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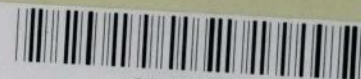
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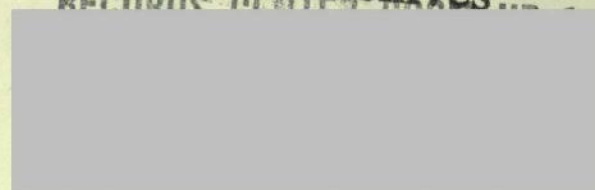
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India - Second Highways Project - Correspondence 1969 / 1971 - Volume 2



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Volume III

RECORDS MANAGEMENT SECTION



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File Title India - Second Highways Project - Correspondence 1969 / 1971 - Volume 2		Barcode No. 1847189		
Document Date 30 April, 1970	Document Type Letter			
Correspondents / Participants To : S. C. Hardy Esq., From : Rendel, Palmer & Tritton				
Subject / Title India - Proposed Second Highway Project - Consulting Services				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website. <table border="1"><tr><td>Withdrawn by Chandra Kumar</td><td>Date 02-Mar-15</td></tr></table>	Withdrawn by Chandra Kumar	Date 02-Mar-15
Withdrawn by Chandra Kumar	Date 02-Mar-15			

OFFICE MEMORANDUM

DATE: April 30, 1970.

TO: Mr. A.F. Kirk

FROM: M.R. Shroff

SUBJECT: INDIA - Proposed Second Highway Project

Please refer to your telex of April 10 to Mr. Swaminathan. I attach a list of Indian road and bridge building contractors working in the States of Maharashtra, Tamil Nadu, Uttar Pradesh and Bihar.

Attachment:

ccs. given to Messrs. Menon 4626
Daibon

LIST OF INDIAN ROAD AND BRIDGE BUILDING CONTRACTORS
WORKING IN THE STATES OF MAHARASHTRA, TAMIL NADU,
UTTAR PRADESH & BIHAR.

Sr. No.	Name of Contractor or Firm	Annual Capacity (Rs. in millions)
1.	2.	3.
1.	M/S Ashok Construction Company, Station Road, Himatnagar, Gujarat State.	4 - 5
2.	M/S Engineering Construction Corporation Ltd., L&T House, Dougal Road, Ballard Estate, Bombay-1.	2 - 3
3.	M/S National Asphalt Products and Construction Company, Dhannur, Bombay.	2 - 3
4.	M/S Gordhandas & Co., Bouna Casa, 4th floor, Sir P.M. Road, Bombay-1.	2 - 3
5.	M/S G.S. Khanna & Co., Khana Construction House, Worli, Bombay-18.	7 - 8
6.	M/S M.S. Khanna, Gajanan Smriti, S.S.III, Ist Road, Chembur, Bombay-71.	7 - 8
7.	M/S Prem Constructions, 1050/2, Padampura, Aurangabad, Maharashtra.	2 - 3
8.	M/S R.J. Shah & Co. Ltd., 98, Surat Street, Bombay-9.	4 - 5
9.	M/S Visnagar Taluka Majool Sahakari Mandali Ltd., Bhandarwada Road, Shivaji Park, Dadar, Bombay-28.	7 - 8
10.	M/S Patel Engineering Co. Ltd., Jogeshwari, Bombay-60.	10 - 15
11.	M/S Hindustan Construction Co. Ltd., Construction House, Ballard Estate, Bombay-1.	80-100
12.	M/S S.B. Joshi & Co. Ltd., 35, Dalal Street, Fort, Bombay.	40-50
13.	M/S Shah Construction Co. Ltd., 198, Churchgate Reclamation, J. Tata Road, Bombay-1.	30-40
14.	M/S Harbhagwan Harbhajanlal Engineering Contractors, H.O. Sadar Bazar, Karnal, Haryana.	2 - 3
15.	M/S National Construction Co., Rajmahal, Ist floor, Bhuleshwar, Bombay-2.	2 - 3

1.	2.	3.
16.	M/S L.R. Chawla & Co., 17 Navrang, 519 Linking Road, Khar, Bombay-52.	4 - 5
17.	M/S Gammon India Ltd., Gammon House, Cadell Road, Prabhadevi, Bombay-28.	80-100
18.	M/S Gammon Dunkerley & Co. Ltd., Chartered Bank Building, Fort, Bombay.	10-15
19.	M/S Jolly Brothers Pvt. Ltd., Lakshmi Insurance Building, Sir Pherozeshah Mehta Road, Fort, Bombay-1.	8 - 10
20.	M/S Kesarlal Thapar, 38 Clarke Town, Nagpur-4.	4 - 5
21.	M/S Gopaldas Vasudeo & Co., P.O. Box No.5575, 95, Dadasaheb Phalke Road, Dadar, Bombay-14.	2 - 3
22.	M/S New Consolidated Construction Co. Ltd., Rahimtoola House, Homji Street, Bombay-1.	2 - 3
23.	M/S Tolani Pvt. Ltd., Prabhu Kutir, 15, Altamount Road, Bombay-26.	4 - 5
24.	M/S Ram Richpal Jain & Co., Jain Bhavan 18-12 Lama Road, Deolali Camp, District Nasik, Maharashtra.	2 - 3
25.	M/S Continental Construction Pvt. Ltd., E-11, Defence Colony, New Delhi.	8 - 10
26.	M/S Khare & Tarkunde, Kamoria House, Palam Road, Nagpur-1.	2 - 3
27.	M/S Modern Construction Co., Pvt. Ltd., 2147, Orishnagar, Bhavnagar, Gujarat.	2 - 3
28.	M/S Ashok Construction Co. Pvt. Ltd., Rahimtulla House, 2nd floor, 7-Homji Street, Sir P.M. Road, Fort, Bombay-1.	2 - 3
29.	M/S M.A. Patel & Co., 7, Cresent Chambers, Tamrine Lane, Fort, Bombay-1.	2 - 3
30.	M/S Sadiq & Co., Kamtee Road, Nagpur.	2 - 3
31.	M/S New United Construction & Engineering Co. Pvt. Ltd., Churchgate, Bombay-1.	2 - 3
32.	M/S S.N. Khatri & Co., Baramati, District Poona.	2 - 3

1.	2.	3.
33.	M/S Wadhumal K. Shahane & Co., 8, Cannaught Road, Poona-1.	2 - 3
34.	M/S India Construction Co. Pvt. Ltd., Alli Chambers, Meadows Street, Fort, Bombay-1.	2 - 3
35.	M/S J.S. Khanna, Indrapuri, Sion, Bombay-22.	4 - 5
36.	M/S Recondo Pvt. Ltd., Co-operative Insurance Building, Sir P.M. Road, Bombay-1.	15-20
37.	M/S Patel Engineering, United India Building, Sir P.M. Road, Bombay-1.	2 - 3
38.	M/S Mohanlal M. Mehta, C/o P.M. Zaveri & Co., 10, Princess Street, Bombay-2.	2 - 3
39.	M/S S.G. Phadke & Sons, 6, Meadows House, 38, Meadows Street, Bombay-1.	2 - 3
40.	M/S Engineers International, 25, Menna Sadan, Sion East Road, Bombay-22.	2 - 3
41.	M/S Mackenzies Ltd., King Edward Road, Sewri, Bombay-15.	4 - 5
42.	M/S Patel Construction Co., 1, Hira Villa, 3rd Road, Tejpal Scheme, Villeparle, Bombay.	2 - 3
43.	M/S Premier Construction Co., Construction House, Ballard Estate, Bombay.	4 - 5
44.	M/S Sewri Engineering Construction Pvt. Ltd., Savoy Chambers, West Wing, Wallace Street, Fort, Bombay-1.	7 - 8
45.	M/S Nandlal Mansukhlal & Co., Cool Mansion, Homji Street, Fort, Bombay-1.	2 - 3
46.	M/S Chamundi Construction Co., Co-operative Insurance Building, Sir P.M. Road, Bombay-1.	2 - 3
47.	M/S Teja Singh & Co., 68, Govind Sadan, Sion, Bombay-22.	2 - 3
48.	M/S Superior Construction Co., 197, Bazar Gate Street, Fort, Bombay-1.	2 - 3
49.	M/S Bharucha & Motiwala, 210, Hornby Road, Bombay-1.	2 - 3

1.	2.	3.
50.	M/S Chanara Construction Co., 38, Police Court Lane, Evans Frazer Annexe, Fort, Bombay.	2 - 3
51.	M/S Ratilal & Co., 17, Picket Cross Road, Kalbadevi Road, Bombay-2.	4 - 5
52.	M/S Govind Moti & Co., Chakala Road, Andheri East, Bombay-41.	2 - 3
53.	M/S Lakmichand Balchand, Engineers & Contractors, 3-4-849, Barakatpura, Hyderabad, Andhra Pradesh.	4 - 5
54.	M/S B.G. Shirke & Co., Engineers & Contractors, 120, Rao Bahadur Apte Road, Deccan Gymkhana, Poona-4.	7 - 8
55.	M/S Sindhu-Hochtief (India) Pvt. Ltd., Karinji House, Sir P.M. Road, Fort, Bombay-1.	2 - 3
56.	M/S Steelcrete Pvt. Ltd., Steelcrete House, 3, Dinshaw Wachha Road, Bombay-1.	8 - 10
57.	M/S Larsen & Toubro Ltd., I.C. House, Dougali Road, Ballard Estate, Post Box No. 278, Bombay-1.	8 - 10
58.	M/S C.K. Keshav Gopal Pithawala, 9, Shankar Niwas, 117, Shivaji Park Road No. 3, Dadar, Bombay.	2 - 3
59.	M/S Dixit & Apte, "Apka Ghar", Apte Road, Poona.	2 - 3
60.	M/S G.V. Reddy and M.L. Reddy, 5-5-926, Himayat Nagar, Hyderabad, Andhra Pradesh.	2 - 3
61.	M/S B.E. Billimoria & Co., 2nd floor, 11, Botawalla Building, Horniman Circle, Bombay-1.	2 - 3
62.	M/S G.M. Pai, Engineer & Contractors, "Shrudha" Mahim, Bombay-16.	2 - 3
63.	M/S J.H. Billimoria & Co., 25, New Charni Road, Bombay-4.	2 - 3
64.	M/S Kushaldas Ottamal, Tulshi Bhavan, 1194/14-A, Shivajinagar, Poona-4.	2 - 3
65.	M/S Hazarat & Co., Warden House, 3rd floor, Sir P.M. Road, Fort, Bombay-1.	2 - 3
66.	M/S R.S. Menghani, 32, Laxmi Bhavan, Sindhi Society, Chembur, Bombay-71.	2 - 3

1.	2.	3.
67.	M/S Atur India Pvt. Ltd., 16, Wellesley Road, Poona.	4 - 5
68.	M/S New Trio Builders, 381, Shanwar Peth, Poona-2.	4 - 5
69.	M/S Indian Hume Pipe Co., Construction House, Ballard Estate, Bombay.	4 - 5
70.	The Spunpipe & Construction Co. of India Ltd., Bamanpuri, Kurla Road, Andheri, Bombay-58.	4 - 5
71.	M/S S.N. Shrikantia, Gita, Matunga, Bombay-19.	2 - 3
72.	M/S R. Kirti Construction Co., Shriji Bhuvan, 1st floor, Lohar Chawl, Bombay-2.	2 - 3
73.	M/S Navandram & Sons, 5, Bund Garden Road, Poona.	2 - 3
74.	M/S H.K. Chauhan, Contractor, Shivaji Nagar, Ratnagiri, Maharashtra.	2 - 3
75.	M/S Modern Construction Co. Pvt. Ltd., 7, Homji Street, Fort, Bombay-1.	2 - 3
76.	M/S Bharat Construction Co., Construction House, P.B. No. 82, Baramati, Maharashtra.	2 - 3
77.	M/S Modern Builders, Extension, Shahupuri, Kolhapur, Maharashtra.	2 - 3
78.	M/S Haribhai B. Desai, 42, Walkeshwar Road, Bombay-6.	2 - 3
79.	M/S Cementation Co. Ltd., Steelcrete House, Dinshaw Wacha Road, Bombay-1.	8 - 10
80.	M/S Alcock Ashdown & Co., Pvt. Ltd., 16, Bank Street, Bombay-14.	2 - 3
81.	M/S Vidyut Construction Co., Pasta House, 10, Shivaji Nagar, Poona-5.	2 - 3
82.	M/S Golani & Co., 239, New Peth, Opp. Khandesh Mills, Jalgaon, Maharashtra.	2 - 3
83.	M/S P.P. Patel & Co., Thakkar Building, Panchavati, Ahmedabad-8.	2 - 3

1.	2.	3.
84.	M/S Obhroi & Co., Obhroi Blocks, Bhandawadi, Andheri, Bombay-58.	2 - 3
85.	M/S Kusumkant & Co., 505, Kalbadevi Road, Bombay-2.	2 - 3
86.	M/S National Engineer & Construction Co. Ltd., National Building, Race Course, Rajkot, Gujarat.	2 - 3
87.	M/S New Union Co., 2nd floor, Thacomal House, Banaji Street, Bombay-1.	2 - 3
88.	M/S India Mercantile Corporation, 205-A, Neelkanth, 98, Marine Drive, Bombay-2.	2 - 3
89.	M/S Gandy Filters Pvt. Ltd., Forbes Building, House Street, Bombay-1.	2 - 3
90.	M/S Vishnudas Bhagchand, 96, Shivaji Nagar, Nagpur-1.	2 - 3
91.	M/S Indus Engineering Co., Opp. D.D. Chawl No. 114, Worli, Bombay-13.	2 - 3
92.	M/S Attar Singh Sethi & Sons, 5, Bezenabagh, Nagpur-4.	2 - 3
93.	M/S I.B. Patel & Co., 6, New Alkapuri, Ellis Bridge near Secretariat, Ahmedabad-6.	2 - 3
94.	M/S R.P. Dudani, 15, Fairfield Road-4, Churchgate, Bombay-1.	2 - 3
95.	M/S Shankarayan Construction Co., No. 7 Residency Road, Bangalore.	2 - 3
96.	M/S Geo Miller & Co. Pvt. Ltd., No. 10, Kempegowada, Bangalore-9.	2 - 3
97.	M/S Prakash Chandra & Co., Prakash Bhuvan Punjabi Colony, Nasik Road, Nasik, Maharashtra.	2 - 3
98.	M/S P.G. Bhatia & Co., 67, Commercial Chambers, Mohmedalli Road, Bombay-3.	2 - 3
99.	M/S Foundation Corporation of India Ltd., Meher House, 15, Cawasji Patel Street, Bombay-1.	4 - 5

1.	2.	3.
100.	M/S Rodio Foundation Engineers Ltd., & Hazarat & Co., 254-D, Dr. Annie Basent Road, Band Box House, Worli, Bombay-18.	4 - 5
101.	M/S K.V. Ranga Reddy, Construction Co., Engineers & Contractors, 3-6-692, Himayatnagar, Hyderabad.	2 - 3
102.	M/S New United Construction & Engineer Co. Pvt. Ltd., Engineers & Contractors, Industrial Assurance Building, Churchgate, Bombay-1.	2 - 3
103.	M/S Paul Construction Co., 3-A, Sheikh Colony, Nagpur.	2 - 3
104.	M/S K.L. Shami & Co., Malegaon Motor Stand, Panchwati, Nasik, Maharashtra.	2 - 3
105.	M/S Ajmera & Co., 200, Kika Street, Kalbadevi, Bombay.	2 - 3
106.	M/S C.S. Sanghavi, 318-19, Chatur Singh Road, Poona-16.	2 - 3
107.	M/S Udani Engineering Co., 1-3-27/19, Chikadpatty, Hyderabad.	2 - 3
108.	M/S Structural Engineering Works Ltd., Maneckji Wadia Building, 127, Mahatma Gandhi Road, Fort, Bombay.	2 - 3
109.	M/S Oricon Pvt. Ltd., 14, Rampart Row, Bombay-1.	2 - 3
110.	M/S Gulraj Engineering Construction Co., 16-A Trilok Building, Dr. Ambedkar Road, Bandra, Bombay-50.	2 - 3
111.	M/S Karta Singh Sethi & Sons, Ramdaspath, Nagpur-1.	2 - 3
112.	M/S Popular Construction Co., Popular Chambers, 86, Rajendra Prasad Road, Nagpur-2.	2 - 3
113.	M/S K.B. Chinchankar & Co., Shanti Niketan, Poona-4.	2 - 3
114.	M/S Ajit Construction Co., Anujit 1775/2/ Deccan Gymkhana, Opp. Kamla Nehru Park, Poona-4.	2 - 3

1.	2.	3.
115.	M/S Patel, Vasa, Vira & Co., Green Market, Jamnagar, Gujarat.	2 - 3
116.	M/S Hydraulic & General Engineers (Pvt.) Ltd., Victoria House, Victoria Road, Bombay-27.	2 - 3
117.	M/S Dodsai Pvt. Ltd., Mafatlal House, Backbay Reclamation, Bombay-1.	7 - 8
118.	M/S Deoram Dagadu Mistry, Congress Bhavan Compound, Dhulia, Maharashtra.	2 - 3
119.	M/S Makhija & Co., 201, Prabhu Kunj, 5 Pedder Road, Bombay-26.	2 - 3
120.	M/S Maharashtra Construction Corporation, Bombay Agra Road, Dhulia, Maharashtra.	2 - 3
121.	M/S Central Engineering Syndicate, 32, Ganesh Chandra Avenue, Calcutta-13.	2 - 3
122.	M/S Golani Brothers, 16, Silk House, Hamalwada, Girgaum Road, Bombay-2.	2 - 3
123.	M/S K.M. Gunjal & Co., 11/4 Raj Bhavan, Bungalow Ganeshkhind Road, Poona-16.	2 - 3
124.	M/S New Asian Construction Co., 263, Shaheed Bhagat Singh Road, Fort, Bombay-1.	2 - 3
125.	M/S V.B. Patel & Co., Bell Building, Sir P.M. Road, Fort, Bombay-1.	2 - 3
126.	M/S Adke Construction Co., Prem Kutir, Powai, Bombay-76.	2 - 3
127.	M/S Palmoon Engineering Co., P.O. Mahbubnagar, Andhra Pradesh.	2 - 3
128.	M/S Prabhakar Construction, 227 Howson Road, Deolali Camp, Maharashtra.	2 - 3
129.	M/S Malik Chand Gulati, 6-34, Rajomri Garden, New Delhi-27.	2 - 3
130.	M/S R.N. Ghanekar, 128, Prakash Kotnis Marg, Mohim, Bombay-16.	2 - 3
131.	M/S Madhavdas Skhurama, 304, Neelkantha, Marine Drive, Bombay-1.	2 - 3
132.	M/S Dhirajlal M. Mehta & Jaising Construction Co., 311 Mehta Building, 12th Road, Khar, Bombay-52.	2 - 3

1.	2.	3.
133.	M/S Talib Constructions, Talib House, 104, Nagdevi Street, Bombay-3.	2 - 3
134.	M/S Navleeka Constructions, Engineers & Contractors, 6, New Alkapuri Sociieity, Gulbar's Tekara, Ellis Bridge, Ahmedabad-6.	2 - 3
135.	M/S J.B. Patel & Co., Engineers & Contractors, 6, New Ilkapuri Society, Gulbar's Tekara, Ellis Bridge, Ahmedabad-6.	2 - 3
136.	M/S Ganapathi Subramanian, 39, Kangasabai Nagar, Chidambaram, Tamil Nadu.	2 - 3
137.	M/S Raghava & Veera and Sons, 74, Bishop Wallers Road, Mylapore, Madras-4.	8 - 10
138.	M/S Engineering Construction Corporation Ltd., 4 & 5 Club House Road, Madras-2.	10 - 20
139.	M/S East Coast Construction Co., 1, Moore Road, Nungambakkam, Madras-6.	8 - 10
140.	M/S Nilakantan Bros, 14/31, Eldams Road, Madras-18.	8 - 10
141.	M/S Associated Engineering Syndicate, 80, Lloyds Road, Madras-14.	8 - 10
142.	M/S Subba Rao, 3/4, College Road, Madras-6.	8 - 10
143.	M/S K.S. Gurusamy Gounder, K.S. Krishna Raja Engineering Contractors, Mettur Dam, Salem, Tamil Nadu.	8 - 10
144.	M/S M.R. Viswanathan & Sons, 5, Rama Rao Agraharam, Tirchirapalli-17, Tamil Nadu.	8 - 10
145.	M/S K.S. Gurusamy Gounder, Engineering Contractor, High Ground, Palayamkottai, Tamil Nadu.	8 - 10
146.	M/S R. Muthusamy, 12, Thennampalayam, Tiruppur-4, Tamil Nadu.	8 - 10
147.	M/S K.S. Radhakrishnan, 49, Seetharamanagar, Guddalore, Tamil Nadu.	8 - 10
148.	M/S S. Bakthavathsalu, Cross Road, Vadalur, Tamil Nadu.	8 - 10
149.	M/S M. Karuthasamy Thevar, Engineering Contractor Chokkanathanpuram, Chekkanurani, P.O. Tirumangalam Taluk, Madurai Distt., Tamil Nadu.	8 - 10

1.	2.	3.
150.	M/S K. Sivalinga Nadar, Contractor, Manalickarai, Meykkamandapam, Kanyakumari, District, Tamil Nadu.	4 - 5
151.	M/S Uttam Singh Duggal & Co. Ltd., 11, Marina Arcade, New Delhi.	15 - 20
152.	M/S Kalooram Kailash Chandra, Roorkee, U.P.	3 - 4
153.	M/S D.P. Chopra, Bareilly, U.P.	4 - 5
154.	M/S Goel Brothers, 6, Civil Lines, Bareilly, U.P.	3 - 4
155.	M/S National Project Construction Corporation, E-2, Jhandealan Estate, New Delhi.	7 - 8
156.	M/S Lal Umrao Singh, Daliganj, Lucknow.	4 - 5
157.	M/S L.S. Achariya, Faizabad, U.P.	3 - 4
158.	M/S Om Prakash Baldev Krishna, 8C/6, W.E.A. Karol Bagh, New Delhi.	3 - 4
159.	M/S Inderjit Singh Autar Singh, Government Contractor, 566 Sector 8B, Chandigarh.	3 - 4
160.	M/S Mahant Singh & Sons, New Hyderabad, Lucknow.	3 - 4
161.	M/S Amar Nath Charanji Lal, 1st floor, Sun-light Building, Asaf Ali Road, New Delhi.	3 - 4
162.	M/S Vig Brothers, 113/61, Swrup Nagar, Kanpur.	4 - 5
163.	M/S Multi Engineering & Scientific Co., Katari Hill Road, Gaya, Bihar.	4 - 5
164.	M/S Madhani Construction (R) Ltd., Club Road, Muzaffarpur, Bihar.	7 - 8
165.	M/S K.L. Bhasin & Co., Blessington House, Kanka Road, Ranchi, Bihar.	7 - 8
166.	M/S Rabindra Engineering Co., Kamalolay, North Office, Para Road, Deranda, Ranchi, Bihar.	4 - 5

1.	2.	3.
167.	M/S S.R. Construction Co., P.O. Sonarpur (24-Pargana), West Bengal.	4 - 5
168.	M/S Narayan Das & Co., Durgapur, Katihar, District Purnea, Bihar.	4 - 5
169.	M/S Hind Construction & Engineering Co. Ltd., Bombay Mutual Building, 9, Baraborn Road, Calcutta.	8 - 10
170.	M/S Bharat Engineering Co., Lalji Tola, Patna, Bihar.	4 - 5
171.	M/S R.C. Banerjee & Co., Engineers & Contractors, Dhupguri, Jalpaiguri, West Bengal.	4 - 5
172.	M/S Son Dutt Builders (P) Ltd., Kanke Road, Ranchi, Bihar.	7 - 8
173.	M/S Ramlal Contractors, South Office Para, Doranda, Ranchi, Bihar.	6 - 7
174.	M/S Madan Builders, Office Para North, Doranda, Ranchi, Bihar.	3 - 4
175.	M/S R. Sahu, Nivaranpur, Ranchi, Bihar.	3 - 4
176.	M/S Jeevanlal & Co., C/o Firangalal & Co., Ranchi, Bihar.	6 - 7
177.	M/S Kalsi Construction, Heavy Engineering Corporation Contractor, Ranchi, Bihar.	5 - 6
178.	M/S Azad Builders, H.E.C. Contractors, Ranchi, Bihar.	3 - 4.
179.	M/S S. Lakhmi Singh, Builders Corporation Pepee Compound, Ranchi, Bihar.	7 - 8
180.	M/S Premier Construction Co., Baryatu Road, Ranchi, Bihar.	3 - 4
181.	M/S Arvind Brothers, Patna/Calcutta	7 - 8
182.	M/S Satram Das, Amlatola, P.O. Katihar, District, Purnea, Bihar.	3 - 4
183.	M/S Haroomal, P.O. Katihar, District Purnea, Bihar.	3 - 4

1.	2.	3.
184.	M/S Narain Dass & Co., P.O. Kathiar, Purnea, Bihar.	2 - 3
185.	M/S Ranjan Construction Co., Club Road, Muzaffarpur, Bihar.	2 - 3
186.	M/S Singh Builders Syndicate, P.O. Bermo, Hazaribagh, Bihar.	2 - 3
187.	M/S Nawraja Construction Co., Club Road, Muzaffarpur, Bihar.	3 - 4
188.	M/S Perumal Construction Corporation, Kankerbagh Road, Patna, Bihar.	2 - 3
189.	M/S Raitmal, P.O. Kathiar, Purnea, Bihar.	2 - 3
190.	M/S Prem Chand, P.O. Kathiar, Purnea, Bihar.	2 - 3
191.	M/S S.P. Consolidated, Gulabbagh, Purnea, Bihar.	2 - 3
192.	M/S Shalimar Construction Co., Calcutta.	4 - 5
193.	M/S Pioneer Engineering Syndicate, Hyderabad.	6 - 7
194.	M/S K. Nagebhushanam & Co., Vijayawada, Andhra Pradesh.	3 - 4
195.	M/S Shiv Bannerjee & Co., Calcutta.	3 - 4
196.	M/S Chanda Engineer's (India) Ltd., Calcutta.	5 - 6

BGRH/JD

RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

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R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

CONSULTANTS

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T. T. LAMBE, F.I.C.E., F.I.MECH.E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

TELEPHONE: 01-834 8494

TELEGRAMS: RENDELS, LONDON, SW1

India - Highway
Cent. Files
125 Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. 02136/14119

29th April, 1970.

W.S. Humphrey Esq.,
World Bank,
7, Sardar Petel Road,
Margh,
New Delhi,
India.

Dear Sir,

INDIA - HIGHWAY APPRAISAL

Further to your discussion with our Mr. K.E. Ainscow in Delhi on the 21st April, we should like to confirm that, in accordance with the terms of our Agreement with the Bank dated 14th November 1969, we will meet the cost of any local income tax obligations incurred by our staff whilst employed on the Highway Appraisal project in India.

We understand that you will supply our Mr. Pilditch and Mr. Trnka with the necessary income tax forms to complete and that you will subsequently lodge them with the Revenue Department in India. We assume that your submission of the completed forms on behalf of these personnel is best carried out at the end of their contract in India taking into account their proposed withdrawal from India in the near future, and the intended return visit for a further short period about August/September of this year.

We would also take this opportunity of thanking you for your kind co-operation in this matter.

Yours faithfully,
RENDEL, PALMER & TRITTON

B.G.R. Holloway
B.G.R. Holloway

(2) ✓ IN Highways
IN T of Ref (2)
→ Nepal - Highway
→ Nepal T of Ref

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Messrs. Dickerson and Neuner DATE: April 29, 1970
FROM: G. Mahoney
SUBJECT: INDIA: Preappraisal of Second Highway Project (Dickerson and Neuner)
NEPAL: Review of Status of Detailed Engineering for Highway Project (Dickerson)
Terms of Reference

1. From about May 4 to about May 14, 1970 you will visit the above countries, to review the status of preparation for the subject projects.
2. In India you will:
 - a) Debrief the engineers from the Bank's consulting firm (Rendel, Palmer & Tritton) prior to the completion of their initial assignment, paying particular attention to such items as their opinion on the likely completion of each stage of preparation work and the time most appropriate for appraisal;
 - b) review progress of the additional work now being carried out by the consultant's economist on his extended assignment;
 - c) meet with officials of the Central Roads Wing (CRW), obtain the data on the local contracting industry requested in our letters of January 22 and April 24, 1970 and, in the light of the consultants' findings, agree with CRW a program for completion of project preparation;
 - d) assess the appropriate time for the return of the consultant's engineers to assist in completion of project preparation for appraisal;
 - e) ~~if time permits~~, you will visit one or more of the States to confirm personally the status of project preparation, to assess the validity of the CRW program for further project preparation and to explore issues of transport coordination with State governments; *and*
 - f) while in the States you will endeavor to sample the ability and capacity of possible local contractors for the subject project.

April 29, 1970

3. On or about May 11, Mr. Dickerson will proceed to Kathmandu, Nepal for about two days to review the status of final detailed engineering on the proposed highway project and Mr. Neuner will proceed to Lahore, Pakistan according to separate Terms of Reference.

4. On your return to Washington you will prepare combined Back-to-Office and Full Reports on the subject matter of your missions.

MWD:fm
IBRD

Cleared with and cc: Mr. Kirk (3)

cc: Messrs. Chadenet, Baum, Knox, Geolot, Mahoney,
Karcher, Abd. El Aty, A. T. Davis (2)
Finne, New Delhi Office
Files

IN Highways
(2)

OUTGOING WIRE

TO: HARDY
HOTEL AL URDON
AMMAN

DATE: APRIL 29, 1970

CLASS OF
SERVICE: LT

ROA

COUNTRY: JORDAN

TEXT:

Cable No.: ~~XXXX~~ TWO

FOR HARDY REURCAB ONE DICKERSON NEUNER ARRIVING DELHI MAY 3 FOR ABOUT FIVE
DAYS TO REVIEW STATUS PROPOSED SECOND HIGHWAY PROJECT STOP RENDELS ADVISED
REGARDS

MAHONEY

INDIA: Proposed 2nd Hwy Proj NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME G. Mahoney

DEPT. Transportation Projects

SIGNATURE

SCH Hardy: dfw (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Dickerson

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

1/R

ORIGINAL (SEE COPY)

CLASS OF SERVICE

11

DISPATCHED

TO THE COMMUNICATIONS SECTION

APR 29 6 28 PM 1970
COMMUNICATIONS

TO: H. JACKSON

TELEPHONE AND COPY DISTRIBUTION

NOTE: Enclosed are two copies to be transmitted

WYOMING

RECEIVED

DATE TO BEATER 21 APR 1970 SECOND HIGHWAY 21 APR 1970
FOR HANDBY MESSAGE ONE JACKSON MESSAGE CONTAINING DETAIL WVA 3 FOR WBOLE LINE

Copy No: 1000 100
TEXT

COPIES: 1000

1000
NOTE: 1000
1000

SERVICE: 10
CLASS OF

DATE: 1000 1000

OUTGOING WIRE

ASSOCIATION
INTERNATIONAL TELEGRAPHIC
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1000 1000

REGISTRATION AND DELETION
INTERNATIONAL BANK FOR

CONNECTION
INTERNATIONAL FINANCE

1000 1000

IN - Highway
(2)

Mr. M. R. Shroff

April 29, 1970

A. F. Kirk

INDIA - Proposed Second Highway Project

In order to review present status of preparation of the Proposed Second Highway Project the Association is sending a mission consisting of Mr. Maurice W. Dickerson (U.K.) and Mr. Tillman Neuner (U.S.). Mr. Dickerson will arrive in New Delhi by Flight AF 196 on May 3 at 04:45 and Mr. Neuner by Flight PA 2 o'clock on May 4 at 05:00 for about six days.

It will be appreciated if you inform officials of CRW of this visit.

MA
MABdelaty:ank

cc: Messrs. Dickerson
Neuner
N.D.O.

IN Highways
(29)

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: April 29, 1970

CLASS OF LT
SERVICE:

177

COUNTRY: ENGLAND

TEXT: FOR HOLLOWAY REURCAB 141 MISSION COMPRISING MESSRS. DICKERSON AND NEUNER
Cable No.: ARRIVING DELHI MAY 3 FOR ABOUT 5 DAYS STOP PLEASE ADVISE YOUR TEAM CONTACT
DICKERSON INTERCONTINENTAL HOTEL AROUND 3 P.M. THAT DAY FOR PRELIMINARY
DISCUSSIONS STOP SUGGEST PILDITCH TRNKA SCHEDULE DEPARTURE AFTER MAY 8
REGARDS

MAHONEY

INDIA: Proposed Second Highway Project NOT TO BE TRANSMITTED

AUTHORIZED BY: G. Mahoney
NAME: Transportation Projects
DEPT.:
SIGNATURE: (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

M. Dickerson: fm

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Kirk, Abd.El Aty, Neuner.

For Use By Communications Section

Checked for Dispatch:

ORIGINAL (MIR COPY)

DISPATCHED

Apr 29 5 36 PM 1970

COMMUNICATIONS

CC: RTAC: VPC: ET VPC: HARP-EX.

STEVENS AND CO. DISTRIBUTION

INDIA: Proposed Second Meeting for 1970 NOT TO BE TRANSMITTED

MANHOLE

MESSAGE

DISCUSSIONS ABOUT PROPOSED SECOND MEETING FOR 1970

DISCUSSIONS ABOUT PROPOSED SECOND MEETING FOR 1970

DISCUSSIONS ABOUT PROPOSED SECOND MEETING FOR 1970

Copy No:

TEXT:

FOR NOTIFICATION MEMBERS THE MEETING CONSIDERING NEW 1970. DISCUSSION AND MEETING

CONITVA:

RECEIVED

LONDON

TO: MEMBERS

SERVICE

CLASS OF

PS

DATE

APR 29 1970

ONGOING WIRE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

(P-24)

FORM NO 23

IN Highway

INCOMING CABLE

DATE AND TIME
OF CABLE:

APRIL 28, 1970

1503

LOG NO.:

RC 55/28

TO:

INTBAFRAD

FROM:

LONDON

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

slw
W. Mahoney

4/28
01

TEXT:

141 URGENT FOR MAHONEY TRANSPORTATION DIVISION 1
RECEIVED CABLE TODAY HARDY INFORMING US THAT BANK
IS SENDING BRIEF MISSION INDIA NEXT WEEK. PLEASE
ADVISE DATES IN ORDER THAT PILDITCH TRNKA CAN
FINALISE THEIR DEPARTURE DATE FROM INDIA

HOLLOWAY

Answered by Cable
from Mr. Hardy
4/30/70
slw

Report loan class

BF

VIN Highway
(2)
FIJI - Roads

INCOMING CABLE

DATE AND TIME
OF CABLE:

APRIL 28, 1970 1000

LOG NO.:

WU 8/28

TO:

INTBAFRAD

FROM:

HOTEL/AL URDON/AMMAN

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS
INFORMATION
COPY:
DECODED BY:

TEXT: 1 FOR KNOX

ARRIVED INTERCONTINENTAL AMMAN. WHILE IN LONDON SAW RENDELS

ALPHA FIJI THEY WILL ENDEAVOUR COMPLETE FEASIBILITY REPORT BY END MAY

INCLUDING OUR LATEST REQUIREMENT ECONOMIC ANALYSIS

BETA INDIA SECOND HIGHWAY PROJECT PILDITCH TRNKA HAVE OVER TAKEN INDIANS

WORK ON TECHNICAL PREPARATION.

APPROPRIATE THAT TECHNICAL TEAM BREAKS SERVICE NOW AND RETURNS INDIA FOR FOUR
TO SIX WEEKS AROUND AUGUST SEPTEMBER TO REVIEW WORK THEN COMPLETED. CRANAGE
SHOULD COMPLETE HIS PRESENT ECONOMIC SERVICE AND FINISH. HAVE AGREED TECHNICAL
TERMS TERMINATION IN ABOUT ONE WEEK. CONSEQUENTLY DID NOT HAND RENDELS OURLET
APRIL REGARDING EXTENDED SERVICE WHICH NEEDS REVISION RENDELS WILL SUBMIT
LETTER ON SUGGESTED SCOPE REMAINING CONSULTING WORK WITH REMISED COST ESTIMATE.
CONSEQUENTLY NOT ALL SUPPLEMENTARY BUDGETARY APPROPRIATION REQUESTED BY
GEOLOT LAST WEEK NOW REQUIRED THIS FISCAL YEAR. SUGGEST BRIEF BANK MISSION
INDIA BY DICKERSON NEANER WITHIN NEXT WEEK TO ASSESS SITUATION BEFORE
CONSULTANTS TEAM LEAVES. HAVE INFORMED RENDELS TENTATIVELY REGARDING BANK
MISSION BUT MAHANAY SHOULD CONFIRM DETAILS

HAKAY

AS RECEIVED

PJ

1N Highway
(2)

April 24, 1970

Mr. S. N. Sinha
Director General
Central Roads Wing
Ministry of Transport and Shipping
Parliament Street
New Delhi, India.

Dear Mr. Sinha:

Re: INDIA: Proposed Second Highway Project

We have been meaning to write to you for some time on the technical and economic aspects of the proposed project as they are now emerging, but we awaited the return of Messrs. Knapp and Cargill before doing so. A separate letter is being addressed to Mr. I. G. Patel by Mr. Cargill on policy matters.

First I wish to thank you, perhaps somewhat belatedly, for the kind reception given to Messrs. Mahoney, Karcher and Neuner during their February, 1970 visit to Delhi. As pointed out by the mission in their meetings with you, some considerable further project work remains to be completed and certain actions are required prior to appraisal. Below are some of the most important items which were discussed by the mission.

Engineering

1. We consider it is essential that, as a basis for design and cost estimates, major by-passes and relocations be staked out in the field. We would appreciate your confirmation that the outline of minimum survey requirements suggested by the consultants is acceptable to you and will be applied in preparation of the project.
2. We understand that pavement designs on the basis of the field tests conducted by the States, although promised for early April, will not now be ready for several months. We would like to receive as soon as possible typical drawings showing the proposed pavements and a summary of design procedures used.
3. We also understood that firm cost estimates for major bridges were to be completed in early April but that these are not yet

April 24, 1970

available. Please let us know the present status of this work and to what extent it will be possible for you to minimize the number of separate contracts for bridges and to include all except major river bridges or unusually large and complex structures in a single package contract for a given stretch of road.

4. We have not yet received the final draft of construction specifications and tender documents which you indicated to the mission were to be ready by the end of March. We would appreciate their early receipt.
5. Little progress appears to have been made in land acquisition. Please send us detailed information on the status of land acquisition already undertaken and the likely time-table for completion.

Economics

6. We have reviewed the final report of our consultants' economists. In general, the results of their analysis confirm the preliminary indications which the mission discussed with you. However, the conclusions are still somewhat tentative, and we would like to carry out a sensitivity analysis for certain of the calculations, and to firm up some of the crucial assumptions by actual field survey. For this purpose, Mr. Granage has now returned to India for a brief period and we expect to have the necessary revisions in about two months. Because the findings are still not final, we would like to delay detailed discussion with you of the economic evaluation until more definitive material is in hand.
7. The basic economic approach remains the same as the mission outlined to you in February. The widening of roads from one to two lanes is justified by the fact that vehicle speeds will be increased and vehicle operating costs correspondingly reduced. For example, on a road with a 12 foot carriageway and earth shoulders, commercial vehicles are said to travel about 15 km per hour (on the average) at traffic levels of 6,000 p.c.u. while on a road with a 23 foot carriageway commercial vehicles are thought capable of traveling at an average speed of 60 km per hour at p.c.u. levels of 6,000 or less. For trucks this would imply a reduction in operating costs from roughly 75 paise to 37 paise per km. As the traffic on single lane roads becomes lighter, the average speed increases progressively to the point where operating costs as compared to costs on a two lane facility will be only marginally higher, not high enough to justify the investment.
8. The major segments which we believe should be excluded from the project are roads where traffic is relatively light and the present condition of the road approximates a two lane facility. This means that vehicle speeds will be rather high and that the wear and tear on the road will be light under the relatively sparse traffic. For this reason, we have suggested the elimination of the road from

Kanpur to Varanasi and the road from Salem to Coimbatore. The same principle also would require that two lane portions of otherwise justifiable road sections should not be reconstructed at this time although perhaps resurfaced; for example, some 37 km of the Poona-Kolhapur-Mysore Border road and some 20 km on the Nasik-Dhulia road.

9. Some sections are excluded because the best solution would require lengthy engineering studies for which there is insufficient time; we would suggest that economic and engineering work on these be included in the proposed project with a view to considering their construction under a future IDA project. The segments we have in mind are the two ghat sections on the Poona-Kolhapur-Mysore Border road and the road from Chas to Karkendra where there are difficult alignment problems.
10. Several other projects are quite marginal but they do justify further economic investigation for final determination at the time of appraisal; these are the road from Gobindpur to Chirkunda, the Bombay-Nasik road (except for 20 km of improved road), the Kanpur Bridge, and the road from Mysore Border to Salem. Also, we think that the road from Nawadah to Baktiapur may not be justified as a whole although improvement of selected sections and bypass may be appropriate. These works, however, are small and widely scattered and, in our opinion, not suitable for construction under an IDA project. A final decision on this might best be made at the appraisal visit.
11. Finally, there are a number of bypasses which may have attractive returns even though the road section in which they occur are not, as a whole, justified at this time. These include, among others, the Salem and Bhavani bypasses in Tamil Nadu, and possibly two bypasses in Bihar, the one around Chirkunda and the road from Karkendra to Gobindpur via Barua which constitutes, in effect, a bypass around Dhanbad.

Contractors

12. We now urgently require the list of road contractors requested in our letter of January 22, 1970. This list should consist of firms (including joint ventures) who are capable of acting as prime contractors to undertake all works on a given length of road. We also require an indication of the annual volume of work (expressed in rupees) which each prime contractor (or joint venture) could undertake.

Mr. S. N. Sinha

-4-

April 24, 1970

To summarize, we list the economic status of all project elements in the attachment to this letter. We would suggest that preparation work be concentrated on the elements listed in A and B. Although the elements under B are considered marginal at this time, we think that additional investigation is warranted and that a final determination should be made at appraisal.

We would appreciate early receipt of the data requested in this letter and an indication from you of the timing for completion of the engineering work. We would also appreciate any comments you may have on the economic aspects.

Sincerely yours,



S. C. Hardy
Chief, Highways Division I
Transportation Projects Department



cc: Messrs. Rendel Palmer & Tritton,
Consultants
125 Victoria Street
London, S.W.1. England

Cleared with and cc: Mr. Abu El Aty
cc: Messrs. Votaw, Mahoney, Dickerson, Karcher, Neuner.

OFFICE MEMORANDUM

TO: Files (through Mr. G. Votaw)

DATE: April 24, 1970

FROM: M. Abd El Aty M.A.

SUBJECT: INDIA - Proposed Second Highway Project

1. The Projects Department has now received Report No. 4 dated April 1, 1970 from the Association's consultants. The consultants state that project preparation is proceeding slowly and that CRW is unlikely to complete detailed engineering until December 1970.
2. Appraisal cannot therefore start before December, 1970, and in view of the pace at which work proceeds on this project, Projects Department does not expect presentation to the Board until August 1971.
3. This project would thus slip from FY 1971 to FY 1972. This would also avoid continuous need for changing the timetable.
4. Mr. Hardy is writing to the consultants extending their services for six more weeks; and is writing to CRW;
 - (a) outlining further work necessary before appraisal;
 - (b) informing them of the continuation of consultants work;
 - (c) giving preliminary suggestions on the choice of project elements, reserving final judgment until appraisal, and
 - (d) reiterating the request for the list of road contractors with indication of their capacity.
5. Projects Department has prepared a status report on project preparation which includes the latest findings of the consultants (to be distributed later today.) A mission is tentatively scheduled to visit India in June, before completion of consultants assignment, to review their latest findings and prepare with CRW a plan for the completion of project preparation.

MabdelAty/pop

Cleared with and cc: Mr. Dickerson

cc: Messrs. Cargill, Votaw, Melmoth(o.r.), Kirk(o.r.),
Hardy, Mahoney, Karcher, Neuner

1N Highway
(2)

FILES

April 24, 1970

M. W. Dickerson

**INDIA: Proposed Second Highway Project
Consultants' Income Tax Status**

The object of this memorandum is to indicate the problems that arose concerning the visa and tax status of Bank-financed consultants in India and their position as of mid April, 1970.

Rendel, Palmer and Tritton (Consultants) London, were engaged by the Bank late in 1969 to provide about 15 man-months of appraisal assistance services for the above project at a cost of US\$69,000. They were pressed into service at short notice (our first choice of consultants having backed down), a Letter of Agreement was signed November 14, 1969 and the three members of the team (two engineers for six months and an economist for two months) arrived in India between November 20 and December 1, 1969. Two members of the team, Mr. Pilditch (engineer) and Mr. Cranage (economist) being British required no visas to enter India but Mr. Trnka (engineer) being a Czechoslovakian national obtained an entry visa (valid for three months but normally renewable).

During February, the team (now Pilditch and Trnka) became concerned about unforeseen income tax liabilities and were informed by the UN and the Department of Economic Affairs (through the Bank's New Delhi office) that they might be personally liable for Indian income tax (on salaries and subsistence) if they remain in the country beyond 90 days in any one fiscal year (commences 1st April). Due to his being the longer stay in India, Mr. Trnka's period was up first, but his case might also have been highlighted by his type of visa, and the possible need to renew it. The Bank approached the Indian Government both through the Alternate Executive Director and through the New Delhi office for clarification of the consultants' tax status and their possible exemption under a "technician" classification. The team members also sought guidance from both the Indian authorities and our New Delhi office but apparently received little conclusive advice. Finally, they decided to leave India before the 90 days was up and, on February 25th, they crossed into Pakistan.

After further discussion in the Bank, we advised the consultants' London office to request the team to return to New Delhi soonest in order to continue their work, and we intimated that, in the uncertain tax circumstances, we would be responsible for any financial consequences. Accordingly, after receiving a cable from their London office, they returned to New Delhi on March 1, 1970 with Pilditch, as before, requiring no visa, but with Trnka obtaining a tourist visa (valid to end May) and signing an undertaking that he would not work in India. We have received further word from our New Delhi office that the Government is not prepared to class them as technicians and also that, should we wish to withdraw the team, taxes due may have to be paid before they are allowed to leave. The Letter of Agreement between Rendels and ourselves contains the usual clause that all taxes will be for the account of the consultant but we believe that Rendels' offer

Files

-2-

April 24, 1970

was made on the good faith assumption that they were exempt from taxes on this assignment (as with their other assignments in India) and we therefore are inclined to reimburse them for taxes.

Sendels have subsequently informed us, by their letter of April 16, 1970, that if the 90-day ruling is observed, then it is possible that none of the team members will be liable for income tax. However, if tax is charged on the basis of their original assignment (180 days) plus an extension of about 40 days (requested by the Bank), then the total liability will be of the order of US\$10,000 equivalent. We have accordingly informed Sendels in London that we are prepared to consider assisting the team to meet these possible tax liabilities, and an item for this amount has been included in a request for additional funds to cover the extended assignment.

Cleared with and cc: S. C. Hardy

cc: Messrs. Knox, Gaolet, Mahoney,
Kirk, Denton/Singh

MED:fm

Mr. A. F. Geolot

April 24, 1970

S. C. Hardy

INDONESIA: Proposed Second Highway Project - Financing of Detailed Engineering

1. You asked me to advise you of the situation regarding interim financing of the detailed engineering, for which retroactive financing was recommended in the back-to-office report, dated April 20, of the recent mission to Indonesia.

2. The proposed Second Highway Project contains detailed engineering as follows:

	<u>Estimated Cost</u> <u>US\$ Equivalent</u> <u>million</u>	<u>Foreign Exchange</u> <u>Component US\$</u>
(i) Sidjungjung-Lubuklinggau Sections I and II (206 Kms)	1.4	1.1
(ii) Sidjungjung-Lubuklinggau Section III (292 Km)	1.7	1.4
(iii) Amurang-Duadulu (160 Kms)	1.0	0.8
((iv) Bridge Replacement - Sulawesi	0.35	0.3

3. Feasibility study of (i) will be completed in May, by the UNDP financed Highway Services consultants (KAMPSAX/Berger), who will then continue with the study of (ii) and commence studies for (iii) and (iv). It is anticipated that the studies for (ii), (iii) and (iv) will be completed within the time and financing of the UNDP service.

4. Government has informed the Bank, through the Bank mission in Djakarta, of their intention to allocate US\$1.5 million in their fiscal year 1970/71 for interim financing of detailed engineering of Sidjungjung-Lubuklinggau, pending reimbursement. A copy of the letter concerned is attached. This highway has already been the subject of a preliminary study by the UNDP services consultant, in which Sections I and II were indicated as having a probable rate of return of 35% and Section III of 22%. Sections I and II were, therefore tentatively placed in the proposed Second Highway Project, at the time of the supervision mission in December 1969, and arrangements made for the UNDP services consultant to do a more detailed feasibility study, on which to base a definite investment decision. In view of this, initial arrangements were therefore made for Government to provide interim financing.

April 24, 1970

5. During the March/April 1970 mission the Director of Planning of the Highway Department (Mr. Karnadi) also undertook to obtain interim financing in fiscal 1970/71 of the detailed engineering of Section III of the Sidjundjung-Lubuklinggau, pending reimbursement from the Second Highway Project. It is estimated that up to 20% of this work would need to be so financed at a foreign exchange cost of US\$0.28 million. This is in fact covered by the US\$1.5 million for which a written assurance has already been received (para. 4).

6. At the time of writing the back-to-office report detailed engineering of the Amurang-Duadulu highway and the bridge replacement in Sulawesi (items (iii) - (iv) para. 2) were under consideration for bilateral financing by Canada. They were both identified as possible parts of the proposed Second Highway Project by Bank Resident Staff and the mission, partly from field inspection and partly from a report on bridges in Sulawesi prepared by KAMPSAX/Berger. As different from items (i) and (ii) (para. 2) therefore, we do not yet have even a probable rate of return for items (iii) and (iv).

7. We now understand that Canada is prepared to finance detailed engineering and supervision of construction of the Sulawesi bridges (item (iv) of para. 2) only. Previously a figure of US\$6.0 million was mentioned by Mr. H. J. Van Helden as being available, now apparently the amount for highways is limited to US\$0.6 million. In the event, therefore, that the feasibility study shows it to have a sufficient rate of return then it would be necessary for Government to consider interim financing detailed engineering of the Amurang-Duadulu highway, at an estimated foreign exchange cost of US\$0.8 million, (of which up to US\$0.5 million would be required in their fiscal 1970/71) pending reimbursement through the proposed Second Highway Project.

JRHoward:pg

cc: Messrs. Knox, Van Helden, Tolbert

1N Highways
(2)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Mr. S.C. Hardy

DATE: April 24, 1970

FROM: Messrs. G. Mahoney, M. Karcher and T. Neuner

SUBJECT: INDIA - Proposed Second Highway Project
Status Report (mid-April, 1970)

This report summarizes the present status of preparation of the above project and is based on our visit to New Delhi in February, 1970 (Terms of Reference, January 26, 1970), and on subsequent discussions within the Bank and with the Bank's consultants (Rendel, Palmer and Tritton, U.K.) up to mid-April 1970.

Summary

1.1 Project preparation has been much slower than expected. Principal engineering items causing delay are slow Central Roads Wing (CRW) approval of road alignments and their failure to establish standards for design surveys and basic cross section elements (paras. 3.1 - 3.3). There has been no progress in right-of-way acquisition and, although CRW assured us that this would not be a delaying factor, we have serious doubts; this matter should be reviewed carefully during appraisal (para. 3.6).

1.2 Economic analyses by the Bank's consultants shows that some project elements cannot be justified and others have only marginal returns. Additional information is required for some elements to verify principal assumptions made in the analyses (paras. 4.1 - 4.3).

1.3 Further consultants' assistance in project preparation is needed prior to appraisal; this will involve two months of economist's and three months of engineers' time. The cost of these added services will require about US\$14,000 in addition to the US\$80,000 already allocated; the Bank's agreement to meet the consultants' staff possible Indian income tax liabilities will require an additional US\$10,000, making a total additional commitment of US\$24,000 on Bank funds. So far, the consultants have had fair cooperation from the CRW and States on technical matters (para. 5.1).

1.4 From a technical standpoint, based upon the consultants' latest report, it does not appear possible to appraise until towards the end of 1970. In any event, appraisal should not take place until the Bank reaches an agreement with the Government of India on major policy issues (para. 7.1).

Recommended Action

2.1 We recommend that the Association write to Mr. S.N. Sinha, Director General, CRW, on the following points:

- (a) CRW will expedite approval of proposed road locations;
- (b) CRW will use the consultants' proposed minimum design survey requirements;
- (c) CRW will establish, as soon as possible, major cross section elements and complete pavement designs;
- (d) CRW will complete basic designs and firm cost estimates for all major bridges as soon as possible;
- (e) CRW will consider including all except major river bridges or unusually large or complex structures as part of a package contract for a given road length;
- (f) CRW will expedite right-of-way acquisition;
- (g) advise CRW of our selection of project elements to be considered during appraisal;
- (h) CRW will forward to the Bank, at the earliest opportunity, the list of contractors (with annual capacity) requested in our letter of January 22, 1970;
- (i) advise CRW that appraisal will be delayed several months due to outstanding policy matters.

2.2 The Association should attempt to reach early agreement with the Government on the outstanding policy matters and approve an additional US\$24,000 for further consultants' services and Indian income tax liabilities.

Status of Project Preparation

Engineering

3.1 Preparation by the States of detailed engineering for road elements is proceeding slower than expected. They are following their normal practice of preparing plans and estimates on the basis of paper locations without field staking of new alignments for major by-passes and relocations. Most of these paper locations have not yet been approved by the CRW or reviewed by the consultants. Based on the few location plans seen by the consultants, it is their opinion that the basic engineering can be considerably improved in several cases.

3.2 The consultants feel that plan and estimate preparation without alignment approval and field staking could result in delays and wasted design effort where changes are necessary and will produce estimates of questionable accuracy. We agree fully with their evaluation. We urged the CRW to expedite approval of proposed locations and recommended they work closer with the consultants on this by way of joint review of State proposals.

We also advised CRW that field staking of major by-passes and relocations would be required as a basis of designs and cost estimates before appraisal. The consultants had furnished CRW an outline of minimum survey requirements which we advised them to follow.

3.3 The States have completed pavement design field tests for all roads. Pavement design will be done by the CRW and although they estimated this work would be completed by about mid-March, the consultants now report that only pavement design guidelines have been prepared so far. These guidelines have been reviewed by the consultants but several months of further work will be required by the States to prepare actual designs from these guidelines. In December 1969, the consultants furnished the CRW a drawing showing their suggestions on general pavement type and width, slopes and other principal cross-section elements for the various roads. The CRW had not reviewed this drawing but agreed to discuss it with the consultants and incorporate agreed items in their final pavement designs.

3.4 For major bridges, basic data is collected by the States and the CRW prepares all designs. This work appeared to be proceeding well and firm cost estimates were expected by early April, but are now delayed several months. Plans and estimates for minor bridges are prepared by the States from standard bridge plans. These are expected to be completed concurrently with road plans.

3.5 We asked the CRW to reconsider their present practice of advertising practically each bridge as a separate contract and to consider including all except major river bridges or unusually large and complex structures as a part of the package contract for a given length of road. They agreed to consider this but suggested an alternative of grouping several bridges in a separate contract. On this latter idea we pointed out the problems of scheduling and coordinating separate road and bridge contractors working on the same stretch of road. This is a matter which must be reviewed in depth during appraisal.

3.6 For all practical purposes, there has been no progress in right-of-way acquisition during the past 12 months. The Director General of CRW stated in August 1969 that acquisition might be expedited by obtaining early sanction for land costs alone but this apparently is not possible or hasn't been pressed. The CRW again assured us that right-of-way acquisition would not be a delaying factor, but we have serious doubts. According to the consultants, no right-of-way plans have been prepared by the States; this is understandable in view of the fact that major alignments have not yet been approved (para 1.1). We urged the CRW to expedite land acquisition and this matter should be reviewed carefully during appraisal.

3.7 The States have submitted their comments and suggestions on standard construction specifications and tender documents. The CRW will consolidate these comments and expected to complete the final draft by the end of March (to date we have no indication that this work is completed). Here again we recommended that CRW work closely with the consultants and hold joint meetings during the draft preparation.

Economics

4.1 The consultants' economists have submitted their final report on the economic justification of the project. They have revised practically all cost and benefit factors used in their preliminary rate of return calculation and have produced new rates of return for the 19 elements into which they divided the project for analysis. Rates shown are much lower than those produced by the Ministry of Transport and Shipping (which were between 15% and 75%), and now range between 0% and 42% excluding allowances for time savings of passengers in vehicles. Some elements have such low rates as to indicate non-feasibility of those sections under any realistic economic assumptions; as indicated below, we propose to drop these elements from the project.

4.2 Further economic work will be required to (a) clarify or adjust some aspects of the economists' report which appear doubtful to us; and (b) to gather information in the field and substitute actual data for assumption used in the calculation. The principal points which appear doubtful to us in the report are:

- (a) the extraordinarily large highway maintenance costs;
- (b) the consistently high growth rates for traffic;
- (c) the apparent failure to apply shadow pricings to benefits; and
- (d) the inclusion of time savings of passengers in the benefits, at least at the values shown.

We have now, however, received the economists' working papers and are reviewing the above points.

4.3 Additional field information is being gathered on the following points:

- (a) the actual transit time for vehicles:
 - (i) through towns which are to be by-passed;
 - (ii) over road sections which are to be improved; and
 - (iii) over sample roads of the standard to which improvements are to be made (the heart of the economic analysis is the savings in vehicle operating costs due to increased vehicle speeds; the report is based on assumed increases in speed); and
- (b) estimation (by O/D survey) of the amount of traffic likely to be using the by-passes and certain bridges included in the project.

Additional Consultants' Services

5.1 To date the quality of the consultants' services has been good. They have had fair cooperation from the States and CRW on technical matters and have been of considerable help to them in advancing project preparation. Further assistance by the consultants is needed and we have requested them to undertake the following extension of their present contract:

- (a) one Transport Economist - 3 months; 2 months in the field (which commenced April 13) followed by 1 month home office work; and
- (b) two Highway Engineers - 3 months; about 1½ months each in the field beginning about mid-May which is their termination date under the present contract.

The consultants advise that the above extension will cost US\$24,000 equivalent and that the total cost of their original contract will be about US\$70,000 equivalent. Thus, it will be necessary to request an additional US\$14,000 to supplement the present allocation of US\$80,000 for the consultants' services. The Bank has been advised that the consultants' staff in India may be subject to Indian income taxes and the Bank has agreed to meet their net out-of-pocket costs which, based on information furnished by the consultants, will require a further budget increase of US\$10,000.

Contractors

6.1 We have been trying to assemble information on the quality and capacity of the Indian road contracting industry and have requested the help of both our consultants and CRW in this connection. The consultants have provided some valuable data indicating the undeveloped state of the industry (see memorandum from Mr. Dickerson to Mr. Hardy, dated March 23, 1970) but we have so far had nothing from CRW. By letter of January 22, 1970 and again orally during our February visit we asked CRW for a list of contractors. Mr. Sinha stated that information had been received from the states which CRW was consolidating prior to submission to us. We should again remind Mr. Sinha to submit the list as he had promised.

It is our impression at this time that there are only 3 or 4 large general civil contractors in India who, even though inexperienced in the type of road construction envisaged in this project, could be expected to execute such work on the basis of their overall record. While there are many other Indian construction firms, they are unfamiliar with large scale road work and do not have the wide general experience and substantial resources which qualify the 3 or 4 large firms just mentioned.

Appraisal Date

7.1 Although we estimated that the additional engineering and economic work to prepare the project might be completed by the end of May, the consultants in their latest report (No. 4, April 1, 1970) drew attention to the backward state of detailed engineering and expressed the opinion that this work will not be completed until December 1970. From a technical point of

view, appraisal could not therefore be scheduled until towards the end of 1970. CRW objected to a late appraisal when this was proposed to them but the issue has become mute since other policy considerations are likely to be a critical factor in the timing of appraisal. The major policy issues are: international bidding and construction supervision, and must be resolved between the Association and the Government of India, a process which most likely will not be completed until about Fall of this year at the earliest.

Research Project

8.1 We met with the Director of the Central Road Research Institute (CRRI) to discuss a possible highway research project which would obtain data on vehicle operating costs under varying road and traffic conditions, indices of pavement performance, and costs of road construction and maintenance by various blends of labor and equipment. The CRRI has already formulated plans for such a project and has furnished a summary of their proposal and estimated costs (US\$11 million equivalent). Dr. Millard of the U.K. Road Research Laboratory expressed interest in participating in such a project and has furnished his comments and suggestions.

Transport Policy Matters

9.1 We met with Mr. Baveja of the Planning Commission to review progress in transport coordination and to inform him of the Bank's likely requirements in connection with the proposed highway credit. Mr. Baveja noted the Bank's requirements and said he would shortly forward to the Bank a report on transport coordination as agreed during the 10th Railway Credit negotiations. He agreed with us that there was a definite need for improving highway planning procedures.

GMahoney/MKarcher/TNeuner/kms
IBRD

cc: Messrs. Chadenet, Baum, Knox, Geolot, Lipkowitz, Baldwin, Engelmann, Piccagli, Rovani, Davis, Votaw/Kirk, Abd. El Atty, Gilmartin (New Delhi Office), Dickerson,

OFFICE MEMORANDUM

TO: FILES

DATE: April 24, 1970

FROM: M. W. Dickerson

SUBJECT: INDIA: Proposed Second Highway Project
Consultants' Income Tax Status

The object of this memorandum is to indicate the problems that arose concerning the visa and tax status of Bank-financed consultants in India and their position as of mid April, 1970.

Rendel, Palmer and Tritton (Consultants) London, were engaged by the Bank late in 1969 to provide about 15 man-months of appraisal assistance services for the above project at a cost of US\$69,000. They were pressed into service at short notice (our first choice of consultants having backed down), a Letter of Agreement was signed November 14, 1969 and the three members of the team (two engineers for six months and a economist for two months) arrived in India between November 20 and December 1, 1969. Two members of the team, Mr. Pilditch (engineer) and Mr. Cranage (economist) being British required no visas to enter India but Mr. Trnka (engineer) being a Czechoslovakian national obtained an entry visa (valid for three months but normally renewable).

During February, the team (now Pilditch and Trnka) became concerned about unforeseen income tax liabilities and were informed by the UN and the Department of Economic Affairs (through the Bank's New Delhi office) that they might be personally liable for Indian income tax (on salaries and subsistence) if they remain in the country beyond 90 days in any one fiscal year (commences 1st April). Due to his being the longer stay in India, Mr. Trnka's period was up first, but his case might also have been highlighted by his type of visa and the possible need to renew it. The Bank approached the Indian Government both through the Alternate Executive Director and through the New Delhi office for clarification of the consultants' tax status and their possible exemption under a "technician" classification. The team members also sought guidance from both the Indian authorities and our New Delhi office but apparently received little conclusive advice. Finally, they decided to leave India before the 90 days was up and, on February 25th, they crossed into Pakistan.

After further discussion in the Bank, we advised the consultants' London office to request the team to return to New Delhi soonest in order to continue their work, and we intimated that, in the uncertain tax circumstances, we would be responsible for any financial consequences. Accordingly, after receiving a cable from their London office, they returned to New Delhi on March 1, 1970 with Pilditch, as before, requiring no visa, but with Trnka obtaining a tourist visa (valid to end May) and signing an undertaking that he would not work in India. We have received further word from our New Delhi office that the Government is not prepared to class them as technicians and also that, should we wish to withdraw the team, taxes due may have to be paid before they are allowed to leave. The Letter of Agreement between Rendels and ourselves contains the usual clause that all taxes will be for the account of the consultant but we believe that Rendels' offer

Files

-2-

April 24, 1970

was made on the good faith assumption that they were exempt from taxes on this assignment (as with their other assignments in India) and we therefore are inclined to reimburse them for taxes.

Rendels have subsequently informed us, by their letter of April 16, 1970, that if the 90-day ruling is observed, then it is possible that none of the team members will be liable for income tax. However, if tax is charged on the basis of their original assignment (180 days) plus an extension of about 42 days (requested by the Bank), then the total liability will be of the order of US\$10,000 equivalent. We have accordingly informed Rendels in London that we are prepared to consider assisting the team to meet these possible tax liabilities, and an item for this amount has been included in a request for additional funds to cover the extended assignment.

Cleared with and cc: S. C. Hardy

cc: Messrs. Knox, Geolot, Mahoney,
Kirk, Denton/Singh

MWD:fm

INCOMING CABLE

ROUTING

DATE AND TIME
OF CABLE:

APRIL 23, 1970

1620

LOG NO.:

WU 22/23

TO:

INTBAFRAD

FROM:

NEW DELHI

TEXT:

FOR VOTAW

ALPHA SPOKE WITH AINSCOW PARTNER RENDALL PALMER TRETTON AND
AGREED THAT RENDALL PALMER SHOULD WRITE LETTER TO GO CARE WORLD
BANK DELHI UNDERTAKING TO MEET TRINKAS TAX LIABILITIES AND THAT
ACCORDINGLY TRINKA SHOULD LEAVE INDIA IN ABOUT WEEK. AINSCOW
TELEPHONING HARDY FRIDAY TO CONFIRM THIS ARRANGEMENT WHICH I
THINK BEST FOR ALL CONCERNED

BETA DUNN LEAVES FRIDAY FOR TOKYO ARRIVING WASHINGTON SUNDAY OR
MONDAY I LEAVE SATURDAY EARLY AM FROM LONDON ARRIVING WASHINGTON
SUNDAY

GAMMA GOI URGENTLY REQUESTS SUBSTANCE IDA POSITIONS CAUVERY PUNJAB
CONSEQUENTLY RECOMMEND SEVERAL EDITED GREENS BE GIVEN SHROFF
FOR URGENT DESPATCH IF NOT BEING CARRIED BY WAPENHANS. REGARDS

KIRK

FAMILY NOTIFICATION BEING MADE FOR MR. KIRK

NO FAMILY NOTIFICATION NECESSARY FOR MR. DUNN

BF

505

IN Highway
(2)

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: APRIL 22, 1970

CLASS OF
SERVICE: LT

COUNTRY: U.K.

175

TEXT:

Cable No.: FOR HOLLOWAY AM PASSING THROUGH LONDON MORNING MONDAY APRIL 27 AND WILL
ENDEAVOUR VISIT YOU DISCUSS LATEST STATUS PROPOSED HIGHWAY PROJECT INDIA
AND OTHER MATTERS

HARDY
INTBAFRAD

INDIA: Prop Hwy Proj.

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. HARDY

DEPT. TRANSPORTATION PROJECTS

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

SCHardy:dfw

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Mahoney, Dickerson, Neuner,
Kirk, Ahlstrand, Mulligan

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: 

ORIGINAL (RIP COPY)

DISPATCHED

RECEIVED: 22

SIGNATURE OF INDIVIDUAL AUTHORIZED TO SIGN

APR 22 5 00 PM 1970
COMMUNICATIONS

SIGNATURE

DEPT

INTERNATIONAL ASSOCIATION

NAME

S. C. HARRIS

RECEIVED: 22
RECEIVED: 22
RECEIVED: 22

APPROVED BY

CLEARANCES AND COPY DISTRIBUTION

INDIA: 2200 2200 2200

NOT TO BE TRANSMITTED

RECEIVED
HARRIS

VND OTHER MATTERS

RECEIVED: 22
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RECEIVED: 22

Serial No:
TEXT

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RECEIVED: 22
RECEIVED: 22

COPIES:

1. K.

SERVICE: 22
CLASS OF

RECEIVED: 22
RECEIVED: 22

DATE: 22 22 22

OUTGOING WIRE

ASSOCIATION

RECONSTRUCTION AND DEVELOPMENT

COOPERATION

INTERNATIONAL DEVELOPMENT

INTERNATIONAL BANK FOR

INTERNATIONAL FINANCE

INTERNATIONAL DEVELOPMENT
ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: INTBAFRID

DATE: APRIL 23, 1970

NEW DELHI

CLASS OF FULL RATE
SERVICE: RCB

COUNTRY: (INDIA)

TEXT:
Cable No.:

TOP TEM PRIMO SIXTH INDUSTRIAL IMPORTS CREDIT APPROVED WITH SUPPORT
REF. DIRECTORS SECUNDO ~~DISCUSS~~ STOP HIGHWAY LETTER LIXXX GO OUT
LATE THIS WEEK STOP DUNNS ITINERARY FOR TOKYO CONVEYED TO SUZUKI
EXERCIO URCABLE THREE STOP TO AVOID DELAY IN GUJARAT CREDIT PRESENTATION
MAY FIVE CORMA WE ARE RETAINING ORIGINAL WORDING SCHEDULE ONE SINCE
CHANGE PROPOSED URCABLE CAN BE EFFECTED LATER AS CHANGE IN LIST OF GOODS
IF NECESSARY STOP URPOINT ALPHA HAS BEEN INCORPORATED CREDIT DOCUMENTS
STOP REGARDS

VOTAW

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME G. B. Votaw

DEPT. South Asia

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

Kuriyama/amp
ORIGINAL (File Copy)

CLEARANCES AND COPY DISTRIBUTION:

cleared in substance with and
copy for: Mr. Goffin

For Use By Communications Section

Checked for Dispatch:

IN Highway.
(2)

Mr. J. Blaxall

April 21, 1970

A. F. Geolot

INDIA: Proposed Second Highway Project
Consulting Services

1. The purpose of this memorandum is to request an increase of US\$24,000 in the allocation (originally US\$80,000) for consulting services for the proposed second highway project in India.

2. As you are aware, the Bank engaged consultants (Rendel, Palmer and Tritton, London) to provide a team to assist the Central Roads Wing (CRW) of the Indian Government in the preparation of a highway project and to provide appraisal assistance to the Bank. The team was due to complete the assignment in May, 1970, but project preparation by the States and the CRW has been slower than anticipated and further consultants' services are needed prior to appraisal. To undertake the assignment originally envisaged, about US\$70,000 will be expended out of the allocation of US\$80,000. The additional work will involve a total of about 3 man-months of engineer's and 2 man-months of economist's time at an estimated cost of US\$24,000, requiring a net additional allocation of US\$14,000 on this account.

3. Further funds will be required to enable the consultant's staff to meet possible Indian income tax liabilities, which the Bank has agreed to pay. Based on information furnished by the consultant, we estimate that US\$10,000 may be required for such taxes including possible obligations under the proposed extension of services.

4. The financial position is therefore as follows:

	US\$
(i) Estimated cost of consulting services as per original Letter of Agreement	70,000
(ii) Estimated cost of necessary additional services (as per letter Rendel/Bank February 27, 1970).	24,000
(iii) Provision for consultants' tax liabilities	10,000
Total	104,000
(iv) Original allocation (memorandum Adler/Sadove, September, 1969).	80,000
(v) Additional funds required	24,000

5. May the approval of Programming and Budgeting please be given for a further allocation of US\$24,000 for the cost of the additional consulting services.

MWDickerson/fm

cc: Messrs. Mahoney, Karcher, Neuner



Record Removal Notice



File Title India - Second Highways Project - Correspondence 1969 / 1971 - Volume 2		Barcode No. 1847189		
Document Date 16 April, 1970	Document Type Letter			
Correspondents / Participants To : S. C. Hardy Esq., From : Brian (Rendel, Palmer & Tritton)				
Subject / Title India - Highway Appraisal				
Exception(s) Personal Information				
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website. <table border="1"><tr><td>Withdrawn by Chandra Kumar</td><td>Date 02-Mar-15</td></tr></table>	Withdrawn by Chandra Kumar	Date 02-Mar-15
Withdrawn by Chandra Kumar	Date 02-Mar-15			

INCOMING CABLE

DATE AND TIME
OF CABLE: APRIL 16, 1970

1415

LOG NO.: RC 37 / 16

TO: INTBAFRAD

FROM: LONDON

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Wm. Hardy

TEXT:

104 URGENT FOR HARDY CHIEF TRANSPORTATION DIVISION I additional budget request
RE YOUR CAB 15TH APRIL MATTER INVOLVED AND REPLY BY EXPRESS LETTER FOLLOWS *until after receipt of letter?*

HOLLOWAY

Mr. Hardy *OK agreed.*

*I think we should wait.
Present contract can be through
about mid-May and in view
of the long expected delay in
appraisal, a few more days
should make no difference.*

IR

Geo. Sm.

APR 15 9 42 AM 1970
COMMUNICATIONS
SECTION

10

RE KRM 051 FROM WASH FIELD OFFICE 4/15/70 AND WASH DC 4/15/70
FOR INFO BUREAU AND NEW YORK OFFICE ADVISE BUREAU 4/15/70

RENY

FROM: TOLSON

TO: DIRECTOR

FROM: NEW YORK

TO: NEW YORK

RE: NEW YORK
4/15/70

NEW YORK

4/15/70

4/15/70

ENCLOSURE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 05-15-2011 BY 60322

DATE 05-15-2011 BY 60322

DATE 1/5/70

IN Highways
(2)

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: APRIL 14, 1970

CLASS OF
SERVICE: LT ITT

COUNTRY: U.K.

TEXT: **SOONEST ON**
Cable No.: FOR HOLLOWAY REURCAB APRIL 3 WOULD APPRECIATE INFORMATION APPROXIMATE
AMOUNT TEAMS INDIAN INCOME TAX LIABILITY

HARDY
INTBAFRAD

INDIA: Prop 2nd Hwy Proj NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. Hardy

DEPT. Transportation Projects

SIGNATURE Hardy
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: SCHardy: dfw

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Mahoney, Dickerson

For Use By Communications Section

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: dd

84

ORIGINAL (1st copy)

DISPATCHED

REFERENCE: 2001294: Q14

For use by Communications Section

SIGNATURE: SIGNATURE OF INDIVIDUAL AUTHORIZED TO TRANSMIT

DEPT: International Projects

APR 15 6 44 PM 1970
COMMUNICATIONS

NAME: S. C. Hartzel

CC: Messrs. Kennedy, Dickerson

AUTHORIZED BY:

STANDARD AND COPY DISTRIBUTION

INDIV: Prob Smg HIA Prob NOT TO BE TRANSMITTED

IMPROVED
HVBK

UNKNOWN LEADS INDIV INCOME LIX FIVEHILL

Case No: LCM HORTONVA HEDUCAB VIBIT 3 MONTH VIBNESTALE INBOKHILL VIBROKINALE

TEXT:

2001294 ON

COPYING: D.K.

SERVICE: TL
CLASS OF: 111

TO: LONDON
MEMBERS

DATE: APRIL 13, 1970

ONGOING MIKE

ASSOCIATION INTERNATIONAL DELEGATION	RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR	COOPERATION INTERNATIONAL FINANCE
---	--	--------------------------------------

(9)
11/1/70

OFFICE MEMORANDUM

TO: Files (through Mr. A. F. Kirk)

DATE: April 14, 1970

FROM: M. Abd El Aty MA.

SUBJECT: INDIA - Proposed Second Highway Project

1. A meeting was held in Mr. Knapp's office on April 7, 1970. Messrs. Aldewereld, ^{Cope} Cargill, Knox, Votaw, Hardy, Kirk and Abd El Aty attended.
2. There was general agreement on:
 - (a) the need for developing road transport (including road construction) as an essential part of the economic development effort;
 - (b) the persistence of GOI in attempting to reserve road construction for Indian contractors;
 - (c) the advisability of seeking a project directed towards developing Indian contracting industry, possibly through technical support on joint ventures with foreign countries;
 - (d) the need to continue the study on transport coordination in India;
 - (e) the need for supervision of road construction with foreign consultant participation.
3. No clear agreement, or answer, was found with regard to the extent to which Indian contractors could undertake a road program. (The formula for a possible project as proposed by the Projects Department has not yet been discussed with GOI.) A project to develop the industry would presumably be directed toward building up the capacity of the Indian road contracting industry.
4. A further meeting was held the following day in Mr. Cargill's office. Messrs. Knox, Votaw, Hardy, Kirk, Mahoney and Abd El Aty were present.
5. After reviewing the general points raised in the former day's meeting, it was decided that the Area Department should send a new letter to GOI stating IDA's views on international competitive bidding and the need to develop Indian road contracting industry. A new project should have the objective of developing both the roads and the industry.

6. In order to meet the Indian point of view a part of the project might be reserved for local competition.
7. No compromise could be made on the issue of supervision. It is also part of the process of developing the Indian contracting industry.
8. If GOI agrees with the principles, work can be pursued on this proposed project and a mission could be set up to visit India for further discussions.
9. It was agreed that the Association should reimburse the consultants (assisting GOI prepare the project) their out-of-pocket tax payments.

Cleared with and cc: Mr. S. C. Hardy
cc: Messrs. Knox
Cargill
Votaw
Mahoney
Kirk

MABdELAty/pop

INCOMING CABLE

DATE AND TIME
OF CABLE:

APRIL 10, 1970

1413

LOG NO.:

RC 41/10

TO:

INTBAFRAD

FROM:

LONDON

TEXT:

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS
INFORMATION COPY:
DECODED BY: *Mr. Hardy* 4/10

4/10
Mr. Mahoney 4/10
Mr. Dickerson 4/13
- pl. inform Area
m. f. m.

86 FOR HARDY CHIEF TRANSPORTATION DIVISION I.
REFERENCE YOUR TELEPHONE CALL YESTERDAY CRANAGE
LEAVING FOR INDIA APRIL 12TH. YOUR OTHER COMMENTS
NOTED AND APPROPRIATE ACTION TAKEN.

RENDELS

BF

COMMUNICATIONS
APR 10 10 54 AM 1970

TYPED

APR 10 10 24 AM 1970
COMMUNICATIONS

REPORT

WORLD WIDE TELEVISION VOLUNTARY

REVIEW OF THE FIRST VIDEO TAPES AND OTHER COMMENTS

REFERENCE TO THE COMMENTS BY THE ATTORNEY GENERAL

ON THE FIRST VIDEO TAPES OF THE DEATH OF MARTIN LUTHER KING, JR.

HEAD

FROM

WORLD

TO

TELEVISION

FOR INFO

RE: IT/JO

OF CASE

VIDEO TO: 1970

1970

TELEVISION RECORDS

1970

TELEVISION RECORDS

TELEVISION RECORDS

TELEVISION RECORDS

TELEVISION RECORDS

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: APRIL 10, 1970

CLASS OF
SERVICE: LT

ITT

COUNTRY: U.K.

TEXT:
Cable No.:

FOR HOLLOWAY INDIA HIGHWAY PROJECT CONFIRMING DISCUSSION APRIL 9 WITH
YOUR MILLAR/RICHARDS STOP RENDELS SERVICES IN INDIA SHOULD BE CONTINUED
AS PLANNED STOP PLEASE ARRANGE CRANAGE VISIT AND ALSO ENDEAVOUR SETTLE
INDIAN INCOME TAX OBLIGATIONS PILDITCH AND TRNKA SOONEST STOP BANK
PREPARED REIMBURSE YOU OUT OF POCKET TAX PAYMENTS ARISING FROM SERVICES
STOP SWAMINATHAN JOINT SECRETARY DEPARTMENT OF ECONOMIC AFFAIRS FINANCE
COMMA
MINISTRY/WHO HAS BEEN APPROACHED BY BANK COMMA SHOULD BE CONTACTED
REGARDING ISSUANCE CORRECT VISA FOR TRNKA STOP LETTER FOLLOWS REGARDING
EXTENSION SERVICES

HARDY
INTBAFRAD

INDIA: Proposed Second Highway Project NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S.C. HARDY

DEPT. TRANSPORTATION PROJECTS

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

SCHardy/MWDickerson/ec.

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

Cleared with & cc: Messrs. Geolot, Kirk

cc: Messrs. Mahoney, Dickerson,
Neuner

For Use By Communications Section

Checked for Dispatch:

ORIGINATOR (MIL CODE)

SECRETARY/DEPUTY SECRETARY/CC

DISPATCHED

FOR THE DE COMMISSIONING SECTION

REMARKS

UNIT INFORMATION BROCHURE

NAME S.C. HINDA

APPROVED BY

APR 10 7 17 PM 1978
COMMUNICATIONS

REMARKS

MESSAGE: HINDA, HINDA, HINDA

CLASSIFIED WITH & CC: MESSAGE: GEORGE, HINDA

STANDARD AND COPY DISTRIBUTION

INDIA: Proposed second HINDA project to be transmitted

INTERVIEW
HINDA

EXTENSION SERVICES

RECORDING SERVICE CONTACT AREA FOR HINDA 2007 TELLS BOTTOMS RECORDING

MINISTRY/WHO HAS BEEN APPROVED BY HINDA COMBAT SHOULD BE COMPLETED
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2007 TRANSMISSION TOTAL SECRETARY DEPARTMENT OF ECONOMIC AFFAIRS HINDA

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INDIAN INCOME LUX OBTAINATIONS HINDA 2007 AND HINDA 2007 2007 HINDA

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CLASS NO:
TEXT

COMMENTS: H.K.

TO: HINDA
HINDA

SERVICE
CLASS OF

PL

DATE

HINDA 2007 HINDA

OUTGOING MIKE

ASSOCIATION
INTERNATIONAL DEPARTMENT

RECORDING AND DEPARTMENT
INTERNATIONAL BANK FOR

COMMISSIONING
INTERNATIONAL FINANCE

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

IN Highway
(2)

OUTGOING WIRE

TO: SWAMINATHAN
ECOFAIRS
NEW DELHI

DATE: APRIL 10, 1970

CLASS OF
SERVICE: LT

RCA

COUNTRY: (INDIA)

TEXT:
Cable No.:

REGARDING PROPOSED SECOND HIGHWAY PROJECT ALPHA WE NEED URGENTLY
INFORMATION ON CAPACITY LOCAL CONTRACTING INDUSTRY AS MENTIONED IN
JANUARY 22 LETTER FROM HARDY TO SINHA BETA CONSULTANTS HAVE BEEN ASKED
TO SETTLE ANY OUTSTANDING INCOME TAX OBLIGATIONS SOONEST AND THUS WOULD
APPRECIATE YOUR ASSISTANCE IN OBTAINING CORRECT VISA FOR CONSULTANTS
TEAM MEMBER TRNKA IN ORDER ENABLE HIM CONTINUE WORK OF PROJECT
PREPARATION REGARDS

KIRK
INDEVAS

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A. F. Kirk

DEPT. South Asia

SIGNATURE A.F. Kirk
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE:

AFK/bj

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(IMPORTANT: See Secretaries Guide for preparing form)

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cc: Messrs. Hardy, Mahoney, Dickerson
New Delhi office

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APR 10 7 14 PM 1970
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REFERENCE: VIK/PS
SIGNATURE: [Signature]
DEPT: SOUTH AFRICA
NAME: V. E. KIRK
AUTHORIZED BY:

DEPT OFFICE
CC: [List of names]
CC: [List of names]
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INVEST
KIRK

INFORMATION REQUIRED

LEAD MEMBER KIRK IN ORDER EMERGE HIM CONTINUE WORK OF PROJECT
APPROPRIATE LOAN ASSISTANCE IN OBTAINING CONTACT ALSO FOR CONSPIRACY
TO SELLER VIA OBTAINING INCOME TAX OBTAINING ECONOMIC AND THIS WOULD
INDICATE SS FELLOW FROM NARDA TO SIMILAR BELONG CONSPIRACY HAVE BEEN ASKED
INFORMATION ON CIVILIAN FRONT CONVICTING INDIVIDUAL AS MENTIONED IN
REGARDING PROPOSED SECOND HIGHWAY PROJECT WITHIN WE NEED URGENTLY

Copy No:
TEXT:

COMITKA: (INDIA)

NEW DEPT
ECONOMIC
TO: [Name]

SERVICE PL
CLASS OF
DATE: APRIL 10, 1970

ONGOING MIKE

ASSOCIATION
INTERNATIONAL DELEGATION

RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL BANK FOR

COOPERATION
INTERNATIONAL FINANCE

INCOMING CABLE

DATE AND TIME
OF CABLE:

APRIL 3, 1970 1427

LOG NO.:

RC 11/4

TO:

INTBAFRAD

FROM:

LONDON

TEXT:

FOR HARDY CHIEF TRANSPORTATION DIVISION I

62/ REFERENCE YOUR FURTHER CABLE AMOUNT INDIAN TAX LIABILITY HAVE CABLED
PILDITCH FOR INFORMATION SOONEST. WILL ADVISE YOU WHEN RECEIVED

RENDELS

MT

FOR INFORMATION INFORMATION CENTER: PLEASE CUT THE COMMUNICATIONS SECTION: 2051
TYPED

APR 4 11 23 AM 1970
COMMUNICATIONS
SECTION

BT

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URGENT FOR INFORMATION CENTER: AIR FORCE AND ARMY RECEIVED
ON REFERENCE FOR AIR FORCE AND ARMY INFORMATION AND RESEARCH
FOR ARMY CHIEF INFORMATION SECTION, I

TEXT:

FROM: LONDON
TO: INTERVIEW
SUBJECT: RE: IT/1
DATE: 3 APR 1970

RECEIVED BY:	
DATE:	
INITIALS:	
ACTION:	INFORMATION SECTION
FOOTING	

INFORMING CENTER

IN Highways
(2)

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: APRIL 2, 1970

CLASS OF
SERVICE: LT LIT

COUNTRY: U.K.

TEXT:

Cable No.: FOR HOLLOWAY REFERENCE GAMMA YOURCAB APRIL 2 PLEASE ASCERTAIN AMOUNT
INDIAN TAX LIABILITY TEAM MEMBERS SOONEST AS BANK PREPARED CONSIDER
ASSISTING THEM MEET TAX OBLIGATIONS SHOULD PROBLEMS ARISE

HARDY

INDIA: Prop 2nd Hwy Proj. NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. HARDY

DEPT. TRANSPORTATION PROJECTS

SIGNATURE *S. Hardy*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: SCHardy:dfw

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Mahoney, Dickerson, Kirk

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REFERENCE: 100-1000000000

SIGNATURE

SIGNATURE OF INDIVIDUAL AUTHORIZED TO TRANSMIT

DEPT

TRANSMISSION PROTECTS

NAME

J. C. HANCOCK

AUTHORIZED BY

DATE

cc: Messrs. Marshall, Dickinson, Kline

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TEXT:

COPY: P.K.

SERVICE
CLASS OF

PL 74

RECEIVED

FROM

TO: MEMBERS

DATE MAY 5 1970

ONGOING WIRE

AGGREGATION

INTERNATIONAL DEVELOPMENT

RECOGNITION AND DEVELOPMENT

INTERNATIONAL BANK FOR

CONSERVATION

INTERNATIONAL FINANCE

Letter 1 please India Highways
Op. File
IN Highways

INCOMING CABLE

DATE AND TIME
OF CABLE:

APRIL 2, 1970 1737

LOG NO.: RC 58 / 2

TO: INTBAFRAD

FROM: LONDON

TEXT:

URGENT FOR HARDY CHIEF TRANSPORTATION DIVISION 1 58

REYOURCAB 2ND APRIL REPLY AS FOLLOWS

ALPHA PILDITCH AND CRANAGE BRITISH SUBJECTS AND NO VISAS REQUIRED BUT TRNKA

AS CZECHOSLOVAKIAN SUBJECT NOW POSSESSES TOURIST VISA VALID END MAY

BETA TRNKA RELINQUISHED ORIGINAL ENTRY VISA INDIA DURING TEMPORARY VISIT

PAKISTAN AND OBTAINED TOURIST VISA ON RETURN TO INDIA IN ORDER TO REMAIN

WITHIN 90 DAY LIMIT FOR TAX LIABILITY

GAMMA INDIAN TAX LIABILITY, IF ANY, OF TEAM MEMBERS UNKNOWN AT PRESENT.

CRANAGE VISITED INDIA ON SHORT TERM CONTRACT AND HAS PAID NORMAL UK TAX HERE.

RENDELS

ROUTING	
ACTION COPY:	TRANSPORTATION PROJECTS
INFORMATION COPY:	
DECODED BY:	<i>W. H. H. 4/2</i>

Copy to Mr. Knox 4/2
Kirk
4/2
4/3

COMMUNICATIONS
APR 5 1 03 PM 1970

JAO

APR 2 1 07 PM 1970
COMMUNICATIONS

INCOMING CABLE

DATE AND TIME
OF CABLE:

APRIL 2, 1970 1737

LOG NO.:

RC 58 / 2

TO:

INTBAFRAD

FROM:

LONDON

TEXT:

ROUTING

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TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

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URGENT FOR HARDY CHIEF TRANSPORTATION DIVISION 1 58

REYOURCAB 2ND APRIL REPLY AS FOLLOWS

ALPHA PILDITCH AND CRANAGE BRITISH SUBJECTS AND NO VISAS REQUIRED BUT TRNKA

AS CZECHOSLOVAKIAN SUBJECT NOW POSSESSES TOURIST VISA VALID END MAY

BETA TRNKA RELINQUISHED ORIGINAL ENTRY VISA INDIA DURING TEMPORARY VISIT

PAKISTAN AND OBTAINED TOURIST VISA ON RETURN TO INDIA IN ORDER TO REMAIN

WITHIN 90 DAY LIMIT FOR TAX LIABILITY

GAMMA INDIAN TAX LIABILITY, IF ANY, OF TEAM MEMBERS UNKNOWN AT PRESENT.

CRANAGE VISITED INDIA ON SHORT TERM CONTRACT AND HAS PAID NORMAL UK TAX HERE.

RENELS

Mr Hardy 4/3
It might be useful to
prepare a summary memo
for me to Cargill
setting out the facts in
this matter. ADP
4/13

Mr. Dickerson
- please prepare draft.
4/3
prepared. 4/7.

JAO

APR 2 1 07 PM 1970
COMMUNICATIONS

I.D.A. Appraisal Assistance Team,
Room 215A,
Central Roads Wing,
Ministry of Transport & Shipping,
1, Parliament Street,
New Delhi.

*IN Highway
(2)*

Ref: IDA/India/20

1 April, 1970.

The International Development Association,
1818 H Street, N.W.,
Washington, DC. 20433,
U.S.A.

For the attention of S.C. Hardy, Esq., Highway Division I,
Transportation Projects Department.

Dear Sirs,

INDIA: ASSISTANCE IN HIGHWAY PROJECT APPRAISAL

PROGRESS REPORT NO. 4.

In accordance with the Terms of Reference contained in the Consultants' Proposal dated 11 November 1969 and I.B.R.D. letter dated 14 November 1969, we submit herewith our Progress Report No. 4 in quadruplicate.

A. STATUS OF EACH PROJECT ELEMENT.

(i) Roads The latest progress figures are not available from CRW as States have not completed their returns. It is anticipated that the information will be received within one week, and as soon as to hand will be forwarded (as Annex 1).

(ii) Bridges The up-to-date situation reported by CRW is given in Annex 2. The position is little changed from that reported last month, except for some marginal improvement in the data collection for widening and strengthening structures in Bihar.

B. ASSISTANCE TEAM'S PROGRESS

(i) Visits Project Elements
No visits have been undertaken by the Team outside New Delhi since the submission of Progress Report No. 3.

Proposed Visits
CRW have been requested to assist in making arrangements for the Team to visit a major bridge construction site and a major roadworks contract in progress, not necessarily in any of the Project States. It has been suggested that Buxar Bridge over the Ganga River and Patna By-pass may be suitable for visiting.

Central Road Research Institute

Three visits have been made to CRRI in New Delhi to obtain the Institute's views on the Team's pavement proposals which were submitted to CRW in January. Talks were held with the Director and the Road Scientist.

(11) Central
Roads
Wing

As a preliminary to discussions on pavement design CRW have submitted to the Team "Guidelines for the Design of Flexible Pavements" prepared by the IRC. This document has been reviewed and the following comments are made:

IRC recommendations give, in general, useful guidelines for pavement design. The Team suggest that some new aspects could be incorporated culled from Road Note 29 and RRL Report LR 279, in particular the undermentioned.

- (a) All elements of the Second IDA Highway Project have more than 500 c.v./day in 10 years, and thus a relatively thick bituminous surfacing will be required. The Team consider that efficient drainage and rigorous quality control during construction are essential. To ensure good drainage characteristics, impermeable surfacing, stabilized shoulders with sufficient crossfall and wider base course layers are considered necessary. We also recommend that pavement design should be based on natural or equilibrium moisture content in the subgrade, as a corollary to effective drainage.
(ref. para. 3.2.2)
- (b) It is accepted that dense premix bituminous carpet or premix carpet with seal coat may be considered as impermeable surfacing.
(ref. para. 3.2.5)
- (c) For Second IDA Highway Project elements the thickness of sub-base should not, in the Team's opinion, be less than 15 cm constructed from materials with minimum 30% CBR.
(ref. para. 4.2.1)
- (d) The use of dry-bound or wet-mix macadam is preferred to water-bound macadam. Where heavy traffic stresses occur wet-mix macadam in two layers, the upper one being stabilized with 5% cement, should be considered.
(ref. para. 4.3.1)

- (e) The Team proposes that the thickness of bituminous binder course should be 5 cm for traffic between 500 to 1500 c.v./day, and 7.5 cm for traffic over 1500 c.v./day. (ref. para. 4.3.5)
- (f) For traffic over 1500 c.v./day the Team recommends dense asphaltic concrete for the wearing surface. (ref. para. 4.4.1)

The "Guidelines" are in final draft form only, and it is not proposed at this stage to send a copy to the Bank. If, however, a copy is particularly required arrangements can be made to provide it.

Pavement Proposals

Pavement design proposals have been submitted to the Team for widening and strengthening (not for new construction) for Elements B1, B3 and B4 in Bihar, and our comments given to CRW are thus:

- (a) The use of asphalt concrete for the purpose of providing an impervious wearing course only, without traffic justification, is considered uneconomical. Cheaper mixtures with surface-dressing seal should be used.
- (b) Laying asphalt concrete or semi-dense carpet wearing course directly on the stone base course is unsatisfactory. A good part of this expensive material will be used to cover irregularities in the base course, and will penetrate into it. To meet the requirements of the traffic volumes on these roads and to provide strength for bullock carts, a thicker bitumen-bound top layer is needed in any case, and thus a binder course of bitumen macadam under the wearing coat should be laid.
- (c) Water-bound macadam over lime-stabilized sub-base is not satisfactory. Dry-bound macadam (or other crushed stone base material with limited water) should be used.
- (d) Over-burnt brick metal should be avoided in Bihar owing to its doubtful quality in this State.
- (e) The sub-base layer of gravel/sand material proposed for B 1 should be considered as a cut-off layer, if its characteristics show it to be fully pervious, and the pavement should be designed for CBR of the sub-grade at natural or equilibrium moisture content.
- (f) B4 between Bakhtapur and Barauni will, in places, be new construction in order to raise the level of the pavement above monsoon flooding, and the design of such sections will depend on the

Paper Alignments

The total length of paper alignments (by-passes and major realignments) to be reviewed and vetted for Appraisal is ~~157.3 km.~~ 159.7 km. 55% 51.2
To date 38.3 km have been reviewed (~~55%~~) and 55.9 km finally agreed with GRW (~~32%~~).
Details are as under: 32%

Serial No.	Project Element	Location	Length km	Remarks
1	B 1	Chirkunda by-pass (West Approach to Sarakar Bridge)	8.0	Alignment agreed
2	B 3	Aurangabad by-pass	6.4	Alignment agreed
3	B 4	Nawada by-pass	8.0	Alignment agreed
4	"	Biharshariff by-pass	8.3	Not seen
5	"	Athmalgola by-pass	2.6	Not seen
6	"	Qulabbagh by-pass	0.8	Not seen
7	"	Pandarak by-pass	1.8	Alignment agreed
8	M 1	Kolhapur by-pass	5.0	Not seen
9	"	Satara by-pass	8.5	Not seen
10	M 2	Vashind by-pass	2.4	Alignment agreed
11	"	Asangaon/Shahapur by-pass	5.0	Reviewed - further investigation required
12	"	Kasara by-pass	5.0	Reviewed - major problem of valley crossing needs further investigation
13	"	Igatpuri by-pass	5.5	Reviewed - end of by-pass requires further investigation
14	"	Ghoti by-pass	2.5	Reviewed - improved alignment to be investigated
15	"	Pimpalgaon by-pass	2.4	Alignment agreed
16	"	Malegaon by-pass	4.3	Reviewed - improved alignment to be investigated
17	"	Chandor Ghat re-alignment	4.0	Not seen
18	"	Laling Ghat re-alignment	4.0	Not seen
19	T 1	Hosur by-pass	1.7	Alignment agreed
20	"	Hosur Ghat re-alignment	1.0	Reviewed - alternative alignment to be investigated
21	"	Thoppur Village re-alignment	3.0	Alignment agreed
22	"	Thoppur Ghat re-alignment	2.2	Reviewed - improved alignment to be investigated
23	"	Krishnagiri by-pass	4.7	Alignment agreed
24	"	Kaveripatnam by-pass	3.9	Reviewed - two schemes satisfactory, but dependent on investigation of further extension of by-pass
25	"	Salem by-pass	9.0	Alignment agreed

Economic assessment

(cont'd)

Serial No.	Project Element	Location	Length km	Remarks
26	T 2	Kumarapalayan/Bhavani by-pass	3.0	Reviewed - final alignment dependent on further investigation into possibility of extension of by-pass at south end.
27	U 1	Stawah by-pass	13.7	Not seen
28	"	Auriyah by-pass	4.5	Alignment agreed
29	U 2	Kanpur by-pass	22.5	Not seen
30	"	Pukrayan by-pass	4.0	Alignment agreed
31	"	Sengar River re-alignment	2.0	Not seen
Total length			159.7	
Total reviewed			88.3	55%
Total agreed			51.2	32%
Total not seen			71.4	45%

Bridges

(a) Kanpur Bridge - H282

The preliminary design and cost estimate have been perused, and the following comments have been passed to CRW for consideration:

Guide Band

The hydraulic model test has not yet been carried out, and the design of the band is tentative. The estimated cost of this tentative design is approximately Rs 147 lakhs, compared with a bridge structure cost of about Rs 91 lakhs. It has been agreed with CRW to visit The Irrigation Research Institute at Roorkee as soon as possible to check progress on the model test and examine the flow characteristics of the Ganga River at Kanpur.

Piers

The somewhat elaborate cellular design proposed ~~are~~ thought to be expensive, and it has been agreed to investigate a simpler form before going to tender.

Abutments

The proposal for a shallow abutment with simple spread footing resting on filling between HFL and LWL is not favoured, and a ~~was~~

well foundation with cantilevered box wingwalls and hinged transition slab is a sounder solution.

Approach Roadworks

Included in the preliminary estimate is a sum of Rs 11 lakhs for heavy earthworks and paving, etc. for approaches on either bank over a total length of 2.4 km. The actual length of approaches is about 30 km and to avoid either duplication of cost estimates or an omission CRW have been asked not to include any road approaches in bridge estimates

(b) Kalpi Bridge - U2B1

The design of piers, abutments and superstructure is the same for both Kalpi and Kanpur Bridges, and the same remarks apply.

(c) Widening Brick Arch Bridges - U1 and U 2

A set of standard proposals have been prepared for widening brick arch bridges in the following categories:

Arch span	Existing clear width between parapets	New clear width between kerbs
15 ft	16 ft	7.0 m
16 ft	18 ft	7.50 m
18 ft	16 ft	7.50 m
20 ft	16 ft	7.50 m
25 ft	16 ft	7.50 m

(d) Jharua Nala Bridge - U1

Details of widening and cost estimate.

(e) Pandu Nadi Bridge - U2

Details of widening and cost estimate.

(f) Age of Bridges - U1 and U2

Generally the age of brick arch bridges on U1 and U2 is about 100 years, and CRW have been requested to arrange for the physical check on the condition and depth of foundations in the absence of any drawings of the original structures, in a few selected cases.

C. SUITABILITY OF PROJECT FOR APPRAISAL

In the Team's Progress Report No. 3 it was incorrectly stated that "DG, CRW, felt that roads would be ready by mid-April and everything would be ready by 31 March". These dates should be interchanged.

From the review of paper alignments and the status of bridges it will be seen that the above dates are not being met, and Appraisal before June will not be possible.

D. CONTRACTORS.

No list has been received from CRW.

E. GENERAL

In reference to your letter of 22 January to the Consultants in London we have the following observations to make further to those given in previous Progress Reports.

- 3.1 Study of a set of tender documents recently issued for contract bidding in connection with 46 miles of 12-ft wide National Highway to be strengthened and widened to 23 feet carriageway reveals the need for improved quality of documentation. Apart from undesirable conditions, dated specifications and archaic billing, all of which will be dealt with when CRW drafts are considered, it is recommended that a better format should be adopted. To assist CRW in this matter a set of tender documents prepared by the Consultants in London for an overseas road project in the Middle East has been passed to them as being typical of the type of documentation which would be acceptable to the Bank.

F. FUTURE PROGRAMME FOR ASSISTANCE OF PROJECT APPRAISAL AND DETAILED ENGINEERING.

In accordance with the staffing schedule in the Consultants' Proposal the assignment of the Team in India will terminate mid-May. The Bank's visiting mission in February, headed by Mr. Mahoney, intimated the desirability of the present Team members extending their assignment to cover Appraisal, say, until July, and this will be a matter for agreement between the Bank and the Consultants in London.

The Team, however, wishes to draw attention to the backward state of detailed engineering, etc., as outlined under Phase II of the Proposal, and, based on experience gained so far in India, predicts that this work will take a further 6 months, i.e. until December 1970, and will require consultant participation if standards acceptable to the Bank are to be assured.

For major bridges over about 400 ft long Indian practice is to permit contractors to submit bids based on alternative designs of their own conforming to certain basic requirements such as waterway, clearance, width and foundation depth, etc., but otherwise allowing considerable freedom of design choice. Because of this practice the PWD does not prepare detailed drawings for tender purposes, and these will not be finalized until the contract is awarded. The Team strongly recommends that calculations and working drawings for actual construction, which may also include erection schemes, should be submitted by CRW to the Bank for review by consultants, as a Phase III operation. Such a review should be conducted at the consultants' head office and not carried out solely by a bridge engineer visiting India.

Yours faithfully,



cc. Rendel, Palmer & Tritton.

P. Pilditch,
Team Leader.

STATUS OF BRIDGES AT 31/3/70

Annex 2

Element	I--- New Construction						----I I--- Widening/strengthening --I					
	1	2	3	4	7	8	1	2	5	6	7	8
B 1	2	1860	100	100	99	99	5	520	50			
2	Subject to further special study											
3	40	3301	56	18	50	50	8	2141	75	10		
4	18	3736	91	19	90	90	-	-	-	-	-	-
M 1	22	2140	99	99	96	96	33	2735	100	100	100	100
2	25	2069	90	90	90	90	29	2441	100	98	97	95
T 1	15	1530	95	95	95	95	4	216	100	100	100	100
2	6	2560	100	100	100	100	-	-	-	-	-	-
U 1	-	-	-	-	-	-	5	372				100
2	3	330				100	1	126				100
3	{	Dropped from Project										
4												
U 2 B 1	1	2500	100%	100	100	100	-	-	-	-	-	-
2	2	3040	90	80	75	100	-	-	-	-	-	-

<u>References:</u>	1	Number of structures	
	2	Total length of structures (ft)	
	3	Field survey and hydraulic data collection	- 1
	4	Foundation investigations	- 1
	5	Collection of details of existing structure	- 1
	6	Check of waterway & foundation depth	- 1
	7	Preparation of plans for preliminary estimates	- 1
	8	Preparation of Preliminary Estimates	- 1

IN Highway

INCOMING CABLE

DATE AND TIME
OF CABLE:

APRIL 1, 1970 1805

LOG NO.:

WU 9/2

TO:

HARDY INTBAFRAD

FROM:

NEW DELHI

TEXT:

32

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TODAY UNDER TWO SEPARATE COVERS

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PJ

ROUTING	
ACTION COPY:	TRANSPORTATION PROJECTS
INFORMATION COPY:	
DECODED BY:	<i>W. H. 4/2</i>
	<i>Sub. Mahon 4/2/10</i>
	<i>Sub. Dickerson 4/2</i>
	<i>W. Newfer 01</i>

TYPED

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: APRIL 1, 1970

CLASS OF
SERVICE: LT

ITT

COUNTRY: U.K.

TEXT:
Cable No.: FOR HOLLOWAY

REURCAB 44 OUR DECISION REGARDING POSSIBLE CONTINUATION TEAMS SERVICES IN
INDIA AND CRANAGE VISIT WILL BE CONVEYED TO YOU NEXT WEEK STOP IN MEANTIME
PLEASE CABLE URGENTLY FOLLOWING INFORMATION ALPHA CURRENT VIZA STATUS TEAM
MEMBERS BETA CIRCUMSTANCES SURROUNDING SUCH VIZA SELECTION GAMMA AMOUNT OF
TAXES PRESENTLY ASSESSED BY INDIAN AUTHORITIES ON EMOLUMENTS TEAM MEMBERS
INCLUDING CRANAGE

HARDY

COMMUNICATIONS
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APR 1 1970
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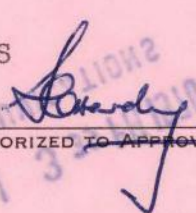
INDIA: Prop 2nd Hwy Proj.

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. HARDY

DEPT. TRANSPORTATION PROJECTS

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: SChardy:dfw

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REFERENCE: 308123A: QTA

SIGNATURE

DEPT: INTERNATIONAL PROTECTION

NAME: S. C. HANDEL

AUTHORIZED BY:

cc: Messrs. Mervin/Dickerson, KTRK

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BEFORE THE ONLY DECISION REGARDING POSSIBLE COMPLETION LEADS SERVICES IN

Copy No: 1000 BOTTOMVA

TEXT:

COMITKA: P.K.

SERVICE: PL

CLASS OF

DATE: APRIL 1, 1970

LONDON
TO: MEMBERS

OUTGOING WIRE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

CORPORATION

INTERNATIONAL FINANCE

OP Files - India. Highway
IN Highway
(2)

INCOMING CABLE

DATE AND TIME
OF CABLE:

OF CABLE: APRIL 1, 1970 1412

LOG NO.: RC 40/1

TO: INTBAFRAD

FROM: LONDON

TEXT: FOR HARDY CHIEF TRANSPORTATION DIVISION 1

URGENT 44/ REFERENCE YOUR TELEPHONE CONVERSATION HOLLOWAY 26TH MARCH WE

CONFIRM CRANAGES VISIT INDIA CANCELLED AS PER YOUR INSTRUCTIONS. WILL

AWAIT YOUR FURTHER INSTRUCTIONS BY CABLE

RENDELS

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

7/15/71
W. Copy Area 4/1
The Mahone 4/1/70
Dickson 4/1
EDGATON, HOLEMAN, 6/11/70, MARCH 11

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APR 1 9 54 AM 1970
COMMUNICATIONS

51

URGENT

UNRECORDED TELETYPE UNIT

COMMUNICATED BY AIR MAIL TO THE DIRECTOR OF THE FBI

RECEIVED BY THE DIRECTOR OF THE FBI

FROM: NEW YORK OFFICE OF THE DIRECTOR OF THE FBI

TO: BUREAU

FROM: NEW YORK

TO: BUREAU

RE: MURDER OF MARTIN LUTHER KING, JR.

END PAGE

RECEIVED BY

COMM

TELETYPE

RECEIVED BY THE DIRECTOR OF THE FBI

RECEIVED

RECEIVED BY THE DIRECTOR OF THE FBI

OUTGOING WIRE

TO: INTBAFRAD
NEW DELHI

DATE: MARCH 27, 1970

CLASS OF
SERVICE: LT

COUNTRY: (INDIA)

TEXT:
Cable No.:

111 FOR GILMARTIN

REFUR 103 CONSULTANTS LONDON HEAD OFFICE ADVISED THEIR MEN IN INDIA
SHOULD BE READY TO DEPART ON SHORT NOTICE BUT FINAL DECISION DELAYED
UNTIL CARGILL'S RETURN WEDNESDAY STOP FULLY AGREE YOUR RECOMMENDATION
AND HOPE ~~SOME~~ ^{SEMP} FURTHER CABLE EARLY NEXT WEEK REGARDS

KIRK

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A. F. Kirk

DEPT. South Asia

SIGNATURE A. F. Kirk
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

AFK/bj

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Hardy

For Use By Communications Section

Checked for Dispatch: _____

ORIGINATOR (MIA CABA)

FILED

SIGNATURE OF INDIVIDUAL AUTHORIZED TO SIGN

DATE

NAME

ADDRESS

APPROVED BY

DISPATCHED
MAR 27 6 28 PM 1970
COMMUNICATIONS
SECTION

CLASSIFICATION

FOR USE OF COMMUNICATIONS SECTION

CC: MR. HELGA

STANDARDIZED AND COPY DISTRIBUTION

NOT TO BE RECLASSIFIED

FILE

AND NOLE SOME LUCKYONE CABLE EVERY NEXT WEEK RECORDS
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TIT FOR CUNWELLIN

COPY NO:
TEXT

COPYING: (INDIV)

NEW DETAIL
LO: INTERVIEW

RECLASS: PL
CLASS OF

DATE: MARCH 31, 1970

OUTGOING MIBE

ASSOCIATION
INTERNATIONAL DEPARTMENT

RECOMMENDATION AND DELEGATION
INTERNATIONAL BANK FOR

COOPERATION
INTERNATIONAL FINANCE

OFFICE MEMORANDUM

TO: Files

DATE: March 26, 1970

FROM: S. C. Hardy *SC*SUBJECT: India: Proposed Highway Project
Consultants' Services

1. Acting on Mr. Votaw's memorandum dated March 25, 1970 to Mr. Knox, I today telephoned Mr. Holloway, partner of Rendel, Palmer and Tritton, the U.K. consulting firm which was assisting the Bank and India prepare a highway project for subsequent appraisal.
2. I told Mr. Holloway to delay the departure of Mr. Cranage, transportation economist, who was scheduled to visit India again on March 29; I indicated that any expenses incurred in the delay would be met by the Bank. I further told Mr. Holloway that the situation regarding the tax status of his team in India seemed to be deteriorating and alerted him to the possibility of their early withdrawal; a definite decision would be taken soon after Mr. Cargill returned to the Bank on Tuesday, March 31. The Bank, through its office in New Delhi, might be prepared to assist the consultants in meeting any heavy financial payments needed to "release" the individual members of the team.
3. Mr. Holloway said the firm had not met with such tax difficulties in carrying out other consulting work in India because their contracts were with the Indian Government, and individuals had received "technician" tax-free status. It was because they were now under contract to the Bank and not to the Indian Government (notwithstanding their work was in the interests of the Indian Government) that the tax problems had arisen. The firm's original fee quotation had not taken into account the substantial amount of taxes apparently involved.

SCHardy:dfw

cc: Messrs. Knox, Geolot, Mahoney/Dickerson,
Neuner, Cargill, Votaw, Kirk.

Mr. A. David Knox

March 25, 1970

Gregory B. Votaw

INDIA - Proposed Highways II

1. I understand from Mr. Kirk that Mr. Hardy wishes to have a written confirmation from me of a message that was relayed to him orally by Mr. Kirk.
2. I wish to confirm that Mr. Cargill telephoned me from London to say that while in India he had discussed the question of the Rendel, Palmer and Tritton consultants continuing their work there. He (Cargill) felt strongly that the Bank should not become involved in the various tax and visa issues that were raised by the continued presence in India of these individuals. Accordingly, he said, Rendel, Palmer and Tritton should be advised that their representatives should leave India at the earliest possible moment to avoid further difficulties and possible embarrassment to the Bank. If at all possible while he is in London this week, Cargill will talk to R.P.T.'s London office about the problems their men are having in India.

Copies for: Messrs. Hardy/Moloney (Trans.Projects)
Neuner (Trans.Projects)

AFKirk/bj/gs

Mr. S. Aldewereld

March 25, 1970

A. David Knox *ADK*

India: Proposed Second Highway Project
International Competitive Bidding

1. You have asked a question as to the likely prospects of domestic road contractors executing satisfactorily a proposed IDA-financed road project in India totalling some US\$60-70 million. To the best of our knowledge the prospects are very slim, and substantial involvement by foreign contractors would, in our opinion, be essential to undertake such a volume of work and to "safeguard the integrity of the project".
2. The policies of the Indian Government have been such that domestic road contractors (as opposed to bridge and industrial civil works contractors) have not been provided with the opportunities to develop. The road contracting industry at present is in its infancy, and one of the objectives of the proposed highway project, and of subsequent projects, would be to develop the industry. The principal present constraints to such development are:
 - (a) no affirmation from Government that future road works would continue to be executed on a competitive contractual basis;
 - (b) no recognition of the road contracting "industry" as such, with consequent ineligibility for credit and tax concessions;
 - (c) difficulties in acquiring promptly Indian manufactured and foreign equipment; and
 - (d) cumbersome contracting and payment procedures.
3. If our normal prequalification procedures were to be followed, with the larger road sections (ranging in size from US\$5-10 million equivalent) broken down into smaller packages of about US\$1 million to provide small contractors with an opportunity to bid, we believe on the basis of present knowledge that only about three or four Indian road contractors would be prequalified to bid. The others would most likely be excluded on the basis of insufficient capacity and lack of previous experience in works of a similar nature. Any smaller subdivision of the project would begin to create problems in administering a large number of individual contracts. As mentioned in the previous paragraph, a prerequisite to any successful contracting operation would be a lifting of the constraints to development of the domestic industry.

March 25, 1970

4. There are in addition a number of small, scattered items of road-works that would not be attractive to foreign contractors and which might be tackled by the smaller Indian contractors. Such works typically involve the bypasses of congested towns and villages, with an average contract value of about $\$1\frac{1}{2}$ - $\frac{1}{2}$ million, and a total value of some $\$4$ - 5 million. We could include these works in the project and participate in their financing on the understanding that they would be reserved for bidding by Indian contractors only. We would have to accept lower prequalification criteria.

5. It should also be noted that if we succeed in persuading the Indians to accept the principle of international competitive bidding, we will have to discuss with them ways and means of making it effective. In particular we would need changes designed to facilitate importation of equipment and spare parts; clarify the tax status of foreign contractors and their personnel; provide for the repatriation of profits in a convertible currency; and assure equitable and competent supervision of their contracts, if necessary using foreign consultants.

6. Most of the points mentioned above are elaborated in the attached memo dated March 23, 1970 from Mr. Dickerson. A dossier of supporting material for his memorandum has not been attached but is available for reference if required.

Attachment.

ADKnox:SCHardy:dfw

cc: Messrs. Baum, Votaw, Geolot, Hardy, Mahoney/Dickerson

FORM NO. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

April 14, 1970.

NAME

ROOM NO.

Mr. Dickerson.

C419

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

REMARKS

I have seen this letter before.
Some points could be of interest,
particularly page 2, i.e. study of
structural equivalencies. This may
help in the formulation of the labor-
equipment study. We should ask for
more informational details on this
aspect of their work.

100

R. Chopra.

ROUTING SLIP		Date 4/13/70
NAME		ROOM NO.
Mr R Chandra		A 420
To Handle	Note and File	
Appropriate Disposition	Note and Return	
Approval	Prepare Reply	
X Comment	Per Our Conversation	
Full Report	Recommendation	
Information	Signature	
Initial	Send On	
REMARKS		
Is this of any use to us? Apart from an acknowledgment, is there much we can say at this stage?		
<i>[Signature]</i>		



Dr. Bh. SUBBARAJU
C. E., B.E., M. SC.
Ph. D., M. PHI. KAPPA. PHI.,
M. I. E. (INDIA), M. I. A. B. S. E.
DIRECTOR

W. Mahoney
4/6/70
By Air Mail

CRR I/DD/TTPr/66

Mr. Dickinson
Highways
(2)
New
TELEPHONE : 72959
TELEGRAM : 'ROADSEARCH'
CENTRAL ROAD RESEARCH INSTITUTE
P.O.C.R.R.I.,
NEW DELHI-2021st March, 1970
INDIA

Chopra
4/3
please prepare draft reply

Dear Mr. Hardy,

This is in continuation of the discussion I had in my office on 18.2.1970 with Mr. T.H. Neuner and Mr. Martin Karcher of your organisation.

As desired during the discussions, I am enclosing herewith a brief note on the Indian Roads Congress Road Tests Project.

The off-road test series as contemplated in the enclosed note provides reasonable opportunity for studying vehicle operation costs for the types of vehicles and the types of surfacings involved in the test series.

With kind regards,

Yours sincerely,

sd/-

(Bh. Subbaraju)

Mr. S.C. Hardy,
Chief, Highway Division No. I,
Transportation Projects Department,
International Bank for Reconstruction & Development,
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

No reply required.
Spoke personally with
Dr. Subbaraju on
July 2, 1970. See my
Back to Office & File Report
dated July 17, 70. T.N.

RECEIVED

Copy to Mr. George Mahoney, International Bank for
Reconstruction and Development, 1818 H Street, N.W.,
Washington, D.C. 20433.

MAR 30 1970

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Bh. Subbaraju
(Bh. Subbaraju)



Dr. B. SUBBARAJU
C.E., M.Sc.
P.D., M.Phil., KAPPA, PHI.
M.E. (INDIA), M.A. B. E.
DIRECTOR

GRIND/TTP/66

By Air Mail

TELEGRAM : ROADRESEARCH
TELEPHONE : 72522

CENTRAL ROAD RESEARCH INSTITUTE
P.O. C.R.R.I.
NEW DELHI-22, 1970
INDIA

Dear Mr. Hardy,

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With kind regards,

Yours sincerely,

sd/-

(Bh. Subbaraju)

Mr. S.C. Hardy,
Chief, Highway Division No.1,
Transportation Projects Department,
International Bank for Reconstruction & Development,
1818 H Street, N.W.,
Washington, D.C. 20433
U.S.A.

RECEIVED

Copy to Mr. George Mahoney, International Bank for
Reconstruction and Development, 1818 H Street, N.W.,
Washington, D.C. 20433, UNIT-11

(Bh. Subbaraju)

SECTION
COMMUNICATIONS

Projects Dept. Correspondence

AND BY

DATE

MAR 30 1970

No reply required
Please acknowledge with
B. Subbaraju on
July 3, 1970. See my
letter to you, July 17, 1970.

NOTE ON THE ROAD TEST TRACKS
CONTEMPLATED UNDER THE INDIAN
ROADS CONGRESS ROAD TESTS PROJECT

A comprehensive Road Tests Project involving on-road and off-road test tracks has been taken up under the auspices of Indian Roads Congress. The main objective of this Project is to study the comparative merits of the practices, both existing and those emanating from new concepts, for the design and construction of highway pavements so that the practices could be made more rational and economical in relation to the actual conditions of traffic, soil and climate prevailing in various parts of India. The Research Organisation Committee of the Indian Roads Congress is the Co-ordinating Committee for the Project which is to be carried out in co-operation with the various highway interests in the country, including the allied industry. The Central Road Research Institute has to look after the day to day working of the Project and has to provide the whole-time staff and instrumentation.

The Project may be said to have two main parts: the on-road tests and the off-road tests. Work on the on-road test series has already been commenced. The following four Schemes, selected for the first phase of the on-road series, are at hand :-

- i) Development of appropriate serviceability indices under Indian conditions.
- ii) Evolving specifications for construction of roads on expansive sub-grades such as black cotton soils.
- iii) Evolving criteria for the choice of the type of bituminous surface courses for flexible pavements, vis-a-vis traffic etc.

- iv) To evolve economical maintenance methods and critical stages at which upgrading is an economic necessity for Earth roads in rural areas.

In addition to the various on-road tests, envisaged under the Indian Roads Congress Road Tests Project are also certain off-road tests, the following aspects are considered desirable to be experimented on the off-road test series.

- i) Determination of structural equivalencies of different types of constructions for sub-bases, bases and surface courses.
- ii) Study of the performance of certain composite pavement systems.

The study of the structural equivalency on various constructions will involve, more or less, three separate sub-studies, one each meant for sub-bases, bases and surface courses. The sub-bases to be experimented with would include different levels of thickness of such constructions as stabilised soil, laterite, kankar, gravel, brick metal, brick soling and stone soling. Similarly, the studies on equivalencies for different types of bases and surface courses would include different levels of thickness, and combinations of construction such as water bound macadam (with graded and single-size aggregate), different types of bitumen-bound base courses (semi-grout, full grout, built-up spray grout), thin bituminous surfacings and high type bituminous surface courses (sand asphalt, asphaltic concrete etc.).

The composite pavements to be experimented with would consist of base courses of different thicknesses of lean cement concrete, plain cement concrete and reinforced cement concrete with surface courses of bituminous macadam and asphaltic concrete in various combinations.

Some of these materials may lend themselves better to labor-intensive operations than mech.

Is this practical in India at this time?

Are we reaching for the moon??

The above-said studies on off-road test tracks would require nearly 200 test sections. Taking 200 feet as length of each Test section, including transition, the total length of the test track in terms of single lane works out to about eight miles, which of ~~element~~ *course* could be designed into suitable number of multilane loops.

The approximate costs of the above said off-road test track work is as follows:-

	Rs. (millions)
i) Cost of construction	2.4
ii) Cost of maintenance, renewals and replacements	0.6
iii) Cost for traffic operation for average of 2 million repetitions (the traffic operation would involve about <u>250</u> trucks costing Rs.15 million). <u>7</u>	40.0
iv) Cost of instrumentation and testing equipment.	4.0
v) Cost of staff (salaries)	3.0
vi) Cost of construction equipment (Capital investment) (Construction equipment worth Rs.15 Rs.1.5 million may have to be imported)	2.5
vii) Buildings, Transport, Travelling Allowance and Ancillaries.	5.0
viii) Miscellaneous (Services for data compilation, processing and analysis, meetings, publications etc.)	2.5

Total 60.0

=====

US \$ 8 million



Dr. Bh. SUBBARAJU
C. E., B.E., M. SC.
Ph. D., M. PHI. KAPPA. PHI.,
M. I. E. (INDIA), M. I. A. B. S. E.
DIRECTOR

TELEPHONE : 72959

By Air Mail

TELEGRAM : 'ROADSEARCH'

CRR I/DD/TTPr/66

CENTRAL ROAD RESEARCH INSTITUTE
P. O. C. R. R. I.,
NEW DELHI-20 21st March, 1970
INDIA

MAR 27 1970

Projects Dept. Correspondence

SENT BY _____

DATE: _____

To DICKERSON
NEUNER

Dear Mr. Hardy,

This is in continuation of the discussion I had in my office on 18.2.1970 with Mr. T.H. Neuner and Mr. Martin Karcher of your organisation.

As desired during the discussions, I am enclosing herewith a brief note on the Indian Roads Congress Road Tests Project.

The off-road test series as contemplated in the enclosed note provides reasonable opportunity for studying vehicle operation costs for the types of vehicles and the types of surfacings involved in the test series.

With kind regards,

Yours sincerely,

Bh. Subbaraju

(Bh. Subbaraju)

Mr. S.C. Hardy,
Chief, Highway Division No. I,
Transportation Projects Department,
International Bank for Reconstruction & Development,
1818 H Street, N.W.
Washington, D.C. 20433
U.S.A.

Copy to Mr. George Mahoney, International Bank for Reconstruction and Development, 1818 H Street, N.W., Washington, D.C. 20433.

(Bh. Subbaraju)

RECEIVED
SECTION
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COMMUNICATIONS
SECTION

(BR. Suppalsin)

Washington, D.C. 20543
Reconstruction and Development, 1818 H Street, N.W.
Copy to Mr. George Marshall, International Bank for
Reconstruction and Development

RECEIVED

U.S.A.
Washington, D.C. 20543
1818 H Street, N.W.
International Bank for Reconstruction & Development
Transportation Projects Department
Chief, Highway Division No. 1
Mr. S.C. Haldy

(BR. Suppalsin)

[Signature]
Yours sincerely,

With kind regards,

subjectings involved in the test series.
for the types of vehicles and the types of
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in the enclosed note provides reasonable

The off-road test series as contemplated
Roads Congress Road Tests Project.

enclosing herewith a brief note on the Indian

as desired during the discussions, I am

and Mr. Martin Katcher of your organization.

I had in my office on 18.5.1950 with Mr. J.H. Meener

This is in continuation of the discussion

Dear Mr. Haldy,

DATE

18.5.50

Enclosure Data Correspondence

MAR 28 1950

INDIA

NEW DELHI-22 Stat. March, 1950

P.O. C.M.I.

CENTRAL ROAD RESEARCH INSTITUTE

TELEGRAM: ROADRESEARCH

TELEPHONE: 15022

CHRI/DD/LLP/ee

BA VII M811

DIRECTOR

M. G. E. (INDIA) M. G. A. B. S. E.

MR. D. M. B. K. V. B. B. B.

C. E. B. E. M. B. C.

DR. BR. SUBBAMIAH



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NOTE ON THE ROAD TEST TRACKS
CONTEMPLATED UNDER THE INDIAN
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iii) Cost for traffic operation for average of 2 million repetitions (the traffic operation would involve about 250 trucks costing Rs.15 million).	40.0
iv) Cost of instrumentation and testing equipment.	4.0
v) Cost of staff (salaries)	3.0
vi) Cost of construction equipment (Capital investment) (Construction equipment worth Rs.1.5 Rs.1.5 million may have to be imported)	2.5
vii) Buildings, Transport, Travelling Allowance and Ancillaries.	5.0
viii) Miscellaneous (Services for data compilation, processing and analysis, meetings, publications etc.)	2.5
Total	<u>60.0</u> =====

IN Highway

March 19, 1970

Mr. B. Cranage
Rendel, Palmer & Tritton
125 Victoria Street
Westminster
London SW1,
ENGLAND

Dear Mr. Cranage:

Thank you for your letter of February 25, 1970 which I received on my return from a mission abroad. I wish to confirm that we would like you to include the Kalpi Bridge in your investigations in India.

I apologize for the delay in answering your letter.

With best personal regards,

Yours sincerely,

Martin Karcher

cc: Messrs. Mahoney, Dickerson, Neuner

MK
MK/als

Highways

OUTGOING WIRE

TO: PILDITCH
INTBAFRAD
NEW DELHI

DATE: MARCH 20, 1970

CLASS OF
SERVICE: LT

RCA

COUNTRY: INDIA

TEXT: ☒
Cable No.: No. 99

REURCAB MARCH 18 INDIA HIGHWAYS REGRET MATTER DELAYED BUT EXPECT
OUR LETTER TO DG CRW CONFIRMING RESULTS FEBRUARY 18 MEETING WITH
MAHONEY WILL BE MAILED EARLY WEEK MARCH 23

HARDY

Re: INDIA - Proposed Second Highway Project

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. Hardy

DEPT. Transportation Projects

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

GMahoney GMahoney/isc

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Karcher
Neuner
Dickerson

For Use By Communications Section

Checked for Dispatch: _____

112

11-10-70

Form No. 37
(5-65)

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: DIRECTOR
INTEGRATED
NEW DELHI

DATE: MARCH 20, 1970
CLASS OF
SERVICE: IT

COUNTRY: INDIA
TEXT: ☒
Cable No: No. 22

REURCAR MARCH 18 INDIA HIGHWAYS REPORT MATTER DELAYED BUT EXPECT
OUR LETTER TO DG CHW CONTAINING RESULTS FEBRUARY 18 MEETING WITH
MANHOMBY WILL BE MAILED EARLY WEEK MARCH 23

READY

Re: INDIA - Proposed Second Highway Project

NOT TO BE TRANSMITTED

CLEARANCE AND COPY DISTRIBUTION

cc: Messrs. Katcher
Newman
Dakota

For Use By Communications Section

COMMUNICATIONS
Mar 20 6 57 PM 1970

DISPATCHED
TRANSPORTATION Projects

ORIGINAL (for Copy)
IMPORTANT: See Secretary Guide for preparation form

IN Highways

BGRH/JD

RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

H. SCRUTTON, F.I.C.E., F.I.STRUCT.E., M.INST.PET.
~~J. R. H. OTTER, F.C.G.I., F.I.C.E., A.R.I.C.G.~~
B. G. R. HOLLOWAY, F.I.C.E., F.I.STRUCT.E.
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P. M. FRAENKEL, F.I.C.E., F.I.STRUCT.E.
P. A. COX, F.I.C.E.
J. C. MUNRO, F.I.C.E.
K. E. AINSWORTH, F.I.C.E., M.I.STRUCT.E.
D. M. S. FAIRWEATHER, F.I.MECH.E., M.I.LOCO.E.

CONSULTANTS:

J. E. G. PALMER, F.I.C.E., F.A.M. Soc. C. E.
T. T. LAMBE, F.I.C.E., F.I.MECH.E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, SW1

125, Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. 02136/13992

19th March, 1970.

Dear Sir,

Indian Appraisal

Further to your cable of the 18th instant, we confirm having replied as follows:-

"REYOUR CAB MARCH NINETEENTH ECONOMIC REPORT COMPLETED AND THREE COPIES MAILED MARCH THIRD TO WASHINGTON AND GILMARTIN IN DELHI STOP GILMARTIN RECEIVED COPIES STOP MAILING THREE FURTHER COPIES TO YOU TODAY STOP APPENDICES TO REPORT TO BE MAILED EARLY APRIL REGARDS"

Further
We now enclose three copies of the Report referred to.

Yours faithfully,
RENDEL, PALMER & TRITTON

Ren Holloway

S.C. Hardy Esq.,
Chief Transportation Division I,
International Bank for Reconstruction &
Development,
1818H Street, N.W.,
WASHINGTON, D.C.
U.S.A.

Original to: *Trans Projects*
Date: *3/28-70* Communications
Section

2
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

~~IND~~ C.154
cc - Highway 7
V. Rasop Co.
Study
✓ Highway 2
Miss T of Ray

TO: Messrs. P.O. Malone and J.R. Howard

DATE: March 19, 1970

FROM: S.C. Hardy

SUBJECT: INDONESIA: Supervision of Highway Project, Credit 154-IND
Supervision of UNDP-financed Highway Services
Preparation of Second Highway Project
Terms of Reference

1. On or about March 21, 1970, you will proceed to Indonesia for about 12 days:

- i) to supervise the on-going Highway Project (Credit 154-IND);
- ii) to help the Bank Resident Staff supervise the UNDP-financed Highway Services, and
- iii) to assess the status of, and to assist in preparation of, the Second Highway Project.

Mr. Malone will be head of mission.

2. With reference to the on-going Project you will:

- i) review progress on all aspects of project implementation, particularly that on the provision of workshops, in view of the undertaking to accelerate the work given by the Minister of Public Works to the Bank mission which visited Indonesia in January 1970;
- ii) discuss with Government all matters arising from the review, in the Bank, of bidding documents for procurement of workshop equipment and supplies;
- iii) discuss with Government details of bidding documents for procurement of road rehabilitation and maintenance equipment, and establish the appropriate timing for issue of these documents in terms of progress on other aspects of the project;
- iv) review progress on reorganization of the Directorate of Equipment Supply and on involvement by the Directorate in the procurement processes mentioned in (ii) and (iii) above;
- v) agree with Government, on the lines of your discussions in the Bank, the personnel to be recruited for the Technical Support Services.

March 19, 1970

3. With reference to the UNDP-financed Highway Services and in conjunction with the Resident Staff, you will:

- i) evaluate the work carried out on the feasibility study of the Sidjundjung-Muarabungo road in Sumatra and determine whether work has progressed sufficiently for a decision on investment in detailed engineering to be made;
- ii) define the program of work for the feasibility study team during the remainder of the period of the Highway Services;
- iii) review progress on establishment of three provincial pilot programs, in particular on the provision of local funds for the schemes, on the needed reorganization of the PWD's concerned and on implementation of costing and inventory control procedures.

4. With reference to the proposed Second Highway Project, and in conjunction with the Resident Staff and Government, you will:

- i) endeavor to identify sources of financing for the remaining feasibility studies and detailed engineering;
- ii) determine the specific content of the proposed bridge replacement program in Sulawesi;
- iii) discuss the draft terms of reference, prepared in the Bank, for such remaining studies and engineering.

5. In addition, and in accordance with the request of the East Asia and Pacific Department, you should explore with the Resident Staff and Government the possibility of enlarging the scope of the proposed project and endeavor to identify sources of financing for any further studies or engineering which would be required as a consequence.

6. On or about April 5, on conclusion of your mission, you will proceed to Ceylon in accordance with the separate terms of reference issued to you. On your return to the Bank, you will submit a Back-to-Office Report followed by a Full Report on the findings of your mission.

POMalone:jas

Cleared with and cc: Mr. Tolbert

cc: Messrs. Chadenet, Baum, Knox, Geolot, Capbert, ATDavis
van Helden, Rigby, Asser, Hogg, BBell (Djakarta)
Mackay, Carmichael, van der Meer

INCOMING CABLE

DATE AND TIME
OF CABLE: MARCH 19, 1970 1218

LOG NO.: RC 37 / 19

TO: INTBAFRAD

FROM: LONDON

TEXT:

FOR HARDY CHIEF TRANSPORTATION DIVISION I

15 URGENT

REYURCAB MARCH 19 ECONOMIC REPORT COMPLETED AND THREE COPIES MAILED MARCH 3
TO WASHINGTON AND GILMARTIN IN DELHI. GILMARTIN RECEIVED COPIES. MAILING
THREE FURTHER COPIES TO YOU TODAY. APPENDICES TO REPORT TO BE MAILED EARLY
APRIL. REGARDS.

HOLLOWAY

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS
INFORMATION COPY: *SW 3/19/70*
DECODED BY: *Mr. HANH*

- ① ~~KARSHNER~~ 3/19/70
② ~~DICKERSON~~ 3/19/70
③ MR. HARDY
Received 3/20
not received

JAO

MAR 19 10 07 AM 1970

COMMUNICATIONS
SECTION

IN Highways

INCOMING CABLE

DATE AND TIME
OF CABLE:

MARCH 18, 1970

1240

ROUTING

LOG NO.:

WU 4 / 19

ACTION COPY:

TRANSPORTATION PROJECTS

TO:

HARDY INTBAFRAD

INFORMATION
COPY:

DECODED BY:

FROM:

NEW DELHI

TEXT:

31

RE INDIAN HIGHWAYS HAVE NOT YET RECEIVED COPY OF MAHONEY'S MINUTES OF
MEETING WITH DG CRW ON 18 FEBRUARY. DATES AGREED BY DG FOR STAGE
COMPLETION OF PROJECT PREPARATION NOT BEING MET. ESSENTIAL DG HAS RECORD
OF MAHONEY MEETING WITHOUT FURTHER DELAY

PILDITCH

Mr. Mahoney
Let's cable Pilditch the position
On guilty of delay here - intended to send the letter confirming agreements reached after Full Report was prepared but report has been delayed because of other work. I will plan to have draft letter ready early next week (after Dr. appraisal report is in yellow)
3/19/70

Mr. Pilditch is referring to the Bank's letter confirming the mission's findings. We are waiting for RPT's economic report before preparing the letter, which should indicate the Bank's selection of road elements to be included in the appraisal. OK
3/19
Answered by Cable March 20, 1970

TYPED

3/12

MAR 19 9 52 AM 1970

COMMUNICATIONS
SECTION

15

OF MYNOMEX READING ALONGSIDE EARTHEN DRIVE

COMBINATION OF REVERSE SUBSTANTIATION NOT BEING THE. RESEMBLING TO HAVE ACCORD

RESEMBLING ALTHOUGH DO NOT ON TO REMAINING. DURING WORKED BY DO NOT SAYING

HE INDIVIDUAL RESEMBLES HAVE NOT ARE RESEMBLING SOME OF MYNOMEX RESEMBLES OF.

TEXT: JT

FROM: NEW DELHI

TO: MYNOMEX SUBSTANTIATION

FOR NO: AM 7 X 10

OF CABLE: MARCH 19 1970
DATE AND TIME

DECLINED BY:	4/11/70
COPIES:	
INFORMATION:	
ACTION COPY:	REVERSE SUBSTANTIATION
FOR LITC	

INCOMING CABLE

INCOMING CABLE

DATE AND TIME
OF CABLE:

MARCH 17, 1970 1558

LOG NO.:

RC 47/17

TO:

INTBAFRAD

FROM:

LONDON

TEXT:

*informed.
Cargill informed March 16
by Area cable.*

7 FOR HARDY CHIEF TRANSPORTATION DIVISION I

REYOURCAB MARCH 17 HAVE CABLED PILDITCH AND INSTRUCTED HIM CONTACT CARGILL

IN NEW DELHI. YOUR SYMPATHETIC ACTION MUCH APPRECIATED REGARDS

HOLLOWAY

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Mr. Hardy
Mr. Blahney
Mr. Dickerson 24-3/17
- inform Area
- "LT" appeared justified.
Sen 3/17

BR

COMMUNICATIONS
SECTION

IN Highways

INCOMING CABLE

DATE AND TIME OF CABLE: **MARCH 17, 1970 1915**

LOG NO.: **WU 11 / 18**

TO: **INTBAFRAD**

FROM: **NEW DELHI**

ROUTING

MR. ROULET

ACTION COPY: **MR. CARGILL**

INFORMATION
COPY:

DECODED BY:

TEXT:

5 FOR ROULET

**ALPHA HIGHWAYS. THAPA PROMISED SUBMISSION MINI PROJECT AND LETTER OF
APPOINTMENT TO NOR CONSULT ENGINEER WOULD BE SENT YESTERDAY**

BETA INTERVIEWED BIJAYA PRADHAN WILL GIVE VIEW NEXT WEEK

**GAMMA OTHER USEFUL DISCUSSIONS HELD WITH CARGILL ON NIDC TOURISM. WILL
EXPLAIN ON RETURN**

**DELTA LEAVING FOR RANGOON TOMORROW STAYING FOUR DAYS AT INYA LAKE HOTEL
REGARDS**

FELDMAN

FAMILY NOTIFICATION BEING MADE

JAO

COMMUNICATIONS

MAR 18 8 23 AM 1970

1970

COMMUNICATIONS

IN Highways

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: MARCH 17, 1970

CLASS OF
SERVICE: LT

17

COUNTRY: U.K.

TEXT: FOR HOLLOWAY

Cable No.:

RE INDIAN ROAD PROJECT PLEASE CABLE STATUS YOUR ECONOMIC REPORT WHICH WE
UNDERSTOOD WAS TO BE MAILED END FEBRUARY REGARDS

HARDY
INTBAFRAD

INDIA: Proposed 2nd Hwy Project. NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. HARDY

DEPT. TRANSPORTATION PROJECTS

SIGNATURE

MKarcher:dfw

REFERENCE:

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Dickerson, Neuner

For Use By Communications Section

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

ORIGINAL (BY COPY)

DISPATCHED

MAR 16 7 13 PM 1970
COMMUNICATIONS

REFERENCE

RECEIVED

SIGNATURE

DEPT

INTERNATIONAL RELATIONS

NAME

S. C. HANCOCK

AUTHORIZED BY

Project

INDIV: Proposed Sub HMA

NOT TO BE TRANSMITTED

FOR USE BY COMMUNICATIONS SECTION

CC: Messrs. Dickinson, Messrs.

STEVENS AND COPY DISTRIBUTION

IMBVLVD
HVEDX

UNDERSTOOD WAS TO BE WITTED END REBUNVX RECEIVED

RE INDIV BOND PROJECT PLEASE ADVISE STATUS LONG ECONOMIC BEHOLD WHICH ME

Copy No:

TEXT: FOR HOLTOMVI

COMITBA: P.K.

SERVICE: TL
CLASS OF

LONDON
TO: REMDETS

DATE: MARCH 11, 1970

OUTGOING WIRE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

CORPORATION

INTERNATIONAL FINANCE

Form No. 32

Form No. 32

14 HOFFMANN

OFFICE MEMORANDUM

TO: Mr. A. David Knox

DATE: March 16, 1970

FROM: S. C. Hardy

SUBJECT: INDIA: Proposed Second Highway Project
Consultant's Income Tax Position

1. A deplorable situation is developing in India regarding the classification of the Bank consultants' staff for income tax purposes; it is likely to affect the consultants' willingness to continue providing services to help prepare the project for appraisal.
2. You will recall that India refused to employ consultants to prepare the project for appraisal, but agreed to tolerate advice by experts if we financed them. At a cost of some US\$80,000 we retained three or four experts from Rendel, Palmer & Tritton, U.K, who commenced work in November 1969. They were pressed into service at very short notice after our first choice of consultants had backed down, and were retained on the "boiler-plate" letter agreement of the Administration Department, which makes them responsible for all tax obligations. The tax position of the proposed experts was somewhat obscure at the time (and still is) but in telephone conversation with one of the firm's principles, he made it clear to me that they were not expecting to pay much, if any, Indian tax on such short-term advisory services.
3. From all accounts (our own staff and the Indian State highway engineers) the consultants are doing a first class job in shaping up the project for Bank appraisal. In some ways, they can be regarded as relieving or supplementing Bank staff in the review and screening of draft appraisal data, while at the same time advising and assisting the Indian engineers and economists in preparing satisfactory appraisal material.
4. The attached letter dated March 10, 1970 from the consultants is self-explanatory; it mentions the situation that has developed in India, the conflicting advice they have received and the demoralizing effect on the team. Even the opinion of the Indian Alternate Executive Director as to their tax-free status, mentioned in Area Department's cable of February 25, 1970, seems to be counter to the Indian tax authorities views.
5. The attitude of the Indian authorities in this matter is inexplicable. We (the Bank) and the consultants are trying to help them prepare a project at no cost to themselves, and it is difficult to understand why India should wish to benefit financially from such an exercise. I suggest we take up this matter with India at the highest possible level with a view to:
 - (i) obtaining recognition of the value of the services being provided by the Bank and its consultants, and obtaining complete tax exemption for the services;

Mr. A. David Knox

- 2 -

March 16, 1970

(ii) failing to obtain such exemption under Indian law, then having India reimburse the tax levied by way of a counter-part contribution to the services;

(iii) failing (ii), then having the Bank reimburse the consultants any taxes levied.

6. Whatever way we choose to handle the matter, I propose we cable the consultants as soon as possible, asking them to continue with the services and informing them that we are taking up the matter with a view to relieving them from all taxes.

SCHardy:dfw

Attachment

cc: Messrs. Votaw, Geolot, Mahoney, Dickerson, Kirk, Baum, Hogg, van Helden.

RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

H. SCRUTTON, F.I.C.E., F.I.STRUCT. E., M.INST. PET.
J. R. H. OTTER, F.I.C.E., F.I.STRUCT. E., M.I.MECH. E.
B. G. R. HOLLOWAY, F.I.C.E., F.I.STRUCT. E.
F. IRWIN-CHILDS, F.I.C.E.
P. M. FRAENKEL, F.I.C.E., F.I.STRUCT. E.
P. A. COX, F.I.C.E.
J. C. MUNRO, F.I.C.E.
K. E. AINSWORTH, F.I.C.E., M.I.STRUCT. E.
D. M. S. FAIRWEATHER, F.I.MECH. E., M.I.LOCO. E.

CONSULTANTS:

J. E. G. PALMER, F.I.C.E., F.Am. Soc. C.E.
T. T. LAMBE, F.I.C.E., F.I.MECH. E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR. E.

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, S.W.1

125 Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. 02136/13977

16th March, 1970.

Dear Sir,

Highway Appraisal, India.

Further to our letter of the 27th February 1970, in which we advised you that Mr. Cranage would be available to travel to India at the end of the month, we wish to confirm that he will be leaving for India on March 29th, 1970.

On the occasion of Mr. Mahoney's visit to this office, we were informed that the likely commencement date for Appraisal would be June 1st and with this date in mind Mr. Cranage will be working to the following programme:-

- | | |
|---|------------------|
| 1. Leave U.K. for India | March 29th, 1970 |
| 2. Supervision of Origin/Destination and Speed studies | During April |
| 3. Return to U.K. with data | End of April |
| 4. Coding and computer analysis of data in London | During May |
| 5. Final write-up of collected information and despatch to Bank | End of May. |

We should be pleased to receive your confirmation that this programme will meet your own requirements for commencement of project Appraisal, and will also ensure that Mr. Cranage is not in India longer than the prescribed 90 days for tax immunity.

Yours faithfully,
for RENDEL, PALMER & TRITTON

G. Miller Richard

S.C. Hardy Esq.,
Chief, Transportation Division I,
International Bank for Reconstruction &
Development,
1818H Street, N.W.
Washington, D.C.
U.S.A.

Original to: *Trans. Prof.*
Date: *3-19-70* Communications
Section

OUTGOING WIRE

TO: INTBAFRAD
NEW DELHI

(~~Baof 2~~)

DATE: MARCH 16, 1970

CLASS OF
SERVICE: LT

ROO

COUNTRY: (INDIA)

TEXT:
Cable No.: FIVE FOR CARGILL

RE PROPOSED HIGHWAY PROJECT STOP PATEL LETTER FEB 27 STATES IN PART
GOVERNMENT HAS ALL ALONG CONFINED SELECTION OF CONTRACTORS FOR ROAD
CONSTRUCTION TO INDIAN FIRMS STOP BANK TECHNICAL MISSIONS BELIEVE THAT
INDIAN ROAD CONTRACTING INDUSTRY HAS NOT REACHED STAGE WHERE IT COULD
EXECUTE EFFICIENTLY ALL WORKS IN THE PROPOSED DOLLAR SIXTY-SEVENTY
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INTERNATIONAL BASIS IN WHICH LOCAL CONTRACTORS WOULD COMPETE WITH
OUTSIDERS STOP WORKING PARTY INCLUDING KNOX AND MYSELF REQUESTS YOU
AND/OR KNAPP PRESS THIS AT HIGHEST APPROPRIATE LEVEL STOP SUBJECT
OUTLINED IN KNOX MEMORANDUM BEING BROUGHT YOU BY DUNN STOP AT THIS STAGE
FOR YOUR INFORMATION ONLY PROJECTS IS ALSO CONSIDERING POSSIBILITY OF MUCH
SMALLER PROJECT WITH COMPETITION RESERVED TO INDIAN FIRMS ONLY BUT

(see page 12)

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A. F. Kirk

DEPT. South Asia

SIGNATURE A.F. Kirk
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

GVotaw /bj

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MAR 18 1970

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CLASS

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MAR 16 7 26 PM 1970
COMMUNICATIONS

NOT TO BE TRANSMITTED

(see Ref 5)

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COPY NO: 151

COMMITTEE (INDIV)

NEW RIGHT

SERVICE: PL

CLASS OF

TO: INDIVIDUAL

DATE: MARCH 16, 1970

OUTGOING MIKE

ASSOCIATION
INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL BANK FOR

COOPERATION
INTERNATIONAL FINANCE

FORM 100-1

117 10/10/70

OUTGOING WIRE

TO: (Page 2 of No. 5 for Cargill)

DATE:

CLASS OF
SERVICE:

COUNTRY:

TEXT:

Cable No.:

CONSIDERS THIS MUCH LESS LIKELY TO BRING ABOUT QUICK MODERNIZATION OF ROAD
CONSTRUCTION STOP REGARDING SUPERVISION WE PREFER FOREIGN CONSULTANTS BUT JOINT
VENTURE BETWEEN LOCAL AND FOREIGN FIRMS MIGHT BE CONSIDERED STOP RE JOINT VENTURES
BELIEVE GENUINE CONSULTING ENGINEERING FIRMS REQUIRED NOT A COMMITTEE OF GOVERNMENT
ENGINEERS STOP PARAGRAPH RENDEL, PALMER AND TRITTON CONSULTANTS HIRED BY BANK
TO ASSIST INDIA IN PREPARING POSSIBLE HIGHWAY PROJECT EXPERIENCING SERIOUS
DIFFICULTIES OVER TAXATION WHICH PRECLUDE EFFECTIVE CONTINUATION THEIR WORK STOP
RENDEL MEN WILL CONTACT YOU IN DELHI WITH DETAILS STOP HAVE SPOKEN TO SHROFF BUT
URGE YOU INTERVENE WITH IG STOP IF TAX EXEMPTION IMPOSSIBLE REQUEST GOVERNMENT
REIMBURSE TAXES AS THEIR COUNTERPART CONTRIBUTION TO DEVELOPMENT OF IMPROVED
HIGHWAY ~~FROM~~ PROGRAM STOP CONSULTANTS ALSO REQUIRE HELP REGARDING VISAS REGARDS

VOTAW

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A. F. Kirk

DEPT. South Asia

SIGNATURE *A. F. Kirk*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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Checked for Dispatch: *[Signature]*

ORIGINAL (H) COPY

DISPATCHED

MAR 16 7 26 PM 1970

COMMUNICATIONS

NOT TO BE TRANSMITTED

ACLYM

HIGHWAY RESEARCH PROGRAMS ARE CONSIDERABLE ALSO RESEARCH WITH REGARDING ALIAS RESEARCH
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Copy No:

TEXT

COPYING:

RESEARCH

CLASS OF

TO: (Page 3 of No. 2 for SECURITY)

DATE

OUTGOING MIKE

ASSOCIATION
INTERNATIONAL DEVELOPMENT
(1947)
Form No. 2

RESEARCHER AND DEVELOPMENT
INTERNATIONAL BANK FOR

CONSIDERABLE
INTERNATIONAL RESEARCH

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: MARCH 16, 1970

CLASS OF
SERVICE: LT

ITT

COUNTRY: UK

TEXT:
Cable No.:

FOR HOLLOWAY INDIAN HIGHWAYS REURLET MARCH 10 CONCERNING TEAMS TAX
DIFFICULTIES WE ARE SYMPATHETIC AND ARE PURSUING MATTER AT HIGH
LEVEL WITH GOVERNMENT STOP PLEASE CABLE PILDITCH TO ARRANGE MEETING
THROUGH BANKS NEW DELHI OFFICE WITH CARGILL COMMA DIRECTOR SOUTH ASIA
DEPARTMENT WORLD BANK COMMA CURRENTLY ON MISSION IN NEW DELHI TO BRIEF
HIM TAX SITUATION STOP SUGGEST PILDITCH SHOWS CARGILL HIS PERSONAL
LETTER TO YOU

HARDY

INDIA: Proposed First Highway

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. HARDY

DEPT. TRANSPORTATION PROJECTS

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MWDickerson/md

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and cc: Mr. Kirk
cc: Messrs. Abd El Aty, Mahoney

For Use By Communications Section

Checked for Dispatch:

Bd

ORIGINAL (HIS COPY)

DISPATCHED

MAR 16 7 28 PM 1970
COMMUNICATIONS

Message: VPA ET VPA, MEXICO
Created with and cc: M. K. K.

CLEARANCE AND COPY DISTRIBUTION:

INDIV: Proposed LPAH MEXICO

NOT TO BE TRANSMITTED

MEXICO

TELLEN TO LOR

HIM LIX SITUATION ALSO SUCCESS LITELLY SHOWS CURENT HIS PERSONAL
DEVELOPMENT MORTD BANK COMMA CANNELLY ON MISSION IN NEW DETRI TO BEICE
THROUGH BANKS NEW DETRI OFFICE WITH CURENT COMMA DIRECTION SOALH VSTV
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FOR MORTOMIX INDIV HIGHMIX MEXICAN MEXICAN TO CONCENTRATING LIXIX LIX

Copy No:
TEXT:

COMMITTEE: LK

SEALICE PL
CLASS OF

111

FORUM
TO: MEMBERS

DATE WHICH TO: TAD

OUTGOING MIKE

ASSOCIATION
INTERNATIONAL DEVELOPMENT

RECOGNITION AND DEVELOPMENT
INTERNATIONAL BANK FOR

COOPERATION
INTERNATIONAL FINANCE

FORM NO 22

111

OFFICE MEMORANDUM

TO: Mr. A. David Knox

DATE: March 16, 1970

FROM: S. C. Hardy

SUBJECT: INDIA: Proposed Second Highway Project
Consultant's Income Tax Position

1. A deplorable situation is developing in India regarding the classification of the Bank consultants' staff for income tax purposes; it is likely to affect the consultants' willingness to continue providing services to help prepare the project for appraisal.
2. You will recall that India refused to employ consultants to prepare the project for appraisal, but agreed to tolerate advice by experts if we financed them. At a cost of some US\$80,000 we retained three or four experts from Rendel, Palmer & Tritton, U.K, who commenced work in November 1969. They were pressed into service at very short notice after our first choice of consultants had backed down, and were retained on the "boiler-plate" letter agreement of the Administration Department, which makes them responsible for all tax obligations. The tax position of the proposed experts was somewhat obscure at the time (and still is) but in telephone conversation with one of the firm's principles, he made it clear to me that they were not expecting to pay much, if any, Indian tax on such short-term advisory services.
3. From all accounts (our own staff and the Indian State highway engineers) the consultants are doing a first class job in shaping up the project for Bank appraisal. In some ways, they can be regarded as relieving or supplementing Bank staff in the review and screening of draft appraisal data, while at the same time advising and assisting the Indian engineers and economists in preparing satisfactory appraisal material.
4. The attached letter dated March 10, 1970 from the consultants is self-explanatory; it mentions the situation that has developed in India, the conflicting advice they have received and the demoralizing effect on the team. Even the opinion of the Indian Alternate Executive Director as to their tax-free status, mentioned in Area Department's cable of February 25, 1970, seems to be counter to the Indian tax authorities views.
5. The attitude of the Indian authorities in this matter is inexplicable. We (the Bank) and the consultants are trying to help them prepare a project at no cost to themselves, and it is difficult to understand why India should wish to benefit financially from such an exercise. I suggest we take up this matter with India at the highest possible level with a view to:
 - (i) obtaining recognition of the value of the services being provided by the Bank and its consultants, and obtaining complete tax exemption for the services;

Mr. A. David Knox

- 2 -

March 16, 1970

(ii) failing to obtain such exemption under Indian law, then having India reimburse the tax levied by way of a counter-part contribution to the services;

(iii) failing (ii), then having the Bank reimburse the consultants any taxes levied.

6. Whatever way we choose to handle the matter, I propose we cable the consultants as soon as possible, asking them to continue with the services and informing them that we are taking up the matter with a view to relieving them from all taxes.

SCHardy:dfw

Attachment

cc: Messrs. Votaw, Geolot, Mahoney, Dickerson, Kirk, Baum,
Hogg, van Helden.

✓ IN Highways
(2)
IN - Mormugao
Port

Letter No. 4

March 13, 1970

Mr. I.P.M. Cargill
Office of the Resident Representative
International Bank for Reconstruction
and Development
P. O. Box 416
New Delhi, India

Dear Peter:

I am not sure how far you wish to be involved during your present trip with our project problems, but I thought it worthwhile sending this note to you with David on two of our perennials:

(a) A proposed Highways II. Enclosed is a memorandum from Knox to Greg which we are to discuss on Monday. I think that the Projects Department is slowly coming round to the conclusion that it will be difficult to have a highways project in India other than one where the work is performed by local contractors, but they still feel, probably rightly, that outside supervision will be necessary. If you have a chance and feel like doing so, I would appreciate your sounding out the Indians on this latter point and, for what it is worth, on the possibility mentioned in paragraph 3 of the Knox memorandum of a portion of the project going out to international competitive bidding. I will cable you on Monday after we have had our meeting with Knox if there is anything to report.

(b) Mormugao Port. The consultants, Superintendence Inc., have at long last delivered their report which is quite negative. Scheiner's memorandum on this is also enclosed, although I have not attached the Superintendence report which is rather bulky.

Best regards,

Yours sincerely,

A. F. Kirk

AFK/bj

yellow

IN Highway
Le
(2)

INCOMING CABLE

DATE AND TIME
OF CABLE:

MARCH 13, 1970 1659

LOG NO.:

RC 7/14

TO:

INTBAFRAD

FROM:

LONDON

TEXT:

205 FOR HARDY CHIEF TRANSPORTATION DIVISION I

FURTHER MYCAB 9TH INCIDENTAL EXPENSES PILDITCH AND TRNKA FAMILY FIVE

DAYS AWAY NEW DELHI 119 POUNDS STERLING

HOLLOWAY

\$300

I think we should amount
return of Congill from his
India mission

3/24

Copied: Mr. Dickerson

To

① Mr. Dickerson

② Mr. Hardy

3/26

Amount will be added

We should add this small
amount to estimate of yptomion
and pay it in any case. The
matter of any income tax costs
can be handled separately when
we find out if there will be
any.

See on.

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

WH-HAMH

Mr. Mahoney
Dickerson

3/25

3/16

I am inclined to have this +
the income
tax levies
either reimbursed by
India or paid by
the Bank. - Let's
discuss again after today's
meeting

3/16

MT

COMMUNICATIONS
SECTION

Mr. M. R. Shroff

March 13, 1970

Alexander F. Kirk

INDIA - Agricultural Lending Strategy Talks

1. We have discussed at various times with you and other representatives of the Government of India our wish that there should be a second series of discussions between Bank staff members and representatives of the various ministries in New Delhi concerned with our lending operations in India in the agricultural sector.
2. We propose, if agreeable to the Government, that such discussions begin in New Delhi on April 13. The primary focus of the discussions would, we suggest, be on examining the possibilities of projects for the years 1971/72 through 1973/74. It would of course be useful to spend some time reviewing progress on the points raised last April, and to discuss problems we face in the current series of projects for the present fiscal year and for FY 71.
3. We would suggest that the talks follow a somewhat different format from those of last year. Instead of a series of long meetings with large numbers on both sides of a table, we would suggest we start with a number of small meetings, in which the participants would be not more than three or four on each side. Thus, a small delegation from the Bank would meet separately with representatives of the Ministry of Finance, Department of Agriculture, Department of Food, Ministry of Irrigation and Power, Central Water and Power Commission, National Seeds Corporation, and other interested bodies. There might then be one or two plenary sessions to discuss topics which cross ministerial lines and to sum up. It might also be useful to include the Agricultural Refinance Corporation, either in a small session in Bombay, or in New Delhi. We think the talks might last for about a week, although some members of the Bank delegation from Washington might remain in India for a little longer to visit existing or proposed project sites.
4. The Bank's delegation would comprise members of the South Asia and Agricultural Projects Departments and the Resident Mission.
5. I would be grateful if you would request your Government to confirm by cable that the dates suggested above are agreeable. In the meantime we will prepare a tentative outline of topics to be covered by the discussions and I would be grateful if GOI would prepare its own suggested agenda.

Cleared with and cc: Mr. McIvor
cc: Mr. Wapenhans; Messrs. Gilmartin/Naylor

DADunn/AFK/bj

Alk

Files

March 13, 1970

M.W. Dickerson

INDIA: Proposed Second Highway Project
Meeting with Mr. Ramakrishna of
Government of India

1. A brief meeting was held in the Bank on March 3, 1970, with Mr. Ramakrishna (Economic Affairs Department, Ministry of Finance, Government of India) to discuss outstanding policy and other matters in connection with the above project. Bank Staff present at the meeting were: Messrs. Kirk, Hardy, Mahoney and Dickerson. Mr. Ramakrishna indicated that a letter was being sent by the Government of India in reply to the Bank's letters of May 16 and November 17, 1969. (This letter was subsequently received on March 4, 1970). However, he indicated the Government of India's position with respect to the following principal issues.

International Competitive Bidding

2. The Government of India would find it very difficult to meet this Bank requirement and considers the introduction of international bidding for roadworks both "impractical" and a "luxury". The Government wishes the local contracting industry to be developed to undertake the work and would welcome any advice which the Bank could give on this matter.

Type of Contract

3. The Government of India is prepared to consider awarding a contract for the construction of all roadworks on a given length of road to one prime contractor, but the contracts should be of a size small enough to suit the capacity of Indian contractors. The use of specialists or subcontractors would also be considered.

Credit and Import Licenses for Domestic Contractors

4. In reply to a question, Mr. Ramakrishna stated that credit facilities are available to domestic road contractors. The granting of equipment and import licenses to road contractors could be the subject of a discussion between the Government and the Bank.

Appraisal Timing

5. The Government of India considers that the project will be suitably prepared for appraisal by April 15, 1970 (our latest pre-appraisal mission recommends mid-May).

Bank's Consultants - Income Tax Status

6. Mr. Ramakrishna was not fully acquainted with the circumstances surrounding the flight of the Bank's consultants to Pakistan (with a view to tax exemption), as the development had occurred whilst he was in Washington. He agreed to look into the question of their tax status when he returned to India.

Construction Supervision

7. The Government of India recognizes the need for adequate supervision of the project roads but considers that this can best be provided through existing Indian agencies. Mr. Ramakrishna stated that if the Bank wishes to station Bank staff in India then this could be a matter for discussion.

Size of Project

8. It was brought to Mr. Ramakrishna's attention that if only domestic contractors were to be invited to bid for the road works then the scope of the project might have to be reduced to correspond with the present limited capacity of this "infant" industry. Mr. Ramakrishna said that the Government would wish to discuss with the Bank all aspects of building up the local contracting industry to undertake the proposed project.

MWDickerson/ec

Cleared with and cc: Mr. Hardy

cc: Messrs. Knox, Geolot, Votaw/Kirk,
Mahoney, Abd. El Aty, Karcher, Neuner

RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

H. SCRUTTON, F.I.C.E., F.I.STRUCT.E., M.INST.PET.
J. R. H. OTTER, F.C.G.I., F.I.C.E., F.I.C.S.
B. G. R. HOLLOWAY, F.I.C.E., F.I.STRUCT.E.
F. IRWIN-CHILDS, F.I.C.E.
P. M. FRAENKEL, F.I.C.E., F.I.STRUCT.E.
P. A. COX, F.I.C.E.
J. C. MUNRO, F.I.C.E.
K. E. AINSCOW, F.I.C.E., M.I.STRUCT.E.
D. M. S. FAIRWEATHER, F.I.MECH.E., M.I.LOCO.E.

CONSULTANTS:

J. E. G. PALMER, F.I.C.E., F.Am.Soc.C.E.
T. T. LAMBE, F.I.C.E., F.I.MECH.E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, S.W.1

125 Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. BGRH/JD

10th March, 1970.

S.C. Hardy Esq.,
Chief Transportation Division I,
International Bank for Reconstruction &
Development,
1818H Street, N.W.,
WASHINGTON, D.C.
U.S.A.

Dear Cliff,

MAR 13 1970

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

India: Highway Project Appraisal

Upon receipt of your cable of the 7th March I confirm having cabled you yesterday as follows:-

"REYOURCAB MARCH SEVENTH OURLET FEBRUARY 27
GIVES INFORMATION REQUIRED TO OUR BEST KNOWLEDGE BUT
PLEASE ELABORATE IF YOUR REQUEST MISUNDERSTOOD STOP
PILDITCH CABLED DELHI FOR COSTS OF RECENT BREAK
STOP WILL CABLE FURTHER WHEN INFORMATION TO HAND".

However, this morning I have received a personal letter from Pilditch explaining his recent trip to Pakistan and describing the complex tax situation as he understands it. The following extracts are taken from his letter:-

"After conflicting information about the Indian tax law viz-a-viz the 90-day exemption period, we received word from the Bank's Resident Representative in New Delhi that the Joint Secretary to the Department of Economic Affairs, who deals with Bank Loan negotiations, had ruled that 90 days was the total time in any one fiscal year. We immediately notified the Resident Representative of our intentions, and left the country for Pakistan where by prior arrangement the Bank's office in Islamabad very kindly lent us money. My detailed account is enclosed with this letter.

With my full agreement Trnka obtained an exit clearance to leave India and relinquished his residence permit for himself and his family.

contd...

by whom

Again with my full concurrence he obtained tourist visas for himself and his family from the India High Commission in Islamabad. In doing this he had to sign an undertaking that he would take up no gainful employment whilst in India as a tourist.

I thought Mr. Shroff said otherwise!

Upon receipt of your telegram, which was handed to me by the Bank in Islamabad, I cabled you our immediate intention to return to New Delhi. We got back on 1st March and took up our tax status again with the Resident Representative who instituted enquiries through the D.E.A. who got in touch with the Income Tax Department. The result was a total negative - only foreign technicians engaged on Government sponsored projects or specifically requested to assist the Government or its agencies can apply for tax exemption under the existing I.T. law. As our presence in India is regarded as purely an internal arrangement of the Bank's to suit their own requirements, the authorities decline to accept the view that our work is in any way beneficial to the Government, and that we are here purely for personal employment and gain. If taxation is levied it will be not only on salaries but also on subsistence allowances. I do not know the exact amount involved, but it might be as high as 80%.

To comply with his tourist status, and with my complete backing, Trnka is not continuing with any duties at our office in the Central Roads Wing, and so far as our Indian colleagues are concerned he is on leave. On a voluntary basis, again with my understanding, he is meeting me elsewhere to discuss project matters and to collect data for study at home. Needless to say, this manner of conducting his affairs goes very much against the grain with him and he is deeply concerned at the way things have turned out. I have assured him that both the Bank and the Firm have full faith in his integrity, the former being particularly impressed with his individual performance on this assignment.

From the foregoing paragraphs you can see that the situation is far from being a happy one, and my first concern is to obtain a ruling which will enable Trnka to resume his full duties as a member of the team. You will understand that under the present circumstances neither Pilditch nor Trnka are prepared to extend their stay beyond their original contract date of mid-May, and in order to persuade them I would like to assure them that this present tax muddle can be satisfactorily concluded.

I am aware, of course, that the terms of our Agreement with the Bank define tax obligations as being the individual's responsibility, and Pilditch, Trnka and Cranage were fully aware of this before they left the U.K. However, neither we, nor they, envisaged the possibility of Tax obligations on their salary plus subsistence being as high as 80% which sum, of course, would be far higher than they would pay if their salaries were subject to normal U.K. tax.

Cranage is due to return to India for his second tour in a fortnight's time and since he has already completed 64 days in India I am obviously concerned to obtain clarification as to the tax position before he leaves.

contd.....

In your telephone conversation with Ainscow on the 26th February you intimated that the Bank would take up the matter direct with the Indian Internal Revenue with a view to obtaining a classification for these engineers as technicians. This would solve this particular problem, of course, and enable Trnka to resume his duties and, no doubt, would encourage both he and Pilditch to stay for the extended period required by you. Perhaps you would let us know if such an approach has been made and with what result.

Regarding the costs involved in their stay in Pakistan, Pilditch has forwarded details to-day but these require some study and I will write to you again shortly concerning this aspect.

Yours sincerely,

Brian

IN Highway

Mr. Gregory B. Votaw

March 10, 1970

A. David Knox *AK*

INDIA: Proposed Second Highway Project

1. I suggest we meet with you and your staff as soon as possible to discuss the Bank's next course of action on the Government of India's letter of February 27, 1970.
2. We have discussed the issues in a preliminary way in this Department. I understand that the somewhat flexible tone of the letter was not confirmed in oral discussion with Mr. Ramakrishna, who indicated a possibly more negative reaction on the part of his Government to the two issues which concern us most, namely: international competitive bidding and foreign supervision of construction.
3. Any possible relaxation of our international competitive bidding requirements would of course require approval in principle by Management, but notwithstanding, we believe that the Indian road contracting industry has not yet reached the stage where it could execute efficiently all the works envisaged in the proposed US\$60-70 million project. I understand this issue is more political than technical. As such, we should take it up at the highest possible level with India, with a view to their making some concessions regarding international competitive bidding. We suggest as a minimum Bank position that about 1/3 to 1/2 of the project works be reserved for Indian contractors, and the balance awarded on an international competitive basis, in which Indian contractors might also participate either in their own names or in association with foreign contractors.
4. Regarding supervision of construction, we believe a serious situation may develop if expatriates are not given some position of responsibility in the supervisory teams. One solution may be to encourage joint ventures between Indian consulting firms and foreign firms, giving the joint venture full responsibility for supervision. An alternative solution might be the appointment of expatriate "co-resident engineers" to work with the Indian supervisory teams. The question of who should bear the cost of such expatriate supervisory services would need to be discussed with the Government; we could justifiably hold out for some contribution from India, but, as a fallback position, the Bank might have to be prepared to pay. (We have not assessed accurately the likely foreign supervisory costs involved, but they might well exceed US\$1 million).
5. I understand that Messrs. Knapp and Cargill are to visit India in the near future, and, after we have had our meeting, you might wish to have them briefed about these obstacles to progress on the project.

Hardy:dfw

cc: Messrs. Baum, Geolot, Mahoney, Dickerson, Karcher, Neuner.

IN Highway
2nd

Files

March 6, 1970

W. S. Humphrey

INDIA - Proposed Second Highway Project - Meeting with Mr. Sinha
and other Officials

1. There was a meeting at the Ministry of Transport on February 18 with Mr. S. N. Sinha - Director General, Central Road Wing - and other Government officials. Messrs. Mahoney, Karcher, Humphrey, Lankester and Abd El Aty of the Bank were present as were the two consultants, Messrs. Pilditch and Trnka.
2. Mr. Mahoney went through the list of the roads proposed for the project and informed Mr. Sinha of the ones which the Mission would recommend be dropped. Some of the road sections were being dropped on engineering grounds since more study and design would be needed. These included the Barwa-Chas, where a coal field caused complications, and the ghat sections of the roads in Maharashtra. The Mission would recommend that studies and designs be carried out by consultants financed under the proposed credit for construction under a possible second credit. Other road sections, notably the two in Tamil-Nadu, were being dropped because the economic return on the investment, as calculated by the consultants, was very low. Only the major by-passes in Tamil-Nadu would be included. The effect of all these reductions would be to bring the total construction cost of roads included in the project down to about \$60 million.
3. Mr. Sinha seemed to agree that further studies were needed on the roads through the Bihar Coal Fields and Maharashtra ghats. However, he was unable to judge the validity of dropping the Tamil-Nadu roads on the basis of a low economic returns, since he had not seen the assumptions on which the returns had been based. On being told that the benefits were low because these roads were already two-laned, he said that they should have been considered as one-lane roads for the purpose of the economic return calculation. This was because they had merely been converted to temporary two-laned roads by paving over the shoulders. These shoulders were in imminent danger of collapse under the weight of traffic. Mr. Mahoney said that it was the consultants' judgment that the roads were adequate for the time being, considering the amount of traffic they carried and that they would hold up for a few more years. Mr. Sinha doubted this and wondered whether the traffic counts used in the economic return calculations were accurate. Mr. Mahoney said that the economic studies would be sent to the Government for review as soon as they had been reviewed by the Bank.

4. Mr. Sinha also questioned whether it was practical to include only by-passes in Tamil-Nadu. He seemed to think that IDA would require separate allocations of staff exclusively for these by-passes which would make little sense if the state went ahead with the reconstruction of the connecting road sections on its own. Mr. Mahoney said that IDA would certainly not require any kind of organization which did not fit in well with the existing state road organization.

5. Mr. Mahoney urged Mr. Sinha to allow the consultants to review the road alignment submitted by the states as soon as they came in. He added that the consultants were still awaiting Government comments on a typical pavement drawing which had been submitted. Mr. Sinha said that it was necessary for his officials to have some dialogue with the state officials on material submitted by the states before this material was reviewed by the consultants. He described the consultants' pavement drawing as "pious" and said that his own staff was designing pavements appropriate for the different locations. These designs would be available about March 7.

6. A number of further technical issues were then discussed on matters such as the method of estimating quantities, surveyor's rights of access to private property, bullock trains on roads in Maharashtra, appropriate methods of constructing bridges and the qualifications of Indian road contractors. The discussion then turned to the timing of the appraisal.

7. Mr. Mahoney said that it was the judgment of both the Bank team and the consultants that it would be early June before the additional work needed before appraisal would be completed. Mr. Sinha said that on the basis of the requirements set out in Mr. Hardy's letter of January 22, appraisal should be possible in mid-April. Mr. Mahoney said that he did not see how estimates of quantities accurate to within 20 percent could be available by mid-April since this would require most of the detailed engineering which in many cases had not yet been done. He added, he had made it quite clear to Mr. Sinha in earlier discussions that this detailed work must be done before appraisal. Mr. Sinha insisted that the quantity estimates needed for appraisal as described in Mr. Hardy's letter did not require all the detailed work suggested by Mr. Mahoney. Mr. Mahoney said that he was prepared to accept Mr. Sinha's judgment that all the information needed for appraisal as described in Mr. Hardy's letter could be provided by mid-April.

WSHumphrey/pop

cc: Messrs. Abd El Aty (2)
Mahoney
Karcher
Neuner
Delhi Office (Mr. Humphrey)

11 Highway
(2)

INCOMING CABLE

DATE AND TIME
OF CABLE: MARCH 9, 1970 1757

LOG NO.: RC 4 / 10

TO: INTBAFRAD

FROM: LONDON

TEXT:

184 FOR HARDY

REYOURCAB MARCH 7 OURLET FEBRUARY 27 GIVES INFORMATION REQUIRED TO OUR

BEST KNOWLEDGE BUT PLEASE ELABORATE IF YOUR REQUEST MISUNDERSTOOD.

PILDITCH CABLED DELHI FOR COSTS OF RECENT BREAK. WILL CABLE FURTHER

WHEN INFORMATION TO HAND.

HOLLOWAY

ROUTING	
ACTION COPY:	TRANSPORTATION PROJECTS
INFORMATION COPY:	
DECODED BY:	<i>Mr. Hardy</i>

Mr. Mahoney
Mr. Dickerson

3/10
01

ask him specifically if his estimate of 1st stage is \$68,000(?).

Scy

JAO

*close
approximation
can be made*

COMMUNICATIONS
MARCH 10 8 53 AM 1970

TYPED

MAR 10 8 28 AM 1970
COMMUNICATIONS

ROUTED

WITH INFORMATION TO BE

RECEIVED FROM THE OFFICE OF THE DIRECTOR, FBI, WASHINGTON

AND THE BUREAU OF THE INDIAN AFFAIRS, WASHINGTON

RECEIVED FROM THE OFFICE OF THE DIRECTOR, FBI, WASHINGTON

FOR YOUR INFORMATION

END

WASH. FIELD

TO DIRECTOR

FROM WASH. FIELD

RE: CIVIL RIGHTS - MURDER OF MARTIN LUTHER KING, JR.

DATE 3/10/70

RECEIVED BY

INVESTIGATOR

WASH. FIELD, COMMUNICATIONS SECTION

3/10/70

ENCLOSURE

RECEIVED BY
INVESTIGATOR

RECEIVED BY
INVESTIGATOR

RECEIVED BY
INVESTIGATOR

100-100000

100-100000

IN Highways
2

OUTGOING WIRE

TO: INTBAFRAD

DATE: MARCH 6, 1970

NEW DELHI

CLASS OF
SERVICE: LT

COUNTRY: (INDIA)

TEXT: ✓
Cable No.: 81 FOR GILMARTIN

117

PLEASE ADVISE CARGILL THAT COPIES OF IG REPLY DATED FEBRUARY
TWENTYSEVEN ON PROPOSED SECOND HIGHWAYS BEING SENT YOU TODAY STOP
CONSULTANTS REPORT ON MORMUGAO ALSO RECEIVED AND BEING DISCUSSED HERE
STOP MEMO ON BOTH TO BE SENT EARLY NEXT WEEK OR WITH DAVID REGARDS

KIRK

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Alexander F. Kirk

DEPT. South Asia

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Kirk
Abd El Aty

For Use By Communications Section

Checked for Dispatch:

ORIGINAL (MIR COPY)

SIGNATURE

DEPT

NAME

AUTHORIZED BY

John V. Galt

Alexander E. King

RECEIVED
MAR 6 6 38 PM 1970
COMMUNICATIONS
SECTION

cc: Messrs. King

STANDARD AND COPY DISTRIBUTION

NOT TO BE TRANSMITTED

KING

STOP MEMO ON BOTH TO BE SENT EVERY WEEK OR WITH DATED MEMO
CONGRATULATE REPORT ON WORKING ALSO RECIARD AND BEING DISCUSSED HERE
TWENTYSEVEN ON PROPOSED SECOND HIGHWAYS BEING SENT FOR JONAH STOP

PLEASE ADVISE CUBITT THAT COPIES OF IS BEING DATED FEBRUARY

Copy No.
TEXT

97 FOR GITHVILLIN

COUNTRY

(INDIA)

MEM DETHI

TO

INTERVIEWED

SERVICE
CLASS OF

DATE MARCH 6, 1970

ONGOING MIKE

ASSOCIATION
INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL BANK FOR

COOPERATION
INTERNATIONAL FINANCE

Form No. 11

14 11/11/1970

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: MARCH 6, 1970

CLASS OF
SERVICE: LT

COUNTRY: U.K.

TEXT:
Cable No.:

FOR HOLLOWAY REURLET FEBRUARY 27 ON INDIAN ROAD PROJECT PLEASE ADVISE
US YOUR BEST ESTIMATE EXPECTED TOTAL COST ORIGINAL ^{CONSULTING} CONTRACT AS PROMISED
MAHONEY STOP ALSO INDICATE PRESENT DISPOSITION YOUR INDIAN TEAM AND
EFFECT OF RECENT BREAK IN SERVICES ON PROJECT PREPARATION AND YOUR COSTS

~~REURLET~~

HARDY

INTBAFRAD

Re: Proposed 2nd Hwy Project - INDIA.

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. Hardy

DEPT. Transportation Projects

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

Maahoney/lsc

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Dickerson
Karcher/Neuner

For Use By Communications Section

Checked for Dispatch:

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO:

REYNOLDS
LONDON

DATE: MARCH 6, 1970

CLASS OF

SERVICE: IT

COUNTRY:

U.K.

TEXT:

Cable No:

FOR HOLLOWAY REQUEST FEBRUARY 27 ON INDIAN ROAD PROJECT PLEASE ADVISE
US YOUR BEST ESTIMATE EXPECTED TOTAL COST ORIGINAL CONTRACT AS PROVIDED
MAHONEY STOP ALSO INDICATE PRESENT DISPOSITION YOUR INDIAN TEAM AND
EFFECT OF RECENT BREAK IN SERVICES ON PROJECT PREPARATION AND YOUR COSTS

HARDY

INTERRAD

Re: Proposed 2nd Hwy Project - INDIA.

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

E. G. Hardy

DEPT

Transportation

SIGNATURE

Hardy, E. G.

SECTION
COMMUNICATIONS

MAR 6 6 38 PM 1970

DISPATCHED

ORIGINAL (File Copy)

(IMPORTANT: See Handbook Guide for marking form)

CLEARANCES AND COPY DISTRIBUTION

cc: Messrs. Dickerson
Kercher/Werner

For Use by Communications Section

Checked for Dispatch

OFFICE MEMORANDUM

TO: Files

DATE: March 6, 1970

FROM: W. S. Humphrey *by AH*SUBJECT: INDIA - Proposed Second Highway Project - Meeting with Mr. Sinha
and other Officials

1. There was a meeting at the Ministry of Transport on February 18 with Mr. S. N. Sinha - Director General, Central Road Wing - and other Government officials. Messrs. Mahoney, Karcher, Humphrey, Lankester and Abd El Aty of the Bank were present as were the two consultants, Messrs. Pilditch and Trnka.

2. Mr. Mahoney went through the list of the roads proposed for the project and informed Mr. Sinha of the ones which the Mission would recommend be dropped. Some of the road sections were being dropped on engineering grounds since more study and design would be needed. These included the Barwa-Chas, where a coal field caused complications, and the ghat sections of the roads in Maharashtra. The Mission would recommend that studies and designs be carried out by consultants financed under the proposed credit for construction under a possible second credit. Other road sections, notably the two in Tamil-Nadu, were being dropped because the economic return on the investment, as calculated by the consultants, was very low. Only the major by-passes in Tamil-Nadu would be included. The effect of all these reductions would be to bring the total construction cost of roads included in the project down to about \$60 million.

3. Mr. Sinha seemed to agree that further studies were needed on the roads through the Bihar Coal Fields and Maharashtra ghats. However, he was unable to judge the validity of dropping the Tamil-Nadu roads on the basis of low economic returns, since he had not seen the assumptions on which the returns had been based. On being told that the benefits were low because these roads were already two-laned, he said that they should have been considered as one-lane roads for the purpose of the economic return calculation. This was because they had merely been converted to temporary two-laned roads by paving over the shoulders. These shoulders were in imminent danger of collapse under the weight of traffic. Mr. Mahoney said that it was the consultants' judgment that the roads were adequate for the time being, considering the amount of traffic they carried and that they would hold up for a few more years. Mr. Sinha doubted this and wondered whether the traffic counts used in the economic return calculations were accurate. Mr. Mahoney said that the economic studies would be sent to the Government for review as soon as they had been reviewed by the Bank.

4. Mr. Sinha also questioned whether it was practical to include only by-passes in Tamil-Nadu. He seemed to think that IDA would require separate allocations of staff exclusively for these by-passes which would make little sense if the state went ahead with the reconstruction of the connecting road sections on its own. Mr. Mahoney said that IDA would certainly not require any kind of organization which did not fit in well with the existing state road organization.

5. Mr. Mahoney urged Mr. Sinha to allow the consultants to review the road alignment submitted by the states as soon as they came in. He added that the consultants were still awaiting Government comments on a typical pavement drawing which had been submitted. Mr. Sinha said that it was necessary for his officials to have some dialogue with the state officials on material submitted by the states before this material was reviewed by the consultants. He described the consultants' pavement drawing as "pious" and said that his own staff was designing pavements appropriate for the different locations. These designs would be available about March 7.

6. A number of further technical issues were then discussed on matters such as the method of estimating quantities, surveyor's rights of access to private property, bullock trains on roads in Maharashtra, appropriate methods of constructing bridges and the qualifications of Indian road contractors. The discussion then turned to the timing of the appraisal.

7. Mr. Mahoney said that it was the judgment of both the Bank team and the consultants that it would be early June before the additional work needed before appraisal would be completed. Mr. Sinha said that on the basis of the requirements set out in Mr. Hardy's letter of January 22, appraisal should be possible in mid-April. Mr. Mahoney said that he did not see how estimates of quantities accurate to within 20 percent could be available by mid-April since this would require most of the detailed engineering which in many cases had not yet been done. He added, he had made it quite clear to Mr. Sinha in earlier discussions that this detailed work must be done before appraisal. Mr. Sinha insisted that the quantity estimates needed for appraisal as described in Mr. Hardy's letter did not require all the detailed work suggested by Mr. Mahoney. Mr. Mahoney said that he was prepared to accept Mr. Sinha's judgment that all the information needed for appraisal as described in Mr. Hardy's letter could be provided by mid-April.

WSHumphrey/pop

cc: Messrs. Abd El Aty (2)
Mahoney
Karcher
Neuner
Delhi Office (Mr. Humphrey)

INCOMING CABLE

DATE AND TIME

OF CABLE: MARCH 4, 1970 1840

LOG NO.: WU 11 / 5

TO: INTBAFRAD HARDY

FROM: NEW DELHI

TEXT:

25

RE INDIAN HIGHWAYS FOUR COPIES PROGRESS REPORT NUMBER THREE

DISPATCHED TODAY UNDER SEPARATE COVERS

PILDITCH

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Handwritten routing notes:
3/5
W. Hardy
3/5
3/5

Handwritten note:
apparently at least Pilditch
is back in Delhi as of Mar. 4

JAO

COMMUNICATIONS
MAR 2 8 11 AM 1970

TYPED

MAR 5 9 11 AM 1970
COMMUNICATIONS

RECEIVED

DISPATCHED JUNE 1 1970

RE INDIAN HIGHWAYS ROAD CODES BECOMING AVAILABLE THROUGH JUNE

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RECEIVED JUNE 1 1970

JO: INDIAN HIGHWAYS

FOR INFO: MR. J. J.

RE: CYBER SECURITY 7 1970
DATE AND TIME

RECEIVED OF
OFFICE
INFORMATION

SECTION OF: JUNE 1 1970

RECEIVED

INFORMATION

IN Highway
2
March 4, 1970

Messrs. Rendel, Palmer & Tritton,
125, Victoria Street,
Westminster,
London, S.W.1.

Attention: B.G.R. Holloway, Esq.

Dear Sirs:

re: INDIA: Proposed Second Highway Project
Bank Mission February 1970

We acknowledge with thanks receipt of the copy of Mr. Neuner's notes which you kindly sent to Mr. Mahoney in Ethiopia. We also thank you for the Indian Roads Congress publication entitled "Brick Pavement in Highway Construction" sent to us by your Mr. Pilditch.

Yours sincerely,



S.C. Hardy
Chief, Highway Division I
Transportation Projects Department

cc: Messrs. Mahoney, Neuner.

cc: Mr. P. Pilditch (Team Leader, Bank Appraisal
Assistance Team)



M. Dickerson/ec.

RECEIVED

1970 MAR -2 PM 2:31

SECTION
COMMUNICATIONS

1N Highway
2nd

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Mr. S. C. Hardy *SH* DATE: March 3, 1970
FROM: Messrs. Mahoney, Karcher and Neuner *YN*
SUBJECT: INDIA - Pre-appraisal of Second Highway Project
Back-to-Office Report

1. In accordance with Terms of Reference dated January 26, 1970, we visited New Delhi from February 15 through 21, 1970. Mr. Karcher visited the Bank's consultants (Rendel, Palmer and Tritton) in London on his way to India, and Mr. Mahoney saw them on his way back from India. Following is a summary of our findings and recommendations.

A. Status of Project Preparation

2. Engineering: Preparation by the States of detailed engineering for road elements is proceeding slower than expected. No field staking of major relocations and by-passes have been done, and road plans and estimates are being prepared on the basis of paper locations most of which have not yet been approved by the Central Roads Wing (CRW). Test data for pavement design is complete for all roads, and the design of bridges by the CRW is proceeding well. The States have submitted comments and suggestions on standard construction specifications and tender documents; the CRW will prepare the final drafts. CRW and State cooperation with the Bank's consultants is fair, and most delays to date are the result of CRW administrative procedures.

3. Economic Analysis: The consultants are finalizing their report on the economic evaluation of the project elements; they expect to mail the report by February 27. Preliminary rate of return calculations uphold their judgement on the priority of the various elements, i.e. the reconstruction of genuine single lane roads with rough shoulders would prove economically feasible, whereas improvement at this time of single lane roads with paved shoulders in fair to good condition would only be marginally justified. The construction of by-passes around congested areas would yield high returns. For some elements, mainly bridges, preliminary rates of return are not yet available.

B. Tentative Selection of Project Elements

4. Based on the status of detailed engineering and on preliminary results of the economic calculations, we made a tentative selection of project elements (including by-passes) for appraisal and suggested that the CRW and the States concentrate their efforts on the preparation of these elements. We indicated some flexibility in our final selection at appraisal, based on further engineering and economic work. We recommended

March 3, 1970

that economic and engineering studies of difficult mountainous sections or by-passes be included in this proposed credit for possible construction in a subsequent project. The total construction cost of the selected project elements would be about US\$60 million equivalent.

C. Additional Work and Consultants' Services

5. Engineering: We urged the CRW to expedite approval of the paper location studies (para 2) and advised that field staking of major relocations and by-passes would be required as a basis for design and cost estimates before appraisal. The CRW agreed (we believe somewhat optimistically) to complete their pavement designs before mid-March and to prepare a draft of standard specifications and tender documents by the end of March. We recommended that CRW work closer with the consultants by holding more joint reviews of State submitted data and avoiding two separate reviews which have caused some delays in the past. Once the basic design matters are settled with the CRW, the consultants will spend most of their time before appraisal working with the States on plan preparation and estimates.

6. Economic: From discussions with the consultants, it appears that the main benefits from the project are linked to increases in travel speeds on open roads and by-passes and to the proportion of traffic diverted to the by-passes. Since no actual speed checks have been made under varying road conditions and traffic volumes, and since conditions in India could not be compared with those in a developed country, we recommend that actual tests be conducted under the supervision of the consultants' transport economist. Similarly, O & D surveys should be undertaken at certain major by-passes.

7. Consultants' Services: To date the quality of the consultants' services has been good and we feel they have been of considerable help to the CRW and States in project preparation. To provide further needed assistance, we recommend extension of the consultants' services as follows:

One Transport Economist - 3 months; 2 months in the field beginning about mid-March followed by 1 month home office work;

Two Highway Engineers - 3 months; about 1½ months each in the field beginning about mid-May which is their termination date under the present contract.

The consultants' home office will submit a current estimate of expected total costs under the present contract and an estimate of the above extensions. It may be necessary to seek some increase in our present allocation of US\$80,000 for these services.

D. Appraisal Date

8. Given the additional work required, we suggested that appraisal be postponed until early June, assuming that the major policy questions on

March 3, 1970

international competitive bidding and expatriate supervision had been settled by then. The Director of the CRW objected strongly to such a delay and urged that the appraisal take place by mid-April. However, the engineering would be less than substantially complete and the results of the speed and traffic checks would not then be available. We, therefore, recommend that appraisal be scheduled for early to mid-May. In any event, the major policy issues must be settled between the Government and the Bank/IDA before appraisal.

E. Research Project

9. We met with the Director of the Central Road Research Institute (CRRI) to discuss a possible highway research project which would obtain data on vehicle operating costs under varying road and traffic conditions, indices of pavement performance and costs of road construction and maintenance by various blends of labor and equipment. The CRRI has already formulated plans for such a project and will furnish a summary of their proposal and estimated costs. Dr. Millard of the UK Road Research Laboratory expressed interest in participating in such a project and will furnish his comments and suggestions in the near future.

F. Transport Policy Matters

10. We met with Mr. Baveja of the Planning Commission to review progress in transport coordination and to inform him of the Bank's likely requirements in connection with the proposed highway credit. Mr. Baveja noted the Bank's likely requirements and said he would shortly forward to the Bank a report on transport coordination as agreed during the 10th Railway Credit negotiations. He agreed with us that there was a definite need for improving highway planning procedures.

G. Recommended Action

11. A letter should be sent to the Government confirming our findings and recommendations. This letter, however, should be deferred until our Full Report is prepared and the consultants' economic report is received (para 3). The Bank should advise the consultant of their decision on staff extensions as soon as possible after the cost proposal for this work is received (para 7).

GMahoney/MKarcher/THNeuner/isc
Bank/IDA

cc: Messrs. Chadenet, Baum, Baldwin, Piccagli, Rovani, Engelmann, Knox,
Geolot, A.T.Davis, Lind, Kirk/Abd.El Aty, Dickerson, Gilmartin
(New Delhi Office), Hogg, de Weille/Harral

BGRH/JD
RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

H. SCRUTTON, F.I.C.E., F.I.STRUCT.E., M.INST.PET.
~~J. R. H. OTTER, F.C.G.I., F.I.C.E., A.R.I.C.S.~~
B. G. R. HOLLOWAY, F.I.C.E., F.I.STRUCT.E.
F. IRWIN-CHILDS, F.I.C.E.
P. M. FRAENKEL, F.I.C.E., F.I.STRUCT.E.
P. A. COX, F.I.C.E.
J. C. MUNRO, F.I.C.E.
K. E. AINSOW, F.I.C.E., M.I.STRUCT.E.
D. M. S. FAIRWEATHER, F.I.MECH.E., M.I.LOCO.E.

CONSULTANTS:

J. E. G. PALMER, F.I.C.E., F.Am.Soc.C.E.
T. T. LAMBE, F.I.C.E., F.I.MECH.E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

Mr. Mahoney Mr. Ditch 11N Highway (2)
3/20 Karcher
please review 3/19
4 draft letter reply.
TELEPHONE: 01-834 8494
TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, S.W.1

*125 Victoria Street,
Westminster,
London, S.W.1.*

YOUR REF.

OUR REF. 02136/13938

3rd March, 1970.

S.C. Hardy Esq.,
Chief Transportation Division I,
International Bank for Reconstruction &
Development,
1818H Street, N.W.,
WASHINGTON, D.C.,
U.S.A.

Dear Sir,

India: Highway Project
Appraisal Assistance

Doc No 2

We have pleasure in enclosing our final Report, together with three copies, on the Status of the Economic Studies prepared by Mr. J.M. Thomson and Mr. B.E. Cranage. We regret we were unable to post this report to you last week as promised to Mr. Mahoney.

Two further Appendices, dealing with traffic count data and Vehicle Operating Cost data, will be prepared during the course of this month but, as agreed with Mr. Karcher, we are forwarding the main text of this Report for your early information and assistance.

Two copies of the Report are also being posted to-day to Mr. Gilmartin in New Delhi with a request to pass one copy to Mr. Pilditch for his confidential information.

May we also take this opportunity of advising you that we have received a cable from Mr. Pilditch confirming that he has now returned to New Delhi and that Mr. Trnka has now obtained a tourist visa valid for a further three month stay in India.

Yours faithfully,
RENDEL, PALMER & TRITTON

Placed to follow

Enc.

Projects Dept. Correspondence
ANS'D BY *S. C. Hardy*
DATE *5/1/70*
MAR 17 1970

COMMUNICATIONS
SECTION

1970 MAR 16 AM 12:20

RECEIVED

RENDER, FARMER & TRILLION
JOHN S. TRILLION

Dear Mr. Trillion:

As you know, I have now obtained a position with the FBI for a period of three months
to come from the FBI. I have confirmed that I am now returning to New York
and will also take this opportunity of advising you that I have received

information.

to New York with a request to have one copy of Mr. Farmer's for his confidential
two copies of the report and also to be posted to-day to Mr. Farmer

for your study information and assistance.

As advised Mr. Farmer, we are for material the entire text of this report
Operating Committee, with the provision that the copies of this report will
two further appendices, dealing with public control and the

you have made as provided to Mr. Farmer.

Mr. W. E. Cunniff, we believe we were unable to find this report in
copies, on the basis of the economic studies provided by Mr. J. W. Thompson
we have provided to your organization, that report, together with three

Appendix A, B, C
with: Mr. Farmer's Report

Very truly,
John S. Trillion

P.S.A.

WASHINGTON, D.C.

1818 21st St. N.W.

Department

International Bank for Reconstruction &

and Development (IBRD)

D.C. 20541

JOHN S. TRILLION
ASSOCIATE

JOHN S. TRILLION, 1111 K ST. N.W.
JOHN S. TRILLION, 1111 K ST. N.W.
JOHN S. TRILLION, 1111 K ST. N.W.
CONTRACTS

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RENDER, FARMER & TRILLION

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

3/12/70

NAME

ROOM NO.

Mr. ~~Karcher~~ ~~Hansen~~

NEUNER

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

☒ Comment

Per Our Conversation

Full Report

Recommendation

☒ Information

Signature

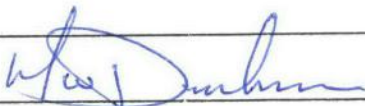
Initial

Send On

RE: KS

Original with Mr. Mahoney.

From



IN - Highway
(P. Reports)

I.D.A. Appraisal Assistance Team,
Room 215A,
Central Roads Wing,
Ministry of Transport & Shipping,
1, Parliament Street,
New Delhi.

Ref: IDA/India/ 16

2 March, 1970.

The International Development Association,
1818 H Street, N.W.,
Washington, DC. 20433,
U.S.A.

For the attention of S.C. Hardy, Esq., Highway Division I,
Transportation Projects Department.

Dear Sirs,

INDIA: ASSISTANCE IN HIGHWAY PROJECT APPRAISAL

PROGRESS REPORT NO. 3.

In accordance with the Terms of Reference contained in the Consultants' Proposal dated 11 November 1969 and I.B.R.D. letter dated 14 November 1969, we submit herewith our Progress Report No. 3 in quadruplicate.

A. STATUS OF EACH PROJECT ELEMENT.

(i) Roads The status of preparation under the new list of headings required by you is given in Annex 1. Work on additional traffic data can only be monitored when the detailed information has been made known to us by the Consultants in London, and fed to the States.

(ii) Bridges The up-to-date situation reported by CRW is given in Annex 2. Progress in Bihar continues to lag, although the situation is eased by the relegation of B2 to further study.

B. ASSISTANCE TEAM'S PROGRESS

(i) Visits Visits of inspection have been made to the under-mentioned Project elements by members of the Team since the submission of Progress Report No. 2.

<u>Date</u>	<u>Element</u>	<u>Visited by</u>
1, 2/2/70	M2	J. Trnka
13, 14/2/70	M1	P. Pilditch J. Trnka

(11) Central
Roads
Wing

Location Survey

A memorandum dealing with location survey of new centre-line at the design stage was submitted to CRW on 7/2/70. The memorandum requires the setting-out and levelling of new centre-lines by accepted survey methods for new stretches of road such as by-passes and major realignments, and by a simplified method for stretches of road to be reconstructed only. General agreement in this matter has been reached in a final discussion with CRW Project Engineer, Mr. Kathuria, on 24/2/70. A promise has been given to start with the survey works as soon as possible and the work to be carried out according to our recommendations.

Paper Alignments.

The paper alignments of by-passes of Tamil Nadu T1 and T2 were submitted for our reviewing on 20/2/70 and were returned to CRW with our comments and recommendations on 23/2/70.

Preliminary Estimation of Quantities.

On 18/2/70 agreement was reached with CRW on the method of estimation of quantities for cost calculation suitable for appraisal. For by-passes and major realignments quantities taken from approved paper alignments and field levels taken along longitudinal centre-line profiles are considered to be sufficient, although it is not absolutely certain that an accuracy of plus or minus 20% will be achieved by this method.

Visit of Bank Reconnaissance Mission

On 16 and 17/2/70 discussions took place between the Team and Messrs. Mahoney, Neuner and Karcher for the purpose of identifying those elements likely to be suitable for appraisal and those which may have to be dropped from the Project. Progress of preparation was considered from which appraisal in June appeared to be the earliest realistic prospect.

On 18/2/70 a full meeting was held with the DG, CRW, and his Project staff, the report on which was to be submitted to the Bank by Mr. Mahoney on his return to Washington.

Before departure from India Mr. Karcher indicated to the Team the sort of further traffic data which he considered should be collected to provide better economic evaluations of congested areas, open roads of various widths and certain bridges and by-passes. Details were to be discussed in London with the Consultants to determine how data collection might best be carried out.

(iii) In the
States

M1 - Mysore Border - Poona

Length 241 km, existing two-lane road of 18 ft width over 77% of total length running through plain country except for Khandala and Katraj ghat sections.

(a) Kolhapur By-Pass

Length 5.0 km. Basic idea is sound; the by-pass avoids the town in a long straight line up to the existing

took

bridge 200 m long. Acquisition of land has been already completed, a process which took 7 or 8 years. The strengthening of the bridge is being undertaken outside the Project, and precast, prestressed concrete girders to replace the existing century-old iron lattice trusses are on the site. It is understood that a recent decision has been taken to rebuild the bridge, although the land acquired for the by-pass is based on the site of the old structure. To avoid an unpleasant kink in the alignment of the by-pass which would result from building a new bridge, it has been recommended to construct it as close to the old as possible, smooth out the by-pass alignment at the approaches and check how much additional land would be really required to accommodate the road embankment.

(b) Satara By-pass

Length 8.5 km. Very unpleasant alignment with two sharp bends (deflection angles 110° and 90°). It has been recommended to investigate a new alternative alignment with possible extension north of the river.

(c) Khandala Ghat Section.

Length 5.0 km. Starts at an elevation of 970 m, climbs to 1000 m in a length of 1.5 km to a saddle, and descends to 800 m over a distance of 3.5 km. Improvement of the existing road is now being proposed for a design speed of 40 k.p.h. with some hairpin curves and three viaducts. According to preliminary estimate of quantities this improvement will require approximately 50,000 cu.m of earthworks per km and the total cost of the improvement of this ghat section would be about US \$ 900,000. In our opinion all possibilities for solving the problem have not been investigated and further studies of this section are certainly required. For example, the possibility of tunnelling the short stretch in the saddle should be investigated.

(d) Katraj Ghat Section

Length 6.0 km. Starts at an elevation of 848 m, climbs to 888 m, passes through 100 year-old tunnel 290 m long and descends to 680 m. Improvement of the existing road is being proposed for a design speed of 40 k.p.h. with 3 or 4 hairpin curves and a viaduct. Earthworks estimated at approximately 46,000 cu.m per km and total cost US \$ 700,000. In our opinion further investigation with consideration of possible new alternatives should be carried out in a thorough manner. The tunnel contains lengths of continuous masonry lining at both ends, with close-spaced rings of brickwork and cast iron in between. A number of the brick rings have been damaged by overloaded vehicles. In both ghat sections the preliminary estimation of quantities is thought to be low.

M2 - Bombay - Nasik - Dhulia

Length 283 km. Existing single and two-lane road. Plain country except for Kasara, Chandor and Laling ghat sections. By-passes proposed at Vashind (2.4 km), Assangaon and Shanapur (5.0 km), Ghoti (2.5 km), Kasara (5.0 km), Pimpalgaon (2.4 km) and Malgaon (4.3 km).

(a) Bombay - Nasik

Road varies in width between 20 - 23 ft, mostly black top, the remainder being concrete slab in poor condition. There are four major by-passes and one ghat section at Vashind, Assangaon and Shanapur, Ghoti and Kasara. The ghat section is at Kasara of length 13.0 km and is continuous with the by-pass. There is a major engineering problem in how to link the Kasara by-pass with the ghat section and how to improve the latter. The by-pass ends at the edge of a valley, the crossing of which would require a cutting about 12 - 15 m deep by 500 m long followed by two sections of filling 10 - 12 m high by 300 m total length with a 30m span bridge in between. The PWD have proposed 3 or 4 alternatives to avoid a direct crossing of the valley, none of which are satisfactory. The PWD showed uncertainty as to how to tackle the direct crossing and how to link it up with the road on the other side in the ghat section. To avoid a bad geometric solution we have recommended that the full length of the road in the ghat section should be studied and a new alignment chosen to marry in with the valley crossing. We are sceptical as to the ability of the PWD to produce a satisfactory solution of this whole Kasara ghat problem.

(b) Nasik - Dhulia

Single lane road throughout, 12 ft wide with terribly bad waterbound macadam shoulders. By-passes are proposed at Pimpalgaon and Malegaon, and there are short ghat sections at Chandor and Laling both of which can be dealt with by applying the minimum design standards for 40 k.p.h.

Maharashtra Sugar Mills.

A bullock cart problem has been identified on both M1 and M2 in connection with sugar mills at Kolhapur and Niphad. Long convoys of bullock carts carry sugar cane to these mills during the months of November to March inclusive, which is the mill crushing season. The bullock carts travel to and from the mills over distances of up to 25 km, using the paved highway wherever this is possible. Thus a continuous length of road of 50 km is subjected to heavy bullock cart traffic, which produces a serious traffic problem. Damage to bituminous surfaces has been observed in the form of ruts as much as 2 - 3 inches deep adjacent to the shoulder and up to 1 inch deep on the other track. The ruts occur on both sides of the pavement. No cutting of the surface of the road has been observed and it would appear that the damage is due mainly to weak pavement construction, softening of the sub-grade after the monsoon rains and some wear of the stones of the bitumenised macadam surface layer. We recommend that because of the heavy commercial traffic

on both M1 and M2 that asphalt concrete wearing course (high stone content mixture and suitably low penetration bitumen) on bitumen macadam binder layer haunched with natural dressed stone blocks (not precast concrete) should be used throughout the entire lengths of these roads. Special provision for bullock cart traffic in the vicinity of sugar mills should be made in the form of concrete slab cartways about 2 m wide by 10 cm thick, concrete being chosen in preference to black top as being easier to maintain and providing a colour contrast with the main vehicular carriageway.

Visits in Bombay

(a) Stone Supplies for U2

The Chief Commercial Superintendent, Central Railway, Victoria Terminus, Bombay, was visited on 12/2/70 for the purpose of determining if stone could be transported by rail from the Jhansi area to points on U2, to replace the use of bricks. CCS stated that two trains, each consisting of 35 wagons of 22-ton capacity, could operate a shuttle service to deliver 770 tons of stone per day. For a maximum total requirement of 500,000 tons of stone for pavement foundation layers and bituminous surfacing the delivery period for a continuous rail operation would be about 20 months, and this was considered by CCS as an attractive commercial proposition. CCS was asked to let us have a ton-mile cost estimate, exclusive of loading and unloading, and this he promised to send to New Delhi.

(b) Contractors

Visits have been made to Reconde Private Ltd and Ivan Milutinovic Pim. The former is an asphalt paving firm and the latter a harbour construction company from Yugoslavia. Some paving work carried out by Reconde was inspected and their laboratory was visited. Mixing of asphalt in a plant constructed with the ingenuity of Heath Robinson was watched, and admiration expressed at the way in which mechanical difficulties were being tackled. Ivan Milutinovic operate in India under Non-convertible Rupee Account. The firm has expressed keen interest in tendering for IDA Loan road jobs which could be carried out by associated highway contractors from Yugoslavia. Problems experienced in India are mentioned under Section E of this Report.

C. SUITABILITY OF PROJECT FOR APPRAISAL.

During the visit of the Bank Reconnaissance Mission the date when the Project might be ready for Appraisal was discussed both with the Mission and DG, CRW. The view of the Mission was that Appraisal could not take place before June, whilst DG, CRW, felt that the bridges would be ready by mid-March, the roads by mid-April and everything would be ready by 31 March. The experience of the Team in India is that everything seems to take ages to get done due to the stereotyped and top-heavy procedural methods of CRW and States' PWDs. The small number of by-pass alignments submitted to the Team in New Delhi have been no more than brief sketches requiring no more

than a few hours constructive thought and imagination to produce; but it has taken seemingly several weeks before they eventually filtered through to us.

D. CONTRACTORS

At the meeting between the Bank Reconnaissance Mission and DG, CRW, on 18/2/70 it was stated that CRW expected to have the lists of contractors available by 11 March. It is known that Maharashtra PWD have been sending out questionnaires to firms in that State, and it is hoped that some names will be forthcoming by the date promised.

E. GENERAL.

In reference to your letter of 22 January to the Consultants in London we have the following observations to make further to those given in our Progress Report No. 2.

- 3.1 We believe that the delegation of contract control and site supervision by CRW to States' PWDs is fundamentally wrong. Whilst enthusiasm for the Project exists amongst younger PWD staff, we have, in view of the archaic contract procedures in current use, doubts as to the ability of the States' organizations to handle Project contracts to the Bank's satisfaction.
- Within our knowledge there are no PWD engineers with the necessary experience of handling large contracts under modern conditions at any level. We strongly recommend that for each contract the resident engineer, deputy resident engineer, surveyors, inspectors and laboratory technicians should all be appointed by CRW, if possible after interview of all grades but certainly after interview of the senior appointments in each grade. Applications should in the first place be received from serving members of the Project States' PWDs, but minimum standards must be set and failure to find a suitable applicant to fill an appointment will mean that CRW must select staff from other States or even recruit outside the PWD. Project site staff during the period of appointment will be responsible to CRW for all technical and contractual matters, but pay and routine administration should remain the responsibility of States' PWDs.
- The numbers of staff appointed to a Project contracts must be tailored to the needs of the work to be done, ensuring that every man is fully employed without being unduly stretched, with due allowance for absences for leave and sickness. Under no circumstances must jobs be overstaffed, as this will lead to slackness and loss of proper enthusiasm for the work. Scales of pay must be commensurate with the level of integrity and responsibility normally expected from field staff.
- A further matter which we must recommend for careful attention is measurement. Falsification of quantities for personal gain is not unknown in India, and is not confined to junior grades. We suggest that CRW should establish a Measurement Division, headed by the best possible man experienced in quantities. Qualified quantity surveyors as such are probably few and far between in India, but these are not needed. A good road engineer with an aptitude for taking-off is what is needed. He would need to know the specifications,

Bills of quantities and conditions of measurement and certification for each contract. He would be assisted by a small, selected staff of checkers, and would make periodic visits to sites to keep in touch with the field work and discuss any immediate problems with resident engineers. He would under no circumstances give technical instructions on any matters except those connected with measurement, and even then he would keep strictly within the terms and conditions laid down in the contract documents. He would be answerable to the CRW Project Engineer, and would check, amend and pass interim measurements received from resident engineers for certification within the time limits set for the payment of contractors' accounts. It is believed that a number of engineers at present serving in CRW could be earmarked for measurement duties ~~and~~ for which they would have a natural aptitude. We will give further attention to these matters.

3.2

The following observations are supplied by the Managing Director of an Indian engineering firm who is a well-established Bombay industrialist in answer to questions put to him on the basis of paragraphs 3.2.1 to 3.2.6.

" The road construction industry as well as civil and mechanical engineering construction industries in India are today facing problems under two main heads:-

- (a) Technical
- (b) Financial

(a) Whereas on the technical side Indian contractors have achieved in civil and mechanical engineering a considerable degree of expertise, much remains to be done moreso in the road construction industry. No specialised companies exist at present to undertake road construction on advanced lines, particularly to construct roads to International Standards. It is the considered opinion of our company that on any programme of road construction to International Standards, technical assistance will be required from foreign countries, particularly Germany and U.S.A. This assistance would be required initially for a period of 3 - 5 years after which, we are confident, Indian engineers would achieve a degree of specialisation to undertake road construction on their own. The business and administration knowledge in this country is adequate and will not require any reinforcement in the shape of foreign 'know-how'.

(b) On the financial side there is a complete absence of any awareness on the part of the Government authorities in treating the construction industry as vital and requiring all the assistance and encouragement from the Government authorities, both in tax and financial matters. You will be surprised to know that construction industry in this country is treated for tax purposes as a non-industrial activity, although the equipment required in this industry may exceed millions of rupees. How this definition has acted as a restraint on the development of this industry is explained as follows:-

- (i) Public companies ^{are those} in which shares are held by promoters and an equally large amount is held

by the general share-holding public. Public companies, irrespective of the activities they indulge in, are taxed presently at 55% of the net profits and it is left to the discretion of the Directors to decide the quantum of profit to be distributed to the shareholders and to be ploughed back into the business.

- (ii) Private companies in this country are those which are closely held by less than fifty shareholders, such as family or a group of persons.

In the case of private companies the Tax authorities differentiate between industrial and non-industrial companies. A private industrial company pays tax at the rate of 55% of its net profits up to the first million rupees on the same lines as the public company and the Directors have the right to decide the quantum of any dividend to be declared to the shareholders and the ploughing back of the profits. However, in the case of the Private Non-Industrial companies (under which the construction industry at present is classified) the tax is 65% of the net profits (although this is the statutory percentage of tax, normally the effective rate is about 70% due to certain items of expenditure such as entertainments etc. being disallowed for tax purposes) and in addition 60% of the balance of the profit after tax has ~~have~~ to be distributed to the shareholders compulsorily. You will realise, therefore, that in a Private Non-Industrial company the quantum of available profit to be ploughed back is about 12% of the net profit.

Further clarifications on the above matter could be had on reading paragraph 5 at page 17 onwards of the 'Final Report on Rationalisation and Simplification of the Tax Structure' by S. Bhootalingam.

In addition to the above the present financial assistance programme of the Government only envisages assistance to industrial companies, private or public. All Government lending institutions such as I.C.I.C.I., I.P.C., L.I.C. and other State Finance Corporations, only lend capital to industrial companies. This assistance is in the shape of long term loans repayable within 7 years, with provision that for the first three years no payment except interest is to be made as it is expected that the industry would take 3 years to commence production and be in a position to repay its loans. Since a Non-Industrial company, therefore, is not in a position to obtain any borrowed capital or underwriting of its shares by any of the concerned lending institutions, the construction industry has, per force, remained as a private company or partnership depending upon the resources of its promoters. You will appreciate that this factor alone has arrested the growth of this industry. In our opinion the only way in which the construction industry can be developed to meet International Standards would be to classify the construction industry as Industry for purpose of tax laws. The advantages of this step would mean a considerable development of the construction industry which is highly labour intensive and encourage the construction industry to secure export contracts. You are aware how the developed countries of the West have today been able to secure large construction contracts in other countries resulting in earning of foreign exchange.

With the above two important factors in mind and hoping that the same are acceptable to the Government authorities in India, we give below our replies to the various questions raised by you:-

- 3.2.1. Our company would be interested to undertake a maximum road work contract of 10 million rupees per year in the first three years, assuming that the necessary equipment is made available to us and financial assistance in procuring the same is also made available. After achieving the necessary experience we would consider undertaking contracts up to a maximum of 25 million rupees per year.

We would not be interested in any consortium of a group of contractors, but would certainly consider giving sub-contracts for specialised activities.

- 3.2.2. Keeping in mind the necessity to have the quality of roads built to International Standard, we would have no objection to allocating a part of the work to be done by hand in the present day conditions in India. Broadly we would agree with your views regarding the following work to be done by hand labour:-

(See list of items given on page 8 of Progress Report No. 2)

and the following work to be done by machinery:-

(See list of items on page 8 of Progress Report No. 2)

- 3.2.3. Very little road building machinery is being produced in this country and, therefore, import will have to be arranged from foreign countries. The necessary import licences and credit facilities will have to ~~xxx~~ be made available by the Government.

- 3.2.4. We would normally require 8 - 10 weeks for mobilization for contracts in excess of 3 million rupees. The period could be shortened for contracts of lesser value. However, in ~~xxx~~ view of our present organization it would not be economical for us to undertake individual contracts of less than 3 million rupees.

- 3.2.5. We have no objection to this mode of executing contracts and would certainly consider sub-contracting work provided reliable and efficient sub-contractors are available in the area of construction.

- 3.2.6. Whereas the administration of road contracts would not pose a great problem, the execution of the same again raises financial problems. The present contracts of the Government are based on the PWD system and a contractor is supposed to give an earnest money cash deposit or a bank guarantee at the time of submission of the tender. Subsequent to this, assuming that the contract is awarded to the tenderer, the customer then requires a minimum of up to 10% of the contract value as a security cash deposit or bank guarantee for adequate performance of the contract. The bank guarantee is reduced proportionately when payment for progress bills are

made by the customer by deducting 10% from each bill. These complicated financial requirements add additional heavy burdens on the contractor. This security deposit has to remain with the customer for a period up to one year from the date of the completion of the contract, whereas tax authorities assess the profits from year to year with the result that the contractor has at times to find cash resources to pay the taxes, whereas his profit which is about 10% is with the customer.

The concept of mobilization payment existing in ~~this~~ advanced countries is not accepted in this country. As soon as a contract is awarded, the contractor has to make arrangements for site preparations, moving of machinery, building labour colonies, etc., all these requiring considerable cash. Banks are averse to loaning against contracts, whereas in the advanced countries these activities are accepted as 'Progress of Work' and a certain payment is made against the work done.

Our suggestion to solve this problem would be:-

- (a) To have prequalification tests, whereby the customer receives applications from contractors to be registered and only such companies are registered as are found adequate from the technical and financial point of view.
- (b) The introduction of mobilization payments to enable the contractor to proceed fast with his work rather than being tied down in trying to secure the necessary cash resources.
- (c) Elimination of earnest money and security deposits in cash or bank guarantees. The necessity for such guarantees would not arise as the companies concerned would be reliable enough to rectify any defective work should it be found within the guarantee period of the contract. "

The following observations are based on information and comments supplied by the British General Manager of a Bombay asphalt paving firm, who is a Member of the Institution of Civil Engineers and has had many years of experience in India and the Far East.

" Proposals for the Improvement of Road Construction Methods in India

1. Defects in existing methods.

The methods of specifying and executing road construction in India have changed very little since the time when all roads were made with local material and local labour. Earth filling was then dug by hand from borrow pits on the side of the road and was paid for by measuring the borrow pits. Other materials were "collected" and stacked by the side of the road where they could be measured before being spread. No attempt was made to measure the finished work or to check the characteristics of the finished product. The terms "collecting", "stacking", "spreading", etc. still appear in nearly all road contracts let by the States. If rapid progress is to be made in road construction.

payments made to the contractor must be made on the basis of the volumes, areas and properties of the finished work. This change will enable materials to be brought to the work site in tipping trucks, deposited where required and spread and compacted without wasting time and money on unnecessary material handling.

Standard specifications for large road works must be prepared by some agency not biased by existing methods, advised by engineers who are familiar with local conditions. At present, specifications are not drafted by senior engineers. They are drafted by some deputy engineer who seldom makes a careful study of the specific conditions or availability of materials, and are based on some earlier specification for similar work. When modern materials are used, such as asphaltic mixtures, reliance is placed on foreign text books and no attempt is made to determine by full scale tests the compositions best suited to Indian conditions.

In the days of waterbound macadam roads, the collection of broken stone and earth blinding in advance of construction work was certainly desirable as labour could very often break stone by hand using boulders which were present near the road. Even though small quarries had to be opened some distance away from the road, the bullock cart could bring the broken stone to the road side and deposit it in small heaps ready for measurement. In those days the time lag between starting the work and the actual execution was not of great importance; this is no longer the case.

2. Material Production

Usually road construction can be classified into (a) earth-works, (b) base and sub-base works and (c) surfacing works.

(a) Where adequate labour is available, earthworks can be executed either by labour or by machines. There is no real reason why earthworks largely executed by hand labour should not be properly compacted or at least as well compacted as earth deposited by machines. (The Team totally disagrees that satisfactory compaction can be achieved either by hand methods or by earthmoving machinery - purpose-made compacting equipment in conjunction with graders to produce smooth layers of uniform thickness are absolutely essential) In both cases, the usual difficulty is the absence of sufficient water, hence the phrase "let one monsoon pass over it". In the days of railway construction, compacting equipment was unknown but high embankments were quickly and efficiently built by hand and animal labour with the assistance of the monsoon. If adequate labour is not available or procurable, earthmoving machinery must be used. Such work is by no means unusual in India and many earthen dams and several road embankments have been constructed by machinery.

(b) Base and sub-base works normally employ rock in some form although the sub-base may be stabilized without using rock. The specification of the rock must follow a materials survey so that local materials can be used to the best advantage. There is an unfortunate tendency for Deputy Engineers to draw up a specification which stipulates the use of the highest quality material when a local material can be used, at least in the lower layers of the base. If the specifications are altered to allow the immediate incorporation

of crushed rock in the base without preliminary measurement, the problem remains of obtaining supplies in adequate quantity. Even though the National Highways twelve feet wide are improved to have a 23 foot wide paved width and suitable foundations and surfacings, the quantity of material required per mile is still relatively small. There is no question of obtaining supplies from existing quarries and the contractor has to locate and open up his own quarry and install crushing plant. In some States permission to open up and operate a quarry may take months as this involves the obtaining of permits from the local revenue authority, which may be State or Forestry Officer under the Central Government, to open the quarry and remove the rock against royalty payment of blasting permission from the police, storage permission from the Explosives Department. As the quarry will be small, the crushers which have frequently to be moved will be small - usually a 16" x 9". As the crushers are small, the size of stone to be crushed must be small and blasted rock to feed the crusher must be reduced in size by hand. The ideal plant would consist of wagon drills, front-end loading shovels on rubber tyres, and a large portable crushing installation consisting of a primary and a secondary crusher. This is the type of installation used for the construction of the Leda Road and the Burma Road. Much of this equipment was left in India after the war but has been sold as scrap. Drills and trucks for transporting the crushed stone are available. Front-end loaders and portable crushers are not yet being sold in India from indigenous production, although loaders will be on the market shortly. There is no reason why large portable crushers should not be made in India. Several firms are associated with British crusher Manufacturers and trailers for mounting the equipment are already being made in India.

(c) Surfacing works using asphaltic materials require mixing plants, tipping trucks, pavers and rollers. Trucks, pavers and rollers are made in India. There is no reason why suitable drying and mixing plant should not be made in India. This should be plant suited to Indian conditions where skilled mechanics are still extremely few. Simple plants using proportioning at the cold feed end and continuous mixing are economical to produce, to run and to maintain. They can be made completely portable.

3. The Best Use of Foreign Aid.

If foreign aid is to be used for purchasing foreign machinery shipped in foreign ships, which is then to be left to rust away for lack of spares the end result will be a number of well-constructed roads which will fail in time like the machines, for lack of maintenance. If the aid is to be used for the purpose of improving roads in India, the funds should be employed for the purchase of Indian-made equipment and spares and for the actual cost of construction to suitable specifications.

The next step would be to discuss with manufacturers of road-making machinery the question of producing sufficient equipment to enable contractors to carry out the road works which are envisaged. Bharat Earthmovers are now advertising a front-end loader and Telcoes have had a prototype on trial for the past two years. Marshall Sons & Co. (Mfg.) Ltd. would be very interested in producing mobile crushing plant. They are associated with Baxters and they are already making heavy trailers on which crushing equipment could be mounted.

Marshall's are also producing a PF-45 finisher in association with Blaw-Knox. Bharat Earthmovers also produce earthmoving equipment of all types, including motor graders.

A dryer of an asphalt plant based on a Barber-Greene continuous mixer has been made privately. It is a readily transportable equipment and would be most useful to road contractors in India. Unfortunately, it is being produced at the moment by a man with no capital and no managerial experience. If he will be prepared to co-operate with one of the larger firms, I am sure that a batch of, say, 20 Barber-Greene type continuous mixers could be produced speedily.

It is essential that all manufacturers carry a complete range of spares.

The only real difficulty in manufacturing equipment in India is the shortage of alloy steel and high grade castings, and this problem requires remedying for Indian-made equipment to be produced in sufficient quantities with an adequate spare parts service to meet the needs of road contractors."

Whilst there may be points of detail in the foregoing two sets of observations with which one may disagree we consider that they contain a number of basically interesting and useful suggestions and pieces of information which the Bank should bear in mind and take into account when furthering the Project with the Indian authorities.

The following are some of the problems with which the foreign firm, Ivan Milutanicovic Pim, have to contend when working in India:-
Foreign

- (a) Technicians are allowed to work in India for a period of 3 years without Indian tax liability but must remain outside the country for 3 years before being allowed to return to enjoy the same exemption again. Thus for a large job lasting more than 3 years key technical staff must be replaced, at a time when their experience in India is valuable
- (b) Equipment is imported under a re-export agreement with the Customs. Failure to re-export equipment renders the firm liable to pay penalties to the Customs, the amounts of which are at the sole discretion of the latter. Worn-out equipment not worth re-exporting may be penalised by the Customs, but the firm has managed to overcome this by making such worn-out equipment subject to a special clause exempting it from penalties if left in India.

Yours faithfully,



cc. Rendel, Palmer & Tritton.

P. Pilditch,
Team Leader.

STATUS OF ROADS AT 1/3/70

Annex 1

<u>Element</u>	1	2	3	4	5	6	7	8	9	10	11
B 1	%	30%	30%	10%	%	100%	100%	100%	100%	%	%
2	Subject of further special study										
3		10	30	5		100	95	100	100		
4		35	30	5	33	100	90	100	100		
M 1		25	35	5	23	100	100	100	100		
2		40	30	5	40	100	90	100	100		
T 1		20	35	5	8	100	100	100	100	30	
2		10	35	10		100	100	100	100		
U 1		30	30	5	27	100	100	100	100		
2		10	30	5		100	100	100	100		
3	(	Dropped from Project									
4											

References:

- 1 Preparation of final tender drawings
- 2 Preparation of land acquisition plans
- 3 Refinement of preliminary engineering cost estimate
- 4 Setting-out of permanent centre line
- 5 Area of land acquired
- 6 Field survey
- 7 Plotting
- 8 Soil sampling and testing
- 9 Pavement testing
- 10 Preparation of contract documents and specifications
- 11 Additional traffic data required

STATUS OF BRIDGES AT 28/2/70

Annex 2

Element	I--- New construction						---II--- Widening/strengthening ---I					
	1	2	3	4	7	8	1	2	5	6	7	8
B 1	2	1860	100	100	99	99	5	590	10			
2	Subject to further special study											
3	38	3301	60	60	60	60	8	2141	25			
4	18	3736	80	5	75	70	-	-	-	-	-	-
M 1	22	2140	99	99	96	94	33	2735	100	100	100	100
2	25	2069	90	90	90	90	29	2441	100	98	97	95
T 1	16	1640	95	95	95	95	2	82	100	100	100	100
2	6	2560	100	100	100	100	-	-	-	-	-	-
U 1	5	255	17				5	372				100
2	2	171				100	2	307	54	54	54	100
3	(	Dropped from Project										
4												
U 2 B 1	1	2800	100	100	100	100	-	-	-	-	-	-
	2	2	3040	99	80	75	100	-	-	-	-	-

<u>References:</u>	1	Number of structures	
	2	Total length of structures (ft)	
	3	Field survey & collection of hydraulic data	- %
	4	Foundation investigations	- %
	5	Collection of details of existing structure	- %
	6	Check of waterway & foundation depth	- %
	7	Preparation of plans for preliminary estimates	%
	8	Preparation of preliminary estimates	- %

IN Highways
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Highways

INCOMING CABLE

DATE AND TIME
OF CABLE:

MARCH 2, 1970 1915

LOG NO.: WU 38 / 2

TO: INTBAFRAD

FROM: NEW DELHI

ROUTING

ACTION COPY: MR. KIRK

INFORMATION COPY: MR. CARGILL

DECODED BY:

TEXT:

✓
75 FOR KIRK

REUR 70 DEA REPORTS SUGGESTED APPROACH UNWORKABLE THIS CASE

SORRY REGARDS

BOHR

JAO

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MAR 2 4 32 PM 1970

COMMUNICATIONS
SECTION

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COMMUNICATIONS

FROM: THE INFORMATION SYSTEMS DIVISION, AIR FORCE

TO: THE AIR FORCE

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FROM: THE AIR FORCE

TO: THE AIR FORCE

FROM: THE AIR FORCE

TO: THE AIR FORCE

DATE AND TIME

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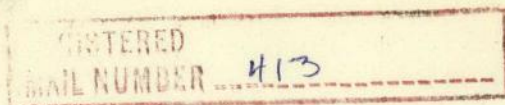
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XXXX SECRETARY



D.O.No:938-SEA/70

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
Department of Economic Affairs,
New Delhi.

February 27, 1970

My dear Greg,

During our meeting on the 5th February, 1970, when you enquired about the Second Highway Project, I informed you that the points raised in your letter of November 17, 1969, were under active consideration and that I expected to give a definite reply shortly. I am writing this to indicate our position on those matters.

2. As you are aware, the Consultants engaged by the Bank to help prepare the data for appraisal have been working since the third week of November, 1969. These Consultants, as also the visiting World Bank officials, have evidently indicated the need for a great deal of additional work in the form of major re-alignments, regrading of the vertical profile, improvement to geometrics, etc. to be done on the project roads. This has necessitated extensive field surveys including soil and pavement data studies, large scale preparation of situation plans, longitudinal and cross sections of roads prior to the actual project preparation. I understand that this work is progressing. According to the latest assessment of the progress so far made on these items, we feel that it would be reasonable to aim for an appraisal towards the middle of April, 1970. A similar suggestion had also been made to the Bank reconnaissance mission which visited India recently. I am sure, the Bank Consultants are also in touch with the project department of the Bank and will be corroborating this assessment.

3. The question of land acquisition has been raised by the recent Bank missions and in your letter. I appreciate that the Bank's concern arises from the fact that the problems of land acquisition contributed to a significant extent to the delays in the first Highway Project financed by IDA. However, as you are aware, necessary steps are being taken by us to simplify the land acquisition procedure as best as possible. So far as this project is concerned, I understand that since most of the work involved will be of the nature of widening and strengthening existing roads, land acquisition does not figure as a major problem in this project. I also understand that wherever land has to be acquired, it is anticipated that the procedure could be completed in a period of 12 to 18 months. Once settlement is reached regarding the alignment, acquisition work can be completed within the period envisaged in the construction schedule. In this, however, problems can possibly arise if the Bank experts wish to change alignments in such a way that large scale problems of land acquisition are thrown up or acquisition of home-steads or built up land becomes necessary on account of such re-alignments. This will mean that against the considerations which may weigh in favour of improved alignments, we will have to consider such fresh land acquisition problems as may arise in consequence of the re-alignment.

Excessive!

*Good point but
assumes consul-
tants take this
into account
when proposing
[new] alignments*

SECTION
COMMUNICATIONS

COMMUNICATIONS
SECTION

1970 MAR -3 PM 3:53

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the re-estimation of land acquisition programs as may arise in consequence of imbalanced arrangements, as will have to consider such these that against the considerations which may arise in relation of necessarily on account of such re-arrangements. This will mean no of acquisition of some-areas of which no land becomes may that takes some programs of land acquisition are known in the bank experts may to change arrangements in such a schedule. In this, however, programs can possibly arise completed within the budget envisaged in the construction is required regarding the arrangement, acquisition work can be completed in a budget of 15 to 18 months. Once settlement to be achieved, it is anticipated that the programme could this project. I also understand that whatever land has land acquisition does not figure as a major program in of the nature of widening and strengthening existing roads, I understand that since most of the work involved will be as part as possible, so far as this project is concerned, being taken up as to simplify the land acquisition programme by IDV. However, as you are aware, necessarily steps are extent to the delays in the first highway project financed the programs of land acquisition contributed to a significant state that the bank's concern arises from the fact that by the recent bank missions and in your letter. I agree-3. The question of land acquisition has been raised

assessment. department of the bank and will be collaborating this bank consultants are also in touch with the project mission which started quite recently. I am sure, the suggestion has also been made to the bank reconnaissance appropriate towards the middle of April, 1960. A similar we feel that it would be reasonable to give for an assessment of the progress so far made on these items, that this work is progressing. According to the latest report to the project project presentation. I understand situation being, long-distance and cross sections of roads and pavement data studies, take some presentation of has necessitated extensive field surveys including soil mechanics, etc. to be done on the project roads. This regarding of the vertical profile, improvement to additional work in the form of major re-arrangements, have evidently indicated the need for a fleet of consultants, as also the starting would bank officials, working since the first week of November, 1959. These bank to help prepare the data for appropriate have been 3. As you are aware, the consultants engaged by the

matters. I am writing this to indicate our position on these and that I expected to give a definite reply shortly. of November 17, 1959, were under active consideration. I informed you that the points raised in your letter when you enquired about the second highway project. During our meeting on the 24th February, 1960,

My best regards,

XXXX-XXXXXX



February 24, 1960
New Delhi
Department of Economic Affairs
MINISTRY OF FINANCE
GOVERNMENT OF INDIA
D.O. No. 238-254/60

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XXXX SECRETARY

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
Department of Economic Affairs,
New Delhi.

: 2 :

4. There is one important issue which you have also mentioned in your letter. This is on the question of selecting contractors for road construction on the basis of international bids. As you are aware, this is an area where we have all along confined selection to Indian contractors. We are of the view that this is an area where appropriately local effort has to be encouraged. If there are questions about strengthening or improving the efficiency of the agencies involved in the construction and the supervision, these could be looked into and appropriate steps taken. I am sure that we can have fruitful discussions with the Bank staff regarding the standards and methods of highway construction, the manner of supervision, the optimum use of labour and machinery, the time schedule for completion of works etc. While we feel that we can reach satisfactory agreements with the Bank team on all these, we feel that we will find it extremely difficult to agree to invite foreign contractors to bid for the highway construction work. I hope that the Bank will appreciate our wish to use indigenous talent to the maximum extent possible and, as in the case of other construction projects such as irrigation, will find it possible to accommodate our point of view.

With best regards,

Yours sincerely,

I. G. Patel
(I.G. Patel)

Mr. Gregory B. Votaw,
International Bank for
Reconstruction & Development,
Washington DC, 20433, USA.

*This
finally
joins the
issue -*



Record Removal Notice



File Title India - Second Highways Project - Correspondence 1969 / 1971 - Volume 2		Barcode No. 1847189
Document Date 27 February, 1970	Document Type Letter	
Correspondents / Participants To : S. C. Hardy Esq., From : Brian (Rendel, Palmer & Tritton)		
Subject / Title India : Highway Project Appraisal		
Exception(s) Personal Information		
Additional Comments		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		<table border="1"><tr><td>Withdrawn by Chandra Kumar</td><td>Date 02-Mar-15</td></tr></table>
Withdrawn by Chandra Kumar	Date 02-Mar-15	



CROWTHORNE 3131

1 N Highways
2

ROAD RESEARCH LABORATORY
OLD WOKINGHAM ROAD
CROWTHORNE, BERKS.
RG11 6AU

Our ref: ZA/MC

S C Hardy Esq
Chief, Highways Division 1
Transportation Projects Department
International Bank for Reconstruction and Redevelopment
1818 H Street NW
Washington DC 20433
USA

26 February 1970

Dear *Cliff,*

As George Mahoney has probably told you he got in touch with me on his way through London over the weekend, to discuss prospects of co-operating with you and the Indian Government in experimental work on roads in India. From what he tells me there are two broad aims, one to obtain more reliable information on operating costs of vehicles and the effect of varying road conditions on these operating costs, and the other to determine more precisely than is yet known how, with the type of pavement encountered in developing countries in the tropics, axle loading and number of repetitions affect performance.

We are very much interested in both these. The work in Africa on operating costs could usefully be complimented by similar work in Asia where both road conditions and the organisation of transport are different. No great precision is needed, but we need more information over the range of vehicle types than is available yet. On pavement design we are using the AASHO equivalents and I think these may well involve considerable error with wasted expenditure, particularly in some tropical environments.

I was not able to go into very great detail on the plans with George Mahoney, but I would make the point that these are two separate investigations and that it would be a mistake to try to combine them in a single exercise. The study of road costs must be undertaken with normal vehicles in normal use, whilst the pavement design study requires careful field observation and instrumentation of the performance of standard examples of road construction, either under the typical traffic on public roads or on a special track with its own carefully organised traffic.

We are certainly interested in any schemes you may be floating to organise field research on these two subjects. To be frank I think that the work on pavement design might well have a more successful outcome if it was undertaken in some African country that was ready to co-operate. If the work is done in India then I hope that the variations in road construction will include methods that have been proved elsewhere but are not yet accepted into normal use in India.

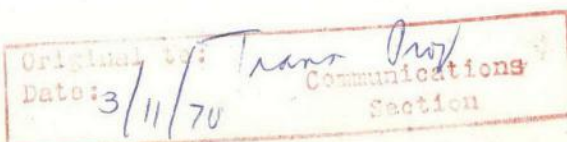
We look forward to hearing further from you on this. The help that we can give will certainly include advice; the extent to which we can help in field observations etc must depend on the numbers and kind of staff that are available at any particular time.

With best wishes

Yours sincerely

Ray

R S Millard



Central File. 11.33
IN Highways 2

INCOMING CABLE

Highways II

DATE AND TIME
OF CABLE:

FEBRUARY 26, 1970 1535

LOG NO.: RC38 / 26

TO: INTBAFRAD

FROM: ISLAMABAD

TEXT:

✓
68 FOR KIRK ✓

SINCE MYCAB 67 HAVE CONTACTS WITH PILDITCH. SHALL PROVIDE
ASSISTANCE REGARDS

MAUBOUCHE

ROUTING

ACTION COPY: MR. KIRK
INFORMATION COPY: MR. CARGILL
DECODED BY:

JAO

COMMUNICATIONS
FEB 28 10 32 AM 1970

TYPED

FEB 26 10 35 AM 1970
COMMUNICATIONS

INVESTIGATION

INVESTIGATION

SINCE WORK OF NVAE COMPLEXES WITH KIDNAPERS' SHIRT BROTHER

OF ABE KINE

LEAD:

NAME: INTERVIEWED

DO: INTERVIEWED

DOB: 1938 / 50

DATE OF BIRTH: 1938 / 50

DATE AND TIME

RECORD NO:

INTERVIEWED

NAME: SHIRT

NAME: KINE

NAME: KINE

DATE AND TIME

INVESTIGATION

INVESTIGATION

INVESTIGATION

INVESTIGATION

INCOMING CABLE

Highways II

Cutl F. Bu

*11³⁸ IN Highways
2*

DATE AND TIME
OF CABLE: FEBRUARY 26, 1970 1340

LOG NO.: RC41 / 26

TO: INTBAFRAD

FROM: ISLAMABAD

ROUTING

ACTION COPY: MR. KIRK
INFORMATION COPY: MR. CARGILL
DECODED BY:

TEXT:

✓
67 FOR KIRK

REURCABS 70 AND 71 PLEASE EXPLAIN WHO ARE PILDITCH AND TENKA REGARDS

MAUBOUCHE

JAO

1

RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

H. SCRUTTON, F.I.C.E., F.I.STRUCT.E., M.INST.PET.
J.R.H. OTTER, F.C.O.I., F.I.C.E., A.R.I.C.S.
B.G.R. HOLLOWAY, F.I.C.E., F.I.STRUCT.E.
F. IRWIN-CHILDS, F.I.C.E.
P.M. FRAENKEL, F.I.C.E., F.I.STRUCT.E.
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J.C. MUNRO, F.I.C.E.
K.E. AINSLOW, F.I.C.E., M.I.STRUCT.E.
D.M.S. FAIRWEATHER, F.I.MECH.E., M.I.LOCO.E.

CONSULTANTS:

J.E.G. PALMER, F.I.C.E., F.Am.Soc.C.E.
T.T. LAMBE, F.I.C.E., F.I.MECH.E.
H.F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, S.W.1

125, Victoria Street,
Westminster,
London, S.W.1.

25th February 1970.

YOUR REF.

OUR REF.

Mr. M. Karcher,
World Bank,
Highway Division 1,
International Bank for Reconstruction,
and Development,
1818 H Street, N.W.,
Washington D.C.,
U.S.A.

Dear Mr. Karcher,

Thank you for your note - via Mr. Mahoney - concerning the additional traffic data requirements for the proposed Indian highway project. In your note you raised all of the points that were discussed when you were in London, except for any mention of additional data for the Kalpi Bridge project. Would you please confirm whether or not any further data is required for this project. You may like to know that our general feeling concerning Kalpi Bridge is that it will in all probability be justified assuming only a small volume of generated and diverted traffic.

I look forward to hearing from you shortly.

Yours faithfully,

B. Hange

MAR 2 1970
Projects Dept. Correspondence
ANS'D BY *M. Karcher*
DATE *3/18/70*

1970 MAR -2 AM 8:50

RECEIVED

THE END

OUTGOING WIRE

TO: INTBAFRAD

DATE: FEBRUARY 25, 1970

NEW DELHI

CLASS OF
SERVICE: LT

COUNTRY: (INDIA)

TEXT: ☒
Cable No.: 70 FOR GILMARTIN

REUR 68 SHROFF ADVISES THAT INTERNAL REVENUE DEPARTMENT SHOULD BE APPROACHED THROUGH DEA FOR THEIR APPROVAL OF ROAD CONSULTANTS AS TECHNICIANS UNDER THE INCOME TAX ACT STOP SUCH APPROVAL CONFERS EXEMPTION INDIAN TAX FOR UP TO THREE YEARS STOP HAVE SENT SIMILAR MESSAGE TO PINDI AND LONDON STOP REGRET THIS ADDED TO YOUR OTHER BURDENS BUT WOULD APPRECIATE HEARING FROM YOU REGARDS

KIRK

COMMUNICATIONS
SECTION
RECEIVED

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Alexander F. Kirk

DEPT. South Asia

SIGNATURE A. F. Kirk AFKirk/pop
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and cc: Mr. Hardy
cc: Mr. Shroff

For Use By Communications Section

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(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: [Signature]

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FEB 25 3 10 PM 1970
COMMUNICATIONS

OPTIONAL FORM NO. 10 MAY 1962 EDITION

OPTIONAL FORM NO. 10 MAY 1962 EDITION

OPTIONAL FORM NO. 10 MAY 1962 EDITION

cc: Mr. [illegible]
cc: Mr. [illegible]

RECEIVED
FEB 25 2 49 PM 1970
COMMUNICATIONS

KIRK

THIS VIDEO TO LOOK OTHER BUREAUS FOR MIGHT VARIOUSLY MEETING FROM FOR REWARDS
THREE LEADS TO HAVE BEEN SIMILAR MESSAGE TO LINDI AND LONDON TO BE
INCOME AND TO BE SUCH VARIOUSLY COMPLETE EXEMPTION INDIVIDUAL AND FOR BE TO
THROUGH DEB FOR THESE VARIOUSLY OF HOWD CONSERVATION VS TECHNICALS UNDER THE
HERE OF SHOULD VARIOUSLY HAVE INDIVIDUAL BEHAVIOR DEVELOPMENT SHOULD BE VARIOUSLY

SERIAL NO: 10 FOR GIMMELIN

TEXT:

COUNTRY: (INDIA)

FROM DEPT

TO: DIRECTOR

SERVICE: PL

CLASS OF

DATE: FEBRUARY 25, 1970

OUTGOING WIRE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

(4-4)

FORM NO. 10

141 140/140/140

*File IN Highway 2
of Files*

INCOMING CABLE

Highway II

DATE AND TIME
OF CABLE:

FEBRUARY 24, 1970 1320

LOG NO.:

WU 1/24

TO:

INTBAFRAD

FROM:

NEW DELHI

ROUTING

ACTION COPY: MR. KIRK

INFORMATION
COPY: MR. CARGILL

DECODED BY:

TEXT:

✓
66 FOR KIRK

PLEASE REFER NEUNER CABLE 65 FOR REASONS STATED ROAD CONSULTANTS PILDITCH
TRNKA TRAVELLING PAKISTAN TOMORROW WILL NEED LOCAL FINANCING THERE
APPRECIATE ADVISING INTBAFRAD ISLAMABAD GIVE THEM ADVANCE CHARGEABLE RPT
CONTRACT REGARDS

GILMARTIN

*Sancini &
Controller's To Handle*

COMMUNICATIONS
FEB 24 1970

MT

FEB 24 8 30 AM 1970
COMMUNICATIONS

IN Highways
2nd

Mr. A. F. Kirk

February 24, 1970

M. Abd El Aty

INDIA - Proposed Second Highway Project

1. During my recent visit to India I had meetings and conversations with Mr. G. V. Ramakrishna and Mr. Pilditch (Team Leader, Bank Appraisal Assistance team) and, together with the preappraisal mission, we held several meetings with the appraisal assistance team and officials of the Central Roads Wing in order to discuss the status of preparation for this project.
2. Mr. G. V. Ramakrishna informed me that a meeting was to be held on February 20 to decide upon policy issues raised in Mr. Votaw's two letters of last year. As he was leaving for Washington for negotiations the following day, he hoped to be able to communicate to Mr. Votaw a reply to these two letters, or hopefully carry a written reply.
3. The appraisal assistance team expects cost per mile of road construction to be higher than originally forecast, and so, in order to limit the total cost of the project in which IDA will participate to U.S.\$60 million, certain elements (probably two) will have to be dropped. These would be either the elements with the lowest rate of return among the 12 elements previously proposed for appraisal, or those for which preparation has advanced the least.
4. In general it was the opinion of the team that preparation was advancing very slowly. They had also not received the lists of road contractors, with indications of their capacities, for which they had asked.
5. They saw no progress in contracting practices and still felt a strong need for close supervision of project execution.
6. The preappraisal mission, in the light of their findings, thought that the date of appraisal will have to be delayed, probably until the beginning of June 1970. But Mr. S. N. Sinha, Director General, Roads Development, recommended strongly appraisal to be made in mid-April 1970.

MA
MABdELAty/gs

IN Highways
2nd

OUTGOING WIRE

TO: GILMARTIN
INTBAFRAD
NEW DELHI

DATE: FEBRUARY 23, 1970

CLASS OF
SERVICE: FULL RATE

[Handwritten signature]

COUNTRY: INDIA

TEXT:
Cable No.:

69

REF NEUNER'S 65 STOP AINSOW RPT WILL BE ADVISING TRNKA HE SHOULD DECIDE
WHETHER STAY OR TO LEAVE TEMPORARILY ACCORDING HIS JUDGMENT TAX SITUATION
STOP APPRECIATE YOUR EFFORTS OBTAIN GOVERNMENT DECISION ON TAX OBLIGATION
SEMICOLON WILL YOU ALSO DO BEST ENSURE NO DIFFICULTY RE ENTRY IF HE DECIDES
ON TEMPORARY DEPARTURE REGARDS

GEOLOT

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A.F. Geolot

DEPT. Transportation Projects

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

AFGeolot:sw

COMMUNICATIONS
FEB 23 11 30 AM 1970
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FEB 23 11 30 AM 1970

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(IMPORTANT: See Secretaries Guide for preparing form)

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ORIGINAL (SEE COPY)

Checked for delivery

DISPATCHED

RECEIVED

RECEIVED

DATE

11 18 AM 1970

FEB 23

COMMUNICATIONS

FEB 23 11 48 AM 1970
COMMUNICATIONS

NAME

APPROVED BY

STANDARDIZATION AND COPY DISTRIBUTION

NOT TO BE TRANSMITTED

GEORGE

ON 12/20/68 DELIVERED NEGATIVE

SEMICOLON MITT AND VICE DO NOT HAVE NO DIFFERENCE HE KNOWS IF HE DECIDES

STOP VICEPRESIDENTIAL LOSS EFFORTS ORIGIN GOVERNMENT DECISION ON JUV OBTAINING

WHETHER THAT ON 10 FEBRUARY 1970 ACCORDING HIS JUDGMENT JUV SITUATION

HEB MEMBERS OF STOP VICEPRESIDENTIAL MITT BE VICEPRESIDENTIAL JUV HE SHOULD DECIDE

CABLE NO.

TEXT

COMMITTEE

INDIV

MEM DEPT

INTERVIEW

TO

GIWASLIN

SERVICE UNIT NAME
CLASS OF

DATE FEBRUARY 23 1970

OUTGOING MESSAGE

ASSOCIATION

INTERNATIONAL DEPARTMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

FORM NO. 10

FORM NO. 10

11/11/70

*Took copy to Hardy
of files*

INCOMING CABLE

DATE AND TIME
OF CABLE:

FEBRUARY 24, 1970

1900

LOG NO.: WU /24

TO: INTBAFRAD

FROM: NEW DELHI

ROUTING

ACTION COPY:	MR. KIRK
	TRANSPORTATION PROJECTS
INFORMATION COPY:	MR. CARGILL
DECODED BY:	

TEXT:

✓
68 FOR KIRK GEOLOT

FURTHER CONCERNING ROAD CONSULTANTS TAXATION AM INFORMED
BY DEA 90 DAY TAX EXEMPTION APPLICABLE ONLY ONCE ANY ONE
FISCAL YEAR WHICH MEANS THEY MUST REMAIN OUTSIDE COUNTRY
UNTIL APRIL 1ST. THEY ARE LEAVING TOMORROW CAN BE CONTACTED
INTBAFRAD PINDI. PLEASE ARRANGE THEY BE ADVISED PINDI THEIR
NEXT MOVE ALSO INFORM DELHI OFFICE REGARDS

GILMARTIN

COMMUNICATIONS

MPB

FEB 24 1 30 PM 1970

1970

FOR INFORMATION REGARDING INCOMING CABLES, PLEASE CALL THE COMMUNICATIONS SECTION, EXT. 2021

ORIGINAL

FEB 24 1 30 PM 1970

COMMUNICATIONS

Yen 1 *OP. Files: India Highways*
IN Highway 2

INCOMING CABLE

DATE AND TIME
OF CABLE:

FEBRUARY 21, 1970

1745

LOG NO.:

WU 17/23

TO:

INTBAFRAD

FROM:

NEW DELHI

ROUTING

ACTION COPY:

TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

W. Hardy 2/24

2/24

CI

TEXT:

PLEASE NOTIFY AT HARDY'S HOME ACCORDING INFORMATION JUST GIVEN
TRNKA HE MAY BE SUBJECT INDIAN INCOME TAX IF HE STAYS INDIA
BEYOND WEDNESDAY HIS ^{90TH} ~~19TH~~ DAY HERE. SWAMINATHAN EXPLORING
PROBLEM BUT NO ANSWER POSSIBLE BEFORE MONDAY EARLIEST. TRNKA
CONSIDERING POSSIBILITY LEAVING TEMPORARILY BUT HIS ABSENCE
NOW WOULD SERIOUSLY DELAY PREPARATION WORK. ACCORDINGLY PENDING
ANSWER FROM SWAMINATHAN SUGGEST YOU GET TOUCH RPT LONDON WITH
VIEW RPT AUTHORIZING TRNKA'S CONTINUED STAY DESPITE REASONS JUST
INDICATED TRNKA WOULD APPRECIATE WORD BY TUESDAY EVENING. I AM
DEPARTING DACCA TOMORROW BUT GILMARTIN FULLY BRIEFED ON PROBLEM
REGARDS

NEUNER

MR. GEOLOT TELEPHONED DURING WEEKEND.

NO FAMILY NOTIFICATION NECESSARY.

MPB

FEB 23 2 17 PM 1970

COMMUNICATIONS
SECTION

WU017 GC INTL FR DUPLICATE OF TELEPHONED TELEGRAM 49 17 1745

ZL NEW DELHI VIA WUI 101 21 1745

INTBAFRAD

WASHDC

NUMBER SIXTYFIVE PLEASE NOTIFY AT HARDYS HOME ACCORDING INFORMATION
JUST GIVEN TRNKA HE MAY BE SUBJECT INDIAN INCOME TAX IF HE STAYS
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EXPLORING PROBLEM BUT NO ANSWER POSSIBLE BEFRXXX BEFORE MONDAY LARLIE
STOP TRNKA CONSIDERING POSSIBILITY LEAVING TEMPORARILY BUT
HIS ABSENCE NOW WOULD SERIOUSLY DELAY PREPARATION WORK STOP
ACCORDINGLY PENDING ANSWER FROM SWAMINATHAN SUGGEST YOU GET
TOUCH RPT LONDON WITH VFEW RPT AUTHORIZING TRNKAS CONTINUED
STAY DESPITE REASONS JUST INDICATED TRNKA WOULD APPRECIATE
WORD BY TUESDAY EVENING STOP EYE AM DEPARTING DACCA TOMORROW
BUT GILMARTIN FULLY BRIEFED ON PROBLEM REGARDS

NEUNER

846A EST.

IN Highways

Mr. A. F. Geolot

February 20, 1970

S. C. Hardy *for*

INDIA: Proposed Second Highway Project
Development of Domestic Contracting Industry

1. The contents of my memorandum dated February 13, 1970 on the above subject (copy attached) were discussed at a meeting attended by yourself, Messrs. van Helden, Hogg, Dickerson and myself on February 17. You asked me to develop the ideas expressed at that meeting and to write a further memorandum on the subject.
2. I concur with Mr. Hogg that the ultimate objective and long term goal should be to develop the civil works contracting industry in India, and that an appropriate means to this end might be the creation of a "Civil Works Contractors' Development Bank". The "Development Bank" ^{would} provide its members with the necessary licences for equipment and the financing required. In the immediate context of the proposed highway project, we might consider a pilot scheme such as a "Road Contractors' Development Bank", recognised by and perhaps with some participation by Government; it would be financed with funds provided under the highway credit (or with a separate Development Bank credit if more appropriate).
3. Under the sponsorship of the Government (the arrangements for which would need to be discussed prior to or during negotiations of the proposed credit), contractors associated with the "Development Bank" would qualify for (a) priority allocation of available road construction equipment manufactured in India; (b) prompt issuance by Government of import licences for equipment and spare parts not manufactured in India and (c) credit facilities on lenient terms for the purchase of such equipment.
4. The facilities available from the "Development Bank" would be known to Indian contractors prior to bidding, and could therefore be taken into account when calculating their unit prices. The necessary licences and any credit required would be made available to successful contractors immediately on award of contract.
5. As mentioned in paragraph 5 of my previous memorandum, I would expect that US\$5 to 10 million for equipment would be adequate to meet the needs of Indian contractors, assuming that they were to execute about half the proposed project works. I suggest that US\$5 million be the initial sum provided in the proposed credit for setting up the Development Bank in Embryo; the amount could always be increased in subsequent highway projects in the light of experience.
6. Before finalizing our ideas we should discuss the matter further with our colleagues in Area Department and Development Finance Companies Department.

Attachment.

SCHardy:dfw

cc: Messrs. Knox, Kirk, Mahoney, Hogg, van Helden,
Dickerson, Karcher, Neuner.

IN Highway
2nd

February 16, 1970

Messrs. Rendel, Palmer & Tritton
125, Victoria Street
Westminster
London, S.W.1.
England.

Attention: E.G.R. Holloway, Esq.

Dear Sirs:

re: INDIA: Proposed Second Highway Project
Appraisal Assistance

We acknowledge with thanks receipt of your Progress Report No. 2 dated January 31st, 1970, together with the interesting and useful photographs. We also thank you for your letter of February 5th, 1970, enclosing the Central Road Research Institute publications on bullock carts.

Your Progress Report is under review, but we will defer our comments on it until after the return from India of our Reconnaissance Mission.

Yours sincerely,



S.C. Hardy
Chief, Highway Division I
Transportation Projects Department

cc: Mr. Pilditch (Team Leader Bank Appraisal
assistance team)

cc: Messrs. Karcher, Mahoney, Neuner

 MWDickerson/ec.

IN Highway
2nd

INCOMING CABLE

DATE AND TIME
OF CABLE:

FEBRUARY 15, 1970

1515

LOG NO.:

WUL4/16

TO:

INTBAFRAD HARDY

FROM:

NEW DELHI

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Mr. Hardy

TEXT:

FOUR

ARRIVED DELHI BUT NO INFORMATION AVAILABLE REGARDING KARCHERS ARRIVAL.

PLEASE ADVISE REGARDS

FAMILY NOTIFICATION BEING MADE

Mr. Dickerson
Any problems? - see
Cable of same date

MAHONEY

but sent
later in the
day.

FMJ

COMMUNICATIONS
FEB 15 11 20 AM 1970

TYPED

FEB 16 11 59 AM 1970
COMMUNICATIONS

371

EMITTED INFORMATION BEING MADE

EMITTED

REVIEWED INFORMATION

REVIEWED INFORMATION HAS NO INFORMATION REGARDING RESEARCHING RESEARCH

LOOK

LOOK

REVIEW: NEW DATA

REVIEWED

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*India: Prefund 2nd Highway Project
IN Highway
2nd*

INCOMING CABLE

DATE AND TIME
OF CABLE: FEBRUARY 15, 1970 2022

LOG NO.: WUI/16

TO: INTBAFRAD

FROM: NEW DELHI

TEXT:

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

*WUI/16
2/16*

*Mr. Dickson 2/16
2/16 CI*

FOR HARDY

NEUNER KARCHER JOINED MAHONEY IN DELHI.

FAMILY NOTIFICATIONS BEING MADE

BR

*COMMUNICATIONS
FEB 16 11 28 AM 1970*

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ORIGINAL

TYPED

FEB 16 11 56 AM 1970
COMMUNICATIONS

URGENT 2/16/70 11:56Z

FROM: SAC, NEW YORK (100-100000)

TO: DIRECTOR, FBI (100-100000)

RE: MURDER OF MARTIN LUTHER KING, JR.

FROM: SAC, NEW YORK (100-100000)

TO: DIRECTOR, FBI (100-100000)

RE: MURDER OF MARTIN LUTHER KING, JR.

CL CYRIL
DATE AND TIME
FEBRUARY 16, 1970 11:56Z

RECEIVED BY:

COPIES

100-100000

SECTION 100-100000

100-100000

100-100000

IN- Highway
2nd

Mr. A. F. Geolot

February 13, 1970

S. C. Hardy *Scy*

INDIA: Proposed Second Highway Project
Needs of Domestic Contracting Industry

1. One of the indirect aims of the proposed IDA financed second highway project in India is to develop the domestic civil works contracting industry. Our consultants recently reported considerable interest by small Indian contractors in forming joint ventures to undertake part of the project works, but they seem to suffer from a shortage of construction equipment. It appears that Indian contractors would be prepared to participate in the project and to adopt equipment-intensive methods of construction, provided (a) the equipment is available and (b) that they have credit facilities to acquire the equipment.
2. It would be logical, therefore, if concurrently with the preparation of the second highway project, India and the Bank/IDA/IFC Group would give consideration to the means of making available to domestic contractors an appropriate selection of construction equipment, including graders, scrapers and paving equipment not manufactured in India.
3. Industrial Projects Department is now preparing an appraisal report on a proposed second IDA industrial imports credit to India, which might be used as a means of providing some of the road construction equipment needed. However, my understanding is that the credit will cover primarily the import of truck parts only, and that no civil works construction equipment is to be included in the current proposal although some was included in a previous project (1964/65). Perhaps some arrangements could be made to remedy this deficiency.
4. We and India should also consider the possibility of making credit facilities available (perhaps through a Development Bank) for the acquisition of road construction equipment by the smaller Indian contractors. Some talk has already ensued with the Indians and the Bank regarding the inclusion of an amount in the proposed second highway credit to provide for the importation of such equipment, but I do not consider the highway credit to be an appropriate medium for such financing.
5. Perhaps this matter could be taken up with the Industrial Projects Department, IFC and the Area Department, with a view to discussing the need with the Indian Government. The amount, timing and appropriate channelling of the funds would need further study but there is a degree of urgency since our highway project is tentatively scheduled for negotiation in the Fall of this year. I estimate that approximately US\$40 million equivalent of construction equipment will be "consumed" annually by domestic contractors in executing India's National and State road programs over the next four to five years, if the goals of the Fourth 5-year Plan are to be met. On our National highway project alone, equipment to the capital value of about US\$5 to 10 million would be needed by Indian contractors, assuming that they were to execute about half the project works.

SCHardy:dfw

cc: Messrs. Knox, Kirk, El Darwish, Mahoney, Dickerson, Karcher, Neuner.

IN Highways
2nd

Mr. M. R. Shroff

February 10, 1970

Mr. Alexander F. Kirk

Mission Concerning Proposed Second Highway Project

Mr. Karcher (French national), Transportation Projects Department Economist, will join Messrs. Mahoney and Neuner in Delhi on February 15, 1970 (via BOAC 792 arriving at 13:05 hours) to review the progress in the preparation of the economic justification for the proposed Second Highway Project, as well as transport coordination policy matters. Mr. Karcher is planning to leave India on February 20, 1970.

cc: Messrs. Hardy
Dickerson

rk

H-1
IN Highway

I.D.A. Appraisal Assistance Team,
Room 215A,
Central Roads Wing,
Transport Bhavan,
1, Parliament Street,
New Delhi.

Ref: IDA/India/15

6 February, 1970.

S. C. Hardy, Esq.,
Chief, Highways Division I,
Transportation Projects Department,
The International Development Association,
1818 H Street, N.W.,
Washington, DC. 20433,
U.S.A.

3/4
Mr. Dutton - please + ack +
Mr. Mahoney (opr) 4/5 offer any comment we may have
2/12
Publication retained
my office

Dear Mr. Hardy,

I enclose for your information a copy of a publication of the Indian Roads Congress entitled 'Brick Pavement in Highway Construction' by Chaturvedi and Tayal. There is some interesting data on the properties of bricks, and the description of their manufacture and problems of quality suitable roadworks provides a useful background picture of the brick situation in Uttar Pradesh. The notes on costs mentioned in Appendices C and D may be of some value, although the figures given are for 1958 and refer only to the experimental work carried out over a short length of road.

I do not think, however, that the paper brings us any nearer to solving the brick problem so far the Project roads are concerned, and some further research is needed. So far we have not been able to ascertain what, if anything, has been done in this direction.

We will be discussing all this with Mahoney when we see him here.

Yours sincerely,

P. Piddich

FEB 11 1970

Projects Dept. Correspondence

ANS'D BY *S. C. Hardy*

DATE *3/4/70*

SECTION
COMMUNICATIONS

30 FEB 11 AM 3.38

RECEIVED

RECEIVED

'70 FEB 11 AM 9:38

DATE

COMMUNICATIONS
SECTION

WFS:DA

Subject: Black Consciousness

FEB 11 1970

Yours sincerely,

my note.

We will be discussing all this with Harney when we see

attention.

been able to ascertain what, if anything, has been done in this
concerned, and some further research is needed. So far we have not
managed to contact the Black People's Party so far the project looks like
I do not think, however, that the paper brings us any

work carried out over a short period of time.

The figures given are for 1968 and refer only to the expenditure
on costs mentioned in Appendices C and D and are of some value, although
acknowledging the fact of the Black situation in that period. The notes
mentioning the Black People's Party, however, are a useful
guide on the Black People's Party, and the description of their
constitution, as mentioned and said. There is some interesting
of the Indian House Congress entitled, Black Movement in Nigeria

I enclose for your information a copy of a brochure

Dear Mr. Harney,

P.S.V.

Washington, DC 20033

1818 H Street, N.W.

The International Development Association

Washington Project Department

Office: Nigeria Division I

S. C. Harney, Esq.

Ref: IDA/INTA/12

2 February, 1970

Dear Sir,

1, Baltimore Street,

Washington, D.C.

Central House, New York

Room 312

I.D.V. Administrative Team

O.P. Files: P. Mohan 2nd Highway IN Highway

I.D.A. Appraisal Assistance Team,
Room 215A,
Central Roads Wing,
Transport Bhavan,
1, Parliament Street,
New Delhi.

Ref: IDA/India/14

5 February, 1970

The International Development Association,
1818 H Street, N.W.,
Washington, DC. 20433,
U.S.A.

For the attention of S.C. Hardy, Esq., Highway Division I,
Transportation Projects Department.

Dear Sirs,

I enclose for your information the following Indian research publications which may be of interest. Copies have been sent to the Consultants in London in connection with the design of asphalt wearing surfaces suitable to resist the effects of bullock cart wheels which they are considering.

Yours faithfully,


P. Pilditch

cc. Rendel, Palmer & Tritton.

FEB 9 1970

Projects Dept. Correspondence

ANS'D BY S.C. Hardy

DATE 2/16/70

SECTION
COMMUNICATIONS
10 FEB-8 0410: 13

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70 FEB -9 AM 10:19

COMMUNICATIONS
SECTION

Б. БИТКОВ

DOMS LITURGY

DESL. 2113.

Intelligence Protection Department.
For the attention of S. C. Helga, Esq., Highways Division I.

P.S.V.
 Washington, DC 20533
 1818 M Street, N.W.
 The International Deafblind Association

Ref: IDA\INGTS\14

2. Берлига, 1840

MEM DETAIL:
1. BELLEVILLE OFFICE
TRANSFERS BRANCH
GENERAL HOUSE MAINT.
HOUSE STAFF
I.D.V. VOLUNTARY ASSISTANCE TEAM

IN Highways
2nd

OUTGOING WIRE

TO: RENDELS

DATE: February 5, 1970

LONDON

CLASS OF
SERVICE: LT

COUNTRY: U.K.

HT

TEXT:
Cable No.: 39

FOR HOLLOWAY

KARCHER WILL TELEPHONE YOU ON ARRIVAL LONDON FEBRUARY THIRTEENTH
MORNING TO ARRANGE VISIT YOUR OFFICE SAME AFTERNOON FOR DISCUSSIONS
ECONOMIC EVALUATION INDIAN HIGHWAY PROJECT WITH THOMPSON AND CRANAGE
AS ARRANGED WITH MAHONEY STOP KARCHER ALSO AVAILABLE MORNING FOUR-
TEENTH IF REQUIRED

HARDY

India: Proposed Highway Project,

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Mr. C. Hardy

DEPT. Transportation Projects

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MKarcher/mc

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CC: MR. HICKELSON

COMMUNICATIONS SECTION

STEVENS AND COBA DISTRIBUTION

NOT TO BE TRANSMITTED

NOTE

REMAIN IS REQUIRED

VS VISITED WITH MURDERER AND KITCHEN ALSO VISITING MORNING FOUR-

ECONOMIC SANITATION INDIAN HIGHWAY PROJECT WITH LINDSEY AND STEVENS

MORNING TO VISIT AIRLIS ROOM OFFICE FIVE AFTERNOON FOR DISCUSSIONS

KITCHEN WITH STEVENS AND ON AIRLIS ROOM REMAINING DISCUSSION

FOR BOTTOM

Copy No: 30

TEXT

COPIES: 0.0

TOMORROW

TO: BUREAU

SERVICE: TL
CLASS OF

DATE: February 2, 1970

OUTGOING WIRE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

1969

FORM 100-23

11 H. H. H. H.

GMR/JD

F. RENDEL, PALMER & TRITTON.

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H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

IN - Highways
2/20
RUSH @ 10/10/70
30/11
copy made

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, SW1

125, Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. 02136/13848 4th February, 1970.

S.C. Hardy Esq.,
Chief Highway Division 1,
International Bank for Reconstruction &
Development,
1818H Street, N.W.,
WASHINGTON, D.C.
U.S.A.

FEB 10 1970

Projects Dept. Correspondence

ANS'D BY _____

DATE _____

Dear Sir,

India: Highway Project
Appraisal Assistance

On his return to this office Mr. Cranage brought back with him some Notes compiled by Mr. Neuner on his recent visit to New Delhi, with the request that we have them typed and forwarded to yourself.

We accordingly enclose a single copy of these Notes as requested.

Yours faithfully,
for RENDEL, PALMER & TRITTON

J. G. Miller Richard

Enc.

30 FEB 10 1970

RECEIVED

RECEIVED

'70 FEB 10 PM 2:46

COMMUNICATIONS
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K. E. AINSCOW, F.I.C.E., M.I.STRUCT.E.
D. M. S. FAIRWEATHER, F.I.MECH.E., M.I.LOCO.E.

CONSULTANTS:

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T. T. LAMBE, F.I.C.E., F.I.MECH.E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

S.C. Hardy Esq.,
Chief Highway Division I,
International Bank for Reconstruction &
Development,
1818H Street, N.W.,
WASHINGTON, D.C.
U.S.A.

Dear Sir,

India: Proposed Highway Project
Appraisal Assistance

Further to Mr. Mahoney's visit to this office on the 30th January 1970, we appreciate the urgency of obtaining our comments on the various points raised in your letter of the 22nd January 1970 on the Interim Report issued by Mr. Pilditch on December 23rd, 1969.

Mr. Pilditch will be giving you his comments on the majority of the queries but has asked us to comment on Paragraph 3.9 and advise you as to the source of the data used to recalculate vehicle operating costs. We comment as follows:-

Section 3.9 Economic Evaluation.

The general procedure in regard to operating costs has been to accept Indian data unless there has been some valid reason (valid in terms of past experience and previously established results) to question the general nature of the relationships used. The necessity for netting out taxes from operating costs data required data to be provided from various manufacturers. Those manufacturers able to provide information in the shortest possible time were consulted and capital costs of vehicles may thus differ slightly from those originally used by the Indian economic staff.

contd....

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, SW1

125 Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. 02136/13845

3rd February, 1970.

FEB 10 1970

Projects Dept. Correspondence

ANS'D BY

S.C. Hardy

DATE

2/16/70.

COMMUNICATIONS
SECTION

COU₁₂

GEORGE PATNER & TRITTON

Vehicle Prices and Vehicle Life

Source of vehicle prices: Hindustan Motors (New Delhi office).
Tax elements in vehicle prices: Hindustan Motors and also Report of the Road Transport Taxation Enquiry Committee (1967). For cars: Taxation and Price Structure of Automobile Industry. NCAER (New Delhi 1967).
Information on vehicle utilisation: Report of the Road Transport Taxation Enquiry Committee and also various regional transport surveys (generally unpublished) consulted at the offices of the Planning Commission, New Delhi. Car life estimates largely based on Consultant's experience in African countries.

Maintenance Costs. *by vehicle*

Original Indian figures largely accepted as a base. Information regarding variation in maintenance costs at different speeds obtained from J. de Weille's publication. Cost breakdown between parts and labour obtained from information in Report of Road Transport Taxation Enquiry Committee.

Tyre Prices and Life

Tyre prices and tax elements obtained from Dunlop India (New Delhi office). Original Indian figures on tyre life modified by consultant's experience in Africa.

Fuel Prices and Consumption

Cost of fuel and tax elements from Burmah-Shell India (New Delhi office). Original Indian consumption figures modified by J. de Weille's figures.

Data on wages, insurance costs and overhead costs obtained from original Indian data.

Yours faithfully,
for RENDEL, PALMER & TRITTON



IN Highway
2nd

OUTGOING WIRE

TO: INTBAFRAD
NEW DELHI

DATE: FEBRUARY 3, 1970

CLASS OF
SERVICE: LT

COUNTRY: INDIA

TEXT:
Cable No.:

49

TH

FOR PILDITCH CONSULTANT RE INDIA SECOND HIGHWAY PROJECT YOUR INFORMATIVE CABLE
20 RECEIVED WITH THANKS STOP PLEASE TAKE UP MATTER WITH MAHONEY VISITING INDIA
FEBRUARY 15 TO 19

HARDY

INDIA: PROPOSED SECOND HIGHWAY PROJECT NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S.C. HARDY

DEPT. TRANSPORTATION PROJECTS

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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INDIV: PROPOSED SECOND HIGHWAY PROJECT NOT TO BE TRANSMITTED

HVHDA

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TO: INDIV

SERVICE: DL
CLASS OF

DATE: FEBRUARY 3 1970

OUTGOING MIB

ASSOCIATION INTERNATIONAL DEVELOPMENT	RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL BANK FOR	COOPERATION INTERNATIONAL FINANCE
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[Handwritten signature]

IN Highways
2nd

GMR/JD

RENDEL, PALMER & TRITTON.

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H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, S.W.1

125, Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. 02136/13845 3rd February, 1970.

S.C. Hardy Esq.,
Chief Highway Division I,
International Bank for Reconstruction &
Development,
1818H Street, N.W.,
WASHINGTON, D.C.
U.S.A.

Dear Sir,

India: Proposed Highway Project
Appraisal Assistance

Further to Mr. Mahoney's visit to this office on the 30th January 1970, we appreciate the urgency of obtaining our comments on the various points raised in your letter of the 22nd January 1970 on the Interim Report issued by Mr. Pilditch on December 23rd, 1969.

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contd....

Original to: Trans. Div.	Cons. Options
Date: 2/10/70	Section

Vehicle Prices and Vehicle Life

Source of vehicle prices: Hindustan Motors (New Delhi office). Tax elements in vehicle prices: Hindustan Motors and also Report of the Road Transport Taxation Enquiry Committee (1967). For cars: Taxation and Price Structure of Automobile Industry. NCAER (New Delhi 1967). Information on vehicle utilisation: Report of the Road Transport Taxation Enquiry Committee and also various regional transport surveys (generally unpublished) consulted at the offices of the Planning Commission, New Delhi. Car life estimates largely based on Consultant's experience in African countries.

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Original Indian figures largely accepted as a base. Information regarding variation in maintenance costs at different speeds obtained from J. de Weille's publication. Cost breakdown between parts and labour obtained from information in Report of Road Transport Taxation Enquiry Committee.

Tyre Prices and Life

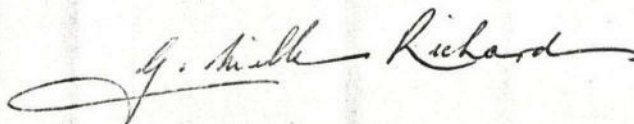
Tyre prices and tax elements obtained from Dunlop India (New Delhi office). Original Indian figures on tyre life modified by consultant's experience in Africa.

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Data on wages, insurance costs and overhead costs obtained from original Indian data.

Yours faithfully,
for RENDEL, PALMER & TRITTON



IN Highways
2nd

GMR/JD

RENDEL, PALMER & TRITTON.

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D. M. S. FAIRVEATHER, F.I.MECH.E., M.I.LOCO.E.

CONSULTANTS:

J. E. G. PALMER, F.I.C.E., F.Am. Soc. C. E.
T. T. LAMBE, F.I.C.E., F.I.MECH. E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

TELEPHONE: 01-634 8494

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RENDELS, LONDON, S.W.1

125, Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. 02136/13848 4th February, 1970.

S.C. Hardy Esq.,
Chief Highway Division 1,
International Bank for Reconstruction &
Development,
1818H Street, N.W.,
WASHINGTON, D.C.
U.S.A.

Dear Sir,

India: Highway Project
Appraisal Assistance

On his return to this office Mr. Cranage brought back with him some Notes compiled by Mr. Neuner on his recent visit to New Delhi, with the request that we have them typed and forwarded to yourself.

We accordingly enclose a single copy of these Notes as requested.

Yours faithfully,
for RENDEL, PALMER & TRITTON

G. M. L. Richard

Enc.

Original to: Trans. Prof.
Date: 2/10/70 Communications
Section

OP Files
INDIA Highways II

Highways

IDA Programme -
Roadworks to be included in the.
B & C Dept. letter NHP-1369/11481-
1A Cell of 2nd February, 1970.

1. Name of firm and Registration No. ... RECONDO PRIVATE LTD.,
Co-operative Insce. Bldg.,
Sir P.M. Road,
Bombay 1 BR.
Registration No. 130.
2. Whether Indian or Foreign. ... Indian
3. Annual capacity for doing works ... Rs. 200 lacs.
4. Whether the firm is interested in undertaking works including bridges and asphaltting etc. costing more than Rs. 50 lacs. The firm is interested in undertaking works (asphaltic works) costing more than Rs. 50 lacs.
5. Engineering personnel with the firm as on 1.1.1970
Mr. N.H. Taylor, M.Sc. (Eng.)
M.I.C.E. .. General Manager.
Mr. T.H. Peshori, B.E. (Mech) .. Manager (Contracts)
Mr. S. J. Basu, B.E. .. Manager (Plant)
Mr. G. D. Patel, B.E.,
A.M.I.H.E. (U.K.) .. Dy. Chief
A.M.I.Mun.E.(U.K.) Engineer.

The above are our top-level engineering staff. We have, working under the above, road overseers, asphalt plant overseers, asphalt plant operators, etc. etc.

6. Road building machinery with firm. Please see list attached.
7. Labour strength Our permanent staff strength is 73. We engage seasonal and temporary employees depending on our workload.

for Recondo Private Ltd.,

sd/- (N. H. Taylor)
General Manager.

Encl: as above
cas/-.

Auto-car Tractors	..	...	2 Nos.
Caterpillar RD-6 Tractor	..	...	1 No.
Galion Chief 10-ton road rollers	..	...	3 Nos.
Buffalow Springfield Tandem Roller	..	...	1 No.
Chaseside Shovel 2 ton	..	...	1 No.
Merton Overloader	..	...	1 No.
Aveling Austin Motor Grader	..		1 No.
Etnyre 1000 gal. bitumen distributors	..	...	5 Nos.
750 gal. bitumen skid tanks	..	...	10 Nos.
1000 gal. bitumen skid tanks	..	...	3 Nos.
Vibrating roller	..	...	1 No.

Laboratory Equipment (sets available at various worksites).

Taylor Stability Testing Machine
 Water absorption testing apparatus.
 Vacuum pump
 Analytical balance with weights.
 M.S.E. Centrifuge with two 10 ml. and 50 ml.
 buckets and tachometer.
 Absorption meter
 Penetrometer
 Electric drying oven.
 Bitumen extraction apparatus
 Proctor compaction apparatus
 Triaxial compression apparatus.
 Hart 5 Kg. balance
 Glassware, thermometers, hot plates and
 Misc. apparatus.
 Test Sieves (various mesh).
 C.B.R. testing apparatus.
 Marshall stability testing apparatus and
 proving ring.

Transport

We have sixteen tipping trucks.

cas/-
 Bombay,
 9/2/1970.

RECONDO PRIVATE LTD.

List of Plant & Machinery.

ASPHALT MIXING PLANT

15/20 tons per hour Millars Asphalt Mixing Plants, complete with hot mixed material hopper, belt feeder, dust collector, etc. powered by diesel engine/electric motor ..	2 Nos.
40 tons per hour Barber-Greene Asphalt Mixer, complete with hopper, drier, elevators, dust collector, powered by diesel engines. ..	3 Nos.
40 tons per hour Barber-Greene Asphalt mixer, complete with hopper, drier, elevator, dust collector, powered by electric motors. ..	1 No.
60 tons per hour Barber-Greene Asphalt Mixer, complete with elevator for cold mix, powered by diesel engine. ..	1 No.
25 tons per hour Barber-Greene Mixer complete with hopper, drier, elevator, dust collector, powered by diesel engines. ..	2 Nos.
5 tons per hour Barber-Greene Mixall Plants. ..	2 Nos.

CRUSHING PLANT

20 tons per hour "D" type Lightning Crusher, complete with 16" belt conveyor, powered by 30 HP GEC electric motor ..	1 No.
20 tons per hour "D" type Lightning Crusher, complete, on chassis with elevator, powered by 30 HP. electric motor. ..	1 No.
30 tons per hour "F" type Lightning Crusher, complete, on chassis, powered by 60 HP. diesel tractor ..	1 No.
Marshall stone crushers ..	3 Nos.

ASPHALT FINISHERS

Barber-Greene Asphalt Finisher ..	1 No.
Blaw-Knox Asphalt Finisher, PF 90-A ..	1 No.
Blaw-Knox Asphalt Finisher, PF 90-C ..	1 No.

IN Highway
2nd

INCOMING CABLE

DATE AND TIME
OF CABLE:

FEBRUARY 2, 1970 1315

LOG NO.:

WU TELEX/2

TO:

HARDY INTBAFRAD

FROM:

NEW DELHI

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

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W. L. H. G. T. 2

TEXT:

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PILDITCH

BR

COMMUNICATIONS
FEB 5 3 33 PM 1970

FEB 2 3 33 PM 1970
COMMUNICATIONS

*IN Highways
2nd*

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 31, 1970

1443

LOG NO.:

ITT 20 / 31

TO:

CARMICHAEL INTBAFRAD

FROM:

CALCUTTA

ROUTING

ACTION COPY:

TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Mr. Carmichael

*Mr. Scheiner 212
21*

TEXT:

MET SUPERINTENDENCE CONSULTANTS WHO REPORT DESIRABILITY THEIR VISITING
FEW INDIAN PLANTS AND CONSEQUENTLY DELAYING THEIR RETURN EUROPE
WEDNESDAY FEBRUARY ELEVEN INSTEAD FRIDAY FEBRUARY SIX CONSULTANTS LOST
TIME DUE TO PLANE BREAKDOWN AND PUBLIC HOLIDAY RECOMMEND THIS ACTION
CONSULTANTS REMAINING CALCUTTA PRESENT SCHEDULE EVENING FEBRUARY THIRD
AND IF DECIDED TO EXTEND ESSENTIAL THEY BE NOTIFIED IN CALCUTTA PRIOR
THAT TIME REGARDS

NEUNER

FAMILY NOTIFICATION HAS BEEN MADE

FEB 2 1970

Projects Department Correspondence

Ports & Pipelines Division

ANS'D BY

no answer ref

DATE

11.2.70

COMMUNICATIONS

IR

FOR INFORMATION REGARDING INCOMING CABLES, PLEASE CALL THE COMMUNICATIONS SECTION, EXT. 2021

ORIGINAL

INCOMING CABLE

ROUTING	ACTION COPY	TRANSPORTATION PROJECTS
	INFORMATION	
	COPY	
	RECORDED BY	

1413

JANUARY 31, 1970

DATE AND TIME
OF CABLE

ITP 20 / 31

LOG NO.

CALCUTTA TELETYPE

TO

CALCUTTA

FROM

TEXT

NET SUPERINTENDENCE CONSULTANTS WHO REPORT DESIRABLY THEIR VISITING
NEW INDIAN PLANTS AND CONSEQUENTLY DELAYING THEIR RETURN WORK
WEDNESDAY FEBRUARY ELEVEN INSTAD FRIDAY FEBRUARY SIX CONSULTANTS LEFT
TIME DUE TO PLANE BREAKDOWN AND PUBLIC HOLIDAY RECOGNIZED THIS ACTION
CONSULTANTS REMAINING CALCUTTA PRESENT SCHEDULE EVENING FEBRUARY THIRD
AND IT DECIDED TO EXTEND SCHEDULE THAT BE NOTIFIED IN CALCUTTA PRIOR
THAT TIME REQUIRED

REURIN

FINALIZ NOTIFICATION HAS BEEN MADE

FEB 2 1970

Project Department Correspondence

Part 2: Project Data

AND BY

DATE

COMMUNICATIONS

JAN 31 1 51 PM 1970

TYPED

IN Highway
2nd

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 31, 1970

LOG NO.: WU 10/2

TO: HARDY INTBAFRAD

FROM: LONDON

TEXT:

1

RE INDIAN ROAD PROJECT SUGGEST KARCHER PLAN FULL DAY DISCUSSIONS RPT LONDON
ABOUT FEBRUARY 13. BOTH THOMPSON AND CARNAGE AVAILABLE THAT TIME AND EXPECT
HAVE THEIR FULL ECONOMIC REPORT FINALIZED. RE ETHIOPIA RPT FURNISHED ME
DRAFT ROADS STUDY REPORT FOR OUR USE ECONOMIC MISSION REGARDS

MAHONEY

FAMILY NOTIFICATION HAS BEEN MADE

ROUTING	
ACTION COPY:	TRANSPORTATION PROJECTS
INFORMATION COPY:	
DECODED BY:	W.I. Hardy 2/2, <i>Key</i>

Mr. Dickson 2/2, Karcher 2/2, Des 2/2, CA

how awful!

COMMUNICATIONS
FEB 5 10 30 AM 1970

TYPED

TYPED

AAZCZC YW2194 UYS041 LHC298 PLH004

URWA CO GBLH 040

LONDONLH 40/38 24 0647

MARTIN KARCHER 641 INDEPENDENCE AVENUE SE

WASHINGTON DC

SPOKE THOMPSON THREE HOURS FRIDAY STOP SENDING RECORD
CONVERSATION MAHONEY CARE OF RPT THOMPSON COMPLETELY BOOKED
MONDAY PM BUT COULD SEE YOU BETWEEN 1030 AND 1130AM AT HIS
OFFICE AT LSE REGARDS

TILLMAN

IN-Highways 2nd
CENTRAL FILES

- INDIA -

Proposed - 2nd Highway
Project

Jan 31, 1970

TO

BY

AT

Reply via RCA: call Federal 8-7500

IN Highway
2nd

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 30, 1970 1840

LOG NO.: WU 9/2

TO: HARDY INTBAFRAD

FROM: NEW DELHI

TEXT:

20 RE INDIAN HIGHWAYS FOR INFORMATION FROM CONTACTS WITH INDIAN CONTRACTING
FIRMS EVIDENT THAT CONSIDERABLE INTEREST EXISTS TO UNDERTAKE LARGE ALLIN ROAD
CONTRACTS ON CONSORTIUM BASIS. BANK ASSISTANCE FOR PLANT ACQUISITION VERY
ATTRACTIVE BUT IMPERATIVE THAT LONGTERM PROSPECT OF CONTINUITY OF ROAD PROGRAMME
IS ASSURED

PILDITCH

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Mr. Dickson
- cable thanks + ask him take up
matter with Mahoney between 2 & 2
2/2

MT

COMMUNICATIONS
FEB 5 10 30 AM 1970

FEB 2 10 34 AM 1970
COMMUNICATIONS

IN Highway
2nd

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 29, 1970

2345

LOG NO.:

WU 12/30

TO:

HARDY INTRAFRAD

FROM:

NEW DELHI

ROUTING

ACTION COPY: **TRANSPORTATION PROJECTS**

INFORMATION
COPY:

DECODED BY:

TEXT:

ALPHA REPORT ON MY THOMPSON MEETING LEFT WITH RPT FOR MAHONEY I
REQUESTED RPT SEND YOU REPORT IF MAHONEY HAS NOT PICKED UP OR TO
CABLE MAHONEY TO PASS ON TO YOU IF HE ~~LD~~ PICK UP
BETA REPORT ON MY OBSERVATION HERE TO RPT VIA CRANAGE WHO IS
RETURNING LONDON TOMORROW WITH REQUEST RPT DUPLICATE AND DISTRIBUTE
REPORT YOU AND MAHONEY
GAMMA FOR SECTOR REPORT IAC NOW AUTHORISED TO BUY SEVEN 737 BOEINGS
DELTA RE NEVA SHEVA PROT VINEKAR WILL RECEIVE AND TRANSMIT CARMICHAEL BY
WEEKEND BHATIAS ECONOMIC REPORT REGARDS

NEUNER

FAMILY NOTIFICATION BEING MADE

COMMUNICATIONS

JAN 30 15 52 PM 1970

BR

UNIT FILE

STANDARD FORM NO. 64

COMMUNICATIONS SECTION

EX-303

TYPED

JAN 30 12 29 PM 1970

COMMUNICATIONS

ADMINISTRATIVE BEING MADE

RECEIVED

RECEIVED ADVISORY BOARD MEMBERS

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The table indicates all proposed sections and my preliminary judgement as to whether they will prove up to inclusion in project. Certain general observations are made:

- (1) Land acquisition cost is included where possible.
- (2) Where the shoulders were paved with bitumen to total width of 18 feet it was assumed to be effectively 2 lanes; where the shoulders were unpaved or paved with bricks to 18 feet total or less it was assumed to be 1 lane.
- (3) Time savings used by consultant are roughly for cars about 6 Rs per hour per passenger at 2 passengers per car and for buses about 1R per hour per passenger at 38 passengers per bus.
- (4) The additional economic data required for recommended projects would be obtainable in about 2 months.
- (5) Engineering for all recommended sections could also (with real effort) be completed in 2 months.
- (6) Recommended sections (if M-1 ghats are included) would include major example of most types of road problems in India.

As to Mr. Cranage's program - I believe it would be desirable for him to come for the week of February 15th to India and to visit again to help in completing economic data collection.

wait for result of our visit

unless strong reasons to go ahead

No objection to having Cranage collect data on road transport
addendum to T.O.R.

The much we approached

the longer the better

need to check the data

also in 'Good' in terms of better information

foreign private desirable - comparison purposes
impact of local business

STATUS: SECOND HIGHWAY PROJECT

STATE/PROJECT 1

TAMIL NADU (T1 & T2)

General Comment

Both TN roads are functionally two lane even though structurally they are one lane. Hence recommended these roads adequate for some time. However, bypasses may be possible project. T-1 has three bypasses, one of which appears not needed and other two are only two to three Km. each. T-2 bypasses:

- (i) SALEM
- (ii) BHAVANI (including bridge)
- (iii) COIMBATORE

Possibly also 20 Km. reconstruction of very bad road from Coimbatore to Kerala border.

	<u>LENGTH (Km.)</u>	<u>ESTIMATED COST</u>	
		(RS)	(\$)
(i) SALEM	9.0	5M	} say 3M
(ii) BHAVANI (incl. bridge)	5.0	8.3M	
(iii) COIMBATORE	N.A.	7.5M	

Economic Considerations

T-1 Since roads are effectively two lane, no basis on present traffic figures for work proposed.

- T-2 Two data are needed
- (i) Numbers of through vehicles
 - (ii) Present transit time

Engineering Considerations

Coimbatore is Not included in project but has been staked and land acquired.

2

MAHARASHTRA (M1 & M2)

General Comment

M1: About 90% of this road is effectively two lane (that is 12 foot carriageway with 3 foot paved shoulders) and about 10% is pure 12 foot pavement. Hence the same consideration applies as in Tamil Nadu. However there are two ghat sections which could probably be justified with new two lane alignment. Total length is about 50 Km. Sections are around Katraj and around Ku Parwahal.

M2 Bombay - Dhulia: in two sections. A. Bombay-Nasik Existing : Real two lanes hence probably out.

B. Nasik - Dhulia Real single lane → 2 lane

	<u>LENGTH (Km.)</u>	<u>ESTIMATED COST</u>	
		(RS)	(\$)
M1 (Ghats)	50	21 M	3M
M2			
A			
B	132	30M	4M

Economic Considerations

M1 Traffic Counts Katraj 1280 trucks, buses
Mahda Road Junction 1140 trucks, buses

M2 Traffic counts at 8 stations about 700 - 1200 trucks, buses

Engineering Consideration

M1 This requires substantial engineering and RPT will check before February 16th extent of work required.

M2 Consultant now inspecting but no problems anticipated.

UTTAR PRADESH (U1 - U4)

General Comment

U1 Agra - Bognipur present road single lane (12 foot) with brick shoulders (3 feet) → 2 lane.

U2 ⁿKanpur Kalpi Complex (see sketch map) subdivided as follows:

- One lane if criteria are met, it says add 1st lane*
- A. BOGNIPUR - KALPI 12 Km. single lane (12 ft ^{with} brick shoulders (3 ft.) → 2 lane, new bridge to replace existing one (i.e. Pontoon bridge and barges)
 - B. BOGNIPUR to outskirts of KANPUR Present road 12 foot pavement plus 3 foot brick shoulders → 2 lanes
 - C. S.E. QUADRANT OF KANPUR BYPASS depends primarily on congestion in Kanpur
 - D. N.E. QUADRANT OF KANPUR BYPASS similar to C.
 - E. GANGA BRIDGE presently one lane to be replaced by new two lane east of present site.

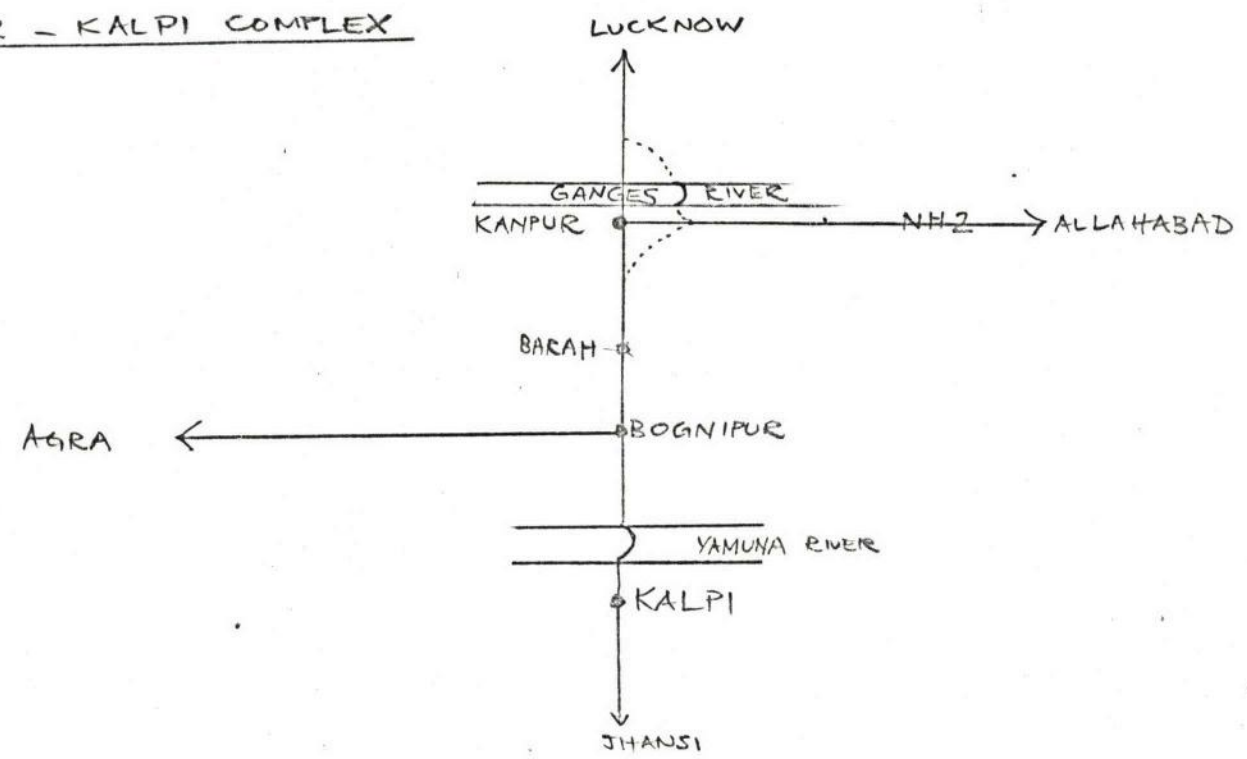
U3 In two sections - neither likely to be justified.

- A. From KANPUR to ~~about~~ FATEHPUR ^(about 40 Km) paved to 22 feet, ~~(about 40 Km)~~
- B. From ~~about~~ FATEHPUR to ALLAHABAD ^(about 120 Km) paved 12 foot roadway with paved three foot shoulders.

U4 ALLAHABAD VARANASI not justified. Paved 12 foot roadway with paved three foot shoulders.

		LENGTH (Km.)	ESTIMATED COST	
			(RS)	(\$)
U1		209	72M	say 10M
U2	A.	12	3M	say 0.4M
	New bridge		16M	say 2.1M
	B.	50	12.5M	1.8M
	C.	20	5M	0.7M
	D.	20	6M	0.8M
	E.		25M	3.5M

KANPUR - KALPI COMPLEX



BIHAR (B1 - B4)

General Comment

B1 & B2 West Bengal border to Chas Complex (See sketch map)

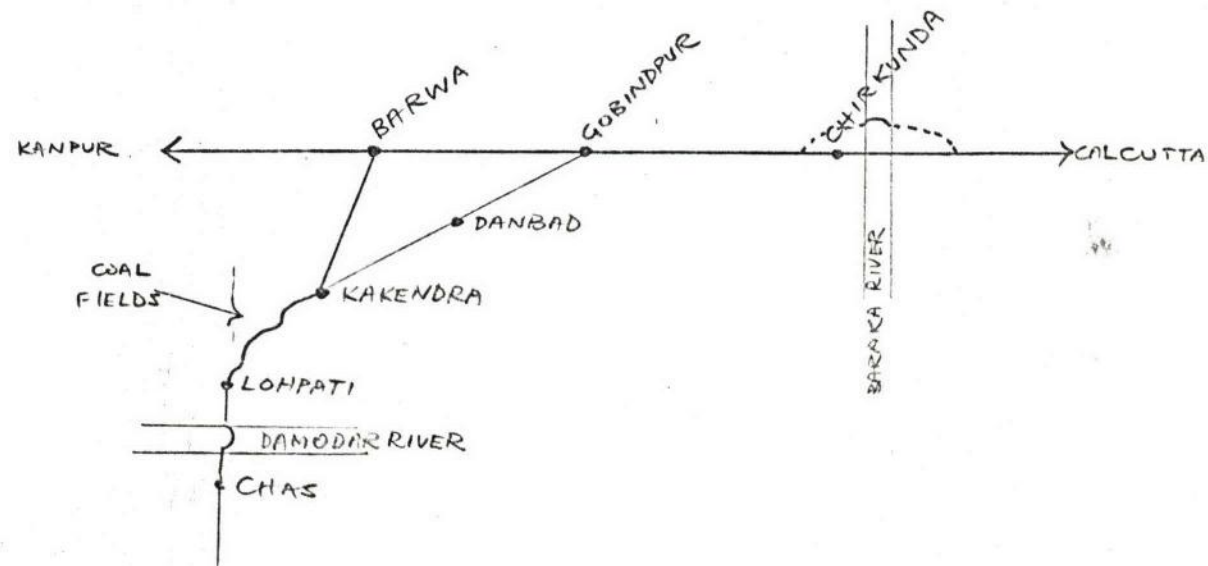
- A. The original proposal stops at W. Bengal border. For purposes of analysis the whole bypass around Chirkunda is included. The first section would be Chirkunda bypass based on congestion there. The bypass includes a new bridge
- B. CHIRKUNDA - GOBINDPUR - already two lanes not justified
- C. Danbad bypass consisting of 1) widening of Barwa - Gobindpur road already under way
2) New road from Kakendra to Barwa
- D. Road through coalfields very poor but not included in project - consultant says should be
- E. Lohpati bypass - a few houses could be relocated more cheaply than building bypass
- F. Damodar bridge present weak, can only take ten tons, single lane but delay not too important.

B3 Up border to Bahri. Real single lane 12 foot road.

B4 Nawadi - Barauni in two sections (see sketch map)

- A. Nawadi - Baktiapur 65 Km. 12 to 20 foot width of fair to good quality. As whole not justified due to light traffic. However parts possible -
Bypasses around Nawada & Baktiapur, 12 foot stretches.
- B. Baktiapur - Barauni 22 foot in very poor condition.

		LENGTH(Km.)	ESTIMATED COST	
			(R\$)	(\$)
B1 & B2	A. Bypass only	13	5M	0.7M
	Bridge		7M	1M
	C.	11	35M	0.4M
	D.	10	4M	0.5M
	F.		3.8M	0.5M
			(IF NEW 7M)	



WEST BENGAL BORDER TO CHAS COMPLEX

PATNA ← BAKTIAPUR → BARAUNI

• NAWADA

• BARTI

NAWADA - BARAUNI

IN-Highway
2nd

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 28, 1970 1755

LOG NO.:

RC 3/29

TO:

INTBAFRAD

FROM:

LONDON

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

141 1/29

TEXT:

72 FOR HARDY CHIEF DIVISION I

REYR28 JAN CONFIRM WILL BE AVAILABLE TO MEET MAHONEY AFTERNOON 30TH. POSTED
EXPRESS TODAY NEUNERS NOTES ON DISCUSSION THOMSON. PILDITCH ADVISES 17 FEBRUARY
OFFICIAL HOLIDAY IN INDIA ALSO GOVERNMENT OFFICES CLOSED SATURDAY 14TH FEBRUARY
OTHERWISE NORMAL SIX DAY WORKING WEEK OPERATES REGARDS

HOLLOWAY

Note

Holiday on Feb 17 will be
during our visit but we
can use the day for discussion
with consultant on field trip.

See Mr.
1-29-70

MT

SECTION
COMMUNICATIONS
JAN 29 1970

11. 11. 11

JAN 29 9 08 AM 1970
COMMUNICATIONS
SECTION

247

IN Highway
2nd

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: JANUARY 28, 1970

CLASS OF
SERVICE: LT

COUNTRY: U.K.

TEXT:
Cable No.:

HK

FOR HOLLOWAY REURCAB JANUARY 27 WE CONFIRM OUR CABLE SAME DATE THAT
MAHONEY WILL VISIT YOUR OFFICE AFTERNOON JANUARY 30 TO COLLECT DRAFT
REPORT FOR ETHIOPIA ROAD STUDY

HARDY

INTBAFRAD

Re: INDIA - Proposed Second Highway Project NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

S. C. Hardy

DEPT.

Transportation Projects

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

Mahoney/isc

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Karcher
Mr. Dickerson

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

DATE: JANUARY 28, 1970
CLASS OF
SERVICE: LT

TO: REMBELS
LONDON

COUNTRY: U.K.

TEXT:
Cable No.:

FOR HOLLOWAY REURCARB JANUARY 27 WE COMPLY OUR CABLE SAME DATE THAT
MAHONEY WILL VISIT YOUR OFFICE AFTERNOON JANUARY 30 TO COLLECT DRAFT
REPORT FOR ETHIOPIA ROAD STUDY

HARDY
INTBARRAD

Re: INDIA - Proposed Second
Highway Project

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Katcher
Mr. Dickerson

SECTION
C. COMMUNICATIONS

IN 28-6 32-14-1970

DISPATCHED

ORIGINAL (File Copy)

(IMPORTANT: See Secretary Guide for processing form)

Checked for Dispatch

For Use By Communications Section

→ CENTRAL FILES
Mr. Dickerson 1/2
Kardner
IN-Highway
Proposed IInd Highway Project
INDIA

RENDEL, PALMER & TRITTON.
CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

H. SCRUTTON, F.I.C.E., F.I.STRUCT. E., M. INST. PET.
J. R. H. OTTER, F.C.G.I., F.I.C.E., A.R.I.C.S.
B. G. R. HOLLOWAY, F.I.C.E., F.I.STRUCT. E.
F. IRWIN-CHILDS, F.I.C.E.
P. M. FRAENKEL, F.I.C.E., F.I.STRUCT. E.
P. A. COX, F.I.C.E.
J. C. MUNRO, F.I.C.E.
K. E. AINSCOW, F.I.C.E., M.I.STRUCT. E.
D. M. S. FAIRWEATHER, F.I.MECH. E., M.I. LOCO. E.

CONSULTANTS:

J. E. G. PALMER, F.I.C.E., F. Am. Soc. C. E.
T. T. LAMBE, F.I.C.E., F.I.MECH. E.
H. F. MERRINGTON, F.I.C.E., M.I.W. E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR. E.

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, S.W.1

SPECIAL DELIVERY

125, Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. JD

28th January, 1970.

S.C. Hardy Esq.,
Chief, Transportation Division 1,
International Bank for Reconstruction &
Development,
1818H Street, N.W.,
Washington, D.C.
U.S.A.

JAN 30 1970

Projects Dept. Correspondence

ANS'D BY not required

DATE

Dear Sir,

As requested in your cable dated 27th January, we enclose Mr. Neuner's notes on his meeting in this office on 23rd January, which we have been holding for Mr. Mahoney.

Yours faithfully,
for RENDEL, PALMER & TRITTON

Paul

(Secretary to Mr. Holloway)

1
Transcript from Mr. Newman's notes to Mr. Mahoney on
London visit with Rendel Palmer & Tritton about the
proposed second highway project in India

Friday evening

Dear George,

I spoke to Thompson at RPT's office. Also
present were J.G. Ody (RPT's chief economist), Mr. Mill
Richards (spelling), and Messrs Holloway, Frankel and
Ainscow (part of the team). Thompson did most of the
talking and it became clear as he detailed his
findings that there would not be much resemblance
between the calculations produced by Bhalla and any
cost benefit analysis (Cranage) and Thompson are likely to
make. Mr. Holloway was quite concerned how this might
be offensive to the Indians but I don't think the problem
is that serious and Thompson agrees. We are simply
making our own calculations, without having to make in-
vidious comparisons. Mr. Holloway and Mr. Ody were con-
cerned over the disposition of Cranage and wanted him to
come back to London for consultations. I made no commit-
ments and told them to take the matter up with you; I
don't believe we can respond on this until after we've been
to India.

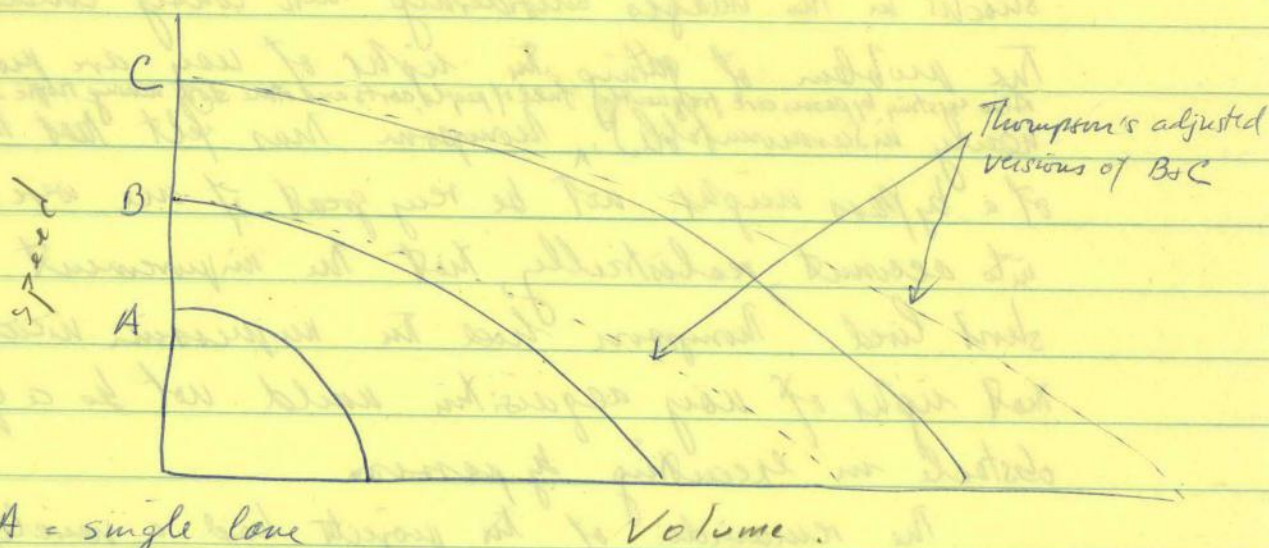
Thompson indicated that his conclusions were only
tentative and that he did not want to make a firm
statement about the rates of return of the various project
elements until Cranage had completed his calculations.
With that caveat he felt that four elements were
not likely to prove up favorably, namely, (the Mysore
Beder-Salem and Salem-Cimbaton stretches in Tamil Nadu
and Kanpur-Allahabad and Allahabad-Varanasi in U.P.
The basic problem seems to be that these are
technically one lane roads but functionally they have
two lanes, either because some pavement has been added
to the original carriageway or the shoulders have been
carriage

(let yet!

pared to accommodate two lanes of traffic. Buba takes the position that these roads are one lane because the subbase under the added portions is not up to standard. Thompson, however, did not see any sign of pavement failure on the added strips of pavement and felt the roads could be used for some time for two way traffic in their present condition. These roads would, therefore, have to be justified on another basis than making them into two lanes. (Thompson feels, incidentally, that any real cases of doubling a single lane road would be fairly easy to pore up.) What other basis are there? Improvement in grading costs due to better quality of pavement - Thompson feels that at the low speeds prevailing the extra ^{operating} cost due to a slightly uneven surface would be very small. Secondly, there is little opportunity for straightening tight curves or hilly sections because the alignment of most ^{these} project roads is quite straight and without many ups and downs. The only substantial savings remaining from these schemes would ~~therefore~~ result from the bypasses which were planned for several places along each project.

How would these be quantified? Ideally what should be done would be to make actual test drives through each village to measure the amount of delay. Thompson believes some indication of this could be obtained fairly quickly (2 weeks) by doing some simple timing in each place. (This raised the question of how much of a hurry are we in; do we still want to finish the credit in this FY; I was wholly non-committal on this point) Alternatively (really not very satisfactory according to Thompson and I tend to agree) one could use some variation of the speed/volume curves used by

In the Ministry of Transport for their calculations Thompson would just adjust the curves to reflect the situation as he and Canage interpret it. The true curves are:



- A = single lane
- B = double lane unpaved
- C = double lane improved.

A is what the Ministry wants to use for these roads and which Thompson says is inappropriate because the true capacity is really two lane. Instead the work proposed really results in a shift from B to C. A small part of the extra speed from B to C is represented by improvements in alignment, shoulders, & surface but most is accounted for by elimination of villages. Thompson thinks curves B & C must be made much flatter, that is, the reduction in speed with higher traffic volumes is much more gradual than shown by the Indians. If that is done and if the much smaller growth rate of traffic (say 1/2%) which Thompson believes should materialize, is applied, the four subjects will probably have ^{low} rates of return (final judgment will depend on calculating). Hence his judgment that the four projects are likely not to prove up.

Thompson made some interesting comments about the problem of bypasses. Great care would have to be taken

that the benefits are not dissipated by the village following the road and simply recreating the original condition. Fences get broken down, Scatter on PWD right of way construction are hard to remove because the police won't act without ~~uninhabitable~~ court order which takes a long time to get. (It might sometimes even seem cheaper to take down the obstructing shocks in the villages considering their lousy condition but the problem of getting the right of way are probably ^{Also existing by-passes are frequently full of people, carts and other slow moving traffic.} nearly insurmountable). Thompson has felt that the benefits of a bypass might not be very great if one were to take into account, realistically, that the improvement would be short lived. Thompson had the impression incidentally that right of way acquisition would not be a great obstacle in executing by-passes.

The remainder of the projects had a variety of problems for economic analysis but Thompson felt that their justification would turn out more favorably (He noted incidentally that one of the problems with Chikla's analysis was the fact that he had not seen any of the projects whereas Thompson had seen a good many of them and compared the rest. Only actual inspection indicated where the real benefits could likely be). To take them one by one (the names are likely misspelled)

1. Real single lane roads which are to be doubled and which T. feels would be worthwhile primarily on the basis of the extra width: Bombay - Duhla - ^{only that section which is one lane. there is also a two lane section which probably can't be paved up} Bombay south toward Belgaum (which he did not see)

B...pur - Agra.

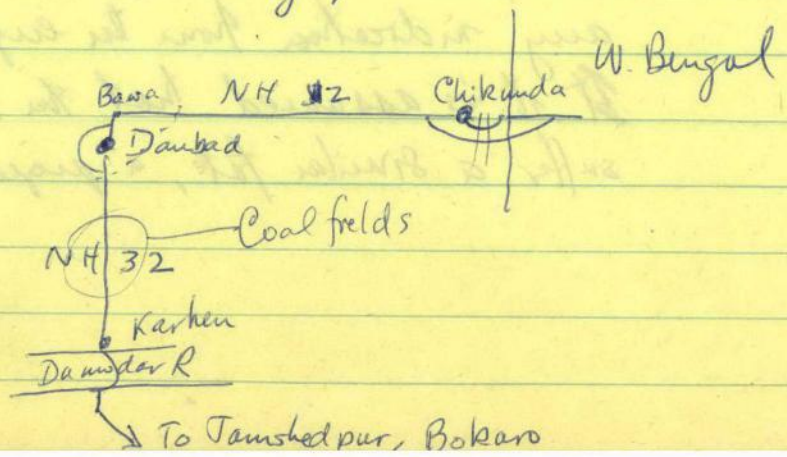
2. Kanpur Kalpi complex. - at each end of this project is a major bridge and the project in effect consists of bypassing in an swoop the two towns and the congesting

bridges. The economic problems are that the existing Kalpi bridge is pontoon which during 8 months requires unloading the truck and ferrying the load in small boats and during 4 months of the year (high water) requires a ferry which often involves a half day wait. The nearest bridges over the Jamuna are ^{about} 100 miles on either side and hence there may be a lot of generated traffic for this improvement (at present the traffic is low, for obvious reasons). However, generated traffic would require estimations as to divisions from existing bridges and this would mean O/D information over large area - something quite difficult to get.

At the Kanpur end there is no information as to the local traffic passing over the existing bridge, so it is now hard to say how much ~~deg~~ decongestion of it will result once the new bridge which lies on the bypass is finished.

In other words, there is a limited amount of data available on the traffic (ie. the thru traffic) which will use this large bypass. Thompson did get many to make traffic counts for the bridges separately since till then

3. Chas - Chikanda complex Indians had used the data of traffic between the two towns for the whole bypass.
 This is best shown by picture



The two sections (NH 32 + NH 2) are each about 30 miles.

The principal problems on NH 32 are

lacks

The bridge over Damodar - should it be strengthened at 32 laks or rebuilt at 80. Eng. ^{Eugene GROVER?} Jones now favors the latter and Thompson is impressed by his understanding of economic issues. The bridge carries much heavy traffic from the steel belt to Calcutta. However economic alternatives have not been calculated. A section through the ^{Thoria} coal fields about 6 miles long which is very bad in every respect - congestion, alignment, condition. The road should be completely done over but due to collisions everywhere this is very difficult. Chief aspects of mines is very strict in allowing roads over possible subsidence areas. Hence there is no plan to the by pass around ^{unimprove this section} Damodar is the long way round - again because of some coal field on the SE side of the town. Also here there is an absence of OLD information to show how much traffic would in fact go over by pass.

collisions

The principal problem on NH 2 is the Chikunda bypass. There is congestion on the W. Bengal side of the border and the bypass (including a new bridge) would circumvent it all. However, the W. Bengal portion of it is not in our project even though economically the whole thing is indivisible.

4. ^{PATNA} Patna - ^{BARAUNI} Barauni - this is the only section where Thompson saw a collapsed road, he could not obtain any indication from the engineers as to the cause. If it is assumed that the rest of this stretch will soon suffer a similar fate, a project could perhaps be

justified. However, the road has a very low volume. There are some by passes which have not been included in project. Most of the road is single lane but volume may be so low as to make difficult the ordinarily applicable rationale for double lining. On the other hand the cost is fairly low and hence the project may still prove up.

Basically, Thompson thinks by passes are the most rewarding type of improvement. Hence even on sections which are otherwise low priority, there might be several large by passes which could themselves form projects: eg. the city of Salem and the bridge + turn complex near ^{BAVANI} Bavan? on the Salem - Coimbatore Rd. However, there remain some problem with by passes as with other improvements in evaluating the benefits. There is no data on the value of time which is saved. Vehicle queuing costs data are limited; Crangue has done some work in adjusting and discretizing the Indian figures. The congesting value of bullock carts is in Thompson's view higher than shown by the Indian - he'd use 10 pccu (Can't we make this question part of our test program with CRR1?).

Two further general points. Thompson believes that the growth rates assumed by Oshika are too high; certainly when applied beyond 10 years. Secondly, Crangue has not gathered much data on the economic characteristics of the regions to be served, on the vehicle populations, taxes etc in the project states. It might be possible we could get him to do this since he could doubtless do it quickly with his familiarity with the terrain.

I'm off on my plane + close in host. All my best and see you next week
Tiffan

✓ N - Highway
2nd
IN - ICICI
IN - Railway

OUTGOING WIRE

TO: INTBAFRAD
NEW DELHI

DATE: JANUARY 28, 1970

CLASS OF
SERVICE: L.T.

177

COUNTRY: (INDIA)

TEXT:
Cable No.: 36 FOR GIIMARTIN

MAHMOUD ABDEIATY FROM THIS DIVISION WILL ARRIVE IN DELHI FEBRUARY FIRST
TO BE AVAILABLE DURING VOTAW VISIT AND IN CONNECTION WITH SECOND HIGHWAY
COMMA PORTS COMMA RAILWAYS AND ICICI REGARDS

KIRK
~~INTBAFRAD~~

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A. F. Kirk

DEPT. South Asia

SIGNATURE A.F. Kirk
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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SIGNATURE OF INDIVIDUAL AUTHORIZED TO SIGN

SIGNATURE

DATE 20 JAN 1970

JAN 28 3 28 PM 1970

NAME A. E. KIRK

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COMMUNICATIONS

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GENERAL FILES
COMMUNICATIONS

INTERNAL
FILE

COMM BUREAU COMM BUREAU AND ICEL BUREAU
TO BE AVAILABLE DURING ADOPT AND IN CONNECTION WITH SECOND HIGHWAY
NUMBERED VEHICLE FROM THIS BUREAU WITH VEHICLE IN DRIVE BUREAU BUREAU

Case No: 30 FOR SIGNATURE

TEXT

COPYING (1000)

SERVICE T. J.

CLASS OF

NEW DRIVE

TO: INTERVIEW

DATE: JANUARY 28, 1970

OUTGOING WIRE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

CORPORATION

INTERNATIONAL FINANCE

IN - Highway
2nd

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: JANUARY 27, 1970

CLASS OF
SERVICE: LT

COUNTRY: U.K.

TEXT:
Cable No.:

128

FOR HOLLOWAY

ALPHA MAHONEY WILL VISIT YOUR OFFICE AFTERNOON JANUARY 30 TO COLLECT
AVAILABLE DRAFT REPORT FOR ETHIOPIA ROAD STUDY

BETA RE INDIA ROAD PROJECT URLET JANUARY 20 AND THOMSON'S PRELIMINARY
REPORT RECEIVED AND UNDER REVIEW STOP MAHONEY WILL DISCUSS
TIMING FOR KARCHER TO VISIT YOUR OFFICE ABOUT FEBRUARY 13 OR 14
TO DISCUSS ECONOMIC EVALUATION WITH THOMSON AND CRANAGE STOP
PLEASE MAIL SOONEST EXPRESS DELIVERY NEUNER'S NOTES ON HIS
DISCUSSIONS YOUR OFFICE JANUARY 23

HARDY

Re: INDIA - Proposed Second NOT TO BE TRANSMITTED
Highway Project.

AUTHORIZED BY:

NAME

S. C. Hardy

DEPT.

Transportation Projects

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

GMahoney/isc

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cc: Mr. Karcher

Mr. Dickerson

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DEPT

International Projects

NAME

S. C. HALL

APPROVED BY

Jan 27 6 46 PM 1970

GENERAL FILES COMMUNICATIONS

RE: INDIV - Proposed secondment to be transmitted

CLASS OF SERVICE

FOR THE COMMUNICATIONS SECTION

Mr. Duckertson

cc: Mr. Kerkner

STAFFINGS AND CORRESPONDENCE

HANDL

DISCUSSIONS LONG OFFICE (MILITARY 33)

PLEASE WAIT SOONEST. REFERENCE DETAILING MEMBER'S NOTES ON HIS

TO DISCUSS ECONOMIC RATIONING WITH JACOBSON AND CHAIRMAN. ALSO

ASKING FOR VOUCHER TO LIST LONG OFFICE ABOUT MEMBERSHIP 13 ON 17

BEFORE RECENT AND UNDER RECENT. ALSO MEMBERSHIP WILL DISCUSS

RE: INDIV BOARD PROPOSED DETAIL (MILITARY 30) AND JACOBSON'S RECOMMENDATION

AVAILABLE DETAIL BEFORE FOR MEMBERSHIP BOARD STAFF

UTTER MEMBERSHIP WILL LIST LONG OFFICE VOUCHER (MILITARY 30) TO COLLECT

FOR HOTTOMAN

COPY NO.

TEXT

COMMITTEE

U.K.

SERVICE TEL

CLASS OF

LONDON

TO: MEMBERS

DATE: JANUARY 27, 1970

OUTGOING MIKE

REGISTRATION

INTERNATIONAL DEPARTMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COMBINATION

INTERNATIONAL FINANCE

(1-42)

Page 1 of 1

Mr. N. and M. Roy

A. F. Rice

IN THE NAME OF THE: State of Tennessee

(5) IN Missions
IN Missions
of Ref.
✓ IN - Highway
January 27, 1960 2nd
IN Monagas
Port
IN C. 162
IN ICIC 182

1. You will arrive in India on or about February 1 for a stay of about three weeks.
2. In India you will be available to take part, at Mr. Votaw's request, in his general discussions with officials of the Government of India. You should also arrange to meet with the Central Roads Wing in connection with the proposed Second Highway Project, with the Major Ports officials in connection with the Monagas Port Project and further port projects. You should also join Messrs. Sharood and Spencer in Delhi on February 17 and 18 on their mission, to review the Tenth Railway Credit.
3. In Bombay you will accompany the Bank's mission to appraise the proposed Eighth Loan to ICICI.
4. During your stay in India you should keep in touch with the New Delhi Office.

Copy for: New Delhi Office

MA
HABD/ty/ga

Form No. 75
(2-60)

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

Jan 27 '70

NAME

ROOM NO.

Mr. Hardy
Op. File 4/28

A 412
C 209

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

☒ Initial

Send On

REMARKS

From

G. Mahoney A424

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Messrs. Mahoney, Karcher and Neuner DATE: January 26, 1970
FROM: S. C. Hardy
SUBJECT: INDIA - Preappraisal of Second Highway Project
Terms of Reference (Supersedes Terms of Reference
dated Jan. 21, 1970)

1. From about Feb. 15 to 20, 1970, you will visit New Delhi, India to review the status of preparation for the subject project; Mr. Mahoney will be head of mission. Specifically,

- a) Mr. Karcher will stop in London (about February 13) on the way to India for meetings with the Bank's consultant (Rendel, Palmer and Tritton), concerning their recent findings on project preparation, and in particular, on the economic aspects.
- b) While in India:
 - (i) Messrs. Karcher and Neuner will assess the progress in preparation of economic justification, including questions of transport policy and coordination;
 - (ii) Mr. Mahoney will check on progress of engineering preparation with particular reference to the items mentioned in my January 23, 1970, letter to Mr. Sinha; and
 - (iii) jointly you will assess the needs for additional consultant's services considering the budget limitation of US\$80,000.

2. On your return to Washington, you will prepare a Back-to-Office Report to be followed by a Full Report on your findings including the consultant's general performance and recommendations for Association actions and their timing.

GMahoney/isc
Bank/IDA

Cl. with and cc: Mr. Kirk (3)
cc: Messrs. Chadenet, Baum, Knox, Geolot, Abd.El Aty,
A. T. Davis (2), Finne, Hogg, Dickerson,
New Delhi Office

OUTGOING WIRE

TO: DIRECTOR GENERAL
ROADIND
NEW DELHI

DATE: JANUARY 23, 1970

CLASS OF
SERVICE: LT

COUNTRY: INDIA

TEXT:
Cable No.:

REFERENCE INDIA ROAD PROJECT AND YOUR CABLE PL-10 (147)/69
JANUARY 23 1970 WE ARE POSTPONING VISIT OUR THREE MAN MISSION UNTIL
ABOUT FEBRUARY 16 TO 20 STOP HOWEVER NEUNER WILL ARRIVE AS SCHEDULED
ON JANUARY 27 FOR GENERAL DISCUSSIONS ECONOMIC AND TRANSPORT MATTERS
STOP WILL CABLE YOU EXACT SCHEDULES MAHONEY AND KARCHER NEXT WEEK

REGARDS

HARDY
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY: INDIA SECOND Hwy. Project

NAME S. C. Hardy

DEPT. Transportation Projects

SIGNATURE (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

GMahoney/gsg

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cc: Messrs. Kirk and Dickerson

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Mr. International

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SIGNATURE

DEPT

INTERNATIONAL RELATIONS

NAME

S. C. HALL

1970 JAN 23 PM 6:42

cc: Messrs. Kline and Dickinson

AUTHORIZED BY

John James Hall

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INCLUSIVE
HAND

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STJOH MITT CURET FOR EXCEL SCHEDULES WHOMEL AND KUSCHER MEEL MEEL
ON TWINNEX 51 FOR CEMENTIT DISCUSSIONS ECONOMIC AND JURISDICTION NULLEN
VBOAL EXHIBITION TO JO SO STJOH HOMELAN MEELER MITT VIKLAR VS SCHEDULED
TWINNEX 53 TJO ME VME LOSLLOWING ATSEL ONE JHSEE MVA MISSION QUALIT
MEELERANCE INDIV MOVD PROTECT AND LOAN CURET 51-70 (72 (771)\03

COPY NO.
TEXT

COPY NO. INDIV

10

MEM BETHI
BOVDIND
DIRECTOR GENERAL

SEALICE PL
CLASS OF

DATE TWINNEX 53 TJO

OUTGOING MIKE

OUTGOING WIRE

TO: NEUNER
~~OBEROI INTERCONTINENTAL~~
NEW DELHI

In hotel

DATE: JANUARY 23, 1970

CLASS OF
SERVICE: LT

~~NO. 1~~

HS

COUNTRY: INDIA

TEXT:

ONE

Cable No.:

RE INDIA SECOND HIGHWAY PROJECT MISSION NOW POSTPONED UNTIL ABOUT
FEBRUARY 16 TO 20 DUE ABSENCE OF DIRECTOR GENERAL SINHA FROM NEW DELHI
STOP YOU SHOULD COMPLETE PRESENT VISIT IN INDIA IN ACCORDANCE WITH
TERMS OF REFERENCE AND ON DEPARTURE MAIL BRIEF FIELD REPORT ON DISCUSSIONS
LONDON AND FINDINGS INDIA STOP YOU SHOULD PLAN ASSIST KARCHER DURING
WEEK FEBRUARY 16 STOP WILL CABLE YOU EXACT KARCHER MAHONEY SCHEDULES NEXT
WEEK REGARDS

HARDY

NOT TO BE TRANSMITTED

AUTHORIZED BY: *INDIA SECOND HWY. PROJECT*

NAME S.C. Hardy

DEPT. Transportation Projects

SIGNATURE *Hardy*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

GM GMahoney/gsg

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INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO:

NEW DELHI
CHARTERED INTERCONTINENTAL
HOTEL

DATE:

JANUARY 23, 1970

CLASS OF
SERVICE

IT

COUNTRY:

INDIA

TEXT:

Cable No.:

RE INDIA SECOND HIGHWAY PROJECT MISSION NOW POSTPONED UNTIL ABOUT
FEBRUARY 16 TO 20 DUE ABSENCE OF DIRECTOR GENERAL SHINIA FROM NEW DELHI
STOP YOU SHOULD COMPLETE A PRESENT VISIT IN INDIA IN ACCORDANCE WITH
TERMS OF REFERENCE AND ON DEPARTURE MAIL BRIEF FIELD REPORT ON DISCUSSIONS
LONDON AND FINDINGS INDIA STOP YOU SHOULD PLAN ASSIST KARCHER DURING
WEEK FEBRUARY 16 STOP WILL CABLE YOU EXACT KARCHER MAHONEY SCHEDULES NEXT
WEEK

REGARDS

HARDY

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cc: Messrs. Kirk, Dickerson

AUTHORIZED BY: *India Second Hwy. Project*

S.C. Hardy

Transportation Projects

Hardy

1970 JAN 23 PM 6:42

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For the Communications Section

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OUTGOING WIRE

TO: HOLLOWAY
ABBOTSBURY
GARDEN CLOSE
GIVONS GROVE
LEATHERHEAD
SURREY
COUNTRY: ENGLAND

DATE: JANUARY 23, 1970

CLASS OF
SERVICE: LT

TEXT:
Cable No.:

ALPHA DUE TO ABSENCE FROM NEW DELHI NEXT WEEK OF ROADS DIRECTOR GENERAL
WE ARE POSTPONING VISIT MAHONEY AND KARCHER TO INDIA UNTIL ABOUT
FEBRUARY 16 TO 20 STOP IF APPROPRIATE KARCHER COULD VISIT YOUR
OFFICE ABOUT FEBRUARY 15 TO MEET THOMPSON AND CRANAGE STOP WILL
ADVISE EXACT SCHEDULES SOONEST STOP

BETA REURCAB JANUARY 21 ETHIOPIA MAHONEY WILL VISIT YOUR OFFICE ENROUTE
TO ETHIOPIA ABOUT JANUARY 30 TO PICK UP AVAILABLE REPORT DRAFT STOP
HE COULD ALSO VISIT YOU ON RETURN FEBRUARY 20 IF DESIRABLE REGARDS

HARDY

INTBAFRAD

Index: 2nd Highway Project

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AUTHORIZED BY:

NAME S.C. Hardy

DEPT. Transportation Projects

SIGNATURE *S. Hardy*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MAHONEY/sw

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Mahoney

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SIGNATURE

DATE 1 JUL 1970 10:43 PM 6:43

NAME 2*0* HULGA

APPROVED BY

cc: Messrs. KYLE, KALONOS, DISKALON
STEWARTS AND CO. DISTRIBUTION

TO BE LEAVENED

IMBUTED

HVEDX

HE COULD VTGO ALICE FOR ON BELMUM LEBNIVIX SO IS DESIRABLE BECOMES
TO BELNOLIV VBOAL TIVNIX SO TO PICK UP VAVIVVET, BELON, DEVAL, GLOF
BELV KEBICVB TIVNIX 54 BELNOLIV WVHOMEX MITT ALICE KORN OFFICE ENMOBLE
VDAISE EXVAL SCHEDULES GEOMERX GLOF
OFFICE VBOAL LEBNIVIX 12 TO NEEL THOMPSON AND CHIVVCE GLOF MITT
LEBNIVIX 12 TO 50 GLOF IS VVVORRIVALE KIVCHEE COULD ALICE KORN
ME VNE LOGELLOING ALICE WVHOMEX VNO KIVCHEE TO INDIV ANLIT VBOAL
VITHV DUE TO VBEENCE LEBN NEM DETHI NEEL MEEX OF BOVDS DIRECTOR GEMERT

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TEXT

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CLASS OF
DATE 1 JUL 1970 10:43 PM

OUTGOING MIKE

IN - Highways
2nd

INCOMING CABLE

DATE AND TIME OF CABLE: JANUARY 23, 1970 1550

LOG NO.: WUI/23
TO: HARDY INTBAFRAD
FROM: NEW DELHI

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS
INFORMATION COPY:
DECODED BY: W.I. H.A.N. 1/23

TEXT:

W. Blahorey 1/23
Dickerson
Kardner M

PL-10 (147)/69 YOUR CABLE REGARDING THREE-MAN MISSION
VISITING INDIA TO REVIEW STATUS PROJECT PREPARATION.
S N SINHA DIRECTOR GENERAL (ROAD DEVELOPMENT) OUT OF DELHI
IN CONNECTION WITH TOUR OF PRIME MINISTER. FURTHER ATTENDING
SEMINAR FROM JANUARY THIRTIETH TO FEBRUARY SECOND AT MADRAS
CONVENED BY THE INDIAN NATIONAL GROUP OF INTERNATIONAL
ASSOCIATION FOR BRIDGE AND STRUCTURAL ENGINEERING OF WHICH
HE IS CHAIRMAN. REQUEST POSTPONE MISSION VISIT BEYOND FEBRUARY
THIRD

ROADIND NEWDELHI

Answered by Cable
Jan. 23, 1970

Thu

IN Highway
2nd

OUTGOING WIRE

TO: RENDELS
LONDON S.W.1

DATE: JANUARY 23, 1970

CLASS OF
SERVICE: LT

188

COUNTRY: ENGLAND

TEXT: ^{EA}
Cable No.: FRANKEL URGAB JANUARY 23 STOP MISSION NOT SCHEDULED FOR STOPOVER
LONDON HOWEVER FATEEN WILL TELEPHONE YOU BEFORE 10 A.M. MONDAY JANUARY 26
PRIOR TO TAKING CONNECTING FLIGHT

CARMICHAEL
INTBAFRAD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME A. J. Carmichael
Chief, Ports and Pipelines Division
DEPT. Transportation Projects Department

SIGNATURE A. J. Carmichael
AFateen/rad (SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

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DATE 1970 JAN 23 PM 6:43

NAME V. J. Cullen

AUTHORIZED BY

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FROM TO WORKING COMMUNICATIONS SECTION JANUARY 29

FROM WORKING SECTION JANUARY 29 TELEPHONE ROOM WORKING TO V.J. CULLEN JANUARY 29

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TEXT

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COMMITTEE

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SERVICE TO
CLASS OF

TO

FROM V.J. CULLEN
UNCLASSIFIED

DATE JANUARY 29 1970

OUTGOING MESSAGE

ASSOCIATION

INTERNATIONAL DEVELOPMENT

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COOPERATION

INTERNATIONAL FINANCE

144

IN - Highways
2nd
of Files

January 22, 1970

Mr. S.N. Sinha
Director General, Roads,
Central Roads Wing,
Ministry of Transport & Shipping,
Parliament Street,
New Delhi, India

Dear Mr. Sinha:

India: Proposed Second Highway Project

1/ 1. It was a pleasure to meet you once again on my recent trip to Bangkok and to discuss with you various aspects of the proposed Indian second highway project. As you are aware, we had tentatively scheduled our appraisal of the project for January 1970, but in view of the major policy issues still outstanding between the Government of India and the Bank, the departure of the Bank Appraisal team has been postponed. We are now hoping that appraisal can take place about March of this year, but discussions with your Government over policy matters may still further delay this timing. However, as indicated in our cables to you of January 12 and 19, 1970, we are sending a Bank reconnaissance mission to India at the end of this month to review progress in project preparation and, in particular, economic evaluation.

Timing and Expected Status

2. Although in some ways, the delay in appraisal is unfortunate, we consider that this additional two months will provide an opportunity to refine and develop the preparation work of the project and to proceed further with the detailed engineering. In pursuance of this, we outline below the preparation status which we would expect at the time of appraisal in March and by about July/August 1970, when our appraisal report would need to be finalized as a basis for credit negotiations.

a) At appraisal we would expect that:

- 1) all major engineering problems have been resolved, and sufficient detailed engineering, including draft drawings completed, so that estimates of quantities accurate to plus or minus 20% are available; (where alternative alignments are still to be considered appropriate quantities and cost estimates should be available);

1/ Your cable dated January 23, 1970 just received. As indicated in our cable of the same date, the mission is now postponed until about February 16 to 20, 1970.

- ii) estimated costs based on the quantities in i) have been calculated using current average unit rates. Contingency allowances to cover variations in quantities and price escalation should be included in cost summaries;
 - iii) draft specifications and conditions of contract have been prepared; and
 - iv) detailed and reliable traffic data and projections should be available together with data necessary for economic evaluation.
- b) We would further expect that by mid-July:
- i) detailed engineering, including tender drawings, should be essentially complete;
 - ii) draft final copies of specification and conditions of contract should also be complete; and
 - iii) final quantities and cost estimates to an accuracy of about 10% available.
3. We understand that project preparation by the States is generally proceeding satisfactorily, but we would like you to consider the following points, which we feel need some attention:
- a) Project Size. For the 12 elements at present under consideration, the latest figures which we have (August, 1969) give the estimated construction cost as Rs 610 million (about US\$ 80 million equivalent). As indicated during our preappraisal mission in August, 1969 we expect the number of project elements to be reduced to around eight in number; this was confirmed by Mr. Dickerson in December, 1969. You have indicated that you have sufficient resources for detailed engineering to proceed on all project elements and that final selection might take place at appraisal. We wish to confirm, however, that we consider this final selection of projects should take place preferably before this time, to allow your resources to be concentrated on the residual elements.
- b) Land Acquisition. The dates given to the pre-appraisal mission in August 1969 for completion of land acquisition vary from January to June 1971. As we are concerned that land acquisition procedure might hold up project execution, we have asked Dr. I.G. Patel in our letter of November 17, 1969 to send us information concerning the progress of this activity. We would now appreciate your supplying to our consultants, monthly progress percentages for the preparation of land acquisition plans together with some indication of the progress of the necessary formalities. As land acquisition is a local currency expenditure, our missions have been given to understand that sanction to incur acquisition expenditure can be obtained without difficulty. We would like to know when you may receive this sanction.

c) Engineering

- i) We understand that the alignment of several bypasses has not yet been finalized and we feel, therefore, that a close examination of these areas by our consultants would be desirable. We have instructed them accordingly.
 - ii) We are concerned that certain mountainous (ghat) sections of road within the Maharashtra project elements are not being considered for improvement. We appreciate that the engineering problems may be great and the resulting construction costs high, but we do consider that preliminary engineering for possible alternative improvement should be carried out to obtain cost estimates for an economic evaluation of the alternatives. It may be that without some improvement to these ghat sections, improvement of the remainder of the road may not be economically justified and hence these elements would consequently be deleted from the project.
 - iii) We assume that all center lines are now being set out and referenced with permanent monuments but your assurance on this point would be appreciated.
 - iv) We have in the past, expressed some concern over the use of uncrushed brick as a base or sub-base material. We would be interested to learn if any research has been carried out by the CRRRI on the use of brick in various forms (crushed and stabilized, on edge, different laying patterns, etc.) and if comparisons (both in performance and economy) have been made with other available base and sub-base materials.
- d) Cost Estimates. We have given an indication in paragraph 2 of the accuracy of the estimates we require. However, as the only estimates we have at present were those given to our pre-appraisal mission, in August 1969 (and prepared earlier), we would appreciate early warning of any likely major change in the estimate of any project element.
- e) Bullock Carts. As these feature not only in present traffic figures but also in traffic forecasts and capacity calculations, what special arrangements (if any) are you proposing to accommodate bullock cart traffic on the carriageways or the shoulders of the project roads?
- f) Road Contracting. As our missions have pointed out, there are a number of disadvantages to the system currently practiced in India whereby a large number of small independent contractors, each carrying out one or two separate specialized operations, are engaged to carry out road works. We prefer that, when the contract for a section of road goes to tender, all works necessary to complete the construction of the road within this section be included in the one contract. A contractor can then tender alone for this section, ~~contact~~ or he can form a joint venture with other contractors specializing in certain aspects of road-works. Any joint venture formed by contractors would however, be considered a single body both for tendering and for the construction of the works.

- g) Size of Contracts. We appreciate that it may not be feasible for local contractors to tender for an entire project element (average value about Rs 50 million) and we would favor breaking contracts down into sections (defined in f above) with a value of say about Rs 7-8 million. Contractors (or joint ventures) could tender for a single section or any combination of sections thereof. We would, like therefore, a list of individual Indian road contractors whom you feel could participate in works of this nature with an indication of their annual capacity.

Background Information.

4. As general background to an appraisal of a project we always require fairly detailed information on State and National highway systems. Thanks to your cooperation, much of this material has already been supplied to the Bank. We find, however, that there is some additional information which we will need from the project States and I have attached copies of a short questionnaire for distribution. The information should preferably be available on the arrival of the appraisal mission.

5. I would like to take this opportunity of thanking you and your staff both for the cooperation which Mr. Bergan received while making this review and also for the cooperation which our team of experts are now receiving, and would be grateful if you could pass on our appreciation to the State Chief Engineers.

With best wishes,

S.C. Hardy
Chief, Highway Division I
Transportation Projects Department

Encl.

MWDickerson/jp

Cleared and cc: Mr. Kirk
cc: Messrs. Vatow, Abd. El Aty, Karcher
Mahoney, Neuner,
cc: Mr. Gilmartin (New Delhi Office)
Mr. Pilditch (Team leader, Bank Appraisal
Assistance Team)

INDIA: PROPOSED SECOND HIGHWAY PROJECT

We require the following additional data (for each element) from each project State as a preliminary to appraisal of the proposed Second Highway Project.

The Highway System

1.1 Give lengths of road under the following categories (in kilometers) in the project State:

	<u>Surfaced</u> (include only bitumen or concrete)		<u>Unsurfaced</u>	
	<u>2 lane</u>	<u>1 lane</u>	<u>2 lane</u>	<u>1 lane</u>
National Highways				
State Highways				
Major District Roads				
Other District Roads				
Village Roads				
Total				

Maintenance

2. Give average annual maintenance costs for highways of various categories and pavement type. These costs to include administration, equipment depreciation, servicing and operating costs, materials, labor and supervision. (Note: the standard rate given in previous reviews does not include all the above costs - we now require them for appraisal).

3. Give the present annual maintenance cost of each road proposed for improvements (to include items noted in question 2) and also the estimated annual maintenance cost after improvement. Give a short descriptive paragraph supporting the difference in these costs.

Construction Costs

4. State recent contract construction costs for typical highways and bridges. Give costs in form of bill of quantities for a specified length of road with appropriate unit prices.

The Transport System

5. What national import restrictions are there on motor vehicles?

6. What regulations are in force limiting vehicle weights -- (total, axle and wheel loadings) and dimensions? How are there regulations enforced?

7. Tabulate the vehicle registrations annually within the project States for the last the years, if possible, by the following categories:

- a) Cars
- b) Light trucks (say, less than 3-ton total laden weight, but define)
- c) Heavy trucks (define)
- d) Passenger service vehicles
- e) Other vehicles (define)

8. Tabulate the vehicle fuel consumption annually within the State for the last ten years for:

- a) gasoline, and
- b) diesel fuel

(the oil companies should be of assistance in obtaining this information).

9. Give any available vehicle operating costs by vehicle category and road type (preferably in paved, gravel and earth categories) and state the basis for computation.

10. Show, on a map of the State, the location of octroi posts with the average annual revenue obtained from each. Also show on this map the location of checkpoints.

11. What are the States' plans with regard to octroi posts?

12. Has the State any plans for the reduction and consolidation of checkpoints?

13. Give a brief description of the truck licensing system within the State.

14. Give the number of truck licenses issued by type over the past five years.

15. What are the present arrangements for inter-State licensing with adjoining States?

Economic Justification of Project (separately for each project element).

16. What is the main purpose of the project (e.g. trunk route, only access to port, tourism, agricultural development, etc.)?

17. How does the project fit into the planned national highway program and what priority has it been given therein? On what criteria was the priority based?

18. What is the size, physical and economic geography of the influence area of each project road, and what are the industrial and other traffic-generating activities within these areas?

19. What are the main population centers, their size, projections, and growth rates as compared to national average within the influence area of the project roads?

20. What are the main benefits expected to accrue and the manner in which they will further the government's economic objectives for development (e.g. industrial location, income redistribution, etc.)?

OP. Files
IN Highway
2nd

January 22, 1970

Rendel, Palmer & Tritton
125 Victoria Street
Westminster
London S.W. 1
England

Attention: B.G.R. Holloway, Esq.

Dear Sirs:

Re: INDIA: Proposed Second Highway Project
Appraisal Assistance

1. Thank you for your Interim Report of December 23, 1969 on the proposed second highway project status and on the progress of your team's assignment. As you are now aware, major policy issues are delaying the progress of this project and we wish to confirm that appraisal is now tentatively scheduled for about March 1970 and not in January 1970 as previously planned. You should reschedule the work of your team to synchronize with this revised timing and, in this connection we refer you to the enclosed copy of a letter which we have sent to the CRW.

Project Status

2. Your report contains many valuable observations, some of which we refer to later in this letter, but we find some difficulty in judging the overall present status of the twelve elements tentatively included in the proposed project and the time schedule planned for detailed engineering. We appreciate, that with the number of project elements involved and their scattered location, it would have been difficult to obtain an accurate estimate of status at this stage. However, to assist in the Bank's evaluation of preparation progress we would now like you to include in your future reports, progress percentages (for each project element) under the following headings:

- a) progress of the preparation of final tender drawings;
- b) progress of land acquisition plan preparation and an indication of the commencement of acquisition formalities;
- c) refinement of preliminary engineering costs estimates; and
- d) progress in setting out the permanent center line.

The above categories will be additional to those which you already include in your reports.

Interim Report

3. We have the following points to make on your Interim Report (page numbers in parenthesis) and would like your comments on these in your end of January progress report;

Local contractors and construction methods (page 3)

- 3.1 After your visits to bridgeworks and labor intensive roadworks under construction, we wish to know what major changes in present practice (engineering, supervision, contract procedure) you would recommend to ensure that similar works under the proposed project are executed soundly, on time and within the tendered sum. We expect this subject to be a continuous discussion between the Bank, yourselves and Government and we would not expect detailed recommendations at this stage; your initial ideas on the subject will, however, be most useful.
- 3.2 We would like you to continue making contact with local Indian contractors and would be interested to learn their views on road contracting in general. We are particularly interested in their opinions on the following:
- 3.2.1. The value of complete roadworks which they could undertake in the following capacities:
- .1 as the sole contractor;
 - .2 as a member of a joint venture formed by a small group of contractors who would be held responsible for the works as a single body, or employing subcontractors for specialized activities (i.e. paving, precasting etc.).
- 3.2.2 labor versus equipment intensive method of working;
- 3.2.3 the availability of road construction equipment and/or credit facilities therefore;
- 3.2.4 the mobilization time they would require for different sizes of contract;
- 3.2.5 the use of one prime contractor carrying out the major portion of the work with sub-contractors carrying out the smaller specialized activities; and
- 3.2.6 problems of administration and execution which they have experienced in the past.

Engineering (Pages 3-4)

- 3.3 You mention that the standard of highway location and design is low. Could you elaborate on this point indicating the suggestions which you have made to CRW to improve current practice and noting any suggestions which have not been accepted by CRW?
- 3.4 In your field reviews please pay particular attention to proposed town and village bypasses and advise and assist where possible with alignment location.
- 3.5 On what basis do you consider the proposed design of pavement base and surfacing to be inadequate and what suggestions have you made for design changes?
- 3.6 In connection with your comment on the lack of stability and

shear strength of a brick base or subbase course, you might indicate whether the Central Road Research Institute has conducted experiments on the use of brick in various forms (crushed and stabilized, on edge, different laying patterns, etc.) to compare its performance against other economical base and subbase materials.

3.7 You will note from our letter to CRW that we are pressing for the preparation of preliminary engineering and hence cost estimates for the ghat sections of the Maharashtra project elements. Please keep us informed of the progress of this work.

3.8 In connection with the bridges, the preparation of plans for preliminary estimates is less advanced than we had understood. Is this likely to affect our appraisal requirements as indicated in our enclosed letter to CRW?

Economic Evaluation (Page 4)

3.9 Could you please indicate the source of the data that your team is using to revise and recalculate vehicle operating costs;

Bullock Carts (Page 4)

3.10 Could you please indicate if any consideration, such as hard shoulders on town and major village approaches, is being given to providing for bullock cart traffic on the proposed projects roads.

Cost Estimates (Page 4)

3.11 We have asked the CRW for early warning of any major changes in the project element cost estimates. Please include any such revisions in your progress reports.

Conditions of Contract (Page 5)

3.12 Would you please obtain the principal comments made by the States on the FIDIC document and indicate if it is likely to be either adopted or used as a guide in revising existing conditions. Although the Bank would have no objection to the use of the FIDIC document (with appropriate addenda and corrigenda) by the project States, we are not insisting on its adoption.

Indian Road Contractors (Page 6)

3.13 Would you please press the CRW for the list of road contractors mentioned in the final paragraph of your report together with their estimated capacity and send this to the Bank at the earliest opportunity.

Labor versus equipment intensive construction methods

4. I am enclosing for your information copies of my memorandum dated January 6, 1970 and of a letter dated January 12, 1970 from the ILO Regional Office, Asia, concerning a possible joint study by the Bank and ILO on labor-intensive versus equipment intensive technologies in developing countries, and in India in particular. You may wish to bring this to the attention of Pilditch and your economists in India, so that

Mr. A. F. Kirk

S. C. Hardy *SH*

INDIA: Transport Policy

✓ → IN Highways
2nd
✓ → IN Transp.
gen
January 22, 1970

under Jan 21, 1970
The attached memorandum dated January 21, 1970 from Mr. Neuner lists the points on transport policy which are in Transportation Projects Department believe should be mentioned when our mission visits India next week in connection with the Second Highway Project.

You will recognize the main issues, as they have been discussed frequently with your Department over the past several years. We have attempted to make them more concrete and to adapt them better to the special circumstances of the agencies with whom we are dealing in this project. Will you have a look at the memorandum and let me know whether it raises any particular difficulties for you, so that I can communicate them to the mission by the middle of next week?

SCHardy:dfw

cc: Messrs. Geolot, Dickerson, Karcher, Mahoney, Hogg.

Attachment.

✓ IN Highways
2nd
IN Transp.
gen

Mr. A. F. Kirk

January 22, 1970

S. C. Hardy *Scy*

INDIA: Transport Policy

*under
Jan 21, 1970*

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SCHardy:dfw

cc: Messrs. Geolot, Dickerson, Karcher, Mahoney, Hogg.

Attachment.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

OFFICE MEMORANDUM

TO: Messrs. Mahoney, Karcher and Neuner

DATE: January 21, 1970

FROM: S. C. Hardy

SUBJECT: INDIA - Preappraisal of Second Highway Project
Terms of Reference

1. From about January 27 to 31, 1970, you will visit New Delhi, India to review the status of preparation for the subject project; Mr. Mahoney will be head of mission. Specifically,

- a) You will stop in London on the way to India for meetings with the Bank's consultant (Rendel, Palmer, Tritton), concerning their recent findings on project preparation, and in particular, on the economic aspects.
- b) While in India:
 - (i) Messrs. Karcher and Neuner will assess the progress in preparation of economic justification, including questions of transport policy and coordination;
 - (ii) Mr. Mahoney will check on progress of engineering preparation with particular reference to the items mentioned in my January 22, 1970, letter to Mr. Sinha; and
 - (iii) jointly you will assess the needs for additional consultant's services considering the budget limitation of US\$80,000.

2. On the basis of the foregoing, you will prepare a brief field report on your findings including the consultant's general performance and recommendations for Association actions and their timing.

GMahoney/isc
Bank/IDA

Cl. with and cc: Mr. Kirk (3)

cc: Messrs. Chadenet, Baum, Knox, Geolot, Abd.El Aty,
A.T.Davis (2), Finne, Hogg, Dickerson,
New Delhi Office

✓ N- 1 Highway
2nd
IN Missions
Terms of
Reference

IN Highways
2nd

Mr. S.C. Hardy

January 21, 1970

T. Neuner

INDIA: Second Highway Project -
Transport Policy

1. You have asked for some ideas on how we might help India develop sound transport policy objectives in connection with the above project. I believe we have a definite opportunity here: The State Governments have shown remarkable cooperation in the preparatory work for this project as well as in some of the recent agricultural projects. Under these circumstances we can certainly insist on "conditions" insofar as they relate to the proper execution of the individual projects (see para. 2); however, broader objectives under the heading of "transport coordination" might best be handled in terms of "our long range interest in the overall transport system of India." (see para. 3). We would thus, be looking for opportunities to stimulate rapid growth of highway transportation and to permit our continued support for the sector. We would be pressing for innovations which could then spread beyond the confines of the particular State.

2. Below I have made a short outline of transport policy objectives which we might appropriately pursue for each of the four project States. The suggestions were made on the basis of material available to me here in Washington and take into account the special circumstances of each State as I know them. We should certainly discuss this matter with our consultants and incorporate their ideas in our final position. For all four States we should ask for:

- a) Action toward consolidation and reduction of check posts for trucks and cargo;
- b) Action toward consolidation of the collection of taxes on motor vehicles, passengers and goods in one agency;
- c) Establishment of Planning and Development cells in the Transport Departments; and
- d) Establishment or upgrading of PWD traffic engineering units to collect and record traffic data in accordance with our standard loan covenant on this subject.

For the individual States the following items are suggested:

- a. Bihar (i) This State is considering establishment of a separate highway department and we should support this effort;
- (ii) Bihar's PWD has a number of circles for major construction work. The time may be ripe, therefore, for separating construction from maintenance entirely and setting up a State-wide maintenance organization.

b. Maharashtra

- (i) A report recommending abolition of octrois will shortly be published; we should support this and agree on a timetable for the implementation of the recommendations;
- (ii) The State Economics and Statistics Department is scheduled to undertake a major highway survey but there is some problem about funds; we should stand behind this effort with a small financial contribution for outside staff, if appropriate, to be included in the proposed project;
- (iii) At present the maximum posted load on many older bridges in India is so low as to impede the flow of modern truck traffic. Highway authorities are reluctant to raise the limit without careful engineering studies. A committee is undertaking such a survey of bridge capacities in Maharashtra. We should press for completion of this work, implementation of the recommendations in Maharashtra and formulation of the results, perhaps in collaboration with the Central Road Research Institute, to permit application to other States;
- (iv) We should ask for, and perhaps offer financial assistance for, a full-scale feasibility study of the proposed new Bombay-Poona road with help from outside consultants.

c. Tamil Nadu

- (i) In Tamil Nadu the same department handles both highways and rural roadworks; it is also the only state where highways have a separate organization within the Public Works Department. This state might, therefore, be an appropriate environment to develop a methodology and organization for a possible feeder-road program as an integral part of highway development;
- (ii) Tamil Nadu has expressed particular interest in "cost accounting" although they seem to have been more interested in control of overruns than in developing criteria for cost effectiveness. This may present an opportunity for a study by some State officials with the participation of a representative of India's Comptroller and Auditor General in developing cost criteria for highway construction and maintenance. We might provide expatriate assistance if requested by the State.

d. Uttar Pradesh

- (i) The committee which has been studying octroi abolition in U.P. is reportedly not going to report in favor of abolition. We should press for a restudy of the problem, possibly with outside assistance on the fiscal aspects of the problem;

January 23, 1970

- (ii) U.P. already has a Planning Organization in its Chief Engineers' Office which is better established than in some other States, its capacity for economic evaluation is limited. As a pilot project, we should seek a strengthening of this organization, if necessary with outside help;
- (iii) A determination should be made of the number of licenses issued on a reciprocal basis (interstate operation) by U.P. and Bihar for commercial vehicles and an increase if this seems warranted. A similar effort would be made for Bihar.
3. Our transport policy objectives for the Second Highway Project vis-a-vis the Central Government might include the following:
- a. A permanent unit in the Ministry of Transport to advise and assist traffic engineering (including transport economics) units in the States on such studies as origin and destination, average trip length and composition of load;
 - b. A review of methods of reporting highway and vehicle statistics;
 - c. A study by the Central Road Research Institute of labor and equipment intensive methods of construction and maintenance, and a study of the effects on vehicle operating costs of different road conditions;
 - d. A study by the Planning Commission of the basic commodity flow projections, which were prepared by various agencies of the Government, a comparison of methodologies and recommendations for improvements;
 - e. Technical assistance or similar support for the cooperative organization of State transport commissioners; this point might be explored tentatively with the Transport Commissioner for Maharashtra (a 1968 EDI graduate) who is promoting a greatly increased program of interstate cooperation;
 - f. Gradual increase in the proportion of revenues from road-user taxes presently allocated to the Road Development Fund;
 - g. It is assumed some action will have been taken by the Central Government with respect to taxes on road transport in connection with the proposed industrial imports credit; we should make sure now that this will be the case.
 - h. Ultimately, the completion of guidelines and basic data for the economic evaluation of transportation projects in India.

Cleared with and cc: Messrs. Geolot, Hogg, Hardy, Karcher, Mahoney/Mickerson

cc: Messrs. Knox, Kirk

Theuner:jas

IN - Hwy 40.
(2nd)

Mr. M. R. Shroff

January 21, 1970

A. F. Kirk

INDIA - Proposed Second Highway Project

1. Further to our memorandum of November 13, 1969 the Association is sending a mission to review the status of work on project preparation in the light of the findings of the Association's consultants now in India.
2. The mission will consist of Messrs. Martin Karcher (France), George Mahoney (U.S.) and Tillman Neuner (U.S.). Messrs. Karcher and Neuner will arrive in New Delhi on January 27 at 1110 by AI-136 and Mr. Mahoney on January 28 at 0445 by BA-770.
3. The Director General of the Central Roads Wing has already been advised of the mission's arrival times.

MA
MAbd-El-Aty/amp

Cleared with and copy for: Mr. Neuner

cc: NDO

IN Highway
2nd

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 21, 1970

1455

LOG NO.:

RC 39 / 21

TO:

INTBAFRAD

FROM:

LONDON

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Las 1/21
Wn. H. A. H. 1/21

TEXT:

57 FOR HARDY

REURCAB INDIAN HIGHWAY PROJECT TO HOLLOWAY REGRET ABROAD NEXT WEEK

U WOULD BE GRATEFUL DISCUSSION MAHONEY HIS RETURN FROM ETHIOPIA. WILL
HAVE DRAFT ALL SECTION S ETHIOPIA REPORT EXCLUDING SUMMARY AND SOME
APPENDICES READY FOR TWENTYSIXTH. ODY CABLING SEPARATELY REFERENCE
CRANAGE REGARDS

AINSCOW RENDELS

*now changed
to about Feb Jan 30*

yes - about Feb 20

Cable reply attached

*SW
1-22-70
23*

COMMUNICATIONS
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JAN 21 10 47 AM 1970

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COMMUNICATIONS

CELESTINE MORGAN

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RECEIVED FROM THE DIRECTOR, FBI, BIRMINGHAM, BIRMINGHAM, AND SOME

21 JAN 1970

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FROM: BIRMINGHAM

TO: BIRMINGHAM

FOR INFO: ME 32 \ ST

OF COURSE: BIRMINGHAM ST. JACO

DATE AND TIME

1970

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RECEIVED FROM THE DIRECTOR, FBI, BIRMINGHAM

BIRMINGHAM

RECEIVED FROM THE DIRECTOR, FBI, BIRMINGHAM

IN Highway
2me

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 21, 1970

1325

LOG NO.:

RC 33/21

TO:

INTBAFRAD

FROM:

LONDON

ROUTING

ACTION COPY:

TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

W. H. H. 1/21

TEXT:

55 FOR HARDY CHIEF TRANSPORTATION DIVISION 1 Karcher A448
REURCAB INDIAN HIGHWAYS AGREE YOUR VIEWS REGARDING EXTENSION
OF REFERENCE. PARTICULARLY ACCEPT NEED FOR CRANAGE TO RETURN
LONDON FOR BOTH DEBRIEFING AND COMPLETION JOINT THOMPSON
CRANAGE PROJECT REPORT
REGARDS

HOLLOWAY

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INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 20, 1970

1440

LOG NO.:

RC 35/20

TO:

INTBATHAD

FROM:

LONDON

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS
INFORMATION COPY:
DECODED BY: W. A. A. (1/20)

TEXT:

CORRECTED COPY

45 FOR HARRY CHIEF TRANSPORTATION DIVISION I
REURCALL HALLOWAY JAN 19 RECONNAISSANCE TEAM MEETINGS AT THIS OFFICE
AS FOLLOWS. THOMSON FOR NEUNER 15.30 JANUARY TWENTYTREE. HALLOWAY
AND MOUNSLOW FOR HADNEY ANYTIME JANUARY TWENTY-SIX. AINSOON NOT
AVAILABLE TWENTYSIX. RECOMMEND HADNEY VISITS RENDELS ON WAY HOME
AFTER FEBRUARY FIRST WHEN ETHIOPIA REPORT BOUND AND AINSOON AVAILABLE.

RENDEL PALMER AND TRITTON

FCA

St. John road 14
VCC IN - Highway (2)

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 20, 1970

11440

LOG NO.:

RC 35 / 20

TO:

INTBAFRAD

FROM:

LONDON

TEXT:

ROUTING	
ACTION COPY:	TRANSPORTATION PROJECTS
INFORMATION COPY:	
DECODED BY:	<i>See 1/20</i>

Mr. Mahoney
Decker
Neuner
Kovacs

45 FOR HARDY CHIEF TRANSPORTATION DIVISION 1
REURCALL HOLLOWAY JAN 19 RECONNAISSANCE TEAM MEETINGS AT THIS OFFICE
AS FOLLOWS. THOMSON FOR NEUNER 15.30 JANUARY TWENTHREE. HOLLOWAY
AND HOUNSLOW FOR MAHONEY ANYTIME JANUARY TWENTYSIX. AINSCOW NOT
AVAILABLE TWENTYSIX. RECOMMEND MAHONEY VISITS RENDELS ON WAY HOME
AFTER FEBRUARY FIRST WHEN ETIOPIA REPORT BOUND AND AINSCOW AVAILABLE.

NO SIGNAGRE; BEING SERVICED

*No 11
draft must
be available*

To discuss with the ...
... of ...

W. ... ?
RPT office
125, Victoria St
Westminster

Answered by Cable
Jan 20 1970
IR

RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

H. SCRUTTON, F.I.C.E., F.I.STRUCT.E., M.INST.PET.
~~J. H. OTTER, F.I.C.E., F.I.STRUCT.E., M.INST.PET.~~
B. G. R. HOLLOWAY, F.I.C.E., F.I.STRUCT.E.
F. IRWIN-CHILDS, F.I.C.E.
P. M. FRAENKEL, F.I.C.E., F.I.STRUCT.E.
P. A. COX, F.I.C.E.
J. C. MUNRO, F.I.C.E.
K. E. AINSWORTH, F.I.C.E., M.I.STRUCT.E.
D. M. S. FAIRWEATHER, F.I.MECH.E., M.I.LOCO.E.

CONSULTANTS:

J. E. G. PALMER, F.I.C.E., F.Am.Soc.C.E.
T. T. LAMBE, F.I.C.E., F.I.MECH.E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDEL, LONDON, SW1

*125 Victoria Street,
Westminster,
London, S.W.1.*

YOUR REF.

OUR REF. JGO/BS

20th January 1970.

Dear Mr. Hardy,

Following your telephone conversation with Mr. Holloway last evening, regarding the Indian Highway Project Appraisal assistance, we have pleasure in enclosing the brief, interim report by Mr. Thomson, covering his visit to the sites concerned.

As Mr. Holloway emphasised to you, Mr. Thomson's appreciation of the situation has been expressed in frank terms, and we therefore feel that it is important that no copy of his report shall be allowed to reach the Indian Government.

With regard to the position as it is likely to be at the end of this month, when Mr. Cranage is expected to return to London, we feel that the next logical step is for some, or all, of the proposed Highway Projects to be re-calculated using the information which will have been collected for this purpose by Mr. Cranage. In terms of commitment, however, this treatment would go well beyond the scope of our original reference and we feel that to try to deal with the projects in an abbreviated fashion would yield unsatisfactory results. As mentioned in your telephone conversation yesterday, Mr. Neuner's visit to this office on Friday will provide a suitable opportunity to discuss the question of extending the reference to allow suitable time for the re-calculation that will be required.

JAN 23 1970

Projects Dept. Correspondence

ANS'D BY Calk 1/27/70

DATE _____

JAN 23 10 57 AM 1970

GENERAL FILES
COMMUNICATIONS

BECKET, BYRNES & TRITTON

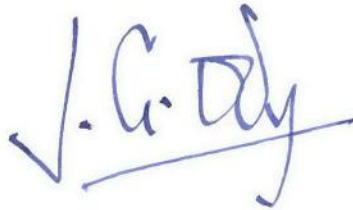
S. C. Hardy, Esq.

-2-

20.1.70

We shall therefore look forward to contacting you again in due course, following the report of your own reconnaissance team on the matter.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'J. G. Ody', with a long horizontal flourish extending to the right.

J. G. Ody

Senior Economist

S. C. Hardy, Esq.,
Chief, Highways Division 1,
Transportation Projects Department,
International Bank for Reconstruction & Development,
1818 H Street, N.W.,
Washington, D.C. 20433,
U.S.A.

IN Highway
2nd

OUTGOING WIRE

TO: DIRECTOR GENERAL
CENTRAL ROADS WING
MINISTRY OF TRANSPORT
NEW DELHI

DATE: JANUARY 20, 1970

CLASS OF
SERVICE: LT

COUNTRY: INDIA

188

TEXT:
Cable No.:

REFERENCE PROPOSED SECOND HIGHWAY PROJECT WE ARE SENDING THREE MAN MISSION
FOR FEW DAYS TO REVIEW STATUS PROJECT PREPARATION STOP MISSION MEMBERS
ARRIVE NEW DELHI AS FOLLOWS COLON NEUNER AND KARCHER 1110 JANUARY TWENTY
SEVEN FLIGHT AI 136 COMMA MAHONEY 0445 JANUARY TWENTY EIGHT FLIGHT BA 770
STOP ALTERNATIVE EXECUTIVE DIRECTOR FOR INDIA IN BANK ALREADY INFORMED

HARDY
INTBAFRAD

INDIA: Prop 2nd Hwy

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. HARDY

DEPT. TRANSPORTATION PROJECTS.

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

MWDickerson:dfw

CLEARANCES AND COPY DISTRIBUTION:

Cleared and cc: Mr. Kirk
cc: Messrs. Abd El Aty, Karcher,
Mahoney, Neuner

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch:

ORIGINAL (W/ COPIES)

CLASSIFIED BY

FOR USE BY COMBINATION ONLY

INDIVIDUAL: CIA

SIGNATURE

SIGNATURE OF INDIVIDUAL AUTHORIZED TO SIGN

DEPT

DEPARTMENTAL PROCEDURE

NAME

S. G. HANCOX

AUTHORIZED BY

RECEIVED
GENERAL FILES

1970 JAN 20 PM 5:13

PERSONNEL MEMBER

cc: Messrs. VPQ ET VFA, Ketcher,

Qteated and cc: Mr. KIRK

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INDIV: Job Sng HAN

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MINISTER OF DEFENSE
CHIEF OF STAFF
DIRECTOR GENERAL

SERVICE: TL

CLASS OF

DATE: 130000 130000

OUTGOING MIBE

ASSOCIATION

INTERNATIONAL DEPARTMENT

(2-00)

Form No. 22

RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL BANK FOR

COMBINATION

INTERNATIONAL SERVICE

5 130
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IN Highway
2nd

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: JANUARY 20, 1970

CLASS OF
SERVICE: LT

COUNTRY: U.K.

148

TEXT:
Cable No.:

FOR HOLLOWAY REURCABS INDIAN HIGHWAY PROJECT BANK MISSION COMPRISING
MAHONEY NEUNER KARCHER VISITING INDIA JANUARY TWENTYSEVENTH UNTIL
THIRTIETH STOP AFTER DISCUSSION WITH YOU AND THOMPSON ^{IN}/LONDON AND
ASSESSING POSITION ^{IN}/INDIA THEY WILL DETERMINE POSSIBLE NEED EXTENSION
YOUR ECONOMIC SERVICES STOP IF EXTENSION DEEMED DESIRABLE THEN WOULD
APPEAR PREFERABLE THAT CRANAGE REMAIN STOP WOULD HAVE NO OBJECTION
HIS RETURNING UK FOR DEBRIEFING PRIOR ANY EXTENDED ASSIGNMENT STOP
MAHONEY VISITING ETHIOPIA IMMEDIATELY AFTER INDIA AND WILL REQUIRE
ROUGH DRAFT YOUR ETHIOPIA REPORT PRIOR TO HIS MISSION STOP PLEASE
ENDEAVOUR HAVE SOMETHING FOR HIM JANUARY 26 REGARDS

HARDY
INTBAFRAD

Re: INDIA - Proposed Second Highway Project NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. Hardy

DEPT. Transportation Projects

SIGNATURE *SC Hardy*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)
Mahoney/lsc

CLEARANCES AND COPY DISTRIBUTION:

cc: Messrs. Mahoney
Neuner
Karcher
Kirk

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: *✓*

IN Highways
2nd

OUTGOING WIRE

TO: RENDELS
LONDON

DATE: JANUARY 19, 1970

CLASS OF
SERVICE: LT

COUNTRY: ENGLAND

TEXT:
Cable No.:

HT

REURC

FOR HOLLOWAY REURCAB DATED JANUARY 14 EXECUTIVE DIRECTOR FOR UK IN
BANK HAS ALREADY TAKEN APPROPRIATE ACTION CONCERNING VISIT INDIA SIR
NORMAN KIPPING STOP PLEASE TAKE NO ACTION YOURSELF THIS MATTER AS
BANK CONSULTANT REGARDS

HARDY

INDIA: Proposed 2nd Hwy NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME S. C. Hardy

DEPT. Transportation Projects

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

SCHardy:dfw

CLEARANCES AND COPY DISTRIBUTION:

Cleared and cc: Mr.M.P.J.Lynch, Kirk

cc: Messrs. Mahoney, Dickerson,
Neuner/Karcher

For Use By Communications Section

Checked for Dispatch:

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

171 Highway
2nd

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Form No. 12
(5-54)
INTERNATIONAL DEVELOPMENT
ASSOCIATION

OUTGOING WIRE

DATE JANUARY 19, 1970

CLASS OF
SERVICE IT

TO: MEMBERS
LONDON

COUNTRY: ENGLAND

TEXT
Cable No.

REURC
FOR HOLLOWAY REURCAB DATED JANUARY 14 EXECUTIVE DIRECTOR FOR UK IN
BANK HAS ALREADY TAKEN APPROPRIATE ACTION CONCERNING VISIT INDIA SIR
NORMAN KIPPING STOP PLEASE TAKE NO ACTION YOURSELF THIS MATTER AS
BANK CONSULTANT REGARDS

HARDY

INDIA: Proposed 2nd Hwy NOT TO BE TRANSMITTED

CLEARANCES AND COPY DISTRIBUTION
Classified and cc: Mr. M.P.J. Lynch, Kirk
cc: Messrs. Mahoney, Dickerson,
Newner, Karcher

1970 JAN 19 PM 5:40

AUTHORIZED BY
NAME S. C. Hardy
DEPT Transportation Projects
RECEIVED
GENERAL FILES
SIGNATURE
SIGNATURE OF INDIVIDUAL AUTHORIZED TO SIGN
SCHardy:dlw

ORIGINAL FILE COPY

IMPORTANT: See instructions (Guide for preparing form)

Checked for Dispatch

for use by Communication Section

IN Highway
2nd

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 19, 1970 1808

LOG NO.:

RC 14/20

TO:

INTBAFRAD

FROM:

LONDON

ROUTING

ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

W.L. Hardy

TEXT:

38 FOR HARDY CHIEF TRANSPORTATION DIVISION I

REQUIRED REPORT ON STATUS OF ECONOMIC STUDIES IN PREPARATION AND WILL

BE POSTED BY END OF WEEK. PROPOSE CRANAGE RETURN LONDON END OF MONTH

AS PROGRAMMED. PLEASE CONFIRM THIS IS COMPATABLE WITH TIMING OF BANKS

RECONNAISSANCE MISSION TO INDIA REGARDS

HOLLOWAY

Mr. Mahoney
Neyest
Kocher

1120
04

if this is
Jan 31
OK, but
he should be
there when
mission starts

MT

19th January, 1969

THE LONDON SCHOOL OF ECONOMICS
AND POLITICAL SCIENCE

WITH THE COMPLIMENTS OF

MR. J. M. THOMSON

HOUGHTON STREET, ALDWYCH
LONDON W.C.2
01-405 7686

INDIA: PROPOSED SECOND HIGHWAY PROJECT
STATUS OF ECONOMIC STUDIES

The following report presents briefly my conclusions after a 13-day investigation of the state of the economic assessments currently being prepared in Delhi. I intend to submit a full report in collaboration with Cranage in mid-February.

Co-operation from Indians

During my visit I and the other members of the Bank team were given complete co-operation by officials in Delhi and in the States. There was no difficulty in dealing with the Indians on a straightforward and amicable basis, even though we did not always agree with them on points of detail. Dr. Bhatia, in particular, was most charming and hospitable, and I was impressed by his ability and integrity.

On the other hand it had been made clear before my arrival that Dr. Bhatia, who has many other responsibilities, was not able to devote much more time to the economic assessments and that there was no one else really capable of taking over the work. Consequently it had been agreed that Cranage would endeavour to carry out the reworking which we considered necessary. In order to minimise the possibility of argument later on I explained in detail the kind of alterations we wished to make and I obtained Bhatia's approval in principle.

Scope of investigation

During my visit I had several long discussions with Sinha, Bhatia, Khaturia and Grover. I inspected six of the projects, in Tamil Nadu, Bihar and Uttar Pradesh, and had exhaustive discussions with numerous officials in those States. In Tamil Nadu we were accompanied by Khaturia ^{and} Grover from Delhi, and in Uttar Pradesh by Saxena. I examined the data and methodology being ^{used} made by Bhatia and I took account of the views already arrived at by Cranage.

The Indian assessments

In short, although the assessments have been prepared by a very able man, I consider the results to be nonsense. The human explanation of this situation is that Bhatia has not visited the roads in question and has been supplied

(innocently) with highly misleading and incomplete information. He has also accepted ^{uncritically} ~~unavoidably~~ an estimation technique which I reject as unrealistic.

My main objection is that the potential benefits from all the projects are attributed mainly to the relief of traffic congestion which has been incorrectly assessed. It is perhaps unusual for World Bank highway projects to be crucially involved with the economics of traffic congestion; the main benefits from such projects are usually attributable to savings in road maintenance costs or vehicle operating costs and to developmental gains, due to improved road surfaces or alignments. But in this case the main benefits are seen to result from the relief of very severe traffic congestion which is expected to arise if road capacities are not enlarged. The estimation of these benefits has, in my view, been grossly distorted by two errors:

(1) failure to appreciate the capacity characteristics of the roads in question or the way in which these characteristics will be altered by the proposed improvements;

(2) failure to take proper account of the fact that if the roads become heavily congested the growth in traffic volumes will be thereby inhibited; in other words, there will be some elasticity in traffic demand.

I will say a few words about these two points. First, the road capacities have been treated in a way which is inappropriate. All the roads I have seen consist predominantly of long, level, fairly straight sections interspersed with villages and towns. The road surfaces are invariably black top (or, rarely, concrete) of fair to poor quality. The road widths vary from genuine single-lane, i.e. 12 feet of carriageway with soft or rough shoulders, to two-lane with hard, smooth shoulders. The volumes of motor traffic are low on all roads. Only on the few genuine single-lane roads is there at present any significant traffic congestion, i.e. delay of motor traffic by motor traffic, and most of the roads could accommodate a large increase in traffic volume without much loss of traffic speed.

Yet current traffic speeds are rather low. Between towns and villages

practical speeds are usually limited by the presence of bullock carts, cyclists, pedestrians, cows, sheep, goats, chickens and occasionally camels and elephants. One does not often get completely away from these hazards; but only then is one's speed normally limited by the quality of the road itself. Periodically one comes to a village or town where the incidence of the above-mentioned hazards is enormously increased and speeds fall to a very low level. A motor vehicle is commonly brought to a complete halt in circumstances where there is no other motor vehicle in sight. Additional impediments in towns include railway crossings and cycle rickshaws.

The Indian assessments use a single speed-flow function to describe the traffic capacity of each project route in its entirety, including towns and villages. It would have been far better to have used the speed-flow function only for the sections of road outside towns and villages and to have measured typical journey times through each town and village separately. All the projects include by-passes for the worst towns and villages. The benefit of the by-passes to through-traffic could then have been easily demonstrated. Unfortunately it is now too late to obtain such measurements and we shall probably have to make do with crudely generalised speed-flow functions.

This being the case it is important to select plausible speed-flow functions. In my view this has not been done, except on genuine single-lane roads. On two-lane roads the capacity at low speeds is much higher, I believe, than has been assumed by the Indians. This view has been accepted by the man who dealt with this aspect of the assessments. Some roads which are two-lane in effect have been treated as single-lane.

I would also question the p.c.u. values used. I believe that a value of 2, rather than 3, is justified for goods vehicles, given the high proportion of such vehicles on Indian roads. This is especially the case at low speeds. The Indians are resisting this suggestion. I also believe that a higher value - at least 10 - should be given to bullock carts on two-lane roads.

I would agree, say
Can we not keep them on the shoulders?

These changes mean that journey speeds will not drop as catastrophically as the Indians maintain when the volume of traffic increases. This agrees with my judgment of the traffic situation to be observed on the roads. The Indians have predicted extremely low speeds on most roads at traffic volumes which in my judgment would definitely not cause such low speeds.

On the second point, concerning demand elasticity, the Indians have followed the practice suggested by the Road Research Laboratory of using a cut-off speed; i.e. assuming that the growth of traffic will not be deterred by increasing congestion until some very low speed - chosen arbitrarily - is reached, after which no further growth in traffic will occur until the road capacity is expanded. The R.R.L. suggested a cut-off speed of 10 miles/hour and they did not envisage it being used over long distances. The Indians have adopted a cut-off speed of 10 Km/hour and have used it over very long distances. In either case, however, the use of a cut-off speed is highly unsatisfactory, being inconsistent with both economic theory and common sense. The reasons why it was suggested by the R.R.L. were that there was no information about demand elasticities and that the concept of demand elasticity was disliked by British engineers. In spite of these difficulties, however, I think it is far better to use an arbitrary demand elasticity than an arbitrary cut-off speed.

The combined use of more realistic speed-flow functions and demand elasticity will have a marked effect in eliminating the absurd conditions of congestion predicted by the Indians and in bringing down the rates of return to more plausible levels.

At the same time there are a number of other less drastic changes which Cranage and I think are desirable. Many of these will tend to push up the rates of return. We have examined the traffic growth rates and have suggested maximum and minimum rates. We have suggested some changes in the treatment of vehicle operating costs and time savings. We are trying to get better information on travel speeds. We have queried the assumptions made about some large by-passes and have asked for ~~origin~~ -destination information which may or may not be forthcoming.

Further progress

There is no doubt that the final assessments will contain a large element of judgment. It would take years to collect satisfactory data on all the matters involved. Cranage is now busy reworking all the assessments on the lines agreed during my visit. He is also basing his work on his personal knowledge of all the projects after discussion with Pilditch and myself about the peculiar features of each project. The on-the-spot observations and discussions have proved absolutely vital.

After Cranage has received some further information for which he is waiting there would seem little purpose in his staying on in Delhi. This means that he could well return to London at or slightly before the date anticipated (end January) and could complete his calculations there. I would suggest that as soon as the calculations are complete he and I should draft a report on the economic aspects of the projects.

I think it would be premature for any review mission to visit India before our report is ready, which I hope will be about the middle of February.



J. M. THOMSON

17.1. 1970

INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 14, 1970

1550

LOG NO.:

RC 4 / 15

TO:

INTBAFRAD

FROM:

LONDON

ROUTING

ACTION COPY:

TRANSPORTATION PROJECTS

INFORMATION
COPY:

DECODED BY:

Mr. Holloway / Dickson
Mr. Hardy 1/15
- let's discuss.
1/15

TEXT:

FOR HARDY CHIEF TRANSPORTATION DIVISION 1

PILDITCH CABLES AS FOLLOWS "RE REGULATIONS FOR FOREIGN CONTRACTORS IN
INDIA SIR NORMAN KIPPING ADVISOR ON INDIA TO CONFEDERATION BRITISH
INDUSTRIES VISITING NEW DELHI EARLY FEBRUARY STRONGLY RECOMMEND THAT
SECOND INDIAN HIGHWAYS PROJECT BE BROUGHT TO HIS NOTICE WITH VIEW TO
HIS GIVING ATTENTION TO INDIAN REGULATIONS AND PROVIDING GUIDANCE ON
PROBLEMS INVOLVED". REQUEST PERMISSION TO PROCEED ACCORDINGLY REGARDS

HOLLOWAY

IR

IN Highway
(2nd)

OUTGOING WIRE

TO: DIRECTOR GENERAL
CENTRAL ROADS WING
MINISTRY OF TRANSPORT
NEW DELHI

DATE: JANUARY 12, 1970

CLASS OF
SERVICE: LT

COUNTRY: INDIA

TEXT:
Cable No.:

REFERENCE PROPOSED SECOND HIGHWAY PROJECT WE CONFIRM APPRAISAL MISSION
ORIGINALLY TENTATIVELY SCHEDULED FOR END JANUARY NOW POSTPONED FOR
APPROXIMATELY TWO MONTHS COMMA YOUR GOVERNMENT INFORMED END DECEMBER
LAST STOP WRITING REGARDING FURTHER WORK ON PROJECT PREPARATION

178

HARDY

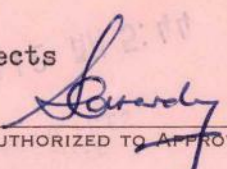
NOT TO BE TRANSMITTED

INDIA: Proposed Second Highway Project

AUTHORIZED BY:

NAME S.C. Hardy

DEPT. Transportation Projects

SIGNATURE 
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

Cleared with and cc: Mr. Kirk

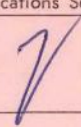
cc: Messrs. Votow, Abd. El Aty,
Hansen, Neuner, Mahoney

For Use By Communications Section

MWDickerson/jp

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: 

INTERNATIONAL DEVELOPMENT
ASSOCIATIONINTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENTINTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO:

DIRECTOR GENERAL
CENTRAL BOARD WING
MINISTRY OF TRANSPORT
NEW DELHI

DATE:

JANUARY 12, 1970

CLASS OF

SERVICE: IT

COUNTRY:

INDIA

TEXT:

Cable No.:

REFERENCE PROPOSED SECOND HIGHWAY PROJECT WE COMPLETED APPRAISAL MISSION
ORIGINALLY TENTATIVELY SCHEDULED FOR END JANUARY NOW POSTPONED FOR
APPROXIMATELY TWO MONTHS COME YOUR GOVERNMENT INFORMED END DECEMBER
LAST STOP WRITING REGARDING FURTHER WORK ON PROJECT PREPARATION

HARDY

NOT TO BE TRANSMITTED

INDIA: Proposed Second Highway Project

NAME:

S.O. Hardy

DEPT:

Transportation Project

SIGNATURE:

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GENERAL FILES
1970 JUN 12 PM 5:44CLEARANCE AND COPY DISTRIBUTION
Cleared with and cc: Mr. Kirkcc: Messrs. Vojow, Abd. El Azy,
Hansen, Werner, Mahoney

For Use By Communications Section

ORIGINAL (File Copy)

Mahoney/jp

IMPORTANT: See Bureau Guide for routing form

Checked for Duplication

IN - Highways
(2nd)

January 9, 1970

Rendel, Palmer & Tritton
125 Victoria Street
Westminster
London, S.W. 1
England

Attention: B.G.R. Holloway, Esq.

Dear Sirs:

Re: INDIA: Proposed Second Highway Project
Appraisal Assistance

Thank you for your letter of January 2, 1970. We confirm that we have informed the Indian Government of the postponement of the Bank appraisal mission's visit. We have since received an acknowledgment to this effect from the Government.

We are now considering sending a brief reconnaissance mission to India at the end of January, which would be concerned primarily with the status of the economic evaluation of the proposed project. A final decision on the need for such a mission will be made after we have received and reviewed Mr. Thompson's short factual report which we requested in our cable of December 29, 1969. We would therefore like this report, (in letter form) to be in the Bank by January 23, 1970.

We acknowledge having received Mr. Pilditch's Interim Report which we are now reviewing. We will forward our comments to you (copy to Mr. Pilditch) within the next few days.

Yours sincerely,

S.C. Hardy
Chief, Highways Division I
Transportation Projects Department

MWDickerson/lr

Cleared with Mr. Kirk

cc: Messrs. Votaw, Abd. El Aty

Karcher, Mahoney, Neuner

IN- Highways
(2nd)

January 9, 1970

Rendel, Palmer & Tritton
125 Victoria Street
Westminster,
London, S.W. 1

Attention: B.G.R. Holloway, Esq.

Dear Sirs:

Re: INDIA: Proposed Second Highway Project
Appraisal Assistance

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Yours sincerely,



COMMUNICATIONS
GENERAL
S.C. Hardy
Chief, Highways Division I
Transportation Projects Department

JAN 15 2 10 PM 1970

RECEIVED



MWDickerson/lit

Cleared with Mr. Kirk

cc: Messrs. Votaw, Abd. El Aty
Karcher, Mahoney, Neuner

Категория: Исследования
от: Москва. Дата: 1970. 12. 12
Степень: М.П. КТК
Инициалы: [signature]

RECEIVED

JAN 12 5 48 PM 1970

GENERAL OFFICE OF INTELLIGENCE
COMMUNICATIONS

Категория: Исследования

по М.П. КТК (Исследования) М.П. КТК (Исследования) М.П. КТК (Исследования)
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Инициалы: [signature]

(9.12.70)
Инициалы: [signature]

OFFICE MEMORANDUM

TO: Files

DATE: January 8, 1970

FROM: Tillman Neuner

SUBJECT: INDIA: Current Status of Second Highway Project

1. On December 24, 1969, a discussion took place on the above subject among Messrs. Hardy, Mahoney, Dickerson, Karcher and Neuner for the Transportation Projects Department and Messrs. Votaw and Kirk for the South Asia Department. Mr. Dickerson reported on his recent visit to New Delhi and on progress achieved in preparation of the project. Transportation representatives indicated that an appraisal could take place in January as scheduled, but would not be fruitful until the Association had decided what rules it wished applied to construction contracting on this project. The Association had made a number of proposals to the Government beginning with Mr. Votaw's letter of May 16, 1969 to C.S. Swaminathan (repeated subsequently to Dr. Patel on November 17, 1969), but the Government had given no substantial reply. Accordingly, all agreed that appraisal should be delayed until the Government of India had made an adequate response, and a revised tentative timing of March 1970 was set for appraisal. It was understood that this would delay presentation of the project to the Board beyond the close of current fiscal year.

2. During the discussion one or another of the participants touched upon the following significant points:

- a. Indian Road Contracting Industry. All agreed that India did not appear to have ^{an}urgently needed experienced road contractors if it were to sustain a large and well executed road construction program; the capacity of existing contractors was a subject being studied by the consultants in the field. Several proposals were mentioned as to how the proposed projects might further this end; a portion of the work might be set aside for Indian contractors and might be designed so as to cater to their capabilities, without prejudice, however, to proper quality standards in the end product. Indian contractors might be encouraged to make joint ventures among themselves or with foreign firms or to act as subcontractors on other sections of the project. Furthermore, there clearly was a large group of civil construction contractors in India who could readily adapt to highway work and needed only the incentive of steady business to equip themselves for it. It was understood that there was no lack of experienced Indian firms in bridge building.
- b. Foreign Contractors. The Government was not likely to settle on a formula which would tend to give all the road business under the project to foreign firms; some concessions would probably have to be made to give Indians a share of the business. However,

January 8, 1970

there was also the danger that the conditions of tender could be made so unattractive as to preclude any foreign participation. With appropriate safeguards a reasonable response might be expected, but a test of interest by actual tender was thought to be inescapable.

- c. Supervision. The methods of construction expected to be used by foreign contractors on this project were likely to be beyond the experience of Indian highway engineers who have thus far built roads only by labor-intensive force account method or some variation thereof. Some form of foreign supervision was therefore considered essential; Mr. Votaw reported that Mr. Aldewereld had stressed this point at a recent meeting. A foreign supervisor could possibly be required to countersign on behalf of the Association all ^{vouches} approving payment to the contractor. Or an Indian consulting firm could joint venture with a foreign consultant or a reputable Indian firm (e.g. Tata Ebasco) could be authorized to supervise on the understanding that expatriate engineers (acceptable to the Bank) are hired to do the actual work.
- d. Amount of Loan. It was suggested that the IDA Credit cover about 60% of total project costs.

3. After the meeting, the Transportation Department representatives reviewed the remaining preparatory work required on this project. The consultant's junior economist would shortly be joined in India by a senior specialist in economics and together they would prepare and submit to the Association by mid-January an interim report on the economic justification of the project. This would be followed, if needed, by a brief visit of a Bank mission to India about the end of January. Engineering work would continue by the state PWD's under the guidance of our consultants and is expected to be finished by March or April.

TNeuner:nb

Cleared with and cc: Messrs. Kirk, Hardy
cc: Messrs. Knox, Geolot, Votaw, Hogg, Carmichael,
Dickerson, Mahoney, Karcher

Mr. C.G.F.F. Melmoth

A. F. Kirk

INDIA - Monthly Meeting with Mr. Aldewereld

IN gen negs
cc IN Agree. Credit
(Gujarat)
cc Power Transmission
(and)
January 7, 1970
cc FCI Fertilizers
cc Mammals Pat
✓ cc Highways (A)
cc Agro-Aviation

1. You asked for comments on the timetables for this month as compared with forecasts made in the preceeding month.
2. I would like first to mention briefly where we stand on the 1970 IDA program for India. Of the "goal" of \$236 million, the Railways credit already approved accounted for \$55 million; the Kadana Irrigation Project scheduled for consideration on January 27 is for \$35 million; and the Sixth Industrial Imports Project scheduled for Board consideration in March is for \$75 million. This gives a total of \$165 million. The balance of \$71 million will be made up out of the following:
 - Gujarat Credit - \$20-\$37 million
 - Punjab Credit - \$20 million
 - FCI fertilizers - undecided
 - Power Transmission II - undecided
 - Agricultural Aviation - \$5 million.
3. The Gujarat credit appraisal report has been cleared by the concerned Departments and negotiations are expected towards the end of February. Apart from deciding on the amount of the credit, problems that will probably arise will include the method of procurement for tractors to be imported and the rate of interest to be charged the sub-borrowers. I expect both of these to be resolved satisfactorily. Punjab credit appraisal report is still expected for mid-March and Board presentation remains set for June. As for Gujarat, the problems for discussion will include tractor procurement and interest rates.
4. Power Transmission II - The appraisal mission returned this week and consider that a project of up to about \$50 million covering nine State Electricity Boards and being used for the imputed foreign exchange component of the program is possible. The alternative proposed, namely that international competitive bidding should be invited with a 27-1/2 percent preference for Indian suppliers, but the Bank disbursing against Indian bids only if the successful Indian bidder needs 15 percent or less, poses problems. The mission really has no idea of the extent to which Indian bidders could be successful on this basis.
5. FCI fertilizers - Delhi Office was cabled on December 31 to request further information on process comparison data and we await a reply. A mission (Cash and Tishon) will go to India once we feel requisite information is available to make it worthwhile.

6. Other projects:

(a) Mormugao Port - Engineers of Superintendence Inc. are to visit India almost immediately with a view to determine MAMCO's ability in association with other Indian suppliers to complete the project in good time.

(b) Highways II has been moved to fiscal year 1971 because of the delay in GOI replying to our questions on the possibility of international bidding and the need for adequate supervision.

(c) Agro-Aviation - Although a small project, this can be processed quickly and Picciotto is urging its inclusion for this fiscal year rather than, as at present scheduled, for FY 1971.

7. On the Bank side the only project is ICICI. The appraisal mission is now scheduled for early February and no serious problems are anticipated.

8. As for 1971, the principal IDA projects that may face problems are Krishna Godavari and Godavari Barrage - because of change in A.P.'s State Plan. Power Transmission III will depend on the outcome of Power Transmission II.

cc: Messrs. Cargill
Votaw

AKK/bj

Mr. S. Clifford Hardy

January 6, 1970

A. F. Kirk

INDIA - Highways II

Following the meeting we had with Mr. Votaw on December 24, I spoke to Mr. Shroff confirming that the Association would not be prepared to send an appraisal mission in respect of the above until we had had a response from the Government of India to the letters sent by Mr. Votaw to C. S. Swaminathan and I. G. Patel.

Shroff called me yesterday to say that he had been informed by Swaminathan that a reply to these letters would be mailed from Delhi this month.

cc: Messrs. Votaw
Mahoney
Dickerson
Neuner
Karcher

 AFK/bj

cc: ECAFE

VIN - Hwyl/20

OFFICE MEMORANDUM

TO: Files

DATE: January 6, 1970

FROM: S. C. Hardy *SH*SUBJECT: Possible Joint ILO/Bank Study of Labor Uses in Developing Countries

1. I participated as observer from the Bank in the U.N. ECAFE Conference held in Thailand during December 1969. In informal discussions outside the conference, observers from the International Labor Organization (ILO) expressed considerable interest in participating jointly with the Bank in any studies we might initiate regarding the relative merits of labor-intensive versus equipment-intensive methods of highway construction and maintenance in developing countries. The subject arose primarily in connection with the proposed second highway project in India, but would have relevance in any country where similar conditions prevail regarding surplus labor.

2. The individuals in ILO with whom I discussed the subject were:

Mr. Edgar Tilly	- ILO Regional Co-operative Adviser.
Mr. Helge FJermestad	- ILO Regional Adviser for Asia, Management Development and Productivity.
Prof. Belshaw	- University of New England, New South Wales. Regional Economic Adviser to ILO (Asian Office)

3. The ILO representatives are seeking to further their research and studies of the most appropriate uses of labor in developing countries, and the relative merits of labor versus equipment in civil works construction. Limited ILO funds preclude substantial research activities and the ILO representatives would welcome the opportunity to participate with the Bank in any theoretical or practical studies we have in mind on this subject. Professor Belshaw has amassed considerable knowledge on labor intensive operations in developing countries, and furnished me with a list of publications on the subject (see Annex).

4. I mentioned the possible inclusion of a study in the next Indian Highway Project directed towards estimating the lowest total transportation cost on roads constructed with different blends of labor and equipment, in which ILO cooperation and assistance might be mutually beneficial. I suggested to the representatives that ILO take the initiative by writing to the Bank indicating its desire to participate in the Indian project.

SCHardy:dfw

cc: Messrs. Baum, Baldwin, Knox, Geolot, Young, North, Hogg, Neuner,
van der Tak, Karcher, Mahoney, Dickerson,
Votaw/Kirk, Consolo, Franco-Holguin.

Labor v. EquipmentList of Publications.

<u>Ref.</u>	<u>Topic</u>
1	U.N. ECAFE <u>"Earth-moving by Manual Labor and Machines".</u> Flood Control Series, No.17. Bangkok, 1961.
2	ILO <u>"Men who Move Mountains".</u> Management Development Productivity Mission to India, 1963.
3	ILO <u>"Technical Meeting on Productivity and Employment on</u> <u>Public Works in African Countries".</u> Lagos, December 1963. Management Development Series, No.1. Geneva, 1964.
4	ILO <u>Meeting on "Productive Employment in Construction".</u> Bangkok, October-November 1968. Sponsored by the ILO in association with the Committee for the Co-ordination of Investigations of the Lower Mekong Basin.
5	IBRD <u>"Substitution of Labor for Equipment in Road Construction".</u> Report No. TO-447. May 1965.
6	Issues of U.N. Bulletin. <u>"Industrialization and Productivity".</u>
7.	<u>"International Labor Review".</u> Economic Development, <u>"Employment</u> <u>and Public Works in African Countries".</u> January 1965.
8.	K. Gain and K.L. Rao. <u>"River Valley Projects in China".</u> New Delhi, 1955. Published by Central Water & Power Commission. Government of India.

Central Files
I.D.A. Appraisal Assistance Team,
Room 215A,
Central Roads Wing,
Ministry of Transport & Shipping,
New Delhi.
5 January, 1970
IN - Highways
1-124

Ref: IDA/India/8

The International Development Association,
1818 H Street, N.W.,
Washington, DC. 20433,
U.S.A.

JAN 13 1970

Projects Dept. Correspondence

ANS'D BY

not required

DATE

For the attention of S.C. Hardy, Esq., Highway Division I,
Transportation Projects Department.

Dear Sirs,

INDIA: ASSISTANCE IN HIGHWAY PROJECT APPRAISAL

PROGRESS REPORT NO. 1.

In accordance with the Terms of Reference contained in the Consultant's Proposal dated 11 November, 1969, and amended by your letter dated 14 November, 1969, we submit herewith our Progress Report No. 1 in quadruplicate.

A. STATUS OF EACH PROJECT ELEMENT

- (i) Roads No change since Interim Report dated 23 December, 1969.
- (ii) Bridges See Annexure No. 1 attached. Preliminary estimated costs are likely to be nearer to an accuracy of plus or minus 15% than 5% previously reported.

B. ASSISTANCE TEAM'S PROGRESS

- (i) Visits Visits of inspection have been made to the undermentioned Project elements by members of the Team since the the submission of the Interim Report.

<u>Date</u>	<u>Element</u>	<u>Visited by</u>
2/1/70	U1, U2, U2B1	J. Trnka
5/1/70	Start of visit) to T1 and T2)	J. Trnka B.E.Cranage J.M.Thomson

The following further visits of inspection are planned:

9-11/1/70	B1, B2, B4 (Bakhtiapur to Barauni only)	P.Pilditch J.M.Thomson
13/1/70	U2, U2B1, U2B2	J.M.Thomson

13/1/70

NS' NSBT' NSBS

J.M. THOMSON

RECEIVED

to BUREAU ONLY

J.M. THOMSON

8-11/1/70

BT' BS' BT (BUREAU)

B. B. THOMSON

JAN 12 2 56 PM 1970

THE FOLLOWING FURTHER DETAILS OF INSPECTION ARE
GENERAL FILES
COMMUNICATIONS

	to LI and LS	J.M. THOMSON
2/1/70	State of Affairs	B.E. CLARKE
		J. THOMSON
3/1/70	BT' NS' NSBT	J. THOMSON
Dates	Element	Attended by

Report.

The team since the the submission of the interim
unmentioned project elements by members of
Attache of inspection have been made to the

(1) Attache

B. ASSISTANCE TEAM PROGRESS

plans of which are then or previously reported.
cases are likely to be needed to an account of
(11) Bridges see Annexure No. 1 attached. Preliminary estimated

(1) Roads

no change since interim report dated 23 December, 1969.

A. STATUS OF EACH PROJECT ELEMENT

Report No. 1 in headquarters.
Letter dated 14 November, 1969, we submit herewith our progress
consultant's progress dated 11 November, 1969, and amended by you
in accordance with the terms of reference contained in the

PROGRESS REPORT NO. 1.

INDIA: ASSISTANCE IN HIGHWAY PROJECT APPRAISAL

Dear Sirs,

Transportation Projects Department.

For the attention of S.C. Bhatia, Esq., Highway Division I,

DATE

VIA 20 BY

U.S.A.

Washington, D.C. 20533

1818 H Street, N.W.

The International Development Association,

1818 H Street, N.W.

JAN 13 1970

Ref: IDA/India/8

2 January, 1970

New Delhi.

Ministry of Transport & Shipping,

Central Roadways Wing,

Room 3124,

I.D.A. Assistance Team.

Copy to...

- (ii) Central Roads Wing. Proposals for typical pavement designs based on the recommendations of Road Note 29 and R.R.L. Report LR 279 have been submitted to C.R.W. for comment, in the apparent absence of any Indian specifications on the subject. Initial C.R.W. reaction is that total pavement thickness can be determined from C.B.R. test results using R.R.L. curves E and F, applying a factor of 2 for bituminous surfacing. C.R.W. appear to have no reliable cost data for, and little practical experience of, asphaltic concrete, and seem to disregard the increasing load effect produced by increasing traffic volumes when designing the thickness of a bituminous wearing course. A request has been made for the whole of the proposed paper alignment for U1, U2, U3 and U4 to be submitted to the Team in New Delhi for examination.

I think he means fatigue.

- (iii) In the States The visit to U1 and U2 on 2/1/70 revealed that a number of alterations to alignments and by-passes are being proposed since the previous Team visit on 23/11/69, and it was requested that all intended changes be sent to C.R.W. for detailed examination by the Team. Noteworthy revisions are the widening of Sengur River Bridge instead of complete new construction at another site, and the provision of a by-pass at Pukrayan where unauthorised encroachment on either side of the main street has reduced the clear width between the building frontages, the P.W.D. lacking the authority to remove the offending properties.

Good.

- (iv) Economic Feasibility Mr. J.M. Thomson, Consultant Transportation Economist, arrived in New Delhi on 2/1/70 and after being introduced to the D.G., Mr. Sinha, discussed with Mr. Cranage the revised calculations which the latter has been making to determine possible changes in the Internal Rates of Return from those estimated by Dr. Bathya. Having decided that there were a number of points of disagreement or doubt Mr. Thomson, accompanied by Mr. Cranage, then held a meeting with Dr. Bathya which was frank and cordial the outcome of which was a satisfactory measure of agreement by all concerned on the issues in doubt, and recognition that Indian rates of return might in consequence prove to be not of the order hitherto stated. Messrs. Thomson and Cranage are currently visiting Tamil Nadu roads T1 and T2.

Good but not news!

Form No. 75
(2-60)

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

INTERNATIONAL DEVELOPMENT
ASSOCIATION

ROUTING SLIP

Date

NAME

ROOM NO.

C. SUITABILITY OF PROJECT FOR APPRAISAL

It is understood that the Bank intends to defer Appraisal until, March, 1970. Notice of this intention has not been conveyed to the C.R.W. for fear that it might produce a relaxation of effort in the preparation of the Project.

D. CONTRACTORS

To date no list of road contractors has been made available to the Team.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Pilditch', is written over a horizontal line.

P. Pilditch
Project Leader.

cc. Rendel, Palmer & Tritton.

STATUS OF BRIDGES AT 13/12/69

Element	New construction						Widening/strengthening					
	1	2	3	4	7	8	1	2	5	6	7	8
B 1	1	1790	100	100	100	100	6	670				
B 2	5	1640	90	90	90	90	9	755	60			
B 3	34	3245	55	10	10	10	6	1785				
B 4	20	3960	100		75	70	-	-	-	-	-	-
M 1	9	1025	90	90	80	80	39	3005	41	41	41	
M 2	14	1190	25	11			25	2135	55	8		
T 1	17	1300	25	25			5	200	12	12		
T 2	10	3010	100	100			-	-	-	-	-	-
U 1	5	255					1	65				
U 2	1	135					1	140				
U 3	1	60	100		25	25	3	280	100	70	50	50
U 4	-	-	-	-	-	-	-	-	-	-	-	-
U 2 B 1	1	2800	100	100	100	100	-	-	-	-	-	-
U 2 B 2	2	3048	99	60	50	50	-	-	-	-	-	-

<u>References</u>	1	Number of structures		
	2	Total length of structures (feet)		
	3	Field survey & collection of hydraulic data - % completed		
	4	Foundation investigation	-	"
	5	Collection of details of existing structure	-	"
	6	Check on waterway and foundation depth	-	"
	7	Preparation of plans for preliminary estimates		"
	8	Preparation of preliminary estimates	-	"

GMR/ILJ

RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
THE ASSOCIATION OF CONSULTING ENGINEERS

PARTNERS

H. SCRUTTON, F.I.C.E., F.I.STRUCT.E., M.INST.PET.
J. R. H. OTTER, F.C.G.I., F.I.C.E., A.R.I.C.S.
B. G. R. HOLLOWAY, F.I.C.E., F.I.STRUCT.E.
F. IRWIN-CHILDS, F.I.C.E.
P. M. FRAENKEL, F.I.C.E., F.I.STRUCT.E.
P. A. COX, F.I.C.E.
J. C. MUNRO, F.I.C.E.
K. E. AINSCOW, F.I.C.E., M.I.STRUCT.E.
D. M. S. FAIRWEATHER, F.I.MECH.E., M.I.LOCO.E.

CONSULTANTS:

J. E. G. PALMER, F.I.C.E., F.Am. Soc. C.E.
T. T. LAMBE, F.I.C.E., F.I.MECH.E.
H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

C-219

TELEPHONE: 01-834 8494

TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, SW1

H-I 1/24
Mr. Pilditch
1/9
125 Victoria Street,
Westminster,
London, S.W.1.

YOUR REF.

OUR REF. 02136/13760

The International Development Association,
1818 H Street N.W.,
Washington D.C. 20433,
U.S.A.

5th January 1970

For the attention of S.C. Hardy Esq.,
Highway Division I, Transportation Projects Dept.

Dear Sirs,

Highway Projects Appraisal - India

We are in receipt today of a cable from Mr. Pilditch in which he expresses concern in case you may not have received his Interim Report dated 23rd December 1969.

We ourselves received a copy a few days ago and, in case the original of the report has not reached you, we enclose a photo-copy for your use.

We confirm also that Mr. J.M. Thomson has now joined Mr. Pilditch in India until the 14th January and together with Mr. Cranage will be concentrating on the identification and quantification of the economic benefits from the proposed road improvement schemes.

Yours faithfully,
for RENDEL, PALMER & TRITTON

G. M. L. Richard

*Received &
Passed to Mr. Pilditch
1/6.
1/24*

COMMUNICATIONS
DEPT. 1/24
JAN 8 1 30 PM 1970

JAN 8 1970

Projects Dept. Correspondence
ANS'D BY S. C. Hardy.
DATE 1/22/70.

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JAN 8 1 30 PM 1970

GENERAL FILES
COMMUNICATIONS

[Faint, mostly illegible text in the main body of the document, possibly a letter or report.]

TO: MR. J. H. HARRIS
FROM: MR. J. H. HARRIS
SUBJECT: [illegible]

DATE: [illegible]
TIME: [illegible]

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TELEPHONE: [illegible]
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THE UNIVERSITY OF [illegible]
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CHARTERED ENGINEERS
CONSULTING & DESIGNING

BERNARD PAGNER & TRISTON

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INCOMING CABLE

DATE AND TIME
OF CABLE:

JANUARY 5, 1970

1830

LOG NO.:

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TO:

HARDY INTBAFRAD

FROM:

NEW DELHI

TEXT:

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ACTION COPY: TRANSPORTATION PROJECTS

INFORMATION
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DECODED BY:

W. H. H. 1/6

*Mr. Duker 1/6 1/6
Karcher 1/6
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14 RE INDIAN HIGHWAYS FOUR COPIES PROGRESS REPORT NUMBER ONE

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RENDEL, PALMER & TRITTON.

CONSULTING & DESIGNING
CHARTERED ENGINEERS

MEMBERS OF
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PARTNERS

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D. M. S. FAIRWEATHER, F.I.MECH.E., M.I.LOCO.E.

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H. F. MERRINGTON, F.I.C.E., M.I.W.E.

ASSOCIATE:

R. DOWNHAM, M.R.I.N.A., M.I.MAR.E.

Maurice

- pl draw up reply TELEGRAMS { INLAND & OVERSEAS
RENDELS, LONDON, S W I

- I believe India was
informed thro' Exec Director

- mention possible 125 Victoria Street,
brief mission and Jan
by our economists (Mahoney?) Westminster.

YOUR REF.

OUR REF. 02136/13752 1/8

London, S.W.1.

The International Development Association,
1818 H Street N.W.,
Washington D.C.,
U.S.A.

2nd January 1970

For the attention of S.C. Hardy Esq.,
Highway Division I, Transportation Projects Dept.

Dear Sirs,

Highway Projects Appraisal - India

We refer to Mr. Hardy's telephone discussion with Mr. Holloway on the 24th December 1969 in which we were informed that the Bank now did not intend to commence its appraisal of the Indian projects until March 1970.

Mr. Pilditch has been informed of this decision and we, together with Mr. Pilditch, assume that you will be advising the Indian Government direct of the postponement of the arrival of the Appraisal Team.

Yours faithfully,
for RENDEL, PALMER & TRITTON

G. M. Richard

JAN 6 1970

Projects Dept. Correspondence

ANS'D BY

DATE

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GENERAL FILES
COMMUNICATIONS

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THE HONORABLE MEMBER FOR
COMMUNICATIONS

At the request of the member of the Legislative Assembly,
Mr. Hargrave, who has been appointed to the position of
Mr. Hargrave has been appointed to the position of
to commence his duties on the 1st of January 1970.
He will be responsible for the administration of the
the 1st of January 1970.

THE HONORABLE MEMBER FOR
COMMUNICATIONS

Mr. Hargrave

Mr. Hargrave, who has been appointed to the position of
for the purpose of the 1st of January 1970.

Mr. Hargrave

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RENDON, PALMER & TAYLOR

CHARTERED

RENDERED LONDON, 20th
JANUARY 1970

RENDERED LONDON, 20th

RENDERED LONDON, 20th

RENDERED LONDON, 20th

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