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E.O. 11652: GDS TAGS: PFOR, PK, BG SUBJECT: BANGLA-PAKISTANI RELATIONS

REF: DACCA 0177; DACCA 5462, 11/29/74

1. FOREIGN SECRETARY FAKHRUDDIN AHMED CALLED ME IN TODAY (FEBRUARY 4) TO SHARE ESSENCE OF CABLE HE HAD SENT AMBASSADOR HOSSAIN ALI LAST WEEKEND AS BASIS FOR DISCUS-SION WITH DEPARTMENT OFFICERS. NOTING THAT IN LIGHT OF FRIENDLY INTEREST US HAS SHOWN IN SUBCONTINENT NORMALIZATION--AND WITH AN EYE ON BHUTTO VISIT--FOREIGN SECRETARY WANTED US TO KNOW THEIR LATEST POSITION.

2. MUCH OF MESSAGE REHEARSED POINTS WHICH HAVE BEEN MADE TO US BY KAMAL HOSSAIN AND REPORTED REFTELS. HE REMINDED ME THAT WITH THE RELEASE OF THE 195 PAKISTANIS THREATENED WITH WAR CRIMES, BANGLADESH HAS DONE ALL IT COULD. THUS, IT HAD THOUGHT IT COULD ENTERTAIN A REASONABLE EXPECTA-TION OF A FORTHCOMING SETTLEMENT OF THE FATE OF THE BIHARIS AND DIVISION OF ASSETS. IT REMAINED CONVINCED, HOWEVER, THAT NORMALIZATION MUST AWAIT RESPONSE FROM PAKISTAN, TO DATE, IT HAS HEARD NOTHING FROM PAKISTAN ABOUT THE 63,000 BIHARIS STILL IN BANGLADESH. RATHER, BHUTTO HAS ONLY STRESSED THAT PAKISTAN WILL NOT HOLD OPEN INDEFINITELY ITS OFFER TO CONSIDER THE ASSETS ISSUE THROUGH A JOINT COMMISSION, MOREOVER, PAKISTAN RADIO,

-contribution

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ALLEGING THAT BANGLADESH IS IMPEDING THE PROCESS OF NORMALIZATION BY "FANTASTIC"CLAIMS, NOTES THAT INDIA AND PAKISTAN HAVE PROCEEDED TO RESTORE TRADE, TELECOMMUNICA-TIONS AND SHIPPING LINKS WITHOUT AWAITING COMPLETER FULFILLMENT OF SIMLA AGREEMENT.

3. FOREIGN SECRETARY SAID PAKISTANI ALLEGATIONS ARE BASELESS. INSOFAR AS JOINT FACT-FINDING COMMISSION RE ASSETS IS CONCERNED, BANGLADESH HAS REPEATEDLY SAID IT ACCEPTS THIS IDEA BUT NEVERTHELESS HOLDS VIEW THAT COMMISSION CANNOT ACHIEVE RESULTS UNLESS IT OPERATES ON BASIS OF PRIOR AGREEMENT "IN PRINCIPLE" ON APPORTIONING OF ASSETS. (HE ALSO REITERATED THAT NO QUESTION OF DIVISION OF LIABILITIES ARISES SINCE BANGLADESH HAS ALREADY ACCEPTED RESPONSIBILITY FOR VISIBLE PROJECTS.)

4. HE THEN VOICED A NEW THEME. HE SAID BANGLADESH CONSIDERS RESOLUTION OF OUTSTANDING PROBLEMS TO BE AN INTEGRAL PART OF THE NORMALIZATION; UNRESOLVED, THEY STAND IN THE WAY OF SUCH FRUITS OF NORMALIZATION AS RESTORATION OF TRADE, TELECOMMUNICAIONS AND SHIPPING. WITHOUT RESOLUTION, AND THIS NORMALIZATION, TRADE CANNOT BEGIN FOR SHIPPERS WILL FEAR SEIZURE OF THEIR GOODS OR RESULTING PROCEEDS. SHIPPING CANNOT BE STARTED, FOR THERE WILL BE APPREHENSION THAT VESSELS WILL BE ARRESTED. TRAVEL BETWEEN PAKISTAN AND BANGLADESH CANNOT BE GUARANTEED ENTRY INTO PAKISTAN. THUS, IT POINTLESS TO TALK ABOUT STEPS WHICH MIGHT BE TAKEN IN ADVANCE OF FULL NORMALIZATION WHEN FAILURE TO SOLVE OUTSTANDING PROBLEMS ARE THE REAL INHIBITORY FACTORS.

5. IN CLOSING FAKHRUDDIN VOICED AGAIN BANGLADESH'S DEEP DISAPPOINTMENT WITH BHUTTTO'S VISIT. HE SAID BANGLADESH

REMAINS COMMITTED TO NORMALIZATION BUT BELIEVES IT MUST INVOLVE MUTUAL ACCOMMODATION AND BENEFIT. MOREOVER, BANGLADESH IS READY TO MEET WITH PAKISTAN "AT ANY TIME AT AN APPROPRIATE LEVEL WITHOUT PRECONDITIONS." ("APPROPRIATE LEVEL" STILL MEANS FOREIGN SECRETARY, OF COURSE.)

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6. I TOLD FOREIGN SECRETARY THAT I WOULD PROMPTLY CONVEY SUMMARY OF HIS REMARKS TO DEPARTMENT, NOTING THAT THEY



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WERE VERY CLOSE IN THEIR THRUST TO THE POINTS WHICH THE FOREIGN MINISTER HAD MADE TO ME IN JANUARY AND WHICH I

HAD CONVEYED TO THE SECRETARY. FOREIGN SECRETARY ACKNOWLEDGED THAT THIS WAS TRUE BUT SAID THAT THEY WANTED TO EMPHASIZE THEIR FLEXIBILITY AGAIN ON THE EVE OF BHUTTO'S VISIT TO WASHINGTON. BOSTER



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