will remain politically unstable. However, President Mirza will probably continue to exercise the dominant influence in government. The present Mirza-Suhrawardy coalition government will probably continue at least for the next six months and possibly past the next general election.

B. Pakistan will probably require a lower annual level of economic assistance (exclusive of military aid) in FY 1957 and 1958 than was provided by the US in FY 1956. However, thereafter it will probably require a substantial increase and by FY 1960 be dependent on larger scale assistance than was granted in FY 1956.

C. Pakistan will require continuing US materiel and direct forces support through the expected completion of the present military aid program about 1959 and probably for an indeterminate period thereafter.

D. Pakistan will almost certainly fail to realize a substantial part of the planned development goals by 1960 and, despite probable progress in raising food grain production levels, will probably remain subject to food shortages resulting from floods and droughts. By 1960 the annual rate of growth of the national income may exceed three percent.

E. Despite the strain placed on Pakistan's relations with the UK by the crisis arising out of the Anglo-French intervention in Egypt, we believe it unlikely that the Pakistan government presently plans to leave the Commonwealth, the Baghdad Pact, or SEATO. However, it is still possible that the crisis may develop so as to cause Pakistan's withdrawal from the Commonwealth and these organizations.

F. At best, the Pakistan government will be under increasing popular pressure to de-emphasize its ties with the West; it would probably be unwilling to grant military bases to the US in peacetime. It will probably be increasingly receptive to offers of trade and friendship by members of the Bloc. These trends would be accelerated if US aid were reduced.
POLITICAL ALIGNMENTS IN PAKISTAN
AS OF 6 NOVEMBER 1956

NATIONAL GOVERNMENT
PRESIDENT—ISKANDAR MIRZA
PRIME MINISTER—H. S. SUHRAWARDY
AWAMI LEAGUE REPUBLICAN
COALITION CABINET

VOTING STRENGTH IN
NATIONAL ASSEMBLY

AWAMI LEAGUE 16%
UNITED FRONT 19%
MUSLIM LEAGUE 15%
HINDUS AND INDEPENDENTS 15%
REPUBLICAN
PARTY 35%

80 SEATS
(none vacant)

WEST PAKISTAN
GOVERNOR MUSHTAQ GURMANI
CHIEF MINISTER—DR KHAN SAHIB
REPUBLICAN CABINET

VOTING STRENGTH IN
PROVINCIAL ASSEMBLY

MUSLIM LEAGUE 45%
REPUBLICAN PARTY 50%
OTHER 5%

310 SEATS
(5 vacant)

EAST PAKISTAN
GOVERNOR—FAZLUL HUQ
CHIEF MINISTER—ATAUR RAHMAN
AWAMI LEAGUE COALITION CABINET

VOTING STRENGTH IN
PROVINCIAL ASSEMBLY

AWAMI LEAGUE 22%
HINDU PARTIES 22%
OTHER 13%
UNITED FRONT 30-35%
REPUBLICAN
PARTY 30-35%

309 SEATS
(12 vacant)

*These alignments are approximate
at best and are subject to frequent,
often unpredictable changes.
POLITICAL PARTIES AND GROUPINGS IN PAKISTAN

Pakistan lacks a well-developed and stable party system. For the first few years of its existence, the Pakistani political scene was dominated by the Muslim League, which Mohammed Ali Jinnah had organized in preparation days as the vehicle for the advancement of Moslem interests. Other organized groups were small and often specialized in character; e. g., the various small groupings representing Hindu interests in East Pakistan. Over the course of time, other parties emerged, notably in East Pakistan, where the corrupt and inept Muslim League machine was soundly thrashed at the polls in March 1954. Although the successor parties have had some real grass roots support, they have remained loosely organized and unstable alliances of political leaders which have relied more on the depth of popular discontent than on the development of strong political organization to win support. The West Pakistan political organizations are for the most part factional groupings rather than real political parties in the Western sense.

Brief characterizations of the more important political parties and groupings in Pakistan follow.

Muslim League. For many years the government party — the Muslim League still contains a high proportion of Pakistan's old-line professional politicians. Suhrawardy is the first prime minister who has not been at least nominally a member of this party. Since its crushing defeat in the East Pakistan elections of 1954, the Muslim League has become little more than a West Pakistan party, though it has made some efforts to make a comeback in East Pakistan and holds 11 of the 303 seats in the provincial assembly. Drawn from and supported by locally entrenched conservative interests, its present leadership has frequently acted as spokesman for religious reactionary elements and will probably seek to capitalize on Moslem fanticism on future occasions. Principal leaders are Abdur Rab Nishtar, its president, and Mian Mumtaz Daultana.

Republican Party. Founded in early 1956 by West Pakistan Chief Minister Khan Sahib, with encouragement from provincial Governor Gurmani and President Mirza, to provide a label under which those willing to back these men against the Muslim League could be rallied. Mainly made up of Muslim League defectors and other provincial and central government legislators who for one reason or another were persuaded to support the Mirza faction, it thus far lacks any real program or organizational machinery.

United Front. A loose grouping of East Pakistan political elements which banded together under the leadership of the octogenarian Fazlul Huq, a chief minister of Bengal before partition, to oppose the Muslim League in the 1954 provincial elections. Since its overwhelming electoral victory, the magnitude of which reflected the breadth of opposition to the Muslim League rather than solid support for the United Front, it has had continuing difficulties owing to its administrative ineptitude and its lack of real cohesiveness: a notable defection was that of the Awami League. However, Huq (now provincial governor) and other leaders still have considerable popular appeal. The principal United Front Components at present are:

Krishak Sramik (Workers and Peasants) Party, Huq's own organization, and the largest element in the United Front, with about 70 seats in the provincial assembly.

Nizam-e-Islam Party, a reactionary group which vigorously opposed the creation of joint electorates in East Pakistan. Some members have defected from the United Front because of what they regarded as violation of Islamic principles.

Awami League. Led by H. S. Suhrawardy, a former chief minister of prepartition Ben-
gal and now prime minister of Pakistan, it has some branches in West Pakistan but is still primarily a Bengali party. Until its assumption of power in East Pakistan and Suhrwardy's elevation to the premiership in 1956, it had been perennially in opposition. The East Pakistan wing of the party, led by Maulana Bashani, contains a strong leftist element including some Communists.

**Hindu Parties.** The Hindu minority in East Pakistan is represented by three parties, the Congress Party, the Scheduled Castes Federation, and the United Progressive Party, with a combined representation in the provincial assembly of about 20 percent of the total. These parties, which stand together on most matters, are thus in a strategic position so long as the Moslem vote is divided. Their importance will probably decline with the adoption of joint electorates.

**Communist Front Parties.** With the Communist Party outlawed, the Ganatantri Dal has become a principal refuge for Communists in East Pakistan. The small Azad Pakistan Party of the wealthy publisher Mian Iftikharuddin is the only noteworthy front organization in West Pakistan.

**Jamaat-e-Islami,** the “mullah's party,” is more a pressure group than a political party. It has no representatives in either the provincial or central legislatures. However, it still exercises considerable political influence. Its aim is the creation of a “truly” Islamic state.

**Khudai Khidmatgar (the Red Shirts)** is an organization centered in the old North West Frontier Province which had long agitated for greater autonomy for that area. It is now banned. Its leader, Khan Abdul Ghaffar Khan, is the brother of West Pakistan Chief Minister Khan Sahib.