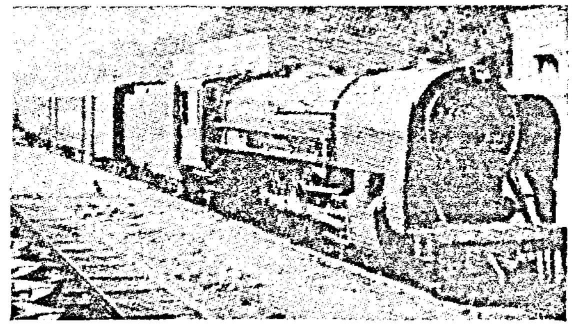

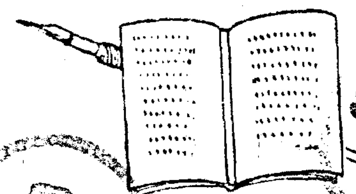

THE RAILWAY ACCOUNTANT

A Monthly Journal

devoted to

Railway Accounts, Audit & Finance.

Vol. I **APRIL 1954** **No. 1**

Edited & Published by :

L. V. GOPALAN, B. A., B. L.,

Retd. A. A. O., M. S. M. Ry.

...a Road, Mylapore, Madras-4.

...nnual Rs. Ten. Quarterly Rs. Three. Price per copy Re. One.

The Managing Editor invites contributions to this Journal on matters pertaining to Accounts & Audit of Indian Railways; also on general topics of Railway Finance concerning the Operating and Maintenance Departments of Railways. Subjects of general importance to a Financier like costing, factory organisation, labour control etc., may also be covered. Occasionally, humorous articles may also be accepted.

Every letter of contribution for publication must bear the name and address of the sender, not necessarily for publication, but as a guarantee of good faith. Contributions should be on one side of the paper only and either clearly written or typed.

If necessary postage stamps are enclosed, rejected manuscripts will be returned.

The Editor does not hold himself responsible for the accuracy of anything published in the Journal, or for opinions expressed by contributors therein. Nothing published in this Journal, whether editorially or by contributors, shall be regarded as having any official authority.

All communications should be addressed to the Managing Editor, **The Railway Accountant**, 14, Balakrishna Road, Madras-4. This will apply to contributions, subscriptions, advertisements etc.

CONTENTS

MESSAGES

T. A. JOSEPH,
General Manager,
Southern Railway.

MADRAS-3.

I am glad to learn that a monthly journal "THE RAILWAY ACCOUNTANT" is to commence publication shortly under the direction of an editorial board of Accounts Officers of Indian Railways. I have pleasure in conveying my good wishes for a useful and successful career for the new journal.

S. RAMAYYA, M.A.,
Indian Audit & Accounts Service,
Financial Adviser & Chief
Accounts Officer,
Southern Railway.

"WOODFORD"
NUNGAMBAKKAM HIGH ROAD,
MADRAS.

MAY 1953

I thank you for your letter dated 7—4—'54 requesting me to send a message on the occasion of the Publication of the Journal, 'Railway Accountant'.

I notice from the objects of the Journal that it is devoted mainly to the cause of Railway Accounts, Statistics, Finance etc. I am quite sure under your able editorship it will serve the cause of Railway Accounts etc. very ably and meet a long-felt need in the country on these subjects. I wish it all prosperity and success.

A. BALAKRISHNAN, B.A., B.L.,
I. A. & A. S., Accountant General,
Madras.

"PREM NIVAS",
13, BALAKRISHNA ROAD,
MADRAS-4.

I am glad to learn that Sri L. V. Gopalan intends to start a new monthly Journal styled "The Railway Accountant" under the guidance and auspices of a representative Editorial Board, consisting of Accounts Officers of high standing on the various Railways. After the disappearance of the 'Railway Accounts and Finance', the need for such a magazine has been keenly felt and this venture will supply that need. It has also been undertaken by a person who requires no introduction to the Railway World. I wish him and his venture every success.

MESSAGES

K. Venkatarama Iyer,
Ch. Auditor & Acctt.,
M.S.M. Ry. (Retd.)

"DILKUSHA"
EGMORE, MADRAS-8.

"Even during his years of active service Mr. L. V. Gopalan never confined his attention to within the four walls of the Office. He endeavoured in his own way to help the members of the Railway Accounting profession in the lower rungs of the ladder.

And now in retirement, he proposes to start a new journal named THE RAILWAY ACCOUNTANT to appeal to and serve a wider public.

I wish him success in his enterprise."

K. Sadagopan,
Ch. Administrative Officer,

INTEGRAL COACH FACTORY,
PERAMBUR, MADRAS-23.

"I most heartily welcome the publication of THE RAILWAY ACCOUNTANT devoted to all matters connected with the Railway Accounts, Finance, Statistics, Audit etc. Such a journal would meet adequately a very long-felt need by all Railway Accountants and Auditors. It will no doubt also be of very considerable interest to all officers and staff of the revenue-earning and spending Departments of Railways.

Indian Railways are the biggest nationalised undertaking and in our democratic set up, the public are bound to take an ever increasing interest in the working of Railways, their financial position etc. The problems that will be discussed in this journal will prove to be of considerable interest to the public interested in Railway matters.

The Managing Editor, Sri L. V. Gopalan, has been in the field of Railway Accounting and Finance for the last over 30 years and I have no doubt that with him as the Managing Editor, the journal will have a most successful career of usefulness to the public interested in Railway Finance and Accounts and Statistics.

My warmest good wishes for the success of THE RAILWAY ACCOUNTANT".

Khan Bahadur J. D. Bhote,
Agent to the Board of Directors,
B. L. Railway Co.,

KURDWADI.

"I send my blessings to your new venture".

THE RAILWAY ACCOUNTANT

(A monthly Journal devoted to Railway Accounts, Audit and Finance)

14, Balakrishna Road, Madras-4.

Vol. I **APRIL 1954** **No. 1**

Ourselves.

We have great pleasure in introducing to the Railway Accountancy Profession, a Technical Journal devoted particularly to matters concerning Railway Accounts and their audit, and more generally other matters concerning Accounts and Audit of similar commercial departments.

Given the unstinted and hearty co-operation of all the Railway Officers and staff in India, there seems to be no reason why we should not be optimistic about the bright future of the Journal we are inaugurating to-day. The objects and aims underlying the issue of this Journal are patently so useful that there should be no difficulty in realising them and sustaining them for years to come.

The structure of Railway Accounts framed over half a century ago and modified from time to time, is still showing various directions in which improvements and modifications can be effected. Conditions have changed and the men at the helm have greater and greater constructive ideas. Experiments are being tried and their results watched. In the light of these results, alterations are being made. The basic principle of accounts is being realigned to suit the changed conditions and the present-day Constitution. Relationship between Audit and Accounts is also reviewed to suit these various changes. It is, therefore, obvious that there should be a medium through which every Railway Accountant interested in the profession should express himself and through which such current information is available to him. The proposed Journal is designed to meet this demand.

In the past, a similar attempt was made but the effort was not sustained enough to last for a long time and the journal quietly closed down. Another attempt was made sometime later, but this also ceased to function after a few years. At present, therefore, the profession is left with no technical journal on Railway Accounts matters. It is this position that is sought to be made good by us and we hope that members of the profession will make very good use of the opportunity thus afforded to them. We, therefore, appeal earnestly to all officers and subordinate staff alike to come forward and assist us in making the Journal an unqualified success and thus help to foster and develop the really excellent causes it is intended to serve.

The Journal, from its very nature, will be a means of mutual self-improvement and when several matters which crop up for solution in the day-to-day administration of Indian Railways receive the attention of various Railway Officers situate far apart, it is evident that there should be a common forum for collecting together such valuable data and discussing the pros and cons. Thus, each one will be enabled to contribute his quota to the general stock of facts and thoughts.

The Railway Accountancy profession in common with others of its kind, like Engineering, Medical etc., affords greater and greater possibilities for constant research, and thus the members of the professionare enabled to take greater efforts not only for their intellectual pleasure but also for the advancement of the profession as a whole.

It may look to many that the Railway Accounts system is almost of a routine type and that there is practically nothing which we can think about for getting off the beaten track. This view, however, cannot be accepted *in toto*. In all matters, it is necessary that there should be some stability and, therefore, some amount of constancy in procedure. But it does not follow therefrom that it is totally static. When circumstances change and conditions alter, necessarily there is scope for revising the basic track also.

We are thus showing possibilities of variations and fresher elements for study in this profession of Railway Accountancy and there is, therefore, plenty of scope for men of intellect to explore the field with best avenues of thought. The object of this Journal is to help them in such endeavours by all possible means and giving an incentive to those who can take the initiative. We trust we shall be enabled to carry out our aims satisfactorily and in a sustained manner.

Railways in Parliament.

Revision of fares and freight structure.

There was a lot of discussion in respect of the anticipated short fall of about 60 crores in the Railway contribution towards the resources of the Five Year Plan. The Minister stated that he was examining in this context the implications of certain suggestions for adjustment in the fare and freight structure which was claimed to be necessary for the developmental economy.

This was, however, explained by the Financial Commissioner of Railways by a categorical statement that the scope for adjustment of fares and freights which would lead to substantial loss of Railway earnings was definitely out of the question, if the plan is to be carried in the way in which it has been framed. But he assured at the same time that to the extent that it was possible to do anything to meet the wishes of the Federations of Indian Chambers, and Commerce and Industries for incurring any substantial loss, would be looked into. If a substantial loss is to be incurred on something, then an increase somewhere else would have to be made in order to avoid overall loss. This, is, however, on the basis of not doing anything which would go against developmental economy.

Anti-Corruption Enquiry Committee.

The Railway Minister indicated that he would re-examine the terms of reference to the Anti-Corruption Enquiry Committee and he would, if found necessary in any respect, revise the terms.

Accommodation to Railway Employees.

The Railway Minister was optimistic that if the problem of providing accomodation to Railway Employees was tackled with determination as at present, the question would be solved in less than a dozen years although the opposition feared that it might not fructify in many times this period. He said. "We will have constructed 3,20,000 quarters by the end of 1954-55. I hope the difference of 1,80,000 will be made up in about 10 to 12 years' time even at the present rate of construction."

The Railway Budget for 1954-55

The Railway Budget was presented to Parliament on 19th Feb. 1954 by Shri Lal Bahadur Shastri, Railway Minister. Receipts are estimated at 273·25 crores and net surplus at 5·14 crores. Provision has been made for Works, Machinery and Rolling Stock at 95 crores and for dividend to General Revenues at 35·50 crores.

SUMMARY OF RAILWAY BUDGET

(Rupees in crores)

	Actuals. 1952-'53	Budget 1953-'54	Revised Estimate, 1953-54	Budget 1954-'55
Gross Traffic Receipts ...	270·56	272·28	272·00	273·25
Working Expenses ...	188·17	191·20	197·87	194·53
Net Miscellaneous Expenditure ...	5·21	7·00	6·49	8·08
Appropriation to Depreciation Reserve Fund ...	30·00	30·00	30·00	30·00
Total ...	223·38	228·20	234·36	232·61
Net Railway Revenues ...	47·18	44·08	37·64	40·64
Dividend to General Revenues ...	33·99	34·77	34·46	35·50
Net Surplus ...	13·19	9·31	3.18	5·14

RLY. MINISTER'S SPEECH

The following are extracted from the speech.

* * *

I shall first report the financial position of the Indian Railways, as disclosed in the completed accounts for 1952-53. The actual gross traffic receipts and ordinary working expenses for the year were Rs. 270.56 crores and Rs. 187.96 crores against the revised estimates of Rs. 269.55 crores and Rs. 183.85 crores respectively. After allowing for contribution to the Depreciation Reserve Fund and payments of miscellaneous expenditure and Dividend to General Revenues, the actual net surplus stood at Rs. 13.19 crores against the revised estimate of Rs. 9.48 crores. A sum of Rs. 12.00 crores out of the surplus was appropriated to the Railway Development Fund and the balance of Rs. 1.19 crores to the Revenue Reserve Fund.

I shall now deal with the Revised Estimates for the current year. The total gross receipts are now estimated at Rs. 272.00 crores compared with the Budget Estimate of Rs. 272.28 crores. The small reduction of Rs. 28 lakhs is due to a difference in the methods of estimating and does not portend any change in the anticipated trend of either passenger or goods earnings that I had assumed at the time of presentation of the last budget.

WORKING EXPENSES

The original estimate of Working Expenses, viz., Rs. 190.99 crores is, however, expected to go up by Rs. 6.64 crores to Rs. 197.63 crores. This increase is mainly due to the implementation of the recommendations of the Gadgil Committee to treat 50 per cent of the Dearness Allowance paid to the employees as pay and to the increased diversion of coal by sea for the Southern, Central and Western Railways to enable more coal and other commodities to be moved by rail in response to industrial and other public requirements. The former accounts for an extra expenditure of Rs. 3.15 crores, and the latter for an increase of Rs. 1.39 crores. The balance is attributable to increased provision required for protection works against flood damages, for additional temporary works for the Kumbh Mela and for increased repairs and maintenance of rolling stock, machinery and electric installations. As a result, the surplus for the current year will now stand at Rs. 3.18 crores as against Rs. 9.31 crores estimated in the Budget.

I shall now come to the Budget Estimates for the year 1954-55. In framing these estimates I have had to allow for certain financial and accounting changes, which are proposed to be introduced on the Railways with effect from 1st April, 1954. As Hon'ble Members may recall, following the regrouping of Railways, certain inter-zonal and inter-departmental adjustments in accounts were done away with. Last year during the Railway Budget discussions, several Hon'ble Members expressed concern regarding the effect of the changes and desired to retain as before the picture of the financial results of individual railways unimpaired. In consultation with the Comptroller and Auditor-General, it has now been decided to restore in essence the earlier procedure under which railwaywise financial and operating results will be available. Each Railway Administration will henceforth be in a position to make a comparative assessment of its own financial results and economics of working. The Budget Estimate for the year 1954-55 has been prepared after taking these changes into account.

PASSENGER EARNINGS

The estimates of passenger earnings for 1954-55 have been placed at Rs. 101.51 crores, which is only nominally higher than the Revised Estimates, but slightly lower than the original estimates for the current year. A certain amount of decrease has to be allowed for as the additonal earnings due to the Kumbh Mela will not be available in the next year. The acquisition of the Barsi Light Railway from 1st Janauary 1954 and the slightly better prospects in view of the fairly good monsoon and favourable agricultural season are, however, anticipated to bring in increased passenger earnings.

As regards goods earnings, there are reasons to be more optimistic on account of the increasingly encouraging trends of industrial production. During the first nine months of 1953, the average general index of production was 133.8 representing a rise of 5.4 per cent over the corresponding figure for 1952. The forecast of agricultural production is also reassuring. The tonnage of goods carried during the first six months of the current year, both on the Broad Gauge and the Metre Gauge, has recorded a slight improvement over the corresponding period of 1952-53. I have, therefore, placed goods earnings at Rs.148.6 crores, which is only one per cent higher than the Revised Estimates for 1953-54.

The overall estimate for gross receipts has thus been placed at Rs 273.25 crores against Rs. 272.0 crores in the Revised Estimates for 1953-54.

The Budget Estimates for Ordinary Working Expenses for 1954-55 have been placed at Rs. 194·31 crores, being Rs. 3.32 crores lower than the Revised Estimates for the current year. The decrease is due partly to credits for freight charges on stores used on works, and partly to reduce provision for repairs and maintenance and for special items like the Kumbh Mela and the diversion of coal by sea. There are other minor factors contributing to the decrease which are, however, offset by the provision for annual increments to the staff, which cost the Railways nearly a crore of rupees every year.

The appropriation to the Depreciation Reserve Fund is proposed to be maintained at the same level as in the current year, *viz.*, Rs. 30 crores. After providing for a net miscellaneous expenditure of Rs. 8·08 crores and a dividend of Rs. 35·50 crores to the General Revenues, the surplus expected to accrue in 1954-55 is placed at Rs. 5.14 crores.

Hon'ble Members will have noticed the trend of continued increase in the working expenses of the Railways and the progressive diminution of the Railway surplus. The steep fall in the passenger traffic of the Railways which occurred in the year 1952-53 has, I hope, been halted and although there has been a slow improvement of the position, I cannot see, in the present conditions, any indications to expect in the near future, a marked spurt in passenger traffic. At the same time working expenses have been going up owing to factors over which we have but little control. The Budget Estimates for 1954-55 show an increase of nearly Rs. 50 crores over that for 1948-49. Except for a sum of Rs. 10 crores which is due to the taking over of the State Railways the bulk of this increase is attributable to the liberalisation of benefits to staff. The fuel bill accounts for an increse of about Rs.7 crores. This is consequent on expansion of services to meet the demands of traffic.

MACHINERY AND ROLLING STOCK

I shall now turn to the estimates for Works, Machinery and Rolling Stock. The Revised Estimate for the current year is being placed at Rs. 77.88 crores against the Budget Estimate of Rs. 79.61 crores, involving a reduction of Rs. 1.73 crores, Before coming to the Budget Estimates, I would briefly refer to the progress made under the First Five-Year Plan. During the first two years, *viz.*, 1951-52 and 1952-53, the Railways actually spent a sum of Rs. 131.04 crores and a sum of Rs. 77.88 crores is likely to be spent during the current year. This leaves a balance of Rs. 191.08 crores out of the Rs. 400 crores allocated to the Railways in the Plan. Arrangements have been made to step up expenditure on works and also to increase the procurement of rolling stock during the remaining two years of the Plan so as to ensure our reaching the target. Hon'ble Members will find included amongst the Budget papers a booklet dealing with the developmental works carried out during the first two years of the Plan and such other works as are proposed to be carried out during the remainder of the Plan period.

The House will be interested to have some details regarding the progress of developmental works budgeted for during the current year. Hon'ble Members will recall that the construction of five new lines was proposed to be taken in hand during the current year. Out of these, satisfactory progress is being made on the construction of Champa-Korba line. Work on Gandhidham-Kandla link has already commenced. The work on Khandwa-Hingoli, Gop-Katkola and Gua-Manoharpur lines is expected to start in the near future.

Among other constructions, Chunar-Robertsganj line is being shortly opened for goods traffic and is expected to be ready for passenger traffic by May 1954. The diversion of the Railway line *via* Chandigarh, the new Capital of the Punjab, has been completed, as also the Budni-Barkhera double line. A portion of Sanganer Town—Toda Rai Singh Extension, *viz.*, from Sanganer to Tordi Sagar, has been completed and opened for traffic. The Madhepura-Murliganj line is expected to be completed during 1954-55. Out of the 96 miles of Quilon-Ernakulam Railway, the Ernakulam-Kottayam Section, 37miles long, is expected to be opened for traffic in 1955.

Arrangements for collection of materials and equipment required for the construction of the Ganga Bridge at Mokameh and the ancillary training works have also been completed.

DISMANTLED LINES RESTORED

As regards the dismantled lines, the following have been restored during the current year:

(i) Shoranur - Angadipuram (part of Shoranur - Nilambur.)

(ii) Vasad-Kathana.

(iii) Balamau-Madhoganj (part of Unao-Madhoganj.)

(iv) Madura-Usilampatti (part of Iadura-Bodinayakanur.)

In addition, the restoration of Nagrta-Jogindernagar and Bhagalpur-Manarhill branches has been almost compleed and they will be opened for traffic hortly.

The Budget Estimates for the year 954-55 in regard to Works, Machinery nd Rolling stock of Railways have been laced at Rs. 95.00 crores, including orks chargeable to Revenue. This repesents an increase of about 17 crores ver the revised estimates for the current ear. The total provision for works, incding new constructions and constructn of staff quarters is Rs. 37.64 crores. he provision for Rolling stock is Rs. 2.58 crores. Provision has also been ade for a sum of Rs. 1.20 crores for vestment in road services.

The Budget Estimates for works proide for an increased outlay of about 17 er cent over the revised estimates for 953-54 and about 44 per cent over the tuals for 1952-53. A limit to the exection of schemes included under these orks is set by the shortage of materials, rticularly rails and sleepers. Steps ve recently been taken to augment e supply of rails by imports, and the dget estimates have been framed accorngly.

The provision made for rolling-stock flects a heavier programme for procureent than has been usual in the past. on'ble Members are aware that orders r a large number of locomotives have en placed abroad recently to accelerate e rehabilitation of the Railways. In orr to appreciate the urgency for procunent from the point of view of our wer position, Hon'ble Members should nember that during the five - year riod ending 31st March 1956, about 00 locomotives will become overage in dition to a considerably larger number overage locomotives which existed at time of the commencement of the Five ar Plan. As a result of the measures that have been taken, it is expected that a total number of about 1,600 new locomotives will be received during the Plan period. This should result in an overall improvement in the power position of the Railways.

It is only appropriate that I should acknowledge here the assistance received by us from Canada under the Colombo Plan for a supply of 120 broad gauge passenger locomotives and from the Government of the United States under their Foreign Assistance Programme for another supply of 100 broad gauge locomotives.

In the plan for increased procurement the objective of utilising indigenous resources to the maximum extent continues to guide and regulate all orders placed in accordance therewith. It is my intention to step up the production target of the Chittaranjan Locomotive Works from 120 to 150 and thereafter to 200 of average sized locomotives in the course of the next four years through the introduction of such measures as judicious multi-shift working, additional equipment and training of more skilled staff. The target of the Tata Locomotive and Engineering Company is 50 locomotives a year. They have hitherto produced and delivered 50 locomotives in all, but they are expected to reach their target in 1954-55.

As regards wagons, practically all the increased procurement has been planned on indigenous production. In previous years the installed capacity was assumed to be about 7,800 wagons per annum. Owing to the prospect of increased off-take in the next five years new manufacturers have come into the field and established manufacturers have agreed to expand their production capacity. In view of this, orders for about 11,000 wagons will be placed against the 1954-55 programme with the manufacturers in India. I should also add here that we expect to receive 5,000 wagons under the Foreign Assistance Programme of the Government of the United States.

In my budget speech last year, I had informed the House that no new orders for passenger coaches are being placed abroad. The same policy is being pursued this year. The capacity of the Hindustan Aircraft Limited and our workshops has been stepped up to meet our requirements. The construction of the Integral Coach Factory at Perambur to manufacture passenger coaches is making satisfactory progress. It is expected that coach body-shells will start coming out of this factory during the second half of 1955.

SPECIAL TYPE WAGONS

I have decided to set up a Committee to advise how the manufacture of certain special type wagons, Narrow Gauge Locomotives and other stock and fittings, which are still being imported, can be established in the country. The findings of the Moolgaonkar Committee set up by the Minister for Commerce and Industry show that considerable idle capacity exists in the Engineering industry, and this seems to be a suitable moment for an investigation as to how far this idle capacity can be used to make the country self-sufficient in the matter of production of railway materials and rolling stock. It is expected that Indian industry will rise to the occasion and take to the manufacture of specialised Railway items in increasing numbers. The possibilty of making full use of the Railway Workshops in this connection is also being referred to two senior railway officers for examination.

The House is already aware that a number of new major works are under construction. It is proposed to concentrate on the execution of the works already in hand instead of undertaking new major works in 1954-55 as it is more economical to complete expeditiously the works in hand. There is also the danger that a large number of new major projects may lock up money and result in diversion of material and equipment which may delay completion of all other works. All the same, certain new major works will be undertaken in the Budget year. A major project that has been included is the electrification of the suburban services in the Calcutta area and I have decided that the work on the electrification of the Howrah-Burdwan main line section of the Eastern Railway should be commenced forthwith. Provision has also been made to expedite the traffic survey for a rail connection to Garo Hills in Assam, in order that the final location survey may also be taken up during the budget year. In addition, the construction of the Pathankot Madhopur Broad Gauge line, 7.06 miles in length, is proposed to be under-taken to facilitate movement to Jammu and Kashmir State. The line is estimated to cost about Rs. 35 lakhs.

We have under consideration a few proposals for new constructions. Surveys for these were arranged to be undertaken in the current year. One of these is the proposed Indore-Ujjain Broad Gauge line. The others are the rail connection to Etah, the Mangalore-Hassan, Diva-Dasgaon, Teldanga Khajuria - Maida, Bhavanagar-Tarapur and the Fatehpur-Churu lines. The question of providing electrification for the operation of the Quilon-Ernakulam line is also under consideration. Extension of electrification to Tambaram-Villupuram section of the Southern Railway is also receiving attention. The survey reports for a few have been received while others are still to come. Decisions regarding the construction of these projects must be deferred till all the survey reports have been received and examined. Should it be found possible to commence, consistent with the availability of finance and materials, the construction of any more new lines during 1954-55, I shall not hesitate to come to the House with a Supplementary Demand in connection therewith.

AUGMENTATION OF LINE CAPACITY

I shall now turn to another class of open line works included in the estimates for the Budget year relating to augmentation of line capacity. Certain sections have during recent years become so congested that they are unable to cope with the current and anticipated traffic. The line capacity of these sections can be improved by doubling the lines, building more crossing stations, extending loops, improving the standard of signalling and interlocking and by creating additional facilities in marshalling and transhipment yards. The provision for certain major works which come in this category of open line works, included in the budget for 1954-55 is Rs. 3·3 crores as against Rs. 2·1 crores in the budget for the current year. Works for the purpose of augmenting line capacity are being or will be undertaken during the year on the following important sections:—

(i) Siliguri-Alipur Duar section of the Assam Rail Link, the capacity of which is proposed to be more than doubled from 160 to 350 wagons per day.

(ii) Bezwada-Madras Section of the Southern Railway on which a sum of Rs. 4 crores is being spent, including Rs. 80 laks for the remodelling of the Bezwada yard and Rs. 2·09 crores for the conversion of Gudur-Renigunta Section from metre gauge to broad gauge. The capacity of the section will be increased from 300 to 420 wagons per day.

(iii) Central India Coalfields *via* Katni-Marwara, where movement will be stepped up from 265 to 350 wagons per day.

(iv) *Via* Chheoki on the Central Railway, where movement is proposed to be increased from 190 to 240 wagons per day.

(v) Raichur-Arkonam Section, for running additional goods trains.

(vi) Anara-Jayachandi Pahar-Burnpore section and Sini-Gomharria section, the doubling of which is being carried out, for the movement of raw materials for increased production of steel.

During the current financial year, the Railways are spending nearly Rs. 4 crores on construction of staff quarters and a provision of Rs. 4·60 crores has been made in the budget for the next year. The total provision made in the budget on staff quarters and staff amenities is Rs. 5·84 crores.

SEPARATION CENVENTION

The House is aware that a committee was set up in 1949 to review the convention relating to the separation of Railway Finance from General Finance. As a result of the recommendations of the Committee, the Constituent Assembly of India (Legislative) passed a resolution defining, *inter alia*, the relationship between Railway Finance and General Finance and prescribing for a period of five years commencing from 1950-51 an annual dividend payable to General Revenues at 4% on the Capital invested in Railways. The resolution laid down that a Committee of the House shall review the rate of dividend towards the end of the aforesaid period and suggest for the years following it, any adjustment considered necessary having regard to the revenue returns of the undertaking, the average borrowing rate of the Government and any other relevant factors. I shall therefore, be inviting the House in this session to set up a committee to go into the matter.

DEVELOPMENT PROGRAMME

I have endeavoured to indicate broadly to the House the principal features of the developmental programme during the budget year. Although we are doing our best to improve and extend rail transport facilities in the country, I am aware that much more needs to be done. Considering the vast areas in our country which are awaiting economic exploitation through the introduction of satisfatory transport facilities, I feel it is necessary to adopt a bold policy of development and expansion of the railways. The prospects of any fresh financial resources are none too bright. As a

result of factors which have increased working expenses, there is likely to be a shortfall in the amount which the Railways are expected to find from their own resources for the execution of the Five Year Plan. Against a sum of Rs. 320 crores to be contributed by the Railways towards the resources of the Plan, the contribution for the first three years is likely to be Rs 165 crores only, and, it is estimated that there will be a shortfall of about Rs. 60 crores. Also, there are certain other factors which may lead to further increase in Working Expenses. I am examining in the above context the implications and practicability of certain suggestions for adjustments in our fare and freight rate structure which, it is claimed, are necessary for a developmental economy.

Then there is the need for maintaining and if possible accelerating the pace of construction of new lines. The present high levels of cost of material and labour involve unremunerative investment at least for some time to come. The balances in the Development Fund are rapidly dwindling. How are these new constructions going to be financed? The only way in which such construction seems to be possible is to provide for a recovery of charges on the basis of inflated milage for a limited period so that the projects may not be financially burdensome. This device may also profitably be adopted in cases where a shorter route is provided reducing the cost of transportation substantially, the whole of which need not be passed on to the consumer.

Owing to a large reduction in the bulk and long distance movements of imported foodgrains from the Ports and less haulage of railway coal, there was a decrease in the net ton-miles on Broad Gauge system during 1952—53. This directly had an adverse effect on the return of goods traffic with the result that the composite index of efficiency for the Broad Gauge Railways dropped from 102·6 in 1951-52 to 101·7 in 1952-53. There was however, an improvement in the number of passenger and goods trains run and in the wagons and overall locomotive haulage. There was an improvement in almost all aspects of performance on the Metre Gauge Railways and the composite index of efficiency rose from 93·3 in 1951-52 to 95·9 in 1952-53.

The punctuality of trains further improved during 1953 and the percentage of trains not losing time has been 81·9 in the first nine months of 1953 as against 80 in the corresponding period of the previous year, and on the Metre Gauge system, it was 81·4 in 1953 against 80·6 in 1952.

The resources of all the Railways were pooled to make arrangements for the Prayag Kumbh Mela, and 374 Special Trains were run to Allahabad area to cope with inward Mela traffic and 344 Specials were run to clear the Mela traffic up to 6th February, 1954. In addition, 510 Shuttle trains were run within the Mela area to facilitate local movement of pilgrims.

A revised procedure for arranging movements in an order of preference for various commodities was introduced in August, 1953. While ensuring planned movements for essential commodities, it was intended to provide movements for all commodities in varying quantities as may be necessary in the interests of local economy of the areas served. The procedure has so far worked satisfactorily.

EFFICIENCY BUREAU

Hon'ble Members will recollect that it was proposed to create an Efficiency Bureau in the Railway Board for the purpose of studying operation, workshop, marshalling yard and other statistics with the object of improving progressively efficiency and economy on Indian Railways. The setting up of this Bureau had to be deferred, as it was felt that some time should be allowed for the Railways to settle down after Regrouping. This Bureau has now been set up for investigating and eliminating outmoded and costly practices and for evolving suitable techniques for efficiency measurements in diverse fields of railway operation and management.

One of the reasons which affected performance is the delay at various changing and transhipment points. Wagons start from the originating stations at the due time but they are held up on the way. I have arranged that the Effiiciency Bureau, assisted by a senior Railway Officer, will make an investigation into this specific question and make recommendations for reducing these delays to the minimum.

Last year, I said, I would make available to Hon'ble Members a review of the working of the regrouped Railways. I have accordingly arranged to circulate along with the budget papers a pamphlet presenting this review and certain statistics of operation. The data available, however, are only for a limited period and do not permit of reliable comparisons being made. It is, therefore, difficult to make a correct assessment of the position on the basis of the facts and figures now available, and some more time, it seems, must elapse before we could be in a position to do so. The reorganised Railways must of course measure up to the usual standards of performance.

We have been, for the past several years, adhering to a systematic policy and programme of improving amenities for passengers. In the budget year it is my intention to see that more of these amenities are provided at the smaller and wayside stations. In order to implement this, the Railways have drawn up a detailed scheme to be given effect to within a prescribed period. Platform facilities are being improved at nearly 500 stations by lengthening and raising of existing platforms, better surfacing, providing cover, etc. Waiting facilities are being augmented and improved at nearly 300 stations. More than 100 stations are being electrified and lighting at 100 other stations is being improved. Foot over-bridges are being provided at about 35 stations.

The House will recollect that last year I had appointed a Committee of Senior Officers to study the travel conditions and passenger amenities on the ex-Assam Railway portion of the North Eastern Railway. A sum of Rs. 5 lakhs more than the usual share has been allotted to this Railway during 1954-55 so as to enable them to start implementing straightaway the recommendations of this Committee so far accepted.

It has been my consistent endeavour to associate public opinion wherever public interests are concerned. A Passenger Amenities Committee has been set up on each Railway in order to examine and lay down the order of priority for executing works relating to amenities. The Committee is essentially a representative body consisting of non-officials as well as railway officials.

AMENITIES FOR LOWER CLASSES

The House is already aware of the steps taken by the Railways to improve the standards of comfort and convenience for the lower class passengers. With the abolition of First Class, it has been possible to increase and improve lower class accommodation. I am glad to state that the fears entertained in some quarters about the effects of the abolition of First Class on earnings have proved to be without foundation. Hon'ble Members may also remember that First Class traffic has never been paying to the Railways. Accordingly, to the extent that upper class accommodation can be replaced by lower class, the net earnings of the Railways should improve.

I am conscious of the difficulties the Third Class passengers have still to face in various sections of the Railways. The new Third Class coaches of the Hindustan Aircraft Limited and of the Swiss make are, we believe, an appreciable improvement. The seats have been widened and are more comfortable. Fans, better lights and improved lavatories have been provided. The new coaches that will now be put in service are being manufactured keeping this standard in view. The old coaches whose life is not above 20 years are also being provided with fans. It will be my endeavour to provide more and more amenities to Third Class passengers. Although it may take time, our object is to reduce, as far as possible, the difference that exists today between the lower and higher classes.

The Railway Administration have continued their efforts to reduce overcrowding in passenger trains. Even though passenger traffic has tended to be no higher than in the previous years, new trains have been added and existing train services extended where possible. During the period April 1953 to November 1953, 190 new trains were introduced and 126 trains were extended. The passenger train mileage during 1952-53 was 97·6 millions as against 96 millions in 1951-52. The additional train services introduced during the first eight months of the current year recorded an increase daily of 7,450 train miles on the broad gauge, 4,656 train miles on the metre gauge and 397 train miles on the narrow gauge.

During 1952-53, 184 broad gauge and 135 metre gauge Third Class coaches have been put on the line. While the number of third class passengers decreased from 1,163 millions in 1951-52 to 1,120 millions in 1952-53, the number of seats provided for third class passengers increased from 856 thousand to 864 thousand over the same period. I expect that the position will further improve with the fresh additions and replacement of coaching stock.

The improvement referred to in my last year's budget speech regarding disposal of compensation claims for goods lost or damaged has been maintained. The average time taken in settling compensation claims during 1952-53 has been brought down to 71 days. As a result of priority being given to settlement of old outstanding claims, their number has also been reduced.

It has been possible to take definite steps to improve Watch and Ward and the security organisations of the Railways following the appointment of the Security Adviser to the Railway Board and it is proposed to appoint for each zonal Railway, a Security Officer of the rank of a Deputy Inspector General of Police who will have direct access to the General Manager. It should lead to a better system of co-ordination between the police of the States and the Government Railway Police. Training schools are being opened in each zone for training of men and officers of Watch and Ward and refresher courses are also being introduced for those already in service. Special rules and regulations are under preparation for meeting the menace of pilferage and thefts on railways. I am glad to announce that the Home Ministry is considering measures to co-ordinate with us in this matter. It is hoped that substantial improvement will take place in the near future.

LOCAL ADVISORY COMMITTEES

Hon. Members may recall my reference to the proposal to revise the constitution of the Local Advisory Committees on Railways in the context of regrouping and with a view to securing better representation of the vast body of railway users. The proposal has been implemented in the course of the year and there is at present a Zonal Railway Users' Consultative Committee at the Headquarters of each Railway along with Regional or Divisional Committees. These Committees, which are of a more representative character than the previous Local Advisory Committees, serve as a valuable organ of public opinion. A National Railway Users Consultative Council has also been formed at the Centre and its first meeting was held in October 1953 to discuss several important matters.

RECENT TRAIN ACCIDENTS

I would ask the indulgence of the Hon'ble Members for making a reference to the recent unfortunate accidents to passenger trains, which have been the cause for concern to them no less than they have been to me. The occurrence of these accidents within a short time has been an unfortunate coincidence, but it should not cause any undue apprehension or alarm. Yet it is the duty of the Administration always to remain vigilant and alert and to see that the incidence of accidents on the Railways is kept down. With this objective. I have set up a Committee with Shri Shah Nawaz Khan, Parliamentary Secretary, as Chairman, and the Chief Government Inspector of Railways and a retired General Manager as Members. The terms of reference to the Committee are·

(a) To study the reports of enquiries into all train accidents on all Indian Railways which have taken place since 1st January 1953 and to analyse their causes;

(b) To examine how the recommendations made by the investigating officers have been dealt with and those accepted by the Railway Board or the Railway Administrations have been implemented; and

(c) To make recommendations with a view to reducing incidence of such accidents.

The Committee has already started work and should submit its report by the end of April 1954.

A Hindi section has been opened in the Railway Board's office, which deals mostly with Hindi correspondence and also helps in Hindi of English translations of official documents and other papers. A standardised nomenclature of different terminologies on the Railways is also being progressed with a clear direction from me that they should be as simple as possible and easily understandable. Railway Administrations are also setting up machinery to reply in Hindi to Hindi letters received in their offices.

Our Research and Testing Centre at Lucknow, with the sub-centres at Chittaranjan and Lonavla, have started doing useful work. Investigations at these centres are being confined, to start with, to those problems which are of immediate importance to Railways and on which studies and tests are likely to yield positive results of practical value within a reasonable time. The work done during the past year has increased our knowledge of the forces which locomotives exert on the track, particularly on curves and turnouts, under Indian conditions. This, it is hoped, will lead to more economical designs of permanent-way both from the point of view of initial cost and of maintenance.

STORES BALANCES

The drive instituted by the Railway Board for bringing down the value of stores balances to which I had made particular reference last year has been yielding encouraging results. The value of the balances which stood at Rs. 63·41 crores on 31st March 1952 was reduced to Rs. 57·20 crores at the end of March 1953. A further reduction of Rs. 4 crores is anticipated by the end of 1954-55.

In respect of maintenance of Rolling Stock, the utilisation of workshop facilities progressively improved on the Railways since 1950-51. The number of standard unit repairs to Broad Gauge locomotives increased from 1971 in 1951-52 to 2153 in 1952-53. Similar improvement was noticed in repairs to Metre Gauge locomotives and Broad and Metre Gauge carriages and wagons.

I would like to inform the Hon'ble Members that the Railway Board have issued instructions early this year to extend the use of Khadi on Railways. Railways have been asked to purchase their requirements of certain articles like bed-sheets, table-covers, dusters, hand-towels and durries in khadi only and, in order to ensure purchase of genuine khadi, supplies are being obtained through the All India Khadi and Village Industries

Board. Railways have readily adopted the use of khadi where it has been found not unsuitable.

SERVICE COMMISSIONS

With a view to affording equal opportunities to the residents of the various Regions served by the Indian Railways and to accelerate the process of recruitment of Class III staff, two more Railway Service Commissions have been set up—one with headquarters at Allahabad and the other at Madras. The Allahabad Commission has taken over recruitment for the Norhern Railway and the ex-O.T. portion of the North Eastern Railway. The new Commission at Madras has taken over recruitment for the Southern Railway, the Integral Coach Factory and the Secunderabad Division of the Central Railway.

ANTI-CORRUPTION COMMITTEE

In presenting the Railway budget last year, I had indicated my intention to set up a Committee of Members of Parliament for conducting an enquiry into the prevalence of corruption on the Railways. This Committee was appointed in September 1953 with Pandit Hirday Nath Kunzru as Chairman and commenced its work in October. The Committee have issued a questionaire to various interests to elicit their views and have visited certain places. Meanwhile, Pandit Kunzru has been appointed a member of the State Reorganisation Commission and the Committee had thus to lose his valuable service. I am, however, glad to announce that Acharya J. B. Kripalani has kindly agreed to guide the deliberations of that Committee in his place.

TRAVEL CONCESSIONS

Although for reasons stated earlier, I have not found it possible to offer at present any relief in the matter of freights and fares generally, I would like to inform the House that the following travel concessions are being introduced:—

(i) Circular Tour Tickets for distances of 1,500 miles and over at concessional fares of ¾ the public tariff rates for second, inter and third classes. These concession tickets will apply not only to the standard circular tours notified by rail ways but also to circular tours suggested by parties themselves and approved by railways.

(ii) Round Tour Tickets for Students available for 45 days at the usual concessional rates when they undertake travel in parties of not less than four instead of in parties of not less than ten as at present. The existing concession for educational tours in parties of not less than ten will also apply to such students travelling in parties of not less than four.

(iii) Students Concessional Monthly Tickets in non-suburban areas, for students proceeding daily from their homes to attend schools or colleges and returning therefrom. These monthly tickets will be issued from stations not more than 30 miles distant from the station of the school or college attended, on payment of 12 single journey fares.

(iv) Concessional Hill Station return tickets at 1½ single jouney fares to certain selected hill stations during April to October for second, inter and third classes, available for three months from all stations from which the chargable distance is 150 miles or more.

(v) Besides the above concessions, the power given to the General Managers to introduce return tickets in their zone, continues to be vested in them and I am sure, wherever practicable, they will introduce them and no separate sanction will be necessary for that.

I shall now refer to certain matters pertaing to the RAILWAY SERVICES.

.. (i) *Merger of Dearness Allowance with pay*:—Hon'ble Members are aware of the recommendations of the Gadgil Committee and I need hardly go into the details. The Government have accepted these recommendations which will involve an additional expenditure of about Rs. 3 crores per year approximately.

(ii) *Appointment of Ad Hoc Tribunal.*—The negotiating machinery at all levels has functioned well. Many issues including complicated ones have been ironed out successfully. I wish there were more frequent meetings and talks at Divisional or Regional and Zonal levels which would help in resolving many problems in the initial stages.

The House is aware that in case no agreement is arrived at on certain points at the Railway Board's level, there is provision for reference to an *Ad Hoc* Tribunal for consideration and recommendation to the Government. Accordingly certain important issues which remained unresolved for some time have been referred to a Tribunal. In July '53, Government announced its decision to set up an Ad Hoc single member Tribunal consisting of Shri Shankar Saran, a former Judge of Allahabad High Court, and referred to him five specific points. It is hoped that as a result of the deliberations of the Tribunal, the points in dispute would be satisfactorily settled.

(iii) *Seniority of staff of the integrated Railways*—The question of fixing combined seniority of Class III and IV staff of the regrouped Railways had been under consideration of Government ever since regrouping was undertaken. After careful consideration of the recommendations made by the Seniority Committee appointed on each of the six Zonal Railways and the views expressed by the National Federation of Indian Railwaymen, certain principles have been formulated for determining the seniority of the staff of the integrated railways. The basic criterion, subject to certain specified exceptions, for determining the relative seniority of staff of integrated Railways will be the length of service in the grade, both officiating as well as permanent. The Railway Administrations have been instructed to frame seniority lists in accordance with the principles formulated and to complete the work as expeditiously as possible.

(iv) *Selection posts.*—At the time of presenting the Budget in the House last year, I mentioned that the question of improving the procedure for making selections and of specifying the level up to which promotions will go solely by seniority, subject to an employee not being declared unsuitable, was engaging the attention of Government. This matter has since been finalised. Under the amendment rules which have been communicated to all Railway Administrations for guidance, there will, in future, be only two categories of posts—selection posts and non-selection posts. All posts in the grade of Rs. 200-300 and above will be treated as selection posts. Also, certain specific categories which involve supervision and a degree of personal responsibility in the grade of Rs.150-225 may be included in the list of selection posts. Further, a scale of weightage to be given to various factors like ability, seniority etc., in making selections, has been prescribed. The question, of what further instructions should be issued for the guidance of Selection Boards is under examination.

(v) *Housing.*—One of the urgent needs of the staff is adequacy of residential quarters. In places where staff quarters exist, the Railway Administrations are endeavouring to improve the standards of amenities provided. For example, where electricity is available, staff quarters of all categories will be electrified and where water-borne sewage is available, sanitary type of latrines will be provided. All-weather roads, street lighting and adequate drainage will be provided for. Attention is also being paid to the improvement of the old quarters progressively on a planned basis.

I would like the House to appreciate the efforts that have been made in recent years towards the construction of quarters for staff. In 1952-53, 5,666 quarters were built. By the end of the current financial year, 9,710 quarters more will have been constructed and during 1954-55 it is proposed to build 8,722 quarters; of these 6,213 will be in principal cities and 12,219 at wayside stations.

(vi) *Medical facilities.*—The health of the railway staff has continued to receive particular attention of the Government. It has been decided to provide annexes or special additions exclusively for railwaymen suffering from tuberculosis, in certain selected Government and non-Government Tuberculosis Sanatoria in the country. A team of two officers, a Railway doctor and a Finance officer is carrying out investigations. This team has submitted a special interim report.

Our idea is to have at least one such annexe on each Railway in order to provide treatment, as far as possible, to employees nearer their State where it would be easier for their relatives to look after them. A start has been made to provide one annexe each on the Eastern and Southern Railways, and I hope annexes on other Railways would be selected and fixed up soon.

MEDICAL ARRANGEMENTS TO BE IMPROVED

I have had under consideration for some time the question of improving generally the medical arrangements for Railway staff. A Chief Medical Officer has been investigating whether the financial and other resources now made available for medical facilities to the staff are being used to the best advantage. Other measures for the improvement of the health services will be considered along with his report.

(vii) *Class II services*—I had mentioned last year that steps were being taken to grant promotions from Class II to Class I service up to the full quota already in force. The seniority of all Class II officers, who came into the six zonal systems after integration, has since been fixed in accordance with certain principles adopted by the Railway Board, and necessary steps have been taken to expedite the promotions due. Out of 59 promotions due, 13 have already been ordered and 38 have recently been referred to the Union Public Service Commission.

At present Class II officers are considered for promotion to Class I, only if they are not over 50 years old. I have come to the conclusion that this age restriction should be removed and the matter is being referred to the Union Public Service Commission. I have also decided to revise the existing rule regarding the weightage for seniority given to Class II officers on promotion to Class I. In future, the weightage for seniority would be calculated at half the continuous officiating and permanent service in Class II, subject to a maximum of five years. Past cases will not be re-opened, but the seniority, on promotions now being made and those that will be made in future will be fixed on this basis.

I may add, in passing, that immediately after regrouping, it was decided to restrict permanent promotions to Class II to 50 per cent of the vacancies then available. This restriction was, however, removed in the middle of 1952 and confirmation in all available vacancies, except a total of six on all Railways together, are possible and have, in fact, been made in most cases.

LABOUR RELATIONS

We have had another year of very cordial relations between labour and management which augurs well for the future. The formation of one organisation known as the "National Federation of Indian Railwaymen" during the current year by the integration of the two Federations, *viz.*, the All India Railwaymen's Federation and the Indian National Railway Workers' Federation, is a healthy development and, I am sure, will prove beneficial. The passing away in tragic circumstances of Shri Hariharnath Shastri who worked hard to bring this about and whose selfless work in the cause of labour is well known, has been a great loss which we all mourn.

RAILWAYMEN'S OBLIGATIONS

May I say a word here about the obligations of Railwaymen towards the users of the Railways? There are certain categories of staff who come in closer contact with the public than others in their day to day work and they have to be specially more careful. Last year, I had emphasised the need for railway employees changing their outlook in regard to their behaviour towards the using public. There has been some improvement but I must say that there is yet much scope for improvement in this direction. They have, in fact, to reorient their outlook in the fast changing context of our present day society. Class distinctions are fading out. Every citizen is becoming conscious of his equal place in the society and the more this consciousness grows the less would he be prepared to put up with any kind of differential treatment. In fact, the entire attitude of the Railwaymen to the common man has to be changed whether he is a third class passenger or a small shopkeeper who wants to book his parcels or goods.

Before I conclude, I wish to record my appreciation of the assistance and co-operation I have received from the Railway Board, the General Managers of the Railway Administrations and all Railway officers and staff. The pace of economic development to-day is dependent on the provision of adequate transport facilities to satisfy the diverse requirements of agriculture, industry and commerce. The role of the railwaymen in meeting this challenge to their capacity and resources is thus of crucial importance. I am confident they will rise equal to the task set before them.

* * *

"BE PREPARED"

"There's going to be a vacancy above you later on,
Some day you'll find your manager or superintendent gone;
Are you growing big enough, when this shall be the case,
To quit the job you're doing now and step into his place?
Tomorrow's not so far away, nor is the goal you seek;
Today you should be training for the work you'll do next week.
The bigger job is just ahead, each day new changes brings,
Suppose that job were vacant now, could you take charge of things?
It is not enough to know enough to hold your place to-day,
It is not enough to do enough to scarcely earn your pay;
Some day there'll be a vacancy with greater tasks to do,
Will you be ready for the place if it is offered you?"

—*The Licentiate in Accountancy.*

* * * * *

"I hold every man a debtor to his profession from which as men of course, do seek to receive countenance and profit, so ought they, of duty, to endeavour themselves by way of amends, to be a help and ornament thereunto."

—*Lord Bacon.*

* * * * *

[We have on hand many articles for publication, which could not be included in this Issue for want of Space. We hope to provide readers with rich and variety fare in the next Issue.] —*Mg. Editor.*

Indian Railways in the Five Year Plan

The Railway Board have published a brochure reviewing the progress of the Five-year Plan on the Indian Rlys. It has been pointed out therein that as in other segments, the Rly. Plan was becoming increasingly effective and the main weight of the Plan expenditure would be felt in the latter half of the Plan period. Against the average annual investment of 80 crores of rupees, provided under the Plan, the expenditure actually incurred fell short by about 10 crores and 20 crores in the first and second year, while, in the third almost the budgeted figure was reached. In the fourth and fifth years, however, it was estimated to spend aboud 95 and 96 crores respectively.

It has been explained that the lag in the second year was large chiefly due to non-receipt of rolling stock items ordered in the pre-Plan years, and short supplies of essential materials like cement and steel which retarded progress all round, on restorations, new lines, line-capacity and welfare work. Should the time table for the import of the large number of rolling stock units and track materials on order be kept up, the review points out, there is little reason to fear that the Plan will not absorb its full allotment of Rs. 400 crores.

OBJECTIVES OF THE PLAN

The three objectives of the Plan in regard to the Railways were (1) an extensive rehabilitation of the fixed and mobile assets of railways so as to recover the standards of efficiency which had declined since the pre-war years; (2) the removal of the principal bottlenecks on existing lines in order to handle currently traffic offering, and the provision of additional facilities, to the extent possible, to meet new traffic arising out of implementation of the Five-Year Plan; and (3) the policy of improving amenities to the travelling public and measures designed to improve the housing and welfare of staff.

These objectives were framed with particular reference to the problem of rehabilitation which developed from as far back as the depression of the thirties.

During the Plan years, acquisition of new rolling stock has been progressing consistent with the finances available for the purpose, the possibility of large-scale imports of locomotives and the development of Indian production of locomotives, carriages and wagons. As a result of action taken by the Railway Board in enlarging supplies from home as well as foreign sources, the problem of rehabilitation is being steadily overtaken. The drive towards self-sufficiency has been particularly marked in the field of carriage and wagon production, while the Chittaranjan Locomotive Works and the Tata Engineering and Locomotive Company have generally maintained their production targets.

DISMANTLED LINES

In regard to restoration of dismantled lines and new constructions, the recordis satisfactory. Twelve out of the 26 branch lines which were dismantled during the war will have been restored by the end of the Plan period. The mileage of the lines restored adds up to 76 per cent in the case of B. G. and 74.5 per cent in the case of M. G. systems.

The plan started with 12 new lines in progress. Expenditure had to be provided for all these, the more important of them being the Assam Rail Link Project and the Kandla-Deesa Railway. During the course of the Plan-years, 12 additional lines have been sanctioned. All these are in various stages of progress and will add 336 miles to the existing railway mileage. The more important of the projects during the Plan are (1) Chunar-Robertsganj; (2) Quilon - Ernakulam;

(3) Khandwa-Khingoli; (4) Champa-Korba; (5) Gua-Manoharpur, and (6) Ganga Ridge at Mokameh.

In addition to these, the major project of the electrification of the Calcutta-Burdwan main line which will make a substantial utilisation of power from the Damodar Valley Corporation possible, will commence in the fourth year of the Plan.

Progress in the matter of providing passenger amenities has been maintained according to programme. The total allotment under this head during the plan period is Rs. 15 crores, and the amount is expected to be fully utilised.

The record in the field of providing staff quarters is also considered satisfactory. During the first four years of the Plan, as many as 32,212 quarters will have been built, a major proportion of them for Class IV employees.

REHABILITATION

The impact of rehabilitation and expansion schemes, the brochure points out, is reflected in the operating performance. Between 1951 and 1953, 492 additional passenger services were introduced, 303 existing services were extended. Passenger train-miles rose from 101·27 miles in 1950-51 to 106·53 in 1952-53. Similarly, the train-miles operated increased from 69 31 millions in 1950-51 to 74.69 in 1952–53.

The financial position under the Plan shows that the first year of the Plan was the best and that the railway surplus had declined as the Plan advanced. The first year of the Plan closed with a surplus of Rs. 28.34 crores; the second year with Rs. 13.19 crores only. The revised estimate for 1953–54 has been placed at Rs. 3.18 crores and the budget for 1954–55 at Rs. 5.14 crores only. This short fall in the surplus has had to be compensated by proportionately larger Central contributions towards the Plan expenditure. While it was envisaged that Central finance was to allot from its resources an amount of Rs. 80 crores for the entire period, their contribution would have exceeded by more than Rs. 10 crores by 1954–55. The railway resources have fallen short of expectations, and consequently Railway Fund balances will be running at lower levels at the end of the Plan period.

In the Second Five-Year Plan, it is stated, the burden of rehabilitation is not expected to press so heavily. Railway resources will undoubtedly be required to be conserved and developed, if the development of the railways is to keep pace with progress in other sectors. With greater support from Central finance, the scope for flexibility and expansion in the Second Five-Year Plan will be wider. There will also be more opportunity to broadbase the plan and build it up from below.

The first Five-Year Plan, the brochure points out, will be one of consolidation. The Second Five-Year Plan will open a period of development.

"Just as the Nation is greater than State, so is the profession greater than any one of its component organisations."

—*J. Pryse Goodwin.*

* * * * *

"Concentration is the secret of success in politics, in war, in trade; in short, in all the management of human affairs."

—*Emerson.*

Catering on Indian Railways

Departmental Catering versus Contract Catering.

The advisability of the Railways themselves undertaking catering in Railways was stressed by the members in the House of the People at question-time on March 26, 1954. The question of Departmental catering versus Contract system is at present under examination by the Committee of catering headed by Mr. O. V. Alagesan, Deputy Minister for Railways. It is stated that the Committee will be able to make its recommendations before the end of April '54, and further action would be taken by the Railway Board in the light of the same.

At present, there are only two Railways (Eastern and Southern Railways) in which Departmental catering is undertaken; and here too, it is only to a limited extent. Unfortunately, on both these Railways, the Catering Department is working at a loss and this was commented upon by the Director of Railway Audit in the Audit Report, Railways, 1952. It has been admitted that Departmental catering has not been economical so far. But the public seem to prefer Departmental catering to Contract catering, as the food articles sold under Departmental management are generally considered to be of better quality.

Although it may be argued that the loss on Departmental catering is inevitable and should be taken up as part of the transportation service for which the passenger is charged, it is at the same time necessary that the loss, if at all there should be any, should be kept down to the minimum. If contractors could pay licence fees to the Railways and also make a decent profit in addition, it is rather difficult to imagine why Railway catering should not be put on at least a "no-loss" basis. Of course, there are a number of reasons as to why Departmental catering is costlier. In the first place, any business enterprise by a Government Department is by its very nature costlier than private enterprise. The scales of pay of workers in the Catering Department, worked by the Railway are generally much higher under the Central Pay Commission Scales of pay and Dearness allowance, while extra appointments for Leave Reserve under the Adjudicator's Award, leave privileges, P. F. Bonus, Special Contribution to Provident Fund, medical and other facilities etc., certainly add to the cost under Railway management. The expenditure on the cost of staff is thus admittedly much larger under Railway management than under Private management. It should, however, be possible to have Departmental working of catering at least on a "no-loss" basis, at major stations where the turn-over is large enough to admit of these heavy charges without incurring any loss. At other stations, i.e., comparatively less important places, it would be economical to have the system of contract catering, subject to adequate supervision by the Railway authorities.

Apart from the cost of staff, there are other directions in which economy could be secured by the Railways. In the case of Stores consumed, (ingredients etc.), the proportion used of each ingredient to the sale value per unit of the finished article, may be meticulously reviewed (in comparison with those of the well-known private caterers, if necessary). The percentage of the value of Stores consumed to the total expenditure should be constantly scrutinised and controlled in Departmental catering, and wastages avoided. While that degree of *personal* supervision which is possible in the case of private contractors may not b availeble in Departmental catering, it should be possible for the scrutiny being intensified to as great an extent as possible in

Departmental catering in this respect. A target of expenditure and sales on a "no-loss" basis may be fixed in advance, for each month for each Refreshment Room, on the principle of "Standard Costs". The expenditure incurred on each Refreshment Room can be analysed month by month and special scrutiny exercised particularly in respect of "Variable Costs", i.e., expenditure on Stores consumed, etc., which directly vary with the value of the finished articles. A wastage statement may be prepared every month, indicating the percentage of wastage to the value of preparations (food-stuffs etc.,) and scrutinised, so that the weak spots may be located, and necessary remedial steps taken to minimise the losses on this account.

The control statement may be in the following form:—

Financial Statement Relating to the Refreshment Room At (Station)

for (month) 19 .

	Percentage on Total	Percentage on Sales
I. Total Sales for month.		
II. *Expenditure*:		
A. *Variable Costs.*		
(1) Cost of Stores actually used in the preparations.		
(2) Wastages:—		
(a) in ingredients.		
(b) in finished articles (owing to non-sale, etc.)		
B. *Fixed Costs*:—		
(1) Salaries of staff including Dearness Allowance etc.		
(a) *Direct* (cooks, servers, etc.)		
(b) *Indirect* (clerical staff etc.)		
(c) *Indirect:* Proportionate cost of Supervision from Headquarters etc.		
(2) Proforma Rent on Building.		
(3) Other miscellaneous expenses such as electrical energy charges, water charges, repairs to vessels, stationery etc.		
Total		
C. *Profit or Loss.*		

B. G. B.

Subjects of Moment

INTER-RAILWAY & INTER-DEPARTMENTAL ADJUSTMENTS.

It will be remembered that certain financial and accounting changes were introduced with effect from 1st April 1952, consequent on the integration of the Indian Railways into a unified undertaking owned and worked by a single Central authority.

The changes related to the elimination of the following inter-railway and inter-departmental adjustments:—

(a) Adjustments of freight charges for carriage of railway stores, fuel etc., which resulted in figures both of earnings as well as of expenditure being unnecessarily inflated.

(b) Adjustments between Zonal Railways for services rendered or work done by one railway on behalf of another,

(c) Apportionment between Zonal Railways of the earnings of inter-railway traffic movements.

As some doubts were expressed regarding the merits of these changes, an assurance was given by the Railway Minister that they will be reviewed. An *ad hoc* Committee of Senior Administrative Officers was set up to go into the matter. The Committee, on detailed examination, came to the conclusion that maintenance of accounts of each railway so as to correctly represent the income and expenditure of each zone was necessary for the purpose of exercising effective control over the efficiency of operation by compilation of accurate statistics. The Committee's recommendations were:—

(a) Apportionment of earnings in respect of interchanged traffic should be made on a simplified basis for determining the earnings attributable to each zone.

(b) Inter-railway adjustments should be revived in all cases except in respect of petty adjustments not exceeding Rs. 500 in value but certain adjustments of a compensatory nature including those eliminated prior to 1st April 1952 need not be carried out.

(c) Freight charges on carriage of railway stores should be levied not at Public Tariff Rates but at flat rates to cover only the out-of-pocket costs incurred by the railways in their transport.

(d) Freight charges on railway stores and fuel on account of interchanged traffic should also be apportioned between the Zonal Railways, but the recoveries of freight charges should be adjusted in reduction of operating costs and not credited to earnings, which unnecessarily inflated both the income and expenditure of railways.

(e) The procedure for booking of railway stores should be changed to simplify the work at the stations and in the Accounts Offices.

The recommendations of the Committee have been considered and accepted by Government in consultation with the Comptroller and Auditor General.*

The freight charges on carriage of Railway Stores incurred on and from 1st April 1954, will be adjusted in the financial books, by debit to the different Abstracts of Revenue Expenditure or works (or other service head) as the case may be, as was being done before 1st April, 1952) but the corresponding credit will not be allowed to Traffic Earnings, but to working expenses in reduction of operating costs as detailed below:—

* *vide* Explanatory memorandum on the Railway Budget of the Government of India for 1954-55.

Freight on Railway Coal :—

To be credited to a special head under Abstract G* under Demand No. 7. (The debit will be to the *service* head in Abstract B under the same Demand No. 7).

Freight on other Railway materials (*i.e., other than Coal*) :—

To be credited to another special head under Abstract 'G' under Demand No. 8. The debit will be to the service heads concerned (including works chargeable to Capital, DRF, OLWR and Development Fund).

The freight charges on carriage of Railway Stores will be levied at the following rates.

Coal At Public Tariff Rates.

Other Merchandise.

(a) *For Wagon loads.*

Per BG Wagon mile 5 annas.

„ MG or NG Wagon mile 4 annas.

Note :—The basis of charge will be the number of wagons used at the starting stations.

(b) *For smalls.*

All Gauges. ·25 pie per maund per mile.

Freight charges on Railway Grainshop consignments will, however, be charged as usual at Public Tariff Rates.

The following Inter—Railway adjustments will *not* be made :—

(i) Adjustments not exceeding Rs. 500/- except transfer of deposits or recoveries from staff or outsiders and issues from Stores and Manufacture Suspense.

(ii) Damages and deficiencies in interchanged stock.

(iii) Analytical work done in Laboratories.

(iv) Sale of application forms on behalf of Railway Service Commission.

(v) Publicity and advertisement charges.

(vi) All other items adjustment of which was eliminated prior to 1-4-52.

The following Inter—Railway adjustments *will* be made :—

(i) Transfer of deposits or recoveries from staff or outsiders and issues from Stores and Manufacture Suspense, verification of amount, and amounts exceeding Rs. 500/- in other cases except those referred to in (ii) and (iii) below.

(ii) Conference hire on goods wagons.

(iii) Expenditure incurred on account of Repairs of Rolling Stock by one Railway for another.

* * *

CHECK OF COMPENSATION CLAIMS (CLAIMS FOR COMPENSATION FOR GOODS LOST OR DAMAGED).

The Railway Board have issued Advance Correction Slips to the Indian Railway Code for the Accounts Department, Part II, in connection with the above. The check of compensation claims is required to be made in accordance with the following rules.

All claims for Rs. 1000/- and above should be checked by the Accounts Office before payment is made. Pay orders issued by the Traffic Department in connection with such claims and received in the Accounts Office from the stations should also be checked to see that the amounts paid tally with those certified by the Accounts Office. As regards claims for amounts below

* As the credit is shown under Demand No. 7 (Fuel) which covers expenditure on Fuel booked under Abstract B, it would perhaps be more appropriate to *book* the credit also under Abstract B instead of under Abstract G.

Rs. 1000/-, the Pay Orders issued by the Traffic Department may be post-checked to the extent indicated below :—

Category,	*Extent of post-check.*
(i) Claims for Rs. 500/- and above but below Rs. 1000/-	Not less than 33⅓%
(ii) Claims below Rs. 500/-	Not less than 10%

The nature of checks to be exercised in connection with the compensation claims is indicated below. These instructions are, however, by no means exhaustive and may be supplemented by detailed instructions considered necessary by the Financial Adviser and Chief Accounts Officer :

(1) That the claim is supported by original documents as required under the rules.

(2) That the claim has been received in time and verified properly by the Commercial Department and the claimant's title established.

(3) That particulars of booking and the name of the consignee or consignor (claimant) are correct and verified by the Traffic Department.

(4) That complete enquiries have been made to establish Railway's liability for loss or damage.

(5) That in the case of damage, full details of assessment of damage, such as beejuck rate, market rate, percentage of damages, are given by the Commercial Department.

(6) That the claim is settled at the market rate prevailing at destination on the probable date of delivery or in case the market rates are not available, at beejuck rate.

(7) That 'to-pay' freight charges and wharfage/demurrage, wherever due, have been deducted from the amount of claims settled.

(8) That the amount of compensation proposed to be paid has been correctly determined.

(9) That the original Railway Receipt has been surrendered by the party and it has been cancelled to prevent double payment.

(10) That legal advice has been taken in cases presenting peculiar features and that payment is advised to be made as per legal opinion.

(11) That the incidence of the claim as between Railways has been correctly determined and allocated under Conference Rules.

(12) That disciplinary action, where necessary, against the staff at fault has been taken.

(13) That the claim has been sanctioned by the competent authority.

[The Railway Board have of late been seriously considering this subject of Compensation Claims; and apart from investigating the causes for such claims are also issuing directives in order to minimise such claims and further to expedite payments of such of those claims as are accepted. The efficiency of the Executive and the Accounts Offices is reflected in the amount of expenditure incurred in the payment of such compensations. Hence the subject is an important one both from the Financial and Executive aspects.—Ed.]

* * *

ELIMINATION OF RECOVERIES OR CREDITS FROM THE DEMANDS FOR GRANTS PRESENTED TO PARLIAMENT.

The Railway Board have decided, in consultation with the Finance Ministry and Audit, that the following items of credits shall be excluded from the scope of the Demands presented to the vote of Parliament :—

(i) Commission on account of audit of Military Warrants and credit notes in connection with the Military Traffic.

(ii) Hire and haulage charges of rolling stock from Port Trust Railways or other Non-budget Lines.

(iii) Service Contributions from other Departments on account of staff on deputation.

(iv) Sinking Fund Credits *

(v) Credits for released materials relating to renewal and replacement works and also those released from repair and maintenance works.

(vi) Credits for energy supplied to purposes other than Revenue.

(vii) Sale proceeds in Canteens, State Government grants to schools, fees from students, etc.

(viii) Credits under 'Suspense' heads:—

(a) Issues from Stores

(b) Issues under Manufacture Suspense.

(c) Credits under 'Miscellaneous Advances (Revenue)'.

(ix) Credits under Unpaid wages.

2. The following items of credits shall be taken in reduction of Demands and only net figures (minus or plus) shall be shown under the respective detailed heads of the Demands :—

(i) Credits on account of accounting adjustments such as :

(a) Credits realised from surplus stock, found in stock verification, etc.

(b) Credits on account of surplus stock transferred from one work to another chargeable to same or another grant or to stock.

(c) Credits to Capital or D.R.F. or other heads on account of write-back adjustments etc.

(d) Credits for over-charges and under-charges under Repairs.

(ii) Credits on account of the rebate for purchases made through S & D Department.†

As regards "Demands Payable", it has been decided that only net figures (i.e., taking into account credits and debits) should be shown in the Budget,

* This item does not apply to the budget etc. of individual Railways.

† This item will be eliminated from the Railway Accounts with the transfer of the ownership of the Railway Collieries to the Ministry of Production, with effect from 1st April 1954.

(*Continued from page 28*)

I. R. C. A. is dealt with as part of the expenditure of the Railway Board under "15 D Miscellaneous Railway Expenditure" and the cost distributed to the Railways for purposes of inclusion in the annual Profit and Loss Account (as is done for the Expenditure on Railway Board),

The point is here confined to the classification of the expenditure, but the general question of altering the structure of the I. R. C. A. to suit the present conditions by changing its name and making it part of the Central Organisation of the Railway Board, will also have to be considered as a larger issue.

"Progress".

News and Notes.

* * * * *

RAILWAY ACCOUNTS AND FINANCE STUDY CIRCLE, SOUTHERN RAILWAY, MADRAS.

The inaugural address to the members of the above Study Circle was delivered by Sri. S. Ramayya, M.A., I.A. & A.S., F.A. & C.A.O., Southern Railway, Madras, on 23rd September '53. In the course of his address, Sri Ramayya emphasised the need for continuous study of the various Railway accounting problems at different levels, with a view to improving the technique of the profession. He also stressed the importance, under present conditions, of the human factor, particularly in the work of the Accounts Department, and the need for cultivating proper relations among the different categories of staff, to secure efficiency in working.

Particulars of lectures delivered under the auspices of the Study Circle to end of March '54, are given below:—

Date on which lecture was delivered.	Subject.	Name of the lecturer.
25th Jan. '54.	Background of Railway Accounts.	Mr. B. G. Balakrishnan, Asst. Accounts Officer (Finance),
2nd Feb. '54.	Structure of Railway Accounts.	Mr. S. Ramamurti, Asst. Accounts Officer (Funds).
15th Feb. '54.	Traffic Accounts: Some salient points I.	Mr. K. Srinivasa Ayyangar Senior Accountant.
17th Feb. '54.	do. II.	do.
20th Feb. '54.	do. III.	do.
23rd Feb. '54.	Appropriation Accounts and Block Account.	Mr. C. Kothandapani, Junior Accountant (Books and Budget).
26th Mar. '54.	Station Outstandings	Mr. T. Narayanaswami.

[Details of activities of similar Associations on other Railways may be communicated for publication.—Editor.]

* * * * *

EFFECTS OF REGROUPING OF INDIAN RAILWAYS.

The Railway Board have issued a pamphlet reviewing the working of the regrouped Indian Railways during 1951-52 and 1952-53.

The exact evaluation of the advantages accruing from re-grouping, the review points out, is difficult owing to the difficulties of arriving at comparable figures of the post and ante-integration periods. Certain new factors namely, the recession in international trade, reduction in the transport of foodgrains, revision of pay scales and the implementation of the Adjudicator's Award, had introduced new factors in the revenue and operational cost position which made a comparison unrealistic.

Generally speaking, however, according to the review, the unification of various Railways has facilitated the running of through services, pooling of engines at convenient points, closing down of some smaller sheds and better utilisation of rolling stock. The movement of traffic through Mogalsarai, Katihar, Surendranagar, Balharshah, Wadi and Jalarpet has improved considerably. Other advantages of varying magnitude are also stated to have accrued.

On the metre-gauge, according to the review, there was an all-round improvement in 1952-53. On the broad gauge, however, there was a slight decrease in the volume of traffic expressed in terms of tons originating and net ton-miles. As the comparative statistics reflect the combined effect of a multiplicity of factors which were at work during the two years, the review cautions against inferences being drawn from them.

The decrease in 1952-53 in tons originating and net ton-miles was due to the loss of long distance bulk foodgrain movements from the ports of Bombay, Vizagapatam and Calcutta. The decrease under coal was due partly to the policy of rationalisation of coal movements initiated in 1952-53 with a view to eliminating uneconomic haulage, and partly to the diversion of the Southern Railway coal from the all-rail route *via* Waltair to the rail-*cum*-sea route *via* Calcutta Port.

The general increase in the number of train coaching-miles and wagon-miles on both the broad and metre gauges reflected an increase in the services performed by the regrouped railways.

The speeds of goods trains have decreased on both the gauges. The reasons for this, according to the review, are first the density of traffic on certain heavily worked sections reaching very near the saturated limits due to an increase in the number of passenger and goods trains, and secondly the intensive relaying programme on certain sections.

A Criticism on this subject by Sri K. V. Iyer is published on page 29 Ed.

* * *

PRIORITIES IN DEVELOPMENT OF RAILWAYS.

The Railway Minister said in Parliament that in respect of new Railway lines, priority would have to be given to areas where heavy industries were being developed. Next in order would be those areas rich in minerals and which require to be opened up and States like Rajasthan, Vindhya Pradesh, Orissa and areas like Malnad (Mysore) and Karwa (Bombay), which deserved special consideration on account of the present limited mileage of railways there. Examination was also being made of such alignments as Cape Comorin to Bombay or the West Coast Lines, "which have so far been considered as an impossible proposition". Thus, undeveloped areas where communications are not properly organised at present would be considered in the development scheme. The Minister emphasised that the guiding factors for consideration were the needs of different areas and the needs of different industries essential for the economic development of the country.

* * *

OVERTIME FOR RAILWAY LOCO SHED STAFF

Staff in loco sheds and carriage and wagon depots on railways will hereafter be paid overtime at one and a half times the normal rate, instead of bare overtime, for all hours worked in excess of 48 per week, and the hours will also be reckoned on the basis of each week instead of being averaged over the month as heretofore.

The decision was made at discussions between the National Federation of Indian Railwaymen and the Railway Board, according to a Press Note issued by the Ministry of Railways. Orders are being issued to implement the decision.

Under the Factories Act, 1948, locomotive running sheds were specifically

excluded from its scope. Some of these sheds had previously been included within the scope of the earlier Factories Act.

* * *

CONCESSION TO SUBSCRIBERS OF THE JOURNAL

Sri L. V. Gopalan, Retired A. A. O., M. S. M. Ry., is normally a very familiar figure among Railway Accounts Staff. His many publications are pioneers in the field and have helped many a person in the past to improve his prospects in official life.

As a further token of his interest in the welfare of the staff, he has offered to the subscribers of the "Railway Accountant" the supply of a number of his publications at reduced rates ranging from 75 to 50% of the List Prices.

Those interested may write at once to The Managing Editor, the *Railway Accountant*, No. 14, Balakrishna Road, Madras-4, furnishing their requirements along with the remittances of the quarterly or yearly subscriptions; or the Subscriber's No. if already enrolled.

* * *

LIBRARY OR CLUB-SUBSCRIBERS

The Managing Editor, the *Railway Accountant*, requests every Library or Club attached to a Railway Department—Accounts or other—to subscribe for at least two copies of the Journal for the use of its members.

Such Libraries or Clubs, when enrolled, are allowed by Sri L. V. Gopalan certain concessional rates for his publications, details of which can be obtained *through the Managing Editor* by furnishing requirements and Subscriber's Numbers.

* * * * *

S. A. S. (RAILWAYS) EXAMINATION—1953

Elsewhere we publish in this issue a list of candidates who are declared to have passed the above Examination held in November 1953. We congratulate the candidates on passing this difficult Test.

The analysis of the pass list is as follows :—

Railway.	Number Qualifying for: Accountants.	Inspector of Station Accounts.	Inspector of Stores Accounts.
Northern Railway	11	3	—
Ex. R. C. A. O.	2	12	—
Chittaranjan Locomotive Works.	1	—	—
Eastern Railway.	12	3	—
Central Railway	4	1	—
Western Railway.	3	3	2
North Eastern Railway.	5	—	—
Southern Railway.	15	9	—
	53	31	2

Readers' Forum

Readers are invited to communicate doubts, difficulties, intricate points, etc., bearing on Railway accounting, audit and finance, for publication in this Section. Views on points raised, may also be communicated for publication in this part.

—EDITOR.

SPECIAL CREDITS IN STATION BALANCE SHEET.

The Commercial Code for the Railway Department lays down that special credits should be entered in the Station Balance Sheet on the right side thereof in respect of amounts refunded or error sheets credited, parcels rebooked etc. The idea underlying such instruction is not very patent.

It is an accepted principle that the debit side of the Station Balance Sheet should represent correct figures of the Railway earnings in Traffic Accounts and should therefore also provide figures for the journal entry put up monthly in Traffic Accounts. Hence any item in the nature of deductions from earnings would accordingly have to find a place as deductions on the debit side, since such items would have been previously treated as earnings of the Railway and shown on the Debit side of the Balance Sheet. As an alternative to such representation, their being shown on the right-hand (Cr.) side of the balance sheet would mean the earnings being kept intact and the deductions being represented as adding to the credit on account of remittances. This obviously is not in accordance with the facts. The procedure, therefore, of showing refunds on the Credit side of the Station Balance sheet does not accord with the principle underlying the Entry for Traffic Account which is intended to collect correctly all accrued traffic earnings, irrespective of their realisation. It may be argued that the Accounts Office will transfer the items in question to the debit side of the Station Balance sheet after audit. If so, it is not again clear as to why the station should be made to show these entries on the credit side and the Accounts Office remove the items from the Credit side and take them over to the debit side as deductions.

Comments and criticisms on the above subject are welcome in order that the Accounting point may be put in proper perspective, and the Railway Board may lay down the correct procedure in the Commercial Code which is now understood to be under revision.

L. V. G.

CLASSIFICATION OF REVENUE EXPENDITURE—EXPENDITURE IN CONNECTION WITH I.R.C.A.

At present, the expenditure in connection with Indian Railway Conference Association, attributable to each Railway, is allocated to Revenue Abstract 'G'. 1920 under "Miscellaneous items". So long as the Indian Railway Conference Association was a separate organisation, more or less private in character, the allocation of the expenditure on the organisation of the Indian Railway Conference Association was justified as an item of contribution to a private body allocable to Abstract 'G' Miscellaneous Expenses. Under present conditions, however, when almost the entire Railway organisation in the country is owned and managed by the Government as a unitary organisation with six zones, the original constitution and structure of the I. R. C. A. has undergone a radical change; in fact, the I. R. C. A. may be deemed to be a limb of the Railway Board in the same way as the Central Standards Office, etc. In these circumstances, it would appear to be more appropriate, if the expenditure in connection with

(Continued on page 24)

Regrouped Railways

(A CRITICISM)

Two years ago the Public Accounts Committee asked that the economy achieved in the working cost of the railways consequent on the integration and regrouping of the entire Railway system into six zones should be furnished to it. And if the "Review of Working of the Re-grouped Railways during 1951-52 and 1952-53" issued by the Government in connection with the recent Railway Budget for 1954-55 is the answer to the Committee's request, the Committee should, indeed, be considered easy to please. According to reports in newspapers, this Report does not appear to have received any serious attention at the hands of our legislators. Each one of them who took part in the debates dealt with the aspects of Railway working in which he was interested or with which he was familiar and this large and important subject was let go.

This is perhaps not surprising, for, the Financial Commissioner of Railways had, soon after the Public Accounts Committee's Report was issued, given out that economy in working was not one of the main objectives and, if any, *might be long in coming*. The Review under consideration appears to indicate that the economies will certainly be long in coming and that the Railway Department is not keen on ascertaining what economies have been realised.

For over thirty years, many an expert and expert body has dinned into the ears of the public the economies from re-grouping and dangled before their eyes the benefits realised on the British Railways by the consolidation of several hundreds of independent Railway Companies into a very small number of administrative units. The promises of economies held out in India were profuse. Savings in overhead expenses, reduction in the number of supervisory personnel, fewer Railways to account with in regard to inter-railway transactions, with a corresponding decrease in clerical, operating and accounting Departments, elimination of circuitous routes and of wasteful transportation, better utilisation of locomotives and rolling stock, simplification in rate-making and reduction in the number of freight tariffs, reduction of duplicate interchange points and of foreign junctions, better utilisation of workshop facilities, abolition of superfluous running sheds: these were some of the headings under which economies were promised on the revenue side. Why add to their number? There were savings on the capital side also indicated. Multifarious were the avenues for savings which were indicated. Great must now be one's disappointment to be informed "that exact evaluation of the advantages accruing from regrouping is difficult owing to the difficulties of arriving at comparable figures of the post and ante-integration periods. Certain new factors......in the revenue and operational cost position make a comparison unrealistic". The statistics appended to the Review are of the usual type and are not illuminating. Slight improvements and regressions are to be noticed and it may be presumed that had there been anything of outstanding merit, the same would have been embodied in the narrative part of the Review.

One wishes that a few solid facts, however tenuous, were marshalled to assure the public that genuine efforts are being made to realise the promises which regrouping held out, and still held out, and that the difficulties of making comparisons would not deter the Government from continuing their efforts.

The Indian Railways have been organised into six zones and they are apparently meant to stay. One, however, cannot help having a fear whether one or two of the present zones are not unwieldy. The inter-position of the Regional Deputies between the Heads of Departments and the District Officers would appear to partially confirm such a fear. They look like the proverbial fifth wheel in the coach and are likely to tend to delays in decisions and disposals.

In this connection it is worth recalling the observations of the Wedgwood Committee (1937). The Committee remarked it is "desirable to maintain separate administrations of reasonable dimensions. If the administrations are unduly extensive, headquarters supervision becomes too remote and the machine as a whole becomes unwieldy. The *esprit de corps* of such overgrown concerns is weakened and they lose the individuality that comes from direct personal initiative at the top."

Madras. K. V. Iyer

"THE HINDU"

S. A. S. (Rlys.) EXAMINATION, 1953

FULL LIST OF PASSES

The following candidates, who appeared in S. A. S. (Rlys.)—the old Appendix III-A- Examination held in November, 1953, are declared to have passed the examination :—

Roll No.		Name	Office/Ry. to which attached.	Qualifying as
19.	Mr.	Pyare Lal Kapur	Northern Railway	Accountant
21.	,,	Sachidanand	,,	,,
24.	,,	Jagdish Singh Bhalla	,,	,,
27.	,,	K. C. Mazumdar	,,	,,
55.	,,	Choote Ram Yadhva	,,	Inspector of Station Accounts
57.	,,	Triloki Nath Gupta	,,	,,
76.	,,	Ravi Dutt	,,	Accountant
79.	,,	Sham Sunder Miglani	,,	,,
84.	,,	Ram Prakash	,,	Inspector of Station Accounts
88.	,,	Amba Lal Mathur	,,	Accountant
89.	,,	Pyare Lal	,,	,,
95.	,,	Panna Lal S. Mehta	,,	,,
97.	,,	Gurbachan Singh	,,	,,
109.	,,	Dayal Das L. Chablani	,,	,,
116.	,,	Ram Pal Joshi	ex. R.C.A.O.	,,
123.	,,	Sat Pal Puri	,,	,,
133.	,,	Mohan Lal Babbar	,,	Inspector of Station Accounts
138.	,,	Sohan Lal	,,	,,
142.	,,	Lal Chand Aggarwal	,,	,,
143.	,,	Des Raj	,,	,,
148.	,,	Vasdev Sharma	,,	,,
171.	,,	Lakshmi Chandra Jain	,,	,,
173.	,,	Ram Swarup Gupta	,,	,,
175.	,,	Brij Mohan Suri	,,	,,
183.	,,	Bhagwan Dass	,,	,,
184.	,,	Raj Kumar Soni	,,	,,
188.	,,	Balwant Singh	,,	,,
207.	,,	Shyam Lal Puri	,,	,, Stores
218.	,,	Sankar Das Banerjee	Eastern Railway	Accountant
220.	,,	Gour Gopal Sarkar	,,	,,
223.	,,	Hrishikes Das Sarma	,,	,,
225.	,,	Kalidas Chatterjee	,,	,,
233.	,,	R. N. Patrao	,,	,,
267.	,,	Chinmoy Chakrabarty	,,	,,
269.	,,	Kamal Kumar De	,,	,,
279.	,,	Madhai Gorai	,,	,,
281.	,,	Sukumar Chatterjee	,,	,,
289.	,,	J. Chatterjee	,,	,,
308.	,,	Bibhuti Bhusan Datta Gupta	,,	,,
330.	Mr.	A. N. Adhikari	Eastern Railway	Inspector of Station Accounts
332.	,,	S. N. Moitra	,,	,,
334.	,,	Sisir Kumar Chakrabarty	,,	,,
351.	,,	Har Prakash Ahluwalia	,,	Accountant
354.	,,	S. K. Mukherjee	C.L.W.	,,
366.	,,	Dina Nath Srivastava	N. E. Railway	,,
370.	,,	Bishambhar Nath Srivastava	,,	,,
410.	,,	Biswanath Datta	,,	,,
414.	,,	Narayan Prasad Chaudhury	,,	,,
416.	,,	Biswaranjan Das Gupta	,,	,,
427.	,,	N. Srinivasan	Central Railway	,,
429.	,,	V. M. Vachiswaran	,,	,,
450.	,,	Ganesh Vasudeo Data	,,	,,
484.	,,	P. Sesisekhara Rao	,,	,,
498.	,,	L. S. Venkataraman	,,	Inspector of Station Accounts
523.	,,	M. K. Kaikini	Western Railway	,, Stores ,,
527.	,,	Mahavir Prashad Bhargava	,,	Accountant
535.	,,	Ram Lubhaya Prabhakar	,,	,,
538.	,,	Rameshwar Das Agarwal	,,	,,
556.	,,	S. P. Roy	,,	Inspector of Station Accounts
561.	,,	Kidar Nath Gupta	,,	,,
575.	,,	Ram Sarup Jaria	,,	,,
582.	,,	Anand Parkash Gaur	,,	,,
604.	,,	S. K. Babu	Southern Railway	Accountant
607.	,,	R. Srinivasan	,,	,,
609.	,,	A. Srinivasan	,,	,,
612.	,,	A. S. Ramabadran	,,	,,
627.	,,	S. Srinivasaraghavan	,,	,,
632.	,,	C. Krishnan Kutti Kaimal	,,	,,
633.	,,	P. Laxminatha Rao	,,	,,
635.	,,	N. Padmanabhan	,,	,,
651.	,,	T. V. Narasimhamurthy	,,	,,
652.	,,	K. Nandagopal	,,	Inspector of Station Accounts
653.	,,	T. M. Narasimhan	,,	,,
654.	,,	C. Venkateswaralu	,,	,,
655.	,,	A. V. Viswanathan	,,	,,
670.	,,	C. R. Sambantham	,,	,,
689.	,,	A. Kulandaivelu	,,	Accountant
695.	,,	A. Louis Rajanayagam	,,	,,
696.	,,	P. V. Chakravarthy	,,	,,
705.	,,	R. Muthuraman	,,	,,
715.	,,	N. S. Ganapathy	,,	,,
717.	,,	S. Venkatachary	,,	,,
720.	,,	R. Srinivasan (S. No. 2079)	,,	Inspector of Station Accounts
721.	,,	K. R. Subramanian	,,	,,
722.	,,	S. Vemban alias S. C. Andrews	,,	,,
727.	,,	K. S. Mathew	,,	,,

List of important publications of Sri L. V. GOPALAN,

14, Balakrishna Road, Madras-4.

Useful for App. II Examinees.

Precis and Draft—Questions & Answers.

No. 94	—App. II Papers—various Railways		1949-50	Rs. 2—0
No. 95B—	do	do	1950-51	Rs. 3—0
No. 201	do	do	Upto 51	Rs. 6—0
No. 201B	do	do	1951-53	Rs. 3—0

General Rules & Procedure. (App. II Papers).

No. 93A	Questions & answers-All Railways	1950-51	Rs. 2—0
No. 93B	Questions & answers-All Railways	1950-52	Rs. 2—0
No. 203B	—Questions only-All Railways	1951-53	Rs. 1—8

Optional Subjects. All subjects (App. II Papers).

No. 95	—Questions only-All Railways	Rs. 2—0
No. 95A	—Questions only-All Railways	Rs. 2—0
No. 95B	—Questions only-All Railways	Rs. 2—0

General Study.

No. 73R	with two supplements (A digest of Railway Codes) Handbook of Ry. Accounts	Rs. 8-12
No. 98	—Principles of Accounting & Auditing (with correction slips) (Complement to 73R)	Rs. 3—0
No. 69R	—Railway Frauds and Losses	Rs. 2—0
No. 71	—Railway Earnings Balance Sheet (Questions and Answers).	Rs. 2—0
No. 72	—Railway Station Inspections	Rs. 1—0

Books worth Rs. 30 or more are allowed a rebate of 15% and FREE transit, <u>if net cost is remitted with Order.</u>

Other Publications.

Books are also published by the same Author for the use of candidates for S. A. S. (Railways) and S. R. A. S. Examinations. Full details can be obtained from the Author.

Printed By Sri C. Krishnamurthi, at the Sri Ramakrishna Printing Works, 19-B Woods Road, Madras-2
Edited & Published by: L. V. Gopalan, B.A., B.L., *Retd. A. A. O.* ...
14, Balakrishna ...