Excerpts From World Bank Group's Report on East Pakistan

WASHINGTON, July 12—Following are excerpts from a report by a mission of the International Bank for Reconstruction and Development that visited East Pakistan last month and from a report on a survey of the western area of the province by Hendrik van der Heijden, an economist and member of the mission. The reports were obtained today by The New York Times.

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Mission's Report

The situation is very far indeed from normal; nor are there any signs that normality is being approached or that matters are even moving in that direction. For this picture to be changed it appears that, as a minimum, two formidable constraints must be removed or overcome.

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The general sense of fear and lack of confidence on the part of most of the population.

The immediate manifestations of this fear and absence of confidence are the persistent failure or refusal to report for duty, which is particularly prevalent among the lower grades of civil servants and workers but is far from absent at the higher levels, and the general hesitation of those who have returned to expose themselves either physically or in the realm of policies and ideas. Few are functioning properly. The effects are evident throughout the administration and the private sector, as well as in the [lack of] interaction between the two; and the result is recorded in the nonresumption of normal activity throughout the economy.

Furthermore, there are no signs that the situation will improve significantly or rapidly. Two-dates — April 21 and June 15—were set by the Government for all workers to return to their jobs without prejudice. The second date has now passed, and still the calls and professions of "normalcy fast returning to : complete normalcy" are going out. But people remain afraid and untrusting, and it is most unlikely that econom-Ric pressures can or will be generated which are sufficiently strong to overcome this reserve.

If the condition of fear in the countryside should come to exceed that in the cities or if there should be a general failure to solve the food problem, resulting in wide spread starvation, workers and people generally might be forced back into the cities and towns in large numbers. But neither of these solutions is in any way desirable.

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The complete dislocation of the communications system.

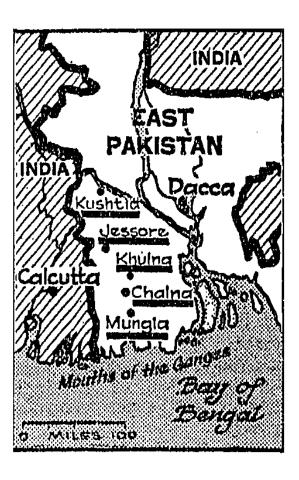
Its major manifestation is almost complete absence of movement of people (except within towns) and of the exchange of goods between regions and sectors anywhere within the province. So long as it continues, this situation will exert a strong negative effect upon all efforts to revive the economy and to meet the basic needs of the population — including, in particular, their food requirements.

Minimum Conditions for Normalization

In the present political circumstance, it is impossible to predict what might constitute a sufficient set of conditions for a normalization process to begin. There are, however, a number of necessary conditions.

First, it is most unlikely that any significant movement in the direction of normality will occur until there is a drastic reduction in the visibility — and, preferably, even the presence --- of the military and a re-establishment of normal civilian administration in East Pakistan. Secondly, the food problem must be solved. For the present, this means programing the massive imports which will be required over the next 12-months, and re-establishing—by some combination of permanent and temporary measures—an adequate transport and distribution system. Thirdly, any remaining available resources must be directed first to rehabilitation and reconstruction and to breaking the most important and most persistent physical and organizational bottlenecks impeding efforts to get the economy going again.

One implication of this set of priorities is that the development effort will have to remain in a state of suspension for at least the next year or so. On the whole, this is certainly inevitable; however, there are some areas of extremely high priority where



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development programs should be resumed at their previous or even higher—levels at the earliest opportunity. A list of such areas would include as a minimum: rice research, jute research (market) and promotion, seed production and improvement (rice and jute), food storage and distribution and rural infrastructure—including the rural works, irrigation and integrated rural development programs.

Economist's Report

Approaching Jessore, it became soon clear that this was the area where the army punitive action had been very severe: From the air, totally destroyed villages were clearly visible, a building was still on fire, and to the eastern side of the runway a good many houses had been destroyed. The airport was heavily guarded by armed forces, who also controlled access to the airport.

The authorities estimate that the population of Jessore itself is down from 80,000 to 15,000-20,000. Some 20,000 people were killed in Jessore. The city's center has been destroyed; commerce has come to a standstill. More than 50 per cent of the shops have been destroyed.

Damage to housing in Jessore district is so severe that the authorities estimate that some 450,000 people have been affected out of a total district population of 2.5 million. Half a million people have fled to India.

The Jessore area is by no means secure. Government officers cannot any more

easily enter the villages as they run the risk of being shot by the "miscreants." A number of these incidents took place in the week before I arrived, and the army is reacting to these incidents by burning down the villages from which these shots are being fired. Generally, the army terrorizes the population, particularly aiming at the Hindus and suspected members of the Awami League.

KHULNA

Khulna City has been substantially damaged. Very heavy destruction was observed in the areas alongside the road and along the river leading up to the newsprint factory and the Platinum Jubilee jute mill. As a result of the disturbances, the destruction of houses and the continuing uncertainty regarding life and property. The population of greater Khulna is down from 400,000 to 150,000.

administration of Khulna district was back to 80 per cent of its original strength. There are serious police shortages, but the situation is improving. Some senior police officers have been recruited from West Pakistan. The road to Jessore and Kushtia is generally unsafe, particularly at night. Schools are open, but attendance is very poor. The Polytechnic institute, as well as colleges, however, have not yet started.

The main problem affecting Khulna is communications: The telephone system works but mail service is very irregular. There is only marginal truck traffic on the roads: Less than 5 per cent of normal. The army has requested many vehicles and launches, including Government vehicles, and many have been taken to India. Rail service is off by 50 per cent. There are very few buses on the road. Spare parts are a problem. Shortages of kerosene, edible oil and diesel oil exist in the villages.

The area surrounding the Platinum Jublice jute mill has undergone very substantial damage. In fact, the destruction of houses and buildings reminds of Arnhem in 1944. Also, many workers' houses destroyed. The area is deserted now. Less than 7 per cent of the mill's permanent labor force had returned to the job.

The Khulna thermal power station was supposed to have been completed by mid-1971. However, there is now a six months' delay in commissioning the plant; the Czech consultants have left, as have the Czech erection supervisory staff. Forty-five per cent of the staff has not yet returned to the job.

MUNGLA

The city of Mungla, the town where the labor for Chalna Anchorage lived, have been virtually obliterated by naval shelling. The population, therefore, is down from 22,000 to 1,000. Damage was extreme: Houses, the market place, the telephone exchange, power distribution lines, etc. are all totally destroyed.

PHULTALA

Perhaps the most impressive visit I made was to Phultala. Fifty per cent of the population of this thana has fled (some 20,000 out of a total of 42,000), mostly Hindus, leaving behind unattended plots of land, houses, etc. Everything had been disrupted there: The livestock officer had been killed, the whole administration was in chaos, the people

bewildered. It is doubtful whether any Government can effectively deal with these people in the near future. It is at the thana level where the shock waves of the army action hit the hardest. It was at this level where the hope for agricultural development was. It has been set back by at least five years.

KUSHTIA It was only April (some 20 days after the army moved into Dacca), that the army moved north from Jenidah and into Kushtia. There must have been very strong resistance. When the insurgents withdrew the army punitive action started. It lasted 12 days and left Kushtia virtually deserted and destroyed. The population was down from 40,000 to 5,000. Ninety per cent of the houses, shops, banks and other buildings totally destroyed. were People were sitting around dazed. When we moved around, everyone fled. It was like the morning after a nuclear attack. The people were terrified and still shocked and dazed. I asked them to show me a shop where food was being sold: It was in the next ninety minutes impossible to find