

DECLASSIFIED

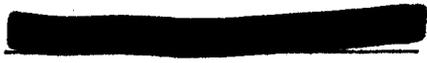
Authority E012958
By KS NARA Date 8-11-03

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION
LDX 991

February 5, 1973


MEMORANDUM FOR: DR. KISSINGER
FROM: HAROLD H. SAUNDERS
SAMUEL M. HOSKINSON
SUBJECT: Aid for Bangladesh

State and Aid have proposed going ahead now with a \$30 million rehabilitation grant for Bangladesh.

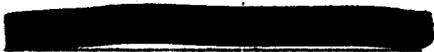
There are no budgetary or economic problems with this grant. The money is already in our budget and set aside for Bangladesh this year. It would bring our total bilateral grant assistance to Bangladesh since independence up to \$145 million and would go mainly for procurement of fertilizer and cotton essential to agricultural and industrial recovery and for rural rehabilitation. These are critical areas and there is no question about the need.

There is an issue over the precise timing of this new authorization. The original idea had been to wait until after the March elections so that we could press for greater government identification with US aid. Now, however, two arguments have arisen for moving sooner:

-- Our embassy in Dacca feels there is advantage in capitalizing on the fact that the government, after a weak start, has stood up to the tendency to use anti-Americanism as a weapon in the election campaign. You will recall that our USIS building in Dacca was occupied with apparent government acquiescence in December, but since then they have taken an increasingly firm stand against anti-US activity.

-- The AID mission recommends going ahead now since the fertilizers to be bought under the loan are needed quickly to improve the next crop and somewhat reduce the burden on us for later food aid.

The main reason for bringing this to you is that the Bengalis, including Mujib, lashed out at us with sharp statements when the bombing of North Vietnam was renewed. Mujib did, however, send a warm congratulatory message to the President when the cease-fire agreement was signed.


DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007

DECLASSIFIED

Authority

E012958

By

KS NARA Date

8-11-03

- 2 -

RECOMMENDATION: That you indicate below your preference on new grant assistance to Bangladesh at this time.

Go ahead now _____

Wait a couple of weeks more K

Concurrence: Mr. Kennedy *[Signature]*

DECLASSIFIED
A/ISS/IPS, Department of State
E.O. 12958, as amended
October 11, 2007