

Message Text

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C O N F I D E N T I A L SECTION 1 OF 4 DACCA 7368

E.O. 12065 GDS 12/4/84 (BERGESEN, ALF E.) OR-M
TAGS: AMGT, OGEN, PEPR, XX, BG
SUBJ: US GOALS, OBJECTIVES AND RESOURCE MANAGEMENT (GORM)
FOR FY 81

REFS: A) CERP-0001; B) 77 DACCA A-009; C) STATE 287307;
D) 77 STATE 295482

1. FOLLOWING IS UPDATE OF MISSION'S GOALS AND OBJECTIVES
REQUESTED REFTEL C.

2. PART I: BASIC U.S. INTERESTS IN BANGLADESH.
THE TWO MAJOR U.S. INTERESTS IN BANGLADESH ARE CLOSELY
INTERRELATED; THEY ARE STABILITY AND DEVELOPMENT. IN REGARD
TO STABILITY, OUR EXPERIENCE IN THE BANGLADESH AREA AS WELL
AS SOUTH ASIA IN GENERAL HAS DEMONSTRATED THAT INSTABILITY
CAN LEAD TO CONFLICT BETWEEN REGIONAL POWERS, WHICH IN TURN
CAN INVOLVE GLOBAL POWERS AND HAZARD U.S. INTERESTS. IN
REGARD TO DEVELOPMENT, OUR INTEREST IS DERIVED FROM OUR
HUMANITARIAN CONCERN FOR THE POOR OF ONE OF THE WORLD'S
MOST POVERTY-STRICKEN NATIONS; FROM THE CONTRIBUTION OF
DEVELOPMENT TO STABILITY; AND FROM THE NEED TO HAVE PROGRAMS
IN BANGLADESH WHICH FULFILL OUR COMMITMENTS IN THE
NORTH/SOUTH DIALOGUE.

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THE UNITED STATES ALSO HAS AN IMPORTANT INTEREST
IN BANGLADESH'S MAINTAINING ITS INDEPENDENCE AND ITS
FREEDOM FROM THE PREDOMINANT INFLUENCE OF ANY GLOBAL
POWER. AS BANGLADESH ASSUMES A MORE ACTIVE ROLE IN
MULTILATERAL AFFAIRS, OUR INTEREST EXTENDS TO ITS
TAKING MODERATE AND CONSTRUCTIVE POSITIONS, DERIVED

FROM ITS DOMESTIC INTERESTS, ON ECONOMIC ISSUES AND POSITIONS WHICH EITHER CONTRIBUTE TO OR AT LEAST DO NOT UNDERMINE U.S. EFFORTS TO MODERATE THE CHANCES OF GLOBAL CONFLICT. FINALLY, THE U.S., AS A DEMOCRACY, HAS AN INTEREST IN THE SUCCESS OF BANGLADESH'S PLANS FOR REPRESENTATIVE GOVERNMENT, INCLUDING ITS RECOGNITION OF HUMAN RIGHTS AND HUMAN NEEDS.

3 . PART II. IMPLEMENTATION OF AGREED UPON GOALS AND OBJECTIVES.

A) FOOD PRODUCTION. SOME PROGRESS HAS BEEN MADE. IN FY 1977/78 FOODGRAIN HARVEST WAS THE HIGHEST IN BANGLADESH'S HISTORY. THE FY 1978/79 HARVEST IS EXPECTED TO BE ALMOST AS LARGE. THESE SUCCESSES ARE DUE IN PART TO (A) IMPLEMENTATION BY THE BDG OF A PRODUCTION INCENTIVE POLICY, PROPOSED BY USAID AND INCORPORATED IN A PL-480 AGREEMENT, AND (2) INCREASED USE OF FERTILIZER MADE POSSIBLE BY MAJOR IMPORTS FROM AID AND OTHER DONORS. TWO IMPORTANT POLICY CHANGES RESULTING FROM AID'S DIALOGUE WITH THE BDG MAY CONTRIBUTE TO FURTHER PROGRESS IN FOOD PRODUCTION IN THE FUTURE. THE FIRST, INCORPORATED IN A TITLE III PL-480 AGREEMENT, WAS THE ESTABLISHMENT OF A SYSTEM OF OPEN MARKET SALES OF FOODGRAINS DESIGNED TO REDUCE PRICES TO POOR CONSUMERS DURING THE LEAN SEASON AND MAKE IT EASIER FOR THE GOVERNMENT TO REDUCE SUBSIDIZED FOOD RATIONING. THE
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SECOND, INCORPORATED IN OUR FERTILIZER AGREEMENT, WAS THE INITIATION OF AN EXPERIMENT IN USING THE MARKET FOR THE DISTRIBUTION OF FERTILIZER DESIGNED TO ELIMINATE THE ABUSES OF GOVERNMENT DISTRIBUTION AND REACH THE SMALL FARMER. THUS FAR THERE HAS BEEN NO PROGRESS IN REDUCING SUBSIDIZED FOODGRAIN DISTRIBUTIONS THROUGH THE RATION SYSTEM, WHICH PLACE A HEAVY BURDEN ON THE BUDGET.

B) POPULATION CONTROL. PROGRESS IN IMPLEMENTING FAMILY PLANNING PROGRAMS HAS BEEN SLOW AND UNCERTAIN, NOTWITHSTANDING MAJOR ASSISTANCE BY THE U.S. AND OTHER DONORS. INADEQUATE ORGANIZATION AND MOTIVATION BY THE BDG, RATHER THAN A LACK OF RESOURCES, ARE THE MAJOR CONSTRAINTS.

C) RURAL DEVELOPMENT. INCREASED FOOD PRODUCTION IS BELIEVED TO HAVE IMPROVED RURAL WELFARE SLIGHTLY, BUT PROGRESS HAS BEEN SLOW IN EXPANDING EMPLOYMENT AND DEVELOPING RURAL INSTITUTIONS AND INFRASTRUCTURE. MOST USAID AND OTHER DONOR-FINANCED PROJECTS IN RURAL DEVELOPMENT ARE STILL IN THE FORMATIVE OR ORGANIZATIONAL

STAGES. AID'S RURAL ELECTRIFICATION PROGRAM HAS GOTTEN OFF TO A PROMISING START.

D) COORDINATION OF INTERNATIONAL FOOD AID. DURING THE PAST YEAR THERE HAS BEEN GREATER COOPERATION AND HARMONY AMONG THE DONORS IN FOOD POLICY. USAID, THE WORLD BANK AND THE IMF ARE NOW IN SUBSTANTIAL AGREEMENT ON MOST FOOD POLICY MATTERS, WHEREAS IN THE PAST THERE WERE SIGNIFICANT DIFFERENCES. THE NEW WORLD BANK RESIDENT REPRESENTATIVE IN DACCA HAS BEEN VERY HELPFUL IN STRENGTHENING CONSULTATIONS AND COORDINATION IN EVERY AREA AMONG MEMBERS OF THE BANGLADESH AID GROUP. THE ABSENCE OF PARTICIPATION IN THE AID GROUP BY THE OPEC DONORS, WHO NOW CONTRIBUTE A SIGNIFICANT SHARE OF ALL AID TO BANGLADESH, CONFIDENTIAL

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IS A PROBLEM.

E) EXAMINING WAYS TO AVOID WASTE AND INEFFICIENCY. IN RECENT MONTHS, THE MISSION HAS BECOME INCREASINGLY CONSCIOUS OF THE NEED FOR CAREFUL MONITORING OF USAID PROGRAMS TO INCREASE EFFICIENCY AND MINIMIZE CORRUPTION WHICH APPEARS TO BE A GROWING PROBLEM. USAID MONITORING HAS BEEN EFFECTIVE, AND THE BDG IS WELL AWARE THAT WE INSIST ON EFFECTIVE PERFORMANCE. ANY FUTURE EXPANSION OF AID PROGRAMS, OR A SHIFT IN EMPHASIS TO PROJECTS WHICH INVOLVE SUCH THINGS AS CONSTRUCTION, WILL REQUIRE ADDITIONAL U.S. STAFF TO MAINTAIN ADEQUATE MONITORING.

F) MINIMIZING SUPPORT FOR BILATERAL ASSISTANCE TO GOVERNMENT-OWNED INDUSTRIAL PROJECTS, INsofar AS CONSISTENT WITH OTHER U.S. OBJECTS. SUBSTANTIAL BILATERAL AID FROM THIRD COUNTRIES AND MULTILATERAL AID CONTINUES TO FLOW TO GOVERNMENT-OWNED INDUSTRIAL PROJECTS. THE POOR PERFORMANCE OF MANY OF THESE PROJECTS AND THE FINANCIAL BURDEN THEY IMPOSE ON THE ECONOMY SUGGESTS THAT THE U.S. SHOULD MAKE A MORE VIGOROUS EFFORT, IN DONOR FORA AND THROUGH OUT REPRESENTATIVES TO THE MULTILATERAL INSTITUTES, TO ENCOURAGE GREATER SUPPORT FOR THE PRIVATE SECTOR.

G) INCREASING U.S./BANGLADESH TRADE AND U.S. PRIVATE INVESTMENT. U.S. SUPPLIERS, CONSULTANTS AND CONTRACTORS ARE OBTAINING A SIGNIFICANT SHARE OF AID-FINANCED BUSINESS IN BANGLADESH IN AREAS WHERE THE U.S. IS COMPETITIVE. OPPORTUNITIES FOR U.S. EXPORTS FINANCED BY BANGLADESH'S OWN FOREIGN EXCHANGE REMAIN QUITE LIMITED. BY OBTAINING A SATISFACTORY SETTLEMENT IN OCTOBER OF CONFIDENTIAL

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1978 OF A LONG-STANDING CLAIM BY OPIC AGAINST THE BDG
WE HAVE IMPROVED SIGNIFICANTLY THE PROSPECTS FOR U.S. PRIVATE
INVESTMENT IN BANGLADESH. THIS SETTLEMENT ENABLES
OPIC TO RESUME ITS INSURANCE PROGRAM IN BANGLADESH UNDER
THE 1975 OPIC/BDG AGREEMENT. SEVERAL U.S. INVESTOR

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C O N F I D E N T I A L SECTION 2 OF 4 DACCA 7368

GROUPS ARE NOW DICUSSING SIGNIFICANT INVESTMENTS WITH
THE BDG.

II. REGIONAL STABILITY.

WE HAVE HAD PERHAPS MARGINAL INFLUENCE IN
ENCOURAGING BANGLADESH AND ITS NEIGHBORS TO RESOLVE
CERTAIN PROBLEMS, AND THEREBY TO ENHANCE REGIONAL
STABILITY. SUBSTANTIAL PROGRESS HAS BEEN MADE TOWARD
RESOLVING THE PROBLEMS OF THE 200,000 MUSLIM REFUGEES
FROM BURMA, WHOSE SUDDEN INFLUX INTO BANGLADESH IN THE
SPRING OF 1978 THREATENED TO STRAIN BANGLADESH-BURMA
RELATIONS SEVERELY. AS A RESULT OF FOREBEARANCE AND
FLEXIBILITY ON BOTH SIDES, MOST OF THE POLITICAL AND
TECHNICAL PROBLEMS RESULTING FROM THIS REFUGEE MOVE-
MENT HAVE BEEN RESOLVED, AND THE REFUGEES ARE NOW
RETURNING. THE UNITED STATES, BY URGING THE BURMESE
TO CONSIDER THE REFUGEE PROBLEM SYMPATHETICALLY,
CONTRIBUTED TO INTERNATIONAL PRESSURES WHICH AFFECTED
THE BURMESE POSITIN. OUR SUBSTANTIAL CONTRIBUTIONS

(LARGELY THROUGH THE WORLD FOOD PROGRAM) TO THE MAINTENANCE OF THE REFUGEES ALSO HELPED CREATE AN ATMOSPHERE CONDUCTIVE TO CALM AND REASONABLE RESOLUTION OF THE PROBLEM THROUGH NEGOTIATIONS.

ANOTHER ENCOURAGING DEVELOPMENT WAS THE CONCLUSION
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OF THREE BILATERAL AGREEMENTS BETWEEN BANGLADESH, NEPAL AND INDIA TO ENABLE NEPAL TO CONDUCT PART OF ITS TRANSIT TRADE VIA BANGLADESH. WHILE PRACTICAL RESULTS FROM THESE AGREEMENTS ARE UNLIKELY TO BE SIGNIFICANT FOR SOME TIME, THEIR CONCLUSION REQUIRED FLEXIBILITY ON ALL SIDES, AND DEMONSTRATED THE DISPOSITION OF ALL PARTIES TO REACH AGREEMENT THROUGH COMPROMISE.

THE MOST IMPORTANT REGIONAL COMPLEX OF PROBLEMS, INVOLVING BANGLADESH, INDIA AND NEPAL, REMAINS THE EASTERN WATERS. TO DATE, THERE HAS BEEN LITTLE PROGRESS IN MOVING BEYOND THE INTERIM GANGES AGREEMENT TOWARD BROADER, LONGER-TERM SOLUTIONS. THE NUMBER 1978 MEETING OF THE JOINT RIVERS COMMISSION (PREMATURELY ADJOURNED DUE TO DOMESTIC POLITICAL DEVELOPMENTS IN INDIA), HOWEVER, WAS AT LEAST CHARACTERIZED BY A SOMEWHAT MORE COOPERATIVE ATMOSPHERE. THE U.S. APPROACH OF LEAVING POLITICAL NEGOTIATIONS STRICTLY TO THE PARTIES THEMSELVES WHILE MAKING KNOWN OUR WILLINGNESS TO HELP IN TECHNICAL ASPECTS STILL SEEMS BEST ADAPTED TO ENCOURAGING THIS NEGOTIATING PROCESS.

THE OTHER UNSETTLED REGIONAL PROBLEM IS THE DELINEATION OF THE MARITIME BOUNDARY BETWEEN BANGLADESH AND INDIA. THERE HAS, HOWEVER, BEEN INFORMAL AGREEMENT TO POSTPONE RESOLUTION OF THIS ISSUE UNTIL AFTER THE LOS CONFERENCE, AND IT IS NOT CURRENTLY A SIGNIFICANT IRRITANT. INDIA CONTINUES TO REFRAIN FROM SUPPORTING BANGLADESH OPPOSITION ELEMENTS IN INDIA, ALTHOUGH THE PRESENCE OF THESE ELEMENTS IN NEIGHBORING REGIONS OF INDIA MAKES THE BDG UNEASY.

PROGRESS HAS THUS CONTINUED IN THE LONG-TERM PROCESS OF BUILDING REGIONAL STABILITY AND COOPERATION. THERE IS
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GENERALLY LITTLE OPEN AND DIRECT ACTIVITY THE UNITED STATES CAN UNDERTAKE TO PROJECT THIS PROCESS. AS IN THE CASE OF THE BURMESE REFUGEES, HOWEVER, WE HAVE OCCASIONALLY BEEN ABLE TO TAKE MEASURES WHICH FACILITATE THE PROCESS,

AND WE SHOULD CONTINUE TO LOOK FOR UNOBTRUSIVE WAYS OF DOING SO.

III. DOMESTIC STABILITY.

ALTHOUGH BANGLADESH REMAINS A FRAGILE POLITY FACED WITH IMMENSE PROBLEMS, PROGRESS TOWARD RESORTING REPRESENTATIVE GOVERNMENT HAS TO DATE BEEN GOOD. POPULAR CONFIRMATION OF ZIA'S PRESIDENCY IN A CONTESTED AND GENERALLY FAIR ELECTION LAST JUNE WAS AN IMPORTANT FIRST STEP. MOVEMENT TOWARD THE PARLIAMENTARY ELECTIONS SCHEDULED FOR JANUARY 27 HAS SO FAR PROCEEDED WITHOUT MAJOR DIFFICULTIES. WHILE THE OUTLINES OF THE FUTURE PARLIAMENT AND ITS RELATIONSHIP TO THE PRESIDENT ARE NOT YET ENTIRELY CLEAR, THE BDG IS TRYING TO DEVELOP A POLITICAL SYSTEM WHICH WILL COMBINE PARLIAMENTARY DEMOCRACY WITH THE STABILITY OF A PRESIDENTIAL SYSTEM. WHILE MANY POSSIBLE PITFALLS LIE AHEAD, DEVELOPMENTS SO FAR HAVE BEEN ENCOURAGING.

U.S. POSITIONS ON HUMAN RIGHTS AND, IN PARTICULAR, ON THE RIGHT OF POLITICAL PARTICIPATION, AND OUR INTERRELATING AID PROGRAMS AND AID RECIPIENTS' RECORD ON HUMAN RIGHTS, HAVE HAD A DEFINITE INFLUENCE ON THE BDG'S PLANS FOR REPRESENTATIVE GOVERNMENT. AT THE SAME TIME, WE HAVE AVOIDED DIRECT INVOLVEMENT IN A WAY WHICH WOULD SUGGEST ANY PARTICULAR U.S. POLITICAL INTERESTS IN BANGLADESH OR WHICH APPEAR TO URGE ANY PARTICULAR CONSTITUTIONAL SYSTEM. OUR ECONOMIC ASSISTANCE, BY DISASTER SITUATIONS CONTINUES, WE BELIEVE, TO CONTRIBUTE TO DOMESTIC STABILITY -- AND HENCE TO THE PROCESS OF RESTORATION OF REPRESENTATIVE GOVERNMENT.

IV. RELATIONSHIPS BETWEEN AMERICANS AND BANGLADESHIS.
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THE MISSION HAS CONTINUED TO MAINTAIN CONTACTS WITH BANGLADESHIS IN ALL MAJOR ELEMENTS OF THE BDG. AS THE TREND TOWARD REPRESENTATIVE GOVERNMENT PROGRESSES, MISSION OFFICERS ARE WORKING TO EXPAND CONTACTS WITH THOSE ELEMENTS OF THE GOVERNMENT TAKING ON RENEWED IMPORTANCE AND WITH NEWLY-BORN AND RENASCENT POLITICAL PARTIES.

IN THE FIELD OF EDUCATIONAL AND CULTURAL EXCHANGE, THE MISSION HAS MADE A SMALL BUT IMPORTANT BEGINNING IN ITS EFFORTS TO BECOME INVOLVED ONCE AGAIN IN ACADEMIC TRAINING. FOR FY-78 THE POST WAS GIVEN FIVE ONE-YEAR GRANTS FOR ACADEMIC STUDY IN THE U.S., PLUS TWO TRAVEL-ONLY GRANTS. TWO OF THE STUDY GRANTS WERE GIVEN TO PROFESSORS TO STUDY AMERICAN HISTORY. ONE OF THE TRAVEL-ONLY GRANTS WAS GIVEN TO AN ASSISTANT PROFESSOR OF JOURNALISM TO ALLOW HIM TO TAKE ADVANTAGE OF A TWO-YEAR

SCHOLARSHIP TO STUDY JOURNALISM AND MASS COMMUNICATION IN THE U.S. THE OTHER GRANTS WERE GIVEN TO BDG CIVIL SERVANTS, INCLUDING ONE TO A YOUNG DIPLOMAT OF THE MFA, TO CARRY ON GRADUATE STUDIES IN SUCH AREAS AS INTERNATIONAL RELATIONS, DEVELOPMENT ECONOMICS AND PHYSICS.

ICA HAS BEEN ALLOTTED THE SAME NUMBER OF GRANTS (FIVE FOR ONE YEAR OF STUDY, TWO FOR TRAVEL-ONLY) FOR FY-79. THREE OTHER ACADEMIC EXCHANGE PROPOSALS ARE STILL UNDER CONSIDERATION IN WASHINGTON, WHICH WOULD ESTABLISH PRIVATE LINKS AND EXCHANGES BETWEEN U.S. AND BANGLADESH UNIVERSITIES AND PROVIDE FOR TEACHING AND RESEARCH VISITS TO BANGLADESH BY U.S. PROFESSORS.

THE U.S. PROGRAM, HOWEVER, IS STILL SMALL IN RELATION TO THE NEED AND IN COMPARISON TO THE ACTIVITIES OF THE
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SOVIET UNION IN PARTICULAR, AND WE REMAIN FAR FROM ACHIEVING THE OBJECTIVE OF REGAINING THE POSITION OF THE UNITED STATES AS THE TRAINING GROUND OF A LARGE NUMBER OF PROFESSORS AT BANGLADESHI UNIVERSITIES. FOR THE REASONS CITED IN REF B, WE CONTINUE TO URGE FURTHER

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CORRECTED COPY (TEXT PARA V)

E.O. 12065: GDS 12/4/84 (BERGESEN, ALF E.) OR-M
TAGS: AMGT OGEN PEPR XX BG
SUBJECT: US GOALS, OBJECTIVES AND RESOURCE MANAGEMENT (GORM)
FOR FY 81

REFS: A. CERP-0001; B. 77 DACCA A-009; C. STATE 287307;
D. 77 STATE 295482

EXPANSION OF THE EXUCATION AND CULTURAL EXCHANGE PROGRAM.

USAID'S PARTICIPANT TRAINING PROGRAM ACCOMPLISHES
SOME OF THE SAME OBJECTIVES AS ICA'S EXCHANGE PROGRAM.
DURING FY-78, 71 USAID PARTICIPANTS RETURNED FROM
TRAINING IN THE U.S. (40 MORE RETURNED FROM THIRD
COUNTRY TRAINING), AND A SIMILAR NUMBER ARE EXPECTED TO
RETURN FROM THE U.S. IN FY-79.

THE IMET PROGRAM CONTINUES TO BE EXTRAORDINARILY
WELL RECEIVED BY SENIOR OFFICIERS OF BDG MILITARY AND
DEMAND CONTINUES WELL ABOVE THE NUMBER OF SPACES AVAILABLE.
THE OBJECTIVE INITIALLY SET FOR FY-78, TO SEND 23 MILITARY
STUDENTS TO THE U.S. FOR TRAINING, HAS BEEN SUCCESSFULLY
MET. WE CONTINUE TO BELIEVE THAT THIS IS AN AREA WHERE
MORE, RATHER THAN LESS, OF OUR ASSETS SHOULD BE USED. THE
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REPORTED 44 PERCENT CUT IN THE FY-79 IMET PROGRAM FROM \$250
TO \$140 THOUSAND WILL UNDERMINE OUR EFFORTS TO BUILD
RELATIONSHIPS WITH THE BANGLADESH MILITARY SERVICES, WHICH
WILL CONTUNUE TO PLAY AN INFLUENTIAL ROLE IN THE GOVERNMENT
OF BANGLADESH.

V. HUMAN RIGHTS.

THE GRADUAL IMPROVEMENT IN THE HUMAN RIGHTS SITUATION
WHICH HAS BEEN TAKING PLACE FOR SOME TIME HAS ACCELERATED
RECENTLY. BDG HAS RELEASED SERVERAL HUNDRED POLITICAL
DETAINEES DURING 1978, BRINGING THE NUMBER OF
REMAINING POLITICAL DETAINEES DOWN TO BETWEEN 600
AND 700 (FROM A HIGH POINT OF OVER 10,000). BDG
TOOK AN IMPORTANT STEP ON NOVEMBER 18 WHEN IT REPEALED
THE POLTICAL PARTIES REGULATION, WHICH HAD ENABLED
THE BDG TO CONTROL THE NUMBER AND ACTIVITIES OF
POLITICAL PARTIES; THIS ACTION HAD THE EFFECT OF ENDING
ALL REMAINING BANS ON POLITICAL PARTIES AND LIFTING
VIRTUALLY ALL RESTRICTIONS ON POLITICAL ACTIVITIES.
FURTHER IMPROVEMENTS ARE ON THE HORIZON. BDG ANNOUNCED
THAT MARTIAL LAW WILL BE LIFTED IMMEDIATELY
AFTER PARLIAMENTARY ELECTIONS ARE HELD JANUARY 27, AN
ACTION WHICH WILL RESTORE THE BROAD RANGE OF HUMAN
RIGHTS GUARANTEED BY THE BANGLADESH CONSTITUTION.
LIFTING OF MARTIAL LAW WILL ALSO BRING AN END TO MARTIAL

LAWCOURTS, THE EXISTENCE OF WHICH HAS AROUSED PARTICULAR HUMAN RIGHTS CONCERN. IN ADDITION, THE GOVERNMENT HAS PROMISED AMENDMENTS TO THE CONSTITUTION WHICH WOULD REMOVE UNDEMOCRATIC FEATURES (E.G. ONE PARTY RULE) INTRODUCED BY SHEIKH MUJIB. THE PRESS, WHILE EXERCISING SOME SELF-RESTRAINT, IS BECOMING INCREASINGLY INDEPENDENT, WITH FREQUENT ARTICLES AND EDITORIALS CRITICAL OF GOVERNMENT POLICIES.

BDG AWARENESS OF USG CONCERN OVER THE HUMAN RIGHTS
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SITUATION IN BANGLADESH HAS BEEN AN IMPORTANT FACTOR IN THE CONTINUING IMPROVEMENT IN THIS FIELD. WE SHOULD CONTINUE OUR EFFORTS TO MAKE KNOWN OUR POLICIES ON HUMAN RIGHTS AND GIVE RECOGNITION TO BANGLADESH ACHIEVEMENTS. OUR AID AND PL-480 PROGRAM HAVE BEEN DESIGNED TO MEET THE BASIC HUMAN NEEDS OF THE RURAL POOR OF BANGLADESH. OUR EXPERIENCE INDICATES, HOWEVER, THAT WE SHOULD EXPECT ONLY A GRADUAL EVOLUTION TOWARD A MORE EQUITABLE RURAL SOCIETY. CANDIDATES FOR ELECTION IN BANGLADESH'S NEW REPRESENTATIVE INSTITUTIONS MUST SEEK SUPPORT THROUGH THE EXISTING RURAL POWER STRUCTURE AND CHANGE IN THAT STRUCTURE WILL PROBABLY COME ABOUT ONLY AS THE VOTERS LEARN MORE ABOUT WHAT THEY CAN DO THROUGH ELECTIONS TO BRING ABOUT GREATER EQUITY. IN THE MEANTIME IT WILL TAKE INGENUITY TO ASSURE THAT AID PROGRAMS ARE OF DIRECT BENEFIT TO THE POOREST PEOPLE.

VI. BILATERAL COOPERATION IN GLOBAL ISSUES.

WE HAVE INTENSIFIED OUR DIALOGUE WITH RELEVANT BDG MINISTRIES ON MULTILATERAL ISSUES OF IMPORTANCE, PARTICULARLY DURING THE 1978 UNGA AND RECENT UNESCO GENERAL COUNCIL. THE BASIC PROBLEM IS THAT WHILE SENIOR OFFICIALS OF MFA AND OTHER MINISTRIES ARE GENERALLY MODERATE IN THEIR VIEWS, THESE VIEWS ARE NOT ALWAYS REFLECTED IN BDG POLICY WHICH IDENTIFIES WITH G-77 VIEWS AND EMPHASIZES SOLIDARITY WITH THE ARAB CAUSE. ALSO THE BDG GIVES GREAT DISCRETION TO ITS REPRESENTATIVES IN INTERNATIONAL FORA AND THEY TEND TO BE MORE AMENABLE TO PRESSURES FROM THE 77, THE NONALIGNED AND THE ARABS THAN OFFICIALS IN DACCA, PARTICULARLY THOSE IN FUNCTIONAL MINISTRIES. WE SHOULD NOT OVERESTIMATE OUR LEVERAGE FROM AID OR OUR ABILITY OTHERWISE TO PERSUADE BDG TO FOLLOW A MODERATE COURSE. NEVERTHELESS, THERE HAVE BEEN SOME SIGNS THIS YEAR OF BDG RECEPTIVENESS TO OUR APPROACHES AND WILLINGNESS TO PLAY A MODERATING ROLE IN MULTILATERAL ISSUES OF PARTICULAR IMPORTANCE TO THE U.S. BDG, BY ENTERING A RESERVATION, WAS HELPFUL IN MODERATING NAM TREATMENT OF THE PUERTO RICO
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ISSUE EARLIER THIS YEAR, AND MORE RECENTLY, IN A DEPARATRUE FROM ITS NORMAL POLICY OF SUPPORTING THE PLO, REFUSED TO CO-SPONSOR AN UNGA RESOLUTION ON UNDP ASSISTANCE TO PALESTINIANS WHICH WAS PARTICULARLY OFFENSIVE TO U.S. IN ADDITION, BDG HAS RECENTLY INDICATED INFORMALLY THAT IT PLANS TO ADHERE TO THE BONN ANTI-HIGHJACKING DELARATION, FOLLOWING REPRESENTATIONS BY BONN SUMMIT POWERS.

VII. INDIAN OCEAN.

ALTHOUGH BDG IS MEMBER OF UN AD HOC COMMITTEE ON INDIAN OCEAN AND CONTINUES TO VIE LIP SERVICE TO INDIAN OCEAN ZONE OF PEACE (IOZP) CONCEPT, ITS ENTHUSIASM FOR IOZP IS TEMPERED BY SUSPICION THT IOZP MIGHT TURN THE INDIAN OCEAN INTO AN INDIAN LAK. ALTHOUGH BDG OFFICIALS HAVE NOT ADDRESSED THE ISSUE PUBLICLY, WE BELIEVE THAT THEY ARE WELL AWARE THAT THE SOVIET BUILD-UP IN INDIAN OCEAN IS FAR MORE SIGNIFICANT THAN THE U.S. FACILITY AT DIEGO GARCIA AND U.S. NAVAL VISITS AND THEREFORE PRIVATELY WELCOME A MODEST U.S. PRESENCE IN INDIAN OCEAN.

4. PART III. KEY POLICY-LEVEL ISSUES WHICH MAY FACE U.S. IN BANGLADESH.

DEVELOPMENT. THE MAJOR ISSUE WHICH WE ARE LIKELY TO FACE IN THE COMING TWO YEARS IS WHETHER AID PROGRAMS ARE CONTRIBUTING TO A SOLUTION OF THE PROBLEMS OF THE POOR IN BANGLADESH AND, IF THEY ARE NOT, IF IT IS POSSIBLE TO REDESIGN THEM SO THAT THEY CAN FULFILL THAT PURPOSE. THE FOOD/POPULATION/RURAL EMPLOYMENT PROBLEM IN BANGLADESH IN AS SEVERE AS THAT IN ANY OTHER COUNTRY IN THE WORLD AND THE LOCAL CPABILITY TO DEAL WITH IT AS LIMITED. WITH OTHER DONORS, WE MUST CONSTANTLY REVIEW PROGRESS AND PROSPECTS. IF WE CONCLUDE THEY ARE NOT SATISFACTORY, WE

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SHOULD CAREFULLY EXAMINE REALISTIC ALTERNATIVES, RECOGNIZING THT THERE ARE NO EASY SOLUTIONS AND THAT AID CAN ONLY CONTRIBUTE TO, NOT DETERMINE, THE COURSE OF DEVELOPMENT IN BANGLADESH. OUR CURRENT EVALUATION IS THAT PRESENT

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DEVELOPMENT PROGRAMS HAVE A REASONABLE PROSPECT OF CONTRIBUTING TO SOLUTIONS. WE FACE MAJOR PROBLEMS, HOWEVER, IN FIELDS SUCH AS GOVERNMENTAL CAPABILITY, CORRUPTION AND LOCAL RESOURCE AVAILABILITIES (MONEY AND PERSONNEL) IN REACHING THE RURAL POOR.

POLITICAL STABILITY. WHILE AT PRESENT TRENDS ARE SATISFACTORY, BANGLADESH'S RECORD FOR POLITICAL TURBULENCE AND THE DEPTH OF ECONOMIC AND POLITICAL PROBLEMS THE NATION FACES SUGGEST THAT WE SHOULD BE PREPARED TO DEAL WITH A RESURGENCE OF POLITICAL INSTABILITY, WHICH MIGHT COME IN THE FORM OF VERY UNSTABLE OR INEFFECTIVE REPRESENTATIVE GOVERNMENT OR ATTEMPTS TO REPLACE REPRESENTATIVE GOVERNMENT WITH AN AUTHORITARIAN MODEL, WHETHER MILITARY OR CIVIL. IN SUCH A CASE WE WOULD HAVE TO CONSIDER IF WE CAN ASSIST BANGLADESH'S DESPERATELY POOR POPULATION GIVEN EITHER GOVERNMENTAL INCAPACITY TO CARRY OUT EFFECTIVE DEVELOPMENT PROGRAMS OR GROSS VIOLATIONS OF HUMAN RIGHTS. IT IS ALSO POSSIBLE THAT GOVERNMENT CHANGE RESULTING FROM INSTABILITY MIGHT BRING ABOUT AN END TO BANGLADESH'S GENERALLY FRIENDLY RELATIONS WITH THE U.S., A MORE RADICAL APPROACH TO MULTILATERAL FOREIGN POLICY ISSUES, AND A RENEWAL OF LEFTIST ATTACKS ON THE U.S. (ALTHOUGH WE DOUBT THAT IT WOULD BRING INTO OFFICE A COMMUNIST REGIME). IN THIS CASE WE WOULD NEED TO REVIEW THE SPECTRUM OF OUR RELATIONS AND PROGRAMS.

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REGIONAL STABILITY. THE INTERRELATIONSHIPS BETWEEN BANGLADESH AND INDIA ARE SO NUMEROUS AND COMPLEX THAT WE CANNOT ASSUME THAT THEY WILL REMAIN CALM. TENSIONS COULD BE CREATED BY THE UNWILLINGNESS OF INDIA AND BANGLADESH TO COMPROMISE SUFFICIENTLY TO RESOLVE THE GANGES WATER DISPUTE, BY INSECURITY AMONG MEMBERS OF THE HINDU MINORITY, BY AN INDIAN DECISION TO IMPOSE PRESSURE DESIGNED TO INFLUENCE BANGLADESHI POLICY, OR BY BANGLADESH'S

ALLEGING, FOR POLITICAL PURPOSES, AN INDIAN THREAT. SHOOULD RELATIONS DETERIORATE, THE U.S. WOULD HAVE TO DECIDE WHEN ITS INTERESTS WERE SUFFICIENTLY AFFECTED TO WARRANT ABANDONING ITS CURRENT STANCE OF NONINTERVENTION IN SOUTH ASIAN DISPUTES.

NATURAL DISASTER. IT IS HIGHLY LIKELY THAT TBANBLADESH WILL EXPERIENCE SOME SORT OF NATURAL DISASTER IN THE NEXT TWO YEARS -- CYCLONE, POOR MONSOON, FLOOD. WHEN THIS OCCURS, THE ISSUE FOR THE U.S. WILL BE HOW TO MEET THE NEW NEEDS ARISING FROM THE DISASTER WHILE MAINTAINING AS FAR AS POSSIBLE THE CURRENT EMPHASIS IN OUR AID EFFORTS ON DEVELOPMENT RATHER THAN RELIEF.

MULTILATERAL AFFAIRS. PARTICULARLY WITH BANGLADESH NOW A MEMBER OF THE SECURITY COUNCIL, THE U.S. FACES THE ISSUE OF HOW BEST TO PROMOTE A MODERATE BDG STAND ON MIDDLE EAST AND OTHER MULTILATERAL ISSUES OF CONCERN TO THE U.S.

ACTIVITIES OF THE USSR AND ITS ALLIES. THE ISSUE WE CURRENTLY FACE IS WHETHER -- AND HOW-- WE SHOULD TRY TO COUNTERACT THE INFLUENCE OF THE LARGE NUMBER OF PROFESSIONALS TRAINED IN THE USSR AND EASTERN EUROPE FILLING THE RANKS OF ASSOCIATE PROFESSORS IN UNIVERSITIES AND ELSEWHERE. SHOLD MORE RESOURCES BE DEVOTED TO OUR OWN EDUCATION PROGRAMS?

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5. PART IV. ASSESSMENT OF CONTINUED VALIDITY OF CURRENT GOALS AND OBJECTIVES, WITH RECOMMENDATIONS FOR CHANGE.

WE FIND THAT OUR GOALS AND OBJECTIVES (REF D) GENERALLY REMAINS VALID. HOWEVER, WE RECOMMEND THE FOLLOWING CHANGES, WHICH ARE MOSTLY BUT NOT ENTIRELY MATTERS OF EMPHASIS.

GOAL K. PROGRESS TOWARD BANGLADESH'S ECONOMIC DEVELOPMENT.

SUBSECTION A. SHOULD BE REVISED AS FOLLOWS:

"ASSISTING BANGLADESH IN FOUR IMPORTANT AREAS (1) FOOD PRODUCTION, (2) POPULATION GROWTH LIMITATION, (3) RURAL DEVELOPMENT, AND (4) EMPLOYMENT GENERATION."

SUBSECTION B. SHOULD BE REVISED AS FOLLOWS:

"WORKING WITH OTHER DONORS IN ORDER TO IMPORVE THE COORDINATION OF AID INPUTS IN THOSE AREAS OF INTEREST TO US." SECOND SENTENCE OF SUBSECTION C SHOULD BE REVISED AS FOLLOWS:

"--MINIMIZE SUPPORT FOR BILATERAL OR MULTLATERAL ASSISTANCE TO GOVERNMENT-OWNED INDUSTRIAL PROJECTS, INsofar AS CONSISTENT WITH OTHER U.S. OBJECTIVES AND REALISTIC ALTERNATE PRIVATE SECTOR CAPABILITIES."

GOAL II. PROMOTION OF REGIONAL STABILITY.

NO CHANGE TO FIRST SENTENCE.

SECOND SENTENCE SHOULD BE REVISED AS FOLLOWS:

--ENCOURAGE MULTILATERAL APPROACHES TO THE CONTROL AND ALLOCATION OF THE WATERS OF SOUTH ASIA'S EASTERN RIVERS."
(COMMENT: WHILE A MULTILATERAL APPROACH TO THE USE OF THE RIVERS OF BANGLADESH, INDIA AND NEPAL IS HIGHLY DESIRABLE, WE CAN ENVISAGE MULTILATERAL APPROACHES TO OTHER REGIONAL PROBLEMS-- E.G. THE INDIAN OCEAN ZONE OF PEACE -- WHICH WOULD NOT BE CONSISTENT WITH U.S. INTERESTS.)

GOAL III. INCREASED DOMESTIC POLITICAL STABILITY. NO CHANGE RECOMMENDED.

GOAL IV. REWRITE AS FOLLOWS:

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"IV EXPANSION OF RELATIONSHIPS BETWEEN AMERICANS AND BANGLADESHIS IN GOVERNMENT, EDUCATION, THE MILITARY, BUSINESS, THE ARTS, THE MEDIA AND OTHER FIELDS THROUGH:
ZAA ACADEMIC AND CULTURAL EXCHANGE PROGRAMS AND OTHER ACTIVITIES TO PROMOTE SUCH RELATIONSHIPS.

-- THE INTERNATIONAL MILITARY EDUCATION AND TRAINING PROGRAM."

GOAL V. ENHANCEMENT OF THE HUMAN RIGHTS ENVIRONMENT. NO CHANGE RECOMMENDED.

GOALS IV AND VII. COMBINE UNDER ONE HEADING AS FOLLOWS:

"VI. IMPROVEMENT IN BILATERAL COOPERATION ON MULTILATERAL ISSUES.

--ENCOURAGE A RESPONSIBLE REALISTIC BANGLADESHI APPROACH TO ISSUES IN THE UN AND OTHER INTERNATIONAL FORA, ESPECIALLY THOSE RELATED TO THE MIDDLE EAST, NORTH-SOUTH DIALOGUE AND THE INDIAN OCEAN.

--ENCOURAGE BANGLADESHI ACCESSION TO THE NON-PROLIFERATION TREATY.

COMMENT: IN VIEW OF BANGLADESH'S ELECTION TO THE SECURITY COUNCIL, WE BELIEVE THAT OUR STATED GOALS SHOULD REFLECT EMBASSY'S CURRENT EFFORTS AND GIVE GREATER EMPHASIS TO INFLUENCING BANGLADESHI APPROACHES TO MULTILATERAL ISSUES OF INTEREST TO THE U.S. AND INCLUDE SPECIFIC MENTION OF MIDDLE EAST ISSUES. WE BELIEVE OUR SUPPORT FOR BANGLADESHI ACCESSION TO MULTILATERAL INSTRUMENTS SHOULD BE MADE MORE SPECIFIC, SINCE WE CAN ENVISAGE A VARIETY OF MULTILATERAL AGREEMENTS IN THE COMING YEARS TO WHICH IT WOULD NOT BE IN U.S. INTEREST TO ENCOURAGE BDG ACCESSION. SINCE BDG VIEWS ON INDIAN OCEAN ISSUES NO LONGER DIFFER AS RADICALLY FROM THOSE OF THE U.S. AS IN THE PAST, WE BELIEVE INDIAN OCEAN POLICY NO LONGER MERITS A SEPARATE OBJECTIVE.)

WE RECOMMEND A NEW GOAL VII, TO READ AS FOLLOWS:

"VII. IMPROVEMENT OF BANGLADESH ASSISTANCE IN SUPPORTING
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OPERATION OF U.S. MISSION.

--ENCOURAGE THE GOVERNMENT TO COOPERATE IN RESOLVING
PROBLEMS, SUCH AS CONSTRUCTION OF A CHANCERY AND RAPID CUSTOMS
CLEARANCE OF DIPLOMATIC SHIPMENTS, WHICH IMPEDE EFFECTIVE
OPERATION OF U.S. MISSION
IN BANGLADESH."
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