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EMBASSY OF THE
UNITED STATES OF AMERICA

Kabul, Afghanistan

August 12, 1971

Honorable Joseph J. Sisco
Assistant Secretary for Near Eastern
and South Asian Affairs
Department of State
Washington, D.C. 20520

Dear Joe:

I know how busy you are at this time, therefore I want to confine myself here to highlighting the present emergency in Afghanistan, our strategy regarding it, and explain to you our more long range objectives.

The Etemadi government began to totter in March and finally fell in April. The general economic stagnation was certainly one of the major reasons and on top of that the consequences of the second drought year became increasingly evident. The search for a new government and the parliamentary debate on the confidence motion proved long and the new government took office only on July 27.

In the meantime there was no authority capable of action. The increasingly bitter tone of the confidence debate did show growing public awareness of the country's plight but might also have induced the King to believe that facts were exaggerated for political reasons.

Meanwhile, when the first scattered reports of large-scale animal dying reached us we immediately sent out all available specialists to ascertain the facts. What they brought back was still not conclusive but convinced me that we were almost certainly facing a major catastrophe which, if not checked, was capable of undermining the stability of Afghanistan. With the lame-duck government incapable of action, there was only the road to the King. I chose an indirect one, through the King's energetic son-in-law (because an overt drive to the Palace might have been interpreted as an attempt to influence the formation of the government).

This was the turning point. The King was immediately informed and sent me a message the next day that he was ready for action. The same message reaching the government produced helicopters which,

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manned by Afghan, U.S. and U.N. personnel, made a rapid survey whose result showed clearly the extent of the catastrophe, especially the possibility that as many as 70% of the estimated 22 million sheep in the country might perish, and that famine might make its dread appearance.

As soon as the new Cabinet was confirmed, I had very frank meetings with both the King and the Prime Minister in which I pointed out the need for drastic action in both the psychological and actual realms. What followed then was a totally unprecedented (for Afghanistan) series of actions by the new government. Particularly notable were:

1. A frank government declaration of emergency and the decision to send a high level mission abroad;
2. Requesting and obtaining in record time a change in the Customs law to permit export of live animals;
3. Mobilization of the trucks of three ministries to collect cottonseed cakes and other by-products for distribution to flock owners as feed;
4. Freeing import of fertilizer by the private sector;
5. Streamlining and staffing of hitherto moribund High Economic Council;
6. Giving overall economic direction to Deputy Prime Minister Hamed and creating a task force for the coordination of all drought-connected problems under Minister without Portfolio Wakil;
7. Creating a Cabinet Secretariat under Minister without Portfolio Sirat to prepare the Cabinet agenda and avoid trivia so characteristic of previous Cabinet business.

Upon this remarkable record of the new government (after only two weeks in office) I felt justified to proclaim a state of emergency and proposed the steps enumerated in Kabul's 4851. All this was the result of Mission-wide team work in which the Department and AID can take great pride.

But what I am trying to do goes well beyond the present emergency. Economically and politically Afghanistan had gone steadily downhill. I have long been convinced that only a major crisis could shake

Afghanistan's ruler and government out of their paralysis, hopefully setting patterns for action which might last sufficiently long to become habit-forming. Also the penalties for inaction and lacking foresight would be drastically demonstrated.

Thus far, things have gone better than could be anticipated; the new government has not only been exceedingly active, beyond anything I have seen in 4-1/2 years here, but its actions have been methodical and steady. While some of the government measures listed above are of short term nature, others have more lasting implications.

Now comes the next step. The government has informed us of its intention to request from the creditor nations a short-term moratorium for the rest of the Afghan calendar year (which begins in March) to gain some fiscal room for maneuver, and is considering issuing a request for a more long-term rescheduling of debts. This second effort is likely to commence in October, if the RGA decides on that step.

If this is indeed to be done - and it would seem quite logical - then a very good case could be made for a consortium approach under World Bank leadership. Of course much would depend on the attitude of the USSR, the principal creditor (75% of current debt services). Of that we cannot be certain, of course, but high ranking Soviet diplomats here in Kabul have indicated very considerable receptivity and the Soviet Ambassador (presently on home leave) took the initiative to call on Mr. Horst Eschenburg of the World Bank for a detailed exchange of views.

If a consortium could be formed, then it would also be easier to get the World Bank directly involved in a revitalization and revised Afghan planning mechanism and this in turn could result in some necessary and stringent conditions imposed on Afghanistan by the Consortium to effect a better and more rational use of Afghan resources.

[call off]

We may not be able to reach off these objectives, but it is my sincere conviction that by helping Afghanistan substantially in this hour of crisis, we not only fulfill humanitarian considerations but, by our involvement, contribute in a major and direct way to Afghanistan's consolidation, stability and progress - the principal objectives of U.S. policy.

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I am looking forward to pursuing these thoughts with you later in the fall when I hope to be in Washington for consultations. By that time the picture should be much clearer.

With warm personal regards and best wishes.

Sincerely,



Robert G. Neumann
American Ambassador

Copy to:
Mr. Laingen, NEA/PAF
Mr. MacDonald, AID/MESA
Mr. McClure, AID/AG/OAS
Mr. Hardin, Secretary of Agriculture

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