

INDEPENDENCE DAY ANNIVERSARY NUMBER

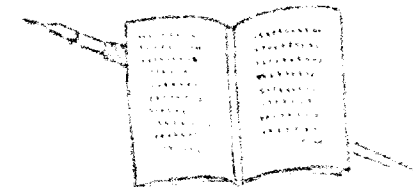
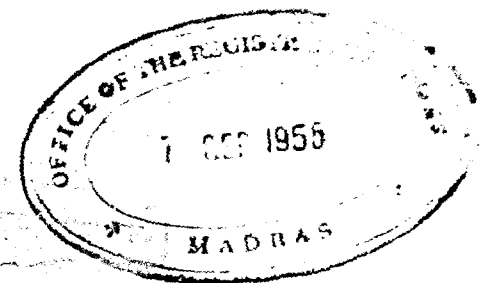
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THE

RAILWAY ACCOUNTANT

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Railway Accounts, Audit & Finance

Published on the 15th of every month.



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THE RAILWAY ACCOUNTANT

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

14, BALAKRISHNA ROAD, MADRAS-4.

Vol. II

AUGUST 1955

No. 5.

Independence Day Anniversary Greetings

15th August 1955

We offer our heartiest greetings to our subscribers, readers and well-wishers on this day, which ushers in the ninth year after attainment of Independence by Indians. We are on the threshold of the Second Five Year Plan which augurs so much progress that it is hard for any outsider to realise how quickly India could have achieved so much in so short a time. There have been many set-backs and many difficulties; there have been devastating floods and colossal damages; there have been unprecedented accidents both on land and in air; there have been rivalries and factions, and jealousies galore. But still, the wheel of progress has been moving forward slowly but steadily. Much has been done and much more remains yet to be done; but everything has been provided in a well-planned system. What with the vast developments on Railways, with the opening of more steel factories, with the attainment of self-sufficiency in equipments (which are at present imported from abroad), and with better living conditions, the future years will show an India which will prove to the World what latent power there was that was unutilised for so many years. We shall live in hope to see that a peaceful atmosphere is created throughout the World for this vast expansion of activities not only in India but elsewhere.

Managing Editor, the Railway Accountant.

ACKNOWLEDGMENTS

The following Journals and Magazines have been received since the last issue :

Central Railway Newsletter—July 1955	Indian Railway Gazette—August 1955
Central Railway Magazine—July 1955	Accountants' Journal, New Zealand—June 1955
Northern Railway Magazine—July 1955	Australian Accountant—June 1955
North Eastern Railway Magazine—May 1955	Careers & Courses—August 1955
Western Railway Magazine—June 1955	Wednesday Review—W. E. 3-8-1955
Chartered Accountant—July 1955	Railway Herald—W. E. 8-8-1955
Eastern Railway Magazine—	Monthly Railway Statistics—
Southrailnews—July 1955	(Rly. Board)
	Educational Review—July 1955

Railway Corruption Enquiry Committee

The Railway Corruption Enquiry Committee, under the Chairmanship of Shri J. B. Kripalani, submitted their Report to the Government of India early in July '55, after nearly 18 months of hard labour. The Press summaries of the Report as published, not only provide interesting reading, but are also revealing.

The causes of corruption on Railways have been analysed and various remedies suggested. The recommendations (extracts of which are reproduced elsewhere in this Issue) are indeed far-reaching and are entitled to great weight coming as they do from a Committee presided over by a public Leader of undoubted integrity and palpable straightforwardness.

Naturally, the large claims bills of Railways for compensation to outsiders for goods lost or damaged (amounting to as much as 4 crores of rupees a year) has come in for detailed examination of the Committee who have come to the conclusion that not only corruption at various stages but inefficiency on the part of the railway staff is the root cause of a large proportion of such claims. In this connection, apart from making exhaustive recommendations on the manner in which leakages can be stopped, the Committee have gone further and suggested that the legal position of the Railways as existing at present according to the Indian Railways Act, under which the Railways' liability is restricted to that of a bailee, should be re-examined to see if this liability may not be properly fixed as that of an Insurer, as on the British Railways, to meet the demands of the users of the Railway Transport; but this will naturally throw a greater financial burden on the Railways. The Committee, however, envisage practical difficulty in introducing the principle of Insurance in the Railway's liability for loss or damage in transit of goods in railway transport. This question is already under consideration by the Railway Freight Structure Committee and if the principle is conceded, legislation will have to be undertaken to amend the Indian Railways Act, which, indeed is already outmoded and requires overhauling in other respects also.

Another wholesome recommendation of the Committee is that Trade Unions of Railways should have joint consultation with the management for fixing work rates and increasing efficiency.

Deviations from original specifications in the case of contract for engineering works and stores are reported to have ranged from 40 to 50% in value of the original specification; and this, in the Committee's view, seems to indicate the presence of corruption. It is not clear if, in the cases of deviations examined by the Committee, financial advice at the proper level was obtained. Had this been one, possibly there may be no reason for suspecting corruption. This, however, is not to say that deviations of such large magnitude from original tenders can be countenanced with equanimity. If there are large deviations, the proper course would be for inviting fresh public tenders.

As rightly pointed out by the Committee, the Zones are unwieldy. Indeed, this has been accepted by the Government of India, and the Eastern Railway has already been bifurcated into two zones from the 1st August 1955. It is not the route mileage of the zone but the volume of traffic and other relevant

factors such as intensity at particular points, contiguous industrial areas, etc., that should receive consideration.

In regard to the Committee's suggestion that Divisional system should be adopted (evidently in preference to the District system of organisation), opinions may differ; as there are advantages and disadvantages under both the methods. Why not allow both systems to function, one on some zones and the other on other zones, if the one followed already and designed to suit the peculiar circumstances of the area have been found to have stood the test of time, as in the case of Departmental vs Contract Catering?

The Committee has made a spirited appeal to all Public men and higher officials to lead a reform movement to eradicate corruption. In particular, they have strongly recommended legislators to set a glowing example to other sections of the community by not abusing their position.

For investigating and dealing with cases of corruption, the Committee has recommended an Investigation Department and an administrative Tribunal, consisting of senior Officers both from the Railways and outside. This Investigation Department should investigate thoroughly into cases of corruption, irrespective of the status of the persons involved. The Tribunal should also follow a more elastic and expeditious procedure, but taking care to see that the ends of justice are met. We await, with interest, the measures to be taken by the Railway Ministry for implementation of the various proposals and watch the effect of the remedial measures so taken, in reducing "corruption."

S. A. S. (Railways) Examination

The accompanying comparative statement of the analysis of the results of the above Examination conducted in 1953 and in 1954 will provide interesting reading.

RAILWAY	Total appeared		No. of absentees or withdrawals, etc.		Number Failed		Passed No.								Percentage of Passes	
							Accountants		Station Inspectors		Stores Inspectors		Total			
	'53	'54	'53	'54	'53	'54	'53	'54	'53	'54	'53	'54	'53	'54		
Central	72	132	12	11	55	99	4	16	1	5	—	1	5	22	8.3	18.2
Eastern	134	183	28	48	91	115	12	17	3	1	—	2	15	20	14.1	14.8
Northern	112	179	17	18	81	131	11	22	3	8	—	—	14	30	14.7	18.6
N. Eastern	69	93	16	15	48	69	5	8	—	1	—	—	5	9	9.2	11.5
Southern	160	207	20	23	116	159	15	17	9	6	—	2	24	25	17.1	13.6
Western	85	131	14	13	63	98	3	11	3	7	2	2	8	20	11.3	17.0
C. L. W.	6	8	1	2	4	3	1	3	—	—	—	—	1	3	20.0	50.0
G. B. P.	—	2	—	—	—	1	—	—	—	—	—	1	—	1	—	50.0
Ex. R.C.A.	106	—	12	—	80	—	2	—	12	—	—	—	14	—	15.0	—
TOTAL	744	935	120	130	538	675	53	94	31	28	2	8	86	130	13.78	16.15

It will be seen from the above that the number of candidates who withdrew or absented themselves subsequent to their registration is nearly a sixth of the total number—a fairly large percentage—which might conveniently be reduced, perhaps, by initial scrutiny of the list. The percentage of failures is also very heavy and it would require to be investigated as to the causes and possibilities of remedying them. It is no doubt true that even appearance for an examination would require the candidate to make a study of the subject, and thus equip himself with a certain amount of knowledge which, though it may not come up to the standard of the examiner, might still be of use in the candidate's day to day practical working. From this aspect, therefore, desire to gain knowledge evinced by the candidates might be fruitfully exploited by the Department by enabling them to obtain better facilities for such acquisition of knowledge. The whole scheme has to be considered from the view-point that money spent in educating staff will be reflected in better efficiency at later stages; and hence money initially spent is really well-spent. It is just like water from the sea going as vapour into the clouds and coming back again to the earth purified as rain in various places where it would be required for developmental purposes.

A detailed analysis of the failure list in the various subjects furnish us some food for thought. The number of candidates for each of the optional subjects appearing in the failure list is as under.

Establishment	...		29
Workshop	...	...	43
General Expenditure	...	...	54
Controller of Stores Office Procedure			56
Books and Budget	...	...	137
Construction	...	...	148
Stores	...		214

On the Receipts side, the numbers are: Traffic Accounts 324; Station Accounts 244; Traffic Statistics and Traffic Book 79.

These figures indicate preferences for Stores and Construction as second optionals with Books and Budget as the primary optional. Similarly, on the Receipts side, Station Accounts seems to be the favourite choice. Obviously, the candidates are diffident about the material available to them for Traffic Statistics while they feel that they can handle Station Accounts paper better. But as a matter of fact, the results prove that while over 30% got passing marks in the Traffic Statistics paper, only about 22% passed in the Station Accounts paper. So far as the Traffic Accounts Paper is concerned, the percentage of passes is nearly 50 in the paper 'without books' while it is nearly 70% in the paper 'with books.'

A scrutiny of the marks obtained by individual candidates also indicates that the rules or convention for declaring passes need also some consideration. Thus, for instance, where a candidate has obtained over 60% in the optional subjects and in one of the compulsory papers, if he has not been able to secure the required minimum in the other compulsory paper, (but comparatively with

reference to the general performance in that paper, he is found to be a deserving candidate), his case may be considered for a declaration.

Generally, however, it has to be accepted that the staff on all Railways are suffering from many handicaps for want of adequate equipment to meet examinations and also to satisfy the varying tastes of the examiners. There is no fixed standard as appears in University Examinations and this is really a very great drawback from the examinees' point of view.

The performance in the General Rules and Procedure paper this year has been so poor that an investigation into the causes might be of help in remedying the situation. It is knowledge of an all-round nature that is required for the future accountants who may be posted in any section for handling responsible work, and as such, the acquisition of such a knowledge must be ensured by affording all candidates such material as will be necessary to infuse in them a desire to know something of everything. Departmental help is very necessary since there are candidates from far and near, from the smallest office to the biggest office, from the remote corner of a Division or District to Head Quarters, and who have not all got the same facilities for learning or equipping themselves on their own efforts.

We would, therefore, suggest a thorough scrutiny of the rules and regulations for this important departmental examination and arrive at conventions in regard to the types of papers, that should be set; the standard of answers expected and the method of evaluating the candidate's performances taking into consideration not only the results of this written examination but also something more, like his actual working capacity in the Offices, his general efficiency, and if necessary, supplemented by *viva voce*. Above all, it is absolutely essential that any suggestion of favouritism, demand and supply or deficient general education should be ruled out as factors guiding declaration of results.

"Daddy" asked Tommy, "was Benjamin Franklin the first electrician?"

"No" replied Daddy wearily, "Adam was the first electrician. He furnished the spare parts for the first loud speaker".

* * * *

A life of service must be one of humility. He who could sacrifice his life for others, has hardly time to reserve for himself a place in the sun.

—Mahatma Gandhi.

* * * *

If to do were as easy as to know what were good to do, chapels had been churches, and poor men's cottages princes' palaces. It is a good divine that follows his own instructions; I can easily teach twenty what were good to be done, than be one of the twenty to follow mine own teaching.

—Shakespeare.

Stores Purchase Committee Recommendations

A copy of the Stores Purchase Committee's Report was placed on the table of the Lok Sabha on the 28th July 1955. Among the various suggestions made by this Committee are:

1. The setting up of a highly powered purchase and development Board to control and coordinate purchases.

2. Establishment of a non-official Purchase Advisory Council to advise on the policy and procedure of procurement of stores and the continuance of the system of centralised purchases.

The recommendations are aimed at improving the efficiency of the Central Stores Purchase organisation and ensuring that the Government's purchase policy becomes an effective instrument for the development of indigenous industries.

The Committee observed that its recommendations fall into interlinked groups and if any of them is singled out for implementation to the exclusion of others, the balance it has attempted to achieve might be upset.

The Committee also hopes that the adoption of its recommendations by all Government Purchase agencies would secure the much desired uniformity in Government purchase procedure.

The Chairman of this Committee, which was set up in March 1953, was Mr. S. N. Buragohain, after whose death in October 1953, Mr. G. B. Kotak took over as Chairman. The following is a summary of the various recommendations made by the Committee.

STORES PURCHASE ORGANISATION

While recommending continuance of the system of centralised purchases, the Committee observes that purchases of certain specialised stores at present procured by Departments themselves should be progressively transferred to the Central Purchase Organisation. The purchases for industrial and other under-

takings managed by statutory corporations should also be made through the Central Purchase Organisation.

The Committee continues: "We further recommend that to co-ordinate development of Indian industries, necessary action can be taken by Government to persuade Port Trusts and larger Municipal Corporations to make their purchases of imported stores through the Central Purchase Organisation. We also recommend that State Governments too should be persuaded to make their purchases of imported items through the Director-General of Supplies and Disposals."

As regards the organisational set-up, the Committee emphasises the need for opening additional regional purchase offices, a beginning being made with one at Kanpur. Establishment of a Commercial Intelligence Bureau and appointment of a special officer for ensuring expeditious disposal of complaints has also been suggested. The Bureau would acquaint purchase officers with day-to-day developments in trade and industry. A bi-weekly bulletin giving promptly information of commercial interest and advance intimation of probable demands should be published.

The Committee has recommended the setting up of a high-powered Purchase and Development Board to control and co-ordinate purchases. It has also suggested the establishment of a non-official Purchase Advisory Council to advise on the policy and procedure of procurement of stores. Non-official Purchase Advisory Committees for regional offices of the Central Purchase Organisation have also been proposed. The Committee thinks that the association of the Advisory Council and Advisory Committees with the organisation will make available to Government experience of the commercial community. The Committee has said that the question

of closer liaison between the Purchase and Development Organisations by placing them under a common Ministry should also be considered.

Emphasising the need to evolve a special purchase procedure to facilitate the development of manufacture in the country of imported stores, the Committee recommended a general price preference of 15 per cent, for indigenous products over imported goods, a higher price preference up to 25 per cent, or even more being allowed in special cases. In buying imported stores, due weightage should be given to offers with a larger proportion of indigenous components. Consistent with the requirements of safety, relaxation in specifications and standards to suit technical limitations in indigenous production, particularly in cottage and small-scale industries, has been urged.

COTTAGE INDUSTRIES

For the products of cottage and small-scale industries, the Committee suggests a price preference up to 25 per cent, over those of large-scale industries, a higher price preference being permitted on merits. Cottage industry products, the Committee adds, should be bought in preference to small-scale industry products; a price preference of 2 per cent, should be given to offers from co-operative societies.

In the Committee's view, industries in the 'private' and 'public' sectors should be treated on par, and those in the 'private' sector should be free to compete with those in the 'public' sector so far as Government purchases are concerned. The spare capacity of ordnance factories should be utilised to meet Government requirements of stores normally imported or where indigenous capacity is insufficient to meet the country's demands.

IMPORTED STORES

Regarding imported stores, the Committee has taken the view that except for specialised defence stores or Govern-

ment-to-Government purchases, all stores should be bought in India and, as far as possible, contracts should be made for payment in Indian currency. Orders should be placed with agents in India of foreign manufacturers or India-based establishments. Requirements under foreign-aid programmes also should not admit imports of products available from indigenous stores. The need for utilisation of Indian shipping agencies to the maximum extent possible for carrying imported goods has been emphasised.

REGISTRATION OF SUPPLIERS

Referring to registration of suppliers, the Committee suggests that there should be a common list for all Government purchasing authorities and that registration should be reviewed every three years. The technical capacity, financial resources and reliability of a supplier should be carefully examined before registration. Only authorised agents in India of foreign manufacturers should be registered. A firm should be deemed to be registered provisionally until it executes at least one order satisfactorily, and the list of registered firms should be reviewed periodically with due regard to suppliers' performance. Greater facilities should be afforded for registration of cottage and small-scale industries.

The Committee advises the continuance of the method of calling for tenders by advertisements. Negotiations for purchase of stores should be undertaken only in exceptional cases and negotiations after opening of tenders should be discouraged. The organisation, according to the Committee, should have a greater number of rate/running contracts and price agreements for substantial recurring demands; wherever possible price agreements should be converted into rate contracts.

ENSURING TIMELY SUPPLIES

To ensure timely supplies, the Committee has suggested the setting up of a separate progress wing under a Deputy Director-General in the organisation,

As to payments, the Committee remarks that final bills should be paid within 90 days from the despatch of stores. Security deposits should be refunded within 30 days of the receipt of a 'No Demand' certificate from the supplier after the completion of supplies. Government should discourage payment of advances against contracts and encourage a wider application of the system of progress payments. Suppliers in India should not receive less favourable financing terms than those allowed for purchases made abroad. A guarantee from scheduled bank licensed by the Reserve Bank should be accepted as a form of security.

INSPECTION OF STORES

The Committee has advised that indentors should make use of the organisation's inspection facilities for their direct purchases. Regional inspectorates should have small laboratories for carrying out routine tests locally. Inspection should begin within one week of the supplier's request irrespective of the value of the stores and location of suppliers. Ordinarily, inspection should be finished within one week and 'Inspection Notes' issued within 24 hours of completion of inspection.

To provide further testing facilities, it has been suggested that a branch of the Government Test House, Alipore, Calcutta, should be opened in Bombay. The organisation should also take advantage of the facilities available with industrial concerns and private institutions in selected cases.

The Committee recommends that India Stores Department, London, should undertake inspection of stores ordered abroad by private parties in India and charge a fee of 1 per cent.

DISPOSAL OF SURPLUSES

In the matter of disposals, the Committee feels that steps should be taken to decentralise this activity when the volume of defence surpluses is reduced. Urging that the pace of disposal should be accelerated, the Committee states that the Purchase and Development Board should review the existence of surpluses and suggest measures for improvement in the system of determination of surpluses, the Disposals Organisation adopting commercial practices. Advertisements should be made more attractive. Depots should be kept open for one week for inspection of stores; proper arrangements made to receive the prospective buyers and show them round and every possible assistance offered to the successful bidders for removal of their purchases. Wherever possible, the quantities offered should be guaranteed with prescribed limits of variation. The services of the Central and Regional Non-official Purchase Advisory Councils should be utilised in formulating the disposal policy and procedure.

The Committee has also made some general recommendations aimed at improving the efficiency of the staff, e.g. that all permanent posts should be filled on a permanent basis; early steps taken to confirm officers considered fit to be retained; the organisation strengthened by filling a substantial number of posts with suitable officers from indenting departments and other services; short-term refresher courses and departmental examinations and test should be prescribed for confirmation or crossing of efficiency bars; two Central Services, one for 'supply' and the other for 'inspection,' should be constituted with the head of the organisation ordinarily holding office for about five years.

Suggestions for Simplification of P. F. Accounting

(BY SRI K. A. A. PILLAI, R. A. O's Office. Ajmer)

I venture to place before the Railway Administration the following suggestion with a view to remove the existing general complaints from the staff regarding the incorrect accountal of their PF assets entrusted with the Central Government.

Before starting to find remedial measures, I feel that a survey is essential as to the present method of accounting and the inherent weakness in it.

I. PRESENT SOURCE OF ACCOUNTING AND ITS WEAKNESS

The one and only source to account the individual subscription recovered from the staff by the bill-preparing authorities through their monthly salary is the P.F. Deduction Statement sent along with the Bill as supporting voucher. The deduction statements should, therefore, show the full particulars of each subscription, i.e., P.F. Account, Name, Designation, amount recovered etc. When the Statement is incomplete, it is not possible to account for or if at all accounted for it might be in some-body else's account who might possess the same name, where no P.F. Account number is quoted in the Deduction statement.

It appears that the executives do not realise this fact and that they often forget the P. F. Deductions made from the staff are to be properly accounted for by the Accounts Office in their respective ledgers and the amounts thus accounted for are repayable eventually with bonus and interest thereon. They do not attach much importance to the P. F. Deduction statements except the total deduction shown in the salary bill towards P. F. subscription should be equal to that shown in the statement. In other words, the incorrect or incomplete PF deduction statement submitted by the bill preparing authorities is the root cause for the

wrong accountal of P. F. assets of individual subscribers.

The second cause is the existence of numerous kinds or categories of subscribers with varying conditions attached thereto, viz.,

1. Permanent subscribers entitled for 4% guaranteed interest.
2. Permanent ex. State Railway subscribers entitled for 4% guaranteed interest upto 31-3-1950.
3. Permanent subscribers not entitled to guaranteed rate of interest.
4. Temporary staff not entitled for bonus.
5. Permanent and temporary subscribers to voluntary P.F. etc. etc.

Thus, P.F. Institution on Railways requires some sort of rationalisation.

II. REMEDIAL MEASURES PROPOSED

(i) As the account of P. F. Subscription in individual ledgers is done on the basis of the details furnished by the executives through P.F. Deduction Statements, they should be impressed to submit complete and self illuminating statements to avoid wrong accounting and unnecessary correspondence. To enforce this, a counter-record with regard to the subscriptions and refund of advance in FORM 'A' attached to this should be maintained by the paybill preparing authorities which should be periodically reconciled with the figures booked in the individual ledgers in the accounts department. This record is nothing but an office copy of the amount recovered from each subscriber in a consolidated form. This reconciliation will ensure the correct ledger in so far as subscription and refund of advance is concerned.

(ii) Once the subscriptions and refund of advance are proved as correct in the

Canvasser : "You pay a small deposit, then you make no payment for six months."

Lady of the house, suspiciously : "who told you about us ?"

above manner, the question of incorrectness is limited to Bonus and Interest credited to each subscriber's account which is the sole responsibility of the Accounts Deptt. Now the bonus allowed could be proved correct as the bonus will be equivalent to the subscription excluding refund of advance, except where it is not admissible under rules, i. e., bonus for the half year in which the staff resigned and temporary staff who are not entitled for the bonus. Here again when a temporary subscriber is confirmed according to existing rules, it is necessary to credit bonus plus interest thereto with retrospective effect from the date he started to subscribe to the Fund. In such cases there is a likelihood of committing mistakes either in calculating the interest as the rate of interest varies from year to year and wrongly credit the bonus in the first instance itself. Further, owing to the failure on the part of executive deptt. to intimate the date of confirmation in time, the account of the subscriber will naturally not be credited with bonus thus resulting in wrong accounting. Further, when such belated particulars are received in the Accounts, extra burden is involved in working out the bonus plus interest thereon for the past years. For uniformity in accounting and to avoid the possible mistakes cited above, it is suggested that temporary subscribers may also be brought on par with the permanent staff in so far as bonus is concerned with suitable modification to the liberalised service conditions rules referred to in Board's letter No. E. 49CPC/28 of 23-9-49. (G. No. 29 of 49) that bonus credited to temporary subscriber's P.F. assets will automatically be forfeited and credited to the Fund itself, in the event such a subscriber resigns or is removed from service before confirmation. In this connection a reference is also invited to Paras 1302 (ii)-AI in which bonus allowed to permanent staff is also forfeited and credited to Staff Benefit Fund if he resigns before completing 5 years' Rly. Service. The proposed change in the liberalisation of

service conditions does not entail any additional financial commitment as well. Further, there is no chance to pay off the bonus credited to the temporary subscriber's P. F. assets in the first instance; as such refunds are always arranged through PFROs supported by service records wherefrom it can be verified whether the staff in question has fulfilled the conditions or not.

(iii) Now we come to the point of interest. It is suggested that taking into consideration the present economic position of the country, instead of revising the rate of interest every year, the same may be frozen at 4% at least for five years as an *ad hoc* measure as in the case of pre-37 staff. This will not only simplify the work in connection with calculation and credit of interest to individual ledgers but also encourage staff in saving more money with the Government through voluntary subscription to PF which will automatically enrich the 2nd five year plan. Finally CSPF and Vol. PF etc. obtainable on ex. State Railways may be fused into one with immediate effect as they have got more or less the same conditions and benefits.

(iv) (a) If the above method is adopted the preparation of checksheet in the Accounts Office can be dispensed with as there is an independent check on the postings of subscriptions and refund of advance etc. with the Departmental book mentioned above.

(b) Much labour and unnecessary correspondence can also be saved, such as calling for particulars of unposted items, unposted ledger a/cs etc. etc.

(c) Correct accountal. of PF assets of subscriptions ensured well in time.

(v) I understand that there is another proposal viz., to introduce a card system to avoid the numerous complaints with regard to P. F. assets of individual subscribers. This system envisages provision of one P. F. card to each subscriber, in which his monthly subscriptions and refund of advance noted at the time of disbursement of pay by the executives

and initialled by a Gazetted Officer which will further be sent to Accounts Office periodically for scrutiny and to afford credit of bonus and Int. etc. This will mean more work for the executive i.e., enter the recoveries in the first instance on card; (b) collect and send it to accounts for periodical check. It may not be possible to collect and send the card at the same time to Accounts Office in time especially in case of line staff and other Class IV Staff working far away from the Headquarters of the District. Above all, there is the risk of the card being lost in transit or by the employees themselves. This increases work in Accounts Office as well in collecting and then returning to executives in tact all these valuable documents.

III. CONCLUSION

In sum and substance, the executives should be responsible for the amounts recovered from the staff as PF subscription or refund of advance till they are reconciled with the individual ledgers in the Accounts Office and that Accounts should be responsible for the correct accountal. of subscription thus proved with bonus and interest thereon and finally at the close of the year the

[Comments & discussions are invited. —Ed., R. A.]

Owner's Risk and Railway Risk

[This is an extract of a valuable article by Sri R. Srinivasan, published in "SOUTHERN RAILNEWS" of July 1955, re-published by kind courtesy.]

The starting point for all legal questions for Indian Railways is always The Indian Railways Act of 1890. There were Railway Acts previously but they merely followed the pattern of the laws in England and it was in the Act of 1890 that an independent line was taken for the Indian Railways. On the English Railways the liability of the Railways is that of 'insurers' i.e., they are responsible for every injury to the goods

Accounts should intimate each subscriber the exact amount at his credit in the P. F. Institution.

FORM 'A'					
Name	Design	P.F., A/c			
Year 1955	Amount recovered as subscription	Refund of Advance	Remarks	Year 1956	
1	2	3	4	5	
April					
May					
June					
July					
Aug.					
Sept.					
Total for the 1st half year					
Oct.					
Nov.					
Dec.					
Jan.					
Feb.					
March					
Total for the year					

occasioned by any means whatever, except only the Act of God or the King's enemies. The same was the position on the Indian Railways till 1890, but after the passage of the Indian Railways Act of 1890, the responsibility was defined as that of a bailee under Sections 152 and 161 of the Indian Contract Act, 1872. These Sections lay down that the bailee is bound to take as much care of the goods entrusted to him

as a man of ordinary prudence would, under similar circumstances, take of his own goods of the same bulk, quality and value as the goods bailed. If the bailee has taken the amount of care prescribed, he is not responsible for any injury that may result to the goods in spite of the care bestowed. Thus the responsibility of the Indian Railways as carriers of goods is much less than that of the English Railways. To illustrate, the Indian Railways can plead as a valid defence that the goods were tampered with or stolen during transit between stations, what is usually known as "Running Train Theft" but the English Railways can offer no such defence.

The Act as originally framed and as it continued till recently, permitted the Railways to limit even its responsibility as bailees under special contract with the consignors. Section 72 (2) laid down that such a contract should be in writing and in a form approved by the Central Government. Under these conditions the responsibility could only be limited and not completely repudiated. These special contracts which were in force till 1950 were known commonly as Risk Notes, because the main effect of these contracts was to make the consignors assume a greater portion of the risk in the carriage of the consignment. Hence it was not totally inappropriate to consider consignments carried under such conditions as carried at "Owner's Risk" and the railway staff had some justification in marking the Railway receipts "O.R." It is interesting to note that in America the Railways are entirely prohibited by law from limiting their responsibility as carriers.

The term "Owner's Risk" was never mentioned in the Act itself and occurred only in the forms of the risk notes approved by the Government. The various forms of risk notes to cover the different occasions when they might be needed were approved by the Government between 1898 and 1902. Of these only Risk Note Form B is of interest now, as it is only under that form that

the carriage of goods at a reduced rate, known as "Owner's Risk Rates", was envisaged. After 1902, it was represented that the Railways should assume a greater measure of responsibility in the case of consignments carried at reduced rates and hence the form was revised in 1907.

This form provided that in consideration of the special reduced rate charged, the consignors undertook to hold the Railway administration 'harmless and free from all responsibility for any loss, destruction or deterioration of, or damage to, the said consignment, from any cause whatever except for the loss of a complete consignment or of one or more complete packages forming part of a consignment due either to the wilful neglect of the Railway administration or to theft by or to the wilful neglect of its servants....., provided the term "wilful neglect" be not held to include fire, robbery from a running train or any other unforeseen event or accident.'

The Railway would not be, in accordance with this risk note, responsible for any injury to a consignment carried at Owner's Risk Rates except when such injury was due to wilful neglect of the Railway or its servants. The onus of proving that the injury, if any, arose due to the wilful neglect of the Railway or its servants lay on the consignor and it was obviously almost impossible for him to prove such a thing since only the Railway was aware as to how the consignment was dealt with when it was in the Railway's custody. In fact by signing this risk note the consignor for all practical purposes absolved the Railway of all responsibility. In holding this risk note, any apparent protection given to the trader was illusory, for it was impossible for him to know what it was that caused the loss or deterioration of his goods between the time when he delivered the goods to the Railway and the time when they ought to have been delivered at the destination. The explanation of the loss or injury was within the exclusive

knowledge of the Railway and for the Trader to be compelled to prove that it was due to the wilful neglect of the Railway or its servants was to ask him to do the impossible.

The position was so obviously unjust that on representation from the trade interests the form was revised in 1924. This form substituted the word "misconduct" for the words "wilful neglect" in the old form, and in addition provided that in the following cases:

(a) Non-delivery of the whole of the consignment or of the whole of one or more packages forming part of the consignment where such nondelivery is not due to accidents to trains or to fire,

(b) Pilferage from a package or packages forming part of the consignment.....,

the Railway administration shall be bound to disclose to the consignor how the consignment was dealt with throughout the time it was in its possession or control and if necessary, to give evidence thereof before the consignor is called upon to prove misconduct, but if misconduct on the part of the Railway administration or its servants cannot be fairly inferred from such evidence, the burden of providing such misconduct shall lie upon the consignor.

The notable change which was effected was that the onus of proving that the Railway was responsible for the injury which was practically an insuperable burden under the old form, was lightened by the proviso that in certain cases the Railway was bound to disclose to the consignor and, if necessary, let in evidence to show how the goods were dealt with while they were in the Railway's custody. In other words, the circumstances under which the loss or damage arose which was within the exclusive knowledge of the Railway came now within the grasp of the consignor. If from the nature of the disclosure misconduct was inferable—it was not essential that there should be strict proof of it—no further burden was cast

on the consignor to prove the misconduct necessary to make the Railway liable. Obviously this was a measure not only to render equity to the traders but also to eliminate causes for litigation for, the disclosure contemplated in the form was to be made to the consignor on demand and not necessarily in Court only and therefore if on such a disclosure it was obvious that the injury was due to misconduct of the Railway or its servants, then the Railway was expected to accept liability and meet the claim. Litigation could only arise if the disclosure was refused by the Railway on the grounds that in the case in question it was not bound to do so or there was dispute whether misconduct was fairly inferable or not on the basis of the disclosure made.

The exact import of the substitution of the word "misconduct" for the words "wilful neglect" is not quite clear and no undisputed interpretation can be given on the difference between the two. But there can be no doubt that the substitution did not give a greater measure of protection to the Railway and if at all any particular purpose was to be served by the new word it was to lessen the burden of proof on the consignor. The generality of opinions and judgments tend to the view that it is easier to prove misconduct than wilful neglect. Thus the total practical effect of the new form was to make the Railways assume a much greater measure of responsibility in the case of consignments carried at reduced rates.

There was no remarkable change in the forms of the Risk Notes from 1924 to 1949. The complicated procedure involved was a constant target for attacks by the trading communities. It was not enough if a consignment was tendered with a consignment note describing the goods but in most cases it was necessary to execute one or more Risk Notes. These risk Notes required two witnesses to the signature of the consignor. For instance, if a consignment, not packed well, was to be carried

at reduced Owner's Risk rates and in open wagons it may well be necessary to execute three Risk Notes. These were in the nature of special contracts and were binding on the consignor even when executed by his agents or servants who may be illiterate. From the point of view of the Railway also these Risk Notes were bothersome since they had to be kept in safe custody in case of a claim should later arise. Further it was left to the Railway staff to decide whether the packing was adequate or not; and the Railway staff for their own protection required the execution of the Risk Note on the flimsiest excuse. Moreover a consignment was to be booked at the Tariff Rates, i.e., Railway Risk rates, unless the consignor specifically elected reduced rates and executed Risk Note Form B. Quite often due to ignorance, the servants deputed for booking the consignment failed to understand the procedure necessary and the goods were carried at the higher rates when the lower Owner's Risk Rates were available and it was the intention of the consignor to have them carried at these rates. With the advent of Independence and the complete nationalisation of the Railways, it was also felt that the measure of responsibility laid on the Railways in the case of goods carried at reduced rates etc., should be increased. In consideration of all these factors, comprehensive legislation was undertaken and the Indian Railways Act of 1890 was amended in 1949 and the new amendments brought into effect from 1st August 1950.

These amendments are commonly known as those which brought about the abolition of risk notes and simplified the procedure for booking consignments for carriage by Railway. But they, at the same time, effected some other notable changes also. The general provisions of the risk notes were incorporated in the Act itself. Thus what was a contractual obligation in the past was made into a statutory one. The extent

to which the Railway could limit its responsibility as a carrier was defined in the Act itself. The Central Government was given authority to fix packing conditions for various commodities. But what is of interest now is that for the first time the term "Owner's Risk Rates" occurs in Act. When alternative reduced rates known as "Owner's Risk Rates" are offered by the Railway then firstly, unless the consignor specially elects to book the consignment at the Tariff, i.e., Railway Risk Rate the consignment is booked at Owner's Risk Rate and secondly, the Railway is liable if negligence or misconduct of the Railway or its servants is responsible for any injury to consignments carried at Owner's Risk Rates.

With the introduction of the words "Owner's Risk Rates" in the Act, the remark "O.R." on a Railway receipt could have one and only meaning, viz., that alternative reduced rates were offered by the Railway for the carriage of the commodity, that the consignment in question was carried at the reduced rates and that the responsibility of the Railway as a carrier of the consignment was defined by Section 72 of the Act read with Sections 74 (c) and (d). Therefore the practice of the Railway staff of marking Railway receipts indiscriminately "O.R." is irregular and misleading.

The widening of the responsibility of the Railway by the inclusion of "negligence" is of the greatest importance. The normal responsibility of the Railway i.e., for consignments carried at Railway Risk Rates, is that of a bailee. For consignments carried at "Owner's Risk Rates" the Railway is responsible for any injury caused by the negligence or misconduct of the Railway or its servants. Where is the difference between the two?

Negligence means the omission to perform a duty and implies that something which ought not to be done at all or

ought to be done in a different way, is done; or that something which ought to be done is not done. A bailee is supposed to take such care as a prudent man would of his own goods of a similar nature. What is "negligence" but a negative way of stating the some duties and responsibilities? There appears to be therefore no difference in the responsibilities of the Railway whether the goods are carried at Railway Risk or Owner's Risk Rates.

The net effect of the new legislation seems to be only in the shifting of the onus of proof. But even here the inclusion of the word "negligence" has destroyed any effective reduction of the burden placed on the Railway for goods carried at Owner's Risk Rates. What more proof is required of the "negligence or misconduct" of the Railway or its servants beyond the mere fact that the goods delivered to the Railway in proper condition have been found at the destination lost, damaged or deteriorated? The fact that there was injury to the goods automatically throws back the onus of proof on the Railway. The Railway could plead circumstances beyond its control; but this plea can be offered even for consignments carried at Railway Risk Rates. Thus by quoting reduced rates the Railway stands to gain nothing and in no way is its responsibility as bailee limited. In fact the Railways stand in much the same position as their customers did before 1924 and any apparent reduction in the responsibility of the Railways sought to be achieved by the quotation of reduced rates is fallacious.

It is not clear why both "negligence" and "misconduct" have been used by the legislature. The latter includes the former. If proof of mere neglect is enough to hold the Railway responsible, what need is there for proof of misconduct?

Considering these aspects if the Railways have any justification for quoting reduced rates, it is only for commodities

which on account of their very nature run the risk of getting damaged irrespective of the amount of care bestowed so that it cannot be conclusively proved on the mere condition of the goods at the destination that the injury was entirely due to negligence or misconduct of the Railway or its servants. This policy is being followed by the Railways to a good extent but there is a more straightforward solution which is already in force in America, viz., to legislate that the Railways may not contract out of their responsibilities as carriers by any means. As it is, the responsibility of the Railways in India is pitched at a lower level than in other countries. There appears to be no need to provide for a further reduction of this responsibility. The prohibition of the limitation of the responsibility of the Railways as bailees, coupled with powers to the Central Government to specify compulsory minima packing conditions and with adequate safeguards for the carriage of animals and excepted articles as at present (and perhaps for coal in open wagons also) would achieve the reform which would be welcome from all points of view. Generally legislation in India has tended to follow the pattern laid down by England but here is an instance where the lead given by America is worth serious consideration in view of the simplification it would achieve in law.

The trend of legislation is thus to place a greater measure of responsibility on the Railways. What was originally for all practical purposes a complete repudiation of all liability for injuries to goods carried at reduced rates has been brought to a level where virtually no reduction in the responsibility is achieved by quotation of reduced rates. This is not only due to the greater awareness of the Indian Trading community but also because of the greater facilities available, the vast improvements made and the greater safety achieved on the Indian Railways have effectively

reduced the risk run by them in the haulage of consignments over the long distance involved in India. What the future holds is moot but it is but one step more to eliminate limitation of

responsibility altogether or to increase the level of responsibility of the Railways for goods carried at Railway Risk Rates to that of "insurance" as in other countries.

Cost of Train Stops

In the article on "Financial Justification for Opening of a New Station"—pages 11 to 13 of the April 1955 issue of the RAILWAY ACCOUNTANT—the cost of stopping trains at the proposed station, has been included as one of the important items of recurring expenses to be taken into account in working out the financial implication of the proposal and it was emphasised that the *dependent cost* per train engine hour should be adopted for the purpose. The elements of cost to be included in the cost will depend upon the circumstances of each case.

While there is no doubt that certain fixed costs such as General Administration expenditure, Miscellaneous expenses such as Rates and Taxes (and probably Repairs and Maintenance of Permanent Way) should be excluded and that the essential direct costs such as Coal should be taken into account, there are a number of items such as salaries and allowances of engine drivers, firemen, guards etc., workshop and running shed repairs to locos, carriages and wagons

etc., in regard to the inclusion of which opinion varies.

In most cases, the time involved per day in stopping trains at the proposed new station resulting in detention or longer time in train running in the Section is inappreciable, and actually it cannot be established that extra expenditure will be involved in such cases on account of salaries etc., of drivers, firemen etc., as this may not require the appointment of extra crew, nor extra mileage allowance etc., to existing crew. Workshop and Running Repairs to Engines and carriages and wagons may not also involve extra expenditure merely on account of the stopping of trains for a few minutes, though it may also be reasonably argued that an engine in steam and carriages standing at stations involve wear and tear to some extent and a proportion of the charges may be included in the dependent cost. Below is given a proforma of a Cost Sheet showing the details of costs that may be included:

PULSE-READING MACHINE

A new electronic device called a "palpatron" being produced at Hicksville, Long Island, is designed to enable doctors to read a patient's pulse visually during operations or other critical periods rather than by the usual manual method. The instrument, which is about the size of a miniature radio and runs on its own battery, includes a pick up which can be strapped to the patient's body to detect the pulse and a meter which shows the strength and interval of the heart-beat. Its merits include safety for operation use and supersensitivity in detecting beats not picked up manually.

COST OF TRAIN STOPS

COST SHEET

Dependent Cost per Train Mile

Passenger Train.		Goods Train.	
Broad Gauge.	Metre Gauge.	Broad Gauge.	Metre Gauge.
(1)	(2)	(3)	(4)

I Coal *

II. Salaries of Staff:

- (a) Running Staff (Drivers and firemen.
B-3110 Running Staff.
B-3601 D.A. (proportion for above).
- (b) Train Staff (Guards, Brakesmen etc.)
E-3103 Train Staff.
E-3104 Mileage and overtime.
E-3801 Dearness allowance (proportion for the above heads of account)

III. Operating Expenses:

- (i) Loco
B-3300 Water.
B-3400 Oil etc.
- (ii) Traffic
E-3202 Water and General Stores in trains.
E-3203 Stationery, forms and tickets:

[This may be omitted as it may not mostly come under "Dependent Costs" and the expenses may not be appreciable.]

IV (a) Repairs of Locos

- B-2110 Running Repairs.
- B-2120 Workshop Repairs.
- B-2801 D.A. (Proportion).

(b) Repairs of Carriages

- C-2110 Running Repairs.
- C-2120 Workshop Repairs.

(c) Repairs of Wagons.

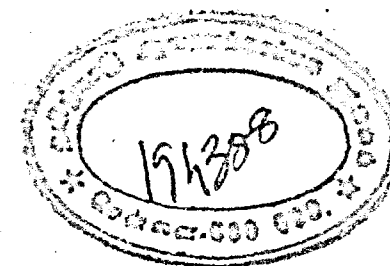
- C-2310 Running Repairs.
- C-2320 Workshops Repairs.

V. Total Dependent cost per train mile.

* There are several methods of working out the cost of coal. The easiest and simplest method would be to divide the total expenditure on coal (including freight etc.) for the last financial year, by the total number of train miles and arrive at the cost per train mile. A more rational method may be to work this on the basis of cost of coal consumed per engine mile as under on the basis of the statistical figures.

Total quantity of

- (a) Coal used during the year: Tons.
 - (b) All in cost including freight etc., per ton.
 - (c) Total cost of coal used for the year.
 - (d) Total engine miles for the year.
 - (e) Cost per Engine mile: (c) divided by (d) taken as cost of coal per train mile.
- (Should be separately worked out for passenger trains BG and MG and Goods Trains BG and MG).



Having ascertained the cost per train mile as above, the cost per train engine hour and cost of stopping trains may be calculated as under :

- (i) Dependent cost per train mile.
- (ii) Average speed of trains.
- (iii) Dependent cost per train hour : (i) multiplied by (ii).
- (iv) Dependent cost per train stop : [If the time of stop is taken as four minutes including 2 minutes for acceleration and deceleration, the dependent cost for four minutes could be worked out—1/15 of item (iii) above.]

Note : The apportionment of expenses between "Passenger Trains" and "Goods Trains" may be based on the respective numbers of engines ; or the apportionment made for statistical purposes as per prescribed method may be adopted.

In regard to running repairs to locos etc., a percentage of the cost may be treated as dependent : (somewhere between 10% and 25% may be considered as reasonable).

In order to provide for all contingencies, it is sometimes considered necessary to take into account all the items of costs mentioned above for working out financial justification for opening of new stations ; but as already stated, it is the writer's view that each case should be considered on its merits ; and apart from coal, oil and water, either all the component items of cost mentioned above or only those as would actually be incurred by the stopping of the particular trains (or a suitable proportion)

should be included as indicated by the facts and circumstances governing the particular case.

A model cost sheet with hypothetical figures is shown below :

Passenger Train B.G — per train mile.	
Annas	
1. Coal	29.0
2. Water, oil etc	1.6
3. Engine crew and Train Staff	} 40.4*
4. Repairs to locos and carriages	
5. Water and general stores in trains, etc.	
* This may be broken down to details for engine repairs, etc.	

71.0 As.
or Rs. 4-7-0 per train mile.

Average speed of passenger trains BG 16 miles per hour.

Dependent cost per train hour ... Rs. 71.

Dependent cost per train halt (4 minutes) ... Rs. 4/12

Alternatively,

Dependent cost per train hour (if only the cost of coal, oil and water which constitute direct costs is taken into account—i.e., items 1 and 2 above)

(29 plus 1.6 annas) x 16 ... Rs. 30/10

Dependent cost per train halt ... Rs. 2/1

— KALAB.

Finance vs. Executive

There has always been an impression that the Executive Department is not really helped by the Finance Department in its progressive ideas. This impression is evidently based on a misapprehension of the position and functions of "Finance." If the circumstances are clearly analysed, it will be found that it is but natural for the executive in its anxiety to discharge its obligations, to adopt measures which may not always be acceptable or sound from the prudential point of view. It is

also true that a person who can scrutinize the situations impartially from all aspects would certainly be in a better position to render proper advice on such matters.

Of late, there has been a running race in every field of activity, especially in India, for improvements and more improvements. Targets are fixed and attempts are made not only to reach the targets in time, but also if possible to over reach them. While the ambition is good in itself, prudence dictates a

cautious move in the matter. That this is all the more necessary at this juncture, is evidenced by the fact that hurried action has, in many Departments of the Government of India in the recent past, resulted in heavy losses, defalcations, frauds etc. The Executive should, therefore, always *willingly* ask for advice from the Finance Department and consider it calmly as given by a friend and not by a foe. To feel that the objection raised or criticism offered by Finance is an opposition to the ideas of the Executive is far from the truth and is not the proper angle from which the Executive should view it. The tax-payer's money should be well spent and should be spent in his interests. It, therefore, requires a good lot of prudential care and this is what has been emphasised in the first canon of financial propriety which is to be *observed* in the first instance by the Executive and *ensured* by the Finance Department. The Finance Department has been given a certain set of regulations by the Government in order to make its observations effective, and so long as these are rigidly observed, no one—not even the highest executive—has any cause for grievance. If, however, the regulations are felt to be too rigid, they can be revised in the light of present day trends ; but definitely without overlooking the need for "prudential care."

There may also be a tendency for the Executive not merely to set aside the financial advice, but also to oppose it both openly and indirectly. This tendency, wherever it exists, would certainly not be in the interests of an efficient administration. An ordinary lesson from nature can advantageously be remembered in this connection. A young child tries to get at any bright object—even fire—or small creatures which could injure it, not because the child wants to be hurt but because it is ignorant of the consequences. Elders will try to prevent the child from such consequences. Even so, the Finance

Department has come into existence only to help the executive in its vigilant and useful utilisation of public finance, and so long as the Department does not exceed the limits set for its working, there should be no grouse by the Executive ; but the latter should, on the other hand, render all necessary assistance to the former, in its execution of duty.

In this connection, an article written by Mr. K. S. Gupta in the Northern Railway Magazine for June 1955 under the heading "Watch Dog on Railway Finances" would be interesting reading. A few relevant paras therefrom are extracted below :

".....In tendering financial advice, the Finance Branch does not merely comment on the proposal, but suggests alternative means of performance, cheaper and efficient for the consideration of the authority competent to sanction expenditure. Its advice is of vital importance, inasmuch as it represents a review of the case from the financial angle. While sponsoring a proposal for expenditure, the Executive branches, being primarily concerned with their executive functions, are liable to bring out only the technical and administrative aspects ignoring the Finance Appreciation. His scrutiny consists not only in offering comments, if any, on the facts adduced in the justification, but also on the 'financial prudence' of the proposal, to facilitate a proper appreciation of the position by the competent authority before the proposal is accepted.

As the very designation implies, the functions of the Financial Adviser are purely advisory, solely for the benefit of the executive officers who are initially responsible for any financial snags, and do not, in any way, amount to a limitation of the powers, and responsibilities of the executive officers.

In functioning thus, the Finance Branch plays an important role in the administration of the Railway. By acting on its

financial advice, the Administration is saved to a great extent from nugatory and infructuous expenditure; and incidentally a good deal of objections from the Statutory Audit and adverse criticism from the Public Accounts Committee are avoided."

It should also be remembered in this connection that on more than one occasion Mr. A. K. Chanda, Comptroller and Auditor General to the Government

of India, has emphasised the need for active cooperation between the Executive and the Finance Departments so that each may understand clearly the view-points of the other and happy cooperation may exist between the two in the discharge of duties of both the Departments for the common good of the tax-payer.

L. V. G.

Perambur Rail Coach Factory is Asia's Largest. Production starts on October 2

On Mahatma Gandhi's next birthday, October 2, 1955, Sri Jawaharlal Nehru will press a button at Perambur, in the north-west suburbs of Madras, and within a matter of seconds India's first all-steel, light-weight integral rail coach will roll ostentatiously out of the State-owned, Rs. 7.3 crore Integral Coach Factory's assembly lines.

The Prime Minister will then go round portions of the 52 acre grounds on which stands this modern Factory with its workers' residential colony, and inspect a few of the ten giant shops out of which will emerge a complete new coach every six working hours when target production is reached in 1959-'60.

The Perambur Factory will be the largest of its kind in Asia and one of the largest in the world.

PRODUCTION PROGRAMME

In the first year of its working, the Factory will turn out 20 coaches with components imported from Switzerland. Thereafter, an increasingly large proportion of Indian-made components will be used.

Production will increase five-fold in the second year, reaching 200 coaches in

the third and 300 in the fourth years. During 1959-60, the fifth year of production, the target of 350 coaches will be reached, with parts and components completely manufactured at the Factory itself.

For the present the Perambur Factory will turn out only third class coaches. It will produce the empty shells, leaving inside furnishings to other railway workshops.

FEATURES OF INTEGRAL COACH

The Factory has taken its name from the "integral" coaches which it will manufacture. Unlike the conventional type in which the coach-body is merely mounted and fixed to a separate steel under-frame, the integral coach, as its name suggests, will have its body and under-frame integrated into a single unit, all made of steel, with several advantages over the present type.

It will have smoother riding qualities and will, therefore, be much less jerky while on the run.

It is light-weight, being seven tons lighter than the conventional 42-ton coach. Therefore, more coaches can be hauled per locomotive.

In the event of an accident it will afford greater protection to passengers, since it is built for strength, with an anti-telescopic device, and its body will not get smashed up as easily as in the old type coach in which the body, being a separate piece, gets pushed off and broken up in an accident.

Thanks to a special type of insulation used, heat and noise inside the integral coach during travel will be eliminated to a marked degree.

In travelling comfort, the integral coach will equal the best of its kind in Europe. In India it will set a new standard.

735 MACHINES HELP TO MAKE A COACH

It will take the noisy co-operation of 735 individual machines to yield the target production of a coach every six working hours, in a single shift. The machines will be housed in ten giant shops, the largest among them, 1000 feet by 260 feet, being perhaps one of the largest of its kind in the Indian Union.

Through the ten shops run 12 miles of railway. As a result of special devices which have been adopted, the 8.4 million square feet of covered space in the shops will be unusually clean and dust-free. They are well-ventilated and lighted with fluorescent tubes. A public address system will link the shops, enabling instant contact between management and the general body of workers. Canteens, tiffin sheds washing and shower baths are among the other amenities which have been provided.

Production in the shops will be based on the modern uniflow system. The various stages of actual production are organised in different shops situated end to end in a straight line, the raw material being fed at one end of the straight line and the finished coach coming out at the other, in a cycle. This method of production ensures greater economy and smoothness in working.

INDO-SWISS CO-OPERATION

Eight European countries are supplying the machinery needed for I.C.F. Sixty per cent of this has been indented from Germany, 15 per cent each from Switzerland and the United Kingdom, and the balance from Czechoslovakia, France, Italy, Belgium and Sweden.

The Factory itself is a product of Indo-Swiss co-operation in the technical field. As a result of an agreement between the Government of India and the Swiss Car & Elevator Manufacturing Corporation Ltd., of Schlieren, Switzerland, the latter is providing the technical "know-how" including specialised personnel as well as the necessary facilities for training Indian staff in coach manufacture at its works in Switzerland. Forty Indians have completed their training, and another 19 are now in Switzerland.

The designing and execution of the civil engineering works on this project and its residential colony have been completely in Indian hands.

Approximately 4,000 workers will man the Factory when it is in full production, 75 per cent of them being skilled workers. For the training of these men a Technical Training School was founded at the Factory site on March 20, 1954, to turn out 500 men per year initially. The school employs modern methods of training and has its own satellite workshops.

READY IN THREE YEARS

On June 1, 1951, I.C.F. was officially born. Its first headquarters were located in railway retiring rooms at Egmore station, Madras.

It was in September 1952 that the first pile to support the Factory's huge structures was driven. From then on it has been rapid going.

In the end of October 1954 the first consignment of machinery was landed at Madras harbour. Within a year from that historic event the first coach will be turned out—the beginning of a new era

in the manufacture of rail coaches in India.

The Perambur factory will take the Indian railways a long way on the road to self-sufficiency in passenger coaches and also help them to fight overcrowding.

Not only that. When the Factory reaches peak production, it will help the country to save a considerable amount of foreign exchange each year. Equally important is the fact that it will provide a great fillip to many ancillary industries. Examples: rubber, aluminium, chemicals.

BEHIND THE FACTORY

How much does it take in physical resources to "get up" a modern coach

factory—beginning from the civilisation of what once was desolate waste land to the production of a modern, streamlined coach?

Into Asia's largest coach factory have gone over 8,000 tons of steel, 20,000 tons of cement, 12 miles of railway sidings, 15 miles of water supply pipes, 5.5 miles of roads and a great many other things.

Adjoining the Factory is the workers' residential colony, a miniature township with 400 houses, parks, playgrounds, a fine club house and other modern amenities. Provision has been made for the supply of 6,000,000 units of electricity per annum to the township and the workshops.

SCIENTIFIC DEVELOPMENTS

[We are indebted to the Western Railway Magazine for the following useful extracts. *Mg. Editor*]

CAMERA PRODUCTS FINISHED PRINTS WITHIN 60 SECONDS

The U.S. Manufacturer who introduced the camera that develops its own picture in 1947 has already put on the market a smaller and less expensive model called the "Highlander".

The Camera contains its own chemicals for the developing and printing of pictures. Finished prints can be obtained within 60 seconds after the picture is taken. A simple dial set both the shutter and the lens opening of the camera; there is no need to understand complicated focal length stops. The "Highlander" takes picture two and a quarter by three and a quarter inches.

HIGH SPEED TYPEWRITER

An electronic typewriter that works at a speed equal to the output of 300 good stenographers has been developed by a manufacturer in Summit, New Jersey. It will turn out 1,800 characters a second.

The new machine, called the "High Speed Typewriter," bears little resemblance to a standard office keyboard typewriter. It is a large cabinet-sized machine with its own motor and a mass of electronic equipment.

The machine has to work rapidly because its job is to keep pace with a computer or "electronic brain." As the brain produces its information, the typewriter both translates the data and prints in on a paper in the form of words and numbers. Or, the same machine can take punched cards and perforated or magnetic tape and produce high speed typed copy from them.

STAINLESS STEEL MADE BY FREEZING PROCESS

The Alleghany Ludlum Steel Corporation of Pittsburgh, Pennsylvania, is using a freezing process for a new type of stainless steel for air-frame construction. After being formed, the new alloy is chilled to 80 to 100 degrees Fahrenheit below zero to pick up the desirable characteristic. Known as Alleghany Metal 350, the alloy is a combination of chromium, nickel and molybdenum with a low carbon steel base.

Subjects of Moment

Check of Compensation Claims

An advance correction slip regarding nature and extent of check of compensation claims was issued recently to Para 2248-A incorporating the particulars. A further advance correction slip has now been issued by which the Beejuck is required to be checked. The advance correction slip runs as under:—

'That the claim is settled at the beejuck value of the goods only, and where this is not possible, at such rates as are considered reasonable on the merits of each case.'

This is in substitution of item (6) of Advance Correction Slip relating to this subject issued previously.

Compensation Claims—Inter Rly. adjustments

It has been decided by the Railway Board that Inter-railway adjustments in regard to compensation claims should be made even if below Rs. 500. However, the lower limit of Rs. 50/- below which such inter-railway adjustments are not permitted, will continue to apply.

Concession Tickets, etc.

An advance Correction Slip issued to Para 2022-A by which the following sentence is to be added at the end of the Paragraph:—

"Where a part amount of the voucher is recoverable in cash from its holder at the time of its exchange with the ticket by the Station, and the balance is recoverable from the department issuing it, it should be seen that the full amount of the voucher is accounted for in the passenger classification and that the portion of the amount recoverable from the department is billed for against it."

Revised Rules of Allocation of Railway Expenditure

Consequent upon the revision of the rules of allocation of Railway Expenditure and other constitutional changes

etc., a big list of corrections to the Railway Engineering Code has been prepared. Some of the important aspects are reproduced below:

Para 241: Delete the word "Capital" in the first sentence and substitute the words "Total expenditure to be incurred" for "Capital to be expended," at the end of this paragraph.

Para 325: Delete the word "Capital" occurring in the second and the last sentence and substitute the words "additional expenditure" for "Capital expenditure" in the penultimate sentence.

The word "Capital" wherever occurring in paras 326, 334 and 943 item iii, to be omitted.

The following paras are to be deleted: 726 to 736, 748, 835 and 836.

Para 327. Substitute the following for this paragraph:—

"Cost—For the purpose of working out the financial prospects of projected railway, the total cost of a line should invariably include interest during construction even though such interest would not be actually debited as an item of expenditure in the financial accounts of the railway. The total cost, for this purpose will, therefore, be the estimated cost of the line plus interest on the amount to be spent during construction calculated at the borrowing rate of interest prevailing at that time"

Para 328. For the words "half the amount of Capital" substitute "half of the total expenditure."

For the last sentence above the formula, substitute "Thus, if amounts to be spent during successive years be represented by A, B, C and the borrowing rate of interest be N, the interest on the cost during construction will be—"

In the formula, for the words "the interest on capital during construction at 4% will be," substitute "The interest during construction will be."

Para 333. Substitute the following for the opening sentence:—

"Return on the estimated cost. The following example is worked out as an illustration of the process of arriving at the anticipated return on the estimated cost of a branch line to an existing system."

Item (i) Substitute for this item:—

"Estimated total cost (excluding provision of Rolling Stock):—

Item (a).—Substitute the following for this item:—

"(a) The total cost.—Assuming that the expenditure is incurred during construction as follows—

First Year	20 lakhs
Second Year	40 lakhs
Third Year	40 lakhs

The cost including interest during construction for the purpose of financial examination will be Rs. 1,05,30,000.

Para 333. Item (3). Substitute the following for this item "Return on the total cost, therefore, will be:—

$$\frac{\text{Rs. } 7,34,500 \times 100}{\text{Rs. } 1,05,30,000} = 6.97 \text{ per cent.}$$

Para 350. Table A. In the column "sub and detailed heads," for "2150—2190," substitute "2150—2180," and for "2200—2700," substitute "2300—2600."

"Note.—In the case of unremunerative lines to be financed from the Development Fund, the figures under main head IV will be provided as usual notwithstanding the fact that the cost of replacements and renewals in the case of such lines is chargeable to Development Fund."

Table B. In the columns "Sub and detailed heads," and "Details," delete "2300—2400"—"All others."

For "3500—3700," substitute "3500—3800."

Introduce the following Note below the Table:—

"Note.—In the case of unremunerative lines to be financed from the Development Fund, the figures under main head

IV will be provided as usual notwithstanding the fact that the cost of replacements and renewals in the case of such lines is chargeable to Development Fund."

Table C. In the columns "Sub and detailed heads," delete "2600—2700."

Introduce the following note below the table:—

"Note.—In the case of unremunerative lines to be financed from the Development Fund, the figures under main head IV will be provided as usual notwithstanding the fact that the cost of replacements and renewals in the case of such lines is chargeable to development Fund."

Table E. In the column "Sub and detailed heads," for "3105—09," substitute "3105—08."

Table G. In the columns "Abstract and main head" and "Details," for "II—Operating Expenses," substitute "III—Operating Expenses."

Table H. Introduce the following Note below the table:—

"Note.—In the case of unremunerative lines to be financed from the Development Fund, the figures under the main head IV will be provided as usual notwithstanding the fact that the cost of replacements and renewals in the case of such lines is chargeable to Development Fund."

(The Revised numbers of Sub and Sub detailed heads are those as adopted in the revised edition of the Indian Railway General Code Volume II, under print.)

Para 750. Substitute the following for this paragraph:—

"Construction on Railway land of buildings for military officers and staff seconded to Railway Units of Territorial Army. Where it is not possible to build armouries within the precincts of a workshop, there is no objection to both armouries and quarters for military instructors seconded to railway units of the Territorial Army, being built on railway land in one block, a separate

entrance being provided for each. Where armouries happen to be built separately or situated in existing blocks, i.e., in Engine Sheds, workshops, stores etc., quarters for instructors may be constructed on railway land close to the armouries. Rent for such building should be regulated under para 1955. When, however, any of the existing buildings etc., are let out to them for occupation, rent will be regulated under paragraphs 1952 and 1954."

Para 806. Substitute the "State Government" for the words "local Government."

Para 818. Substitute the following for this paragraph:—

"(i) That the interests of the Central Government and of the Railway Administration are adequately safeguarded.

(ii) That the rental obtained will provide a margin of profit.

(iii) That, except as provided in clause (ii) of the conditions on which the management of land may be entrusted to a State Government (paragraph 810,) on liability attaches to the railway administration for any compensation or resumption; and that, except in the case of Territorial Army, Armouries and Instructors' quarters (paragraphs 1950 and 1951) or under the general or specific orders of the Railway Board, the Railway Administration is not committed (though it may retain an option) to the purchase, on resumption of the land, of buildings or structures erected thereon."

Para 822. Substitute the following for sub-para (iii).

"In the case of ex-Tirhoot Railway portion of the N. E. Railway whose Capital Account, though bearing the cost of land, does not include the capitalized value of land revenue abated, the net receipts realised by revenue authorities, should be credited to "Land Revenue" in the Civil Department."

Para 909. Introduce the following note below this paragraph:—

"The abstract estimate of an unremunerative project chargeable to Development Fund will be prepared in the same detail as the abstract estimate for a construction project chargeable to Capital."

Para 913. Introduce the following note below this paragraph:—

"The completion estimate of an unremunerative construction project chargeable to Development fund will be prepared in the same detail as the original construction estimate using the various heads of capital classification for the purpose."

Para 917. Item (d). After the words "Gratuity," put an oblique and introduce after that the words "Special Contribution to Provident Fund."

Para 923. Substitute the following for this paragraph:—

"In the reports of estimates for replacement and renewal works, it should be clearly stated whether any improvement is involved in the proposed works and if so, the extent of such improvement should be briefly indicated so as to enable the preparation of the Block Account (c. f. Chapter X of the Indian Railway General Code, Volume I)."

Form E, 931. In column 1, for "Capital or Betterment Fund," substitute "Capital or Development Fund" and introduce a new column (2) with the caption "Open Line Works—Revenue" renumbering the existing columns "2, 3 and 4" as "3, 4 and 5" respectively.

Para 945. For the second sentence of the first sub para, substitute the following:—

In such cases, the approximate allocation between capital, Development Fund, Open Line Works—Revenue, or Depreciation Fund and Revenue may be certified by the Accounts Officer as far as it is possible for him to do so, and the sanctioning authority may sanction the estimate, if otherwise in order, leaving over the question of allocation for subsequent consideration."



NEWS, NOTES AND COMMENTS

New Railway Lines

The Railway Board have sanctioned the preliminary engineering survey for a 145 mile long BG line between Bangalore and Salem on the Southern Railway. This line touches Hosur and Dharmapuri, following as far as possible the previous narrow gauge alignment between Hosur and Dharmapuri and Omalur on the Salem Mettur Dam Railway.

It is reported that the survey of Coimbatore-Chamarajnagar line which was conducted over three decades ago was included in the Five Year Plan but subsequently dropped therefrom.

The proposal to lay a new railway line between Virudhunagar and Manamadurai via Aruppukottai has been included in the Second Five-Year Plan as essential to the people of the area.

Gwalior and Ujjain

The Railway Board has sanctioned a preliminary engineering survey for a broad gauge railway line between Gwalior and Ujjain via Shivpuri, Guna and Agar, a distance of 286 miles.

The survey will also be carried out for the alternative alignment via Shahjapur and Maksi, which will be a distance of 260 miles.

The proposed line will provide a direct link between Gwalior and Ujjain and also to Indore when the Indore-Ujjain line is constructed. It is expected to help in the rapid development of agriculture and industry in this fertile region of Madhya Bharat.

The survey will be carried out by the Central Railway, and is expected to cost nearly Rs. 7,60,000.

The Railway Board has already sanctioned an estimate amounting to Rs. 2,90

crores for the construction of a 50 mile broad gauge line from Indore to Ujjain via Dewas.

Construction of Overbridges—Madras Govt.'s Suggestions

The Madras Government have suggested to the Central Government that in respect of rail crossings situated on Government roads within municipal limits other than national highways, 25 per cent of the road authority's share of the cost of construction of overbridges or subways would have to be borne by the municipality or local body concerned and 75 per cent by the State Government. In the case of non-Government roads the entire road authority's share would have to be met by the local bodies concerned.

In the case of four level crossings in the City of Madras, namely Mc.Nichol's Road, Gengu Reddi Road, Tiruvottiyur High Road and Monegar Choultry Road, the Government of Madras have agreed to bear 50 per cent of the road authority's share, leaving the balance to be met by the Corporation of Madras, which is the road authority concerned.

It may be mentioned in this connection that the Corporation of Madras had requested that the entire cost of construction of the new overbridges or subways in the City should be borne by the State and Union Government. At present the Government of India meet the cost of construction of overbridges or subways together with the entire cost of sewers, etc., while the road authority concerned meets the entire cost of laying approach roads.

In regard to the proposal for provision of a subway in lieu of the existing level

crossing near Madras Light House, the Madras Government have proposed that the Reserve Bank of India (who would also derive the benefits of the subway and who had been impressing on the Government to provide an over or under-bridge at this place), should meet one-third of the road authority's share and the balance should be borne by the Corporation and the State Government.

The Madras Government have suggested that for widening of level-crossings in the City, the entire road authority's share would have to be borne by the Corporation.

The Government have stated that though the approach roads for the five proposed overbridges in the City were non-Government roads, in respect of which the State Government were not obliged to meet any portion of the road authority's share of cost, the Government as a special case, were prepared to meet in all Rs. 36 lakhs out of the total estimated cost of Rs. 78 lakhs towards the construction of approach roads. The Government have stated that there is no case at all for the Corporation to expect any further concession from the State Government in the matter.

The Madras Government have taken up the question of apportionment of cost of overbridges, with the Government of India at the ministerial level for amending the rules governing the incidence of the cost of provision of overbridges and subways, so that the entire responsibility for the construction of overbridges or subways on railways might be met in future by the Government of India. Pending decision on this question, the Madras Government have asked the Central Government to provide loans both for local bodies and State Government for the provision of overbridges or subways.

[The existing rules on the subject of allocation of cost of Road Crossings, etc., are contained in paras 1117 to 1122 G.—Ed. R.A.]

Catering on Eastern Rly.—Introduction of "Box Meals"

A new advance in railway catering in India has been made with the introduction of a Hamper Box service in the compartments of trains on sections of the Eastern Railway where catering has been a departmental responsibility for the past 40 years. For a nominal extra charge, passengers can now order a meal containing items of their own choice in a box, and eat the food at any time they choose.

In keeping with the Railway Ministry's policy of providing cheap, clean food to passengers, the Eastern Railway has also with immediate effect slashed charges for foodstuffs over a wide range of items, the reductions in some cases working out to 50 per cent of the present charges.

Passengers on diet or those who desire a dish outside the menu will be accommodated as far as possible. For passengers of modest means cheap food packets have been introduced at certain stations, including Howrah. There will be no extra charge for service in compartments.

Devaluation of Pakistan Rupee

The Pakistan Rupee has been devalued so as to bring it into parity with the Indian Rupee. This has been overdue since 1949 and the two important considerations leading to the present decision are to ensure reasonable returns to the grower of Jute and cotton and to facilitate export so as to increase the Country's foreign exchange earnings.

Wagon Allotment

The Railway liability for the complaint that has been recently so publicised about the inadequate supply of wagons has been challenged by one in the know of it, who states that the "movement" Officers have often met local commercial men and requested them personally not to detain wagons as 'underloads.' It has also been suggested that the cooperation

of the Commercial public with the Administration is absolutely essential so as to make the demands for wagons after getting consignments completely ready and to load them within the free time allowed without detention to wagons.

* * *

Attendants' Compartments on Trains

The designation "Servants' Compartment" at present used in trains on the Indian Railways is to be discontinued and will be replaced by the new designation "Attendant's Compartment."

The Railway Board has requested all the Railway Administrations to effect this change early.

* * *

Rail Facilities on Jhajha-Moghalsarai Section

Additional rail facilities on the main line between Jhajha and Moghalsarai on the Eastern Railway are to be provided at an estimated cost of over Rs. 41,00,000 to cope with the increase in goods traffic anticipated during the busy season commencing November next.

Works such as providing new lines, altering the existing ones etc. will be executed for this purpose at nine stations situated between Jhajha and Moghalsarai.

* * *

Decimal System of Coinage

A Bill seeking to introduce a decimal system of subsidiary coinage in place of the existing one was passed by the Lok Sabha, after a spirited defence to the measure by the Prime Minister, Mr. Nehru. Mr. Nehru stressed on the imperative need for adopting a scientific and internationally recognised system not only in respect of coins but also for weights and measures in order to implement the plans for industrial and economical development to which they were committed in a big way. In the course of his speech, the Prime Minister "wanted the House to remember that if any country could be said to have evolved

the metric system, it was India. It was developed out of that wonderful discovery of genius, the zero sign, which spread from India to the Arab world and then to Europe. It should be our pleasure and our pride to revert to something which originally saw the light of the day in the minds of the Indian genius or geniuses. *** As regards the nomenclature, the 'Rupiah' was a well-known coin even in Indonesia. There was no question of changing the rupee on his part. The word 'Paisha' was a good word and it would be a good thing if it remained. May be during the period of transition there might be confusion about the value of the 'Paisha' and some people may make undue profit by that confusion. One can consider carefully how to avoid that."

The new decimal coins to be put into circulation shortly will have inscribed on them the words "Bharat Sarkar" in Hindi instead of the English equivalent "Government of India" and the obverse of the coins would bear the lion capital of the Asoka Pillar as on the present coins. On the reverse of the coins, a suitable sign of the Asoka Bull or Horse would be used and where space does not permit it, merely the value and date would be inscribed.

The Government will in due course take necessary steps to avoid any possibility of confusion between the old and new systems of coinage during the transition period.

* * *

Allocation of duties of drivers and firemen on Railway

It is stated that about 30% of drivers and firemen on British Railways are retained to shunting duties while the remaining 70% are commissioned for train duties. It will be interesting to compare the corresponding statistics on Indian Railways.

Statistics of Indian Railways

1. *Gross Earnings*: The approximate gross earnings of Indian Railways during May 1955 were Rs. 26.26 crores, when compared with the actuals for May 1954 i.e., Rs. 24.44 crores, i.e., an increase of 1.82 crores. The total approximate gross earnings for the months of April and May 1955 amounted to Rs. 51.24 crores as against the actuals for the corresponding period in 54-55 viz., 47.27 crores, i.e., an increase of 3.97 crores, equivalent to 8.4%.

2. *Goods Tonnage*: The number of tons of merchandise lifted during May 1955 was 6532000 and 1747000 on BG and MG respectively; which showed a decrease of 3.06 and 9.15% respectively over April 1955 loadings. The total number of tons lifted from April 1st 1955 to May 31, 1955 was 13270000 and 3657000 respectively on BG and MG as against 12278000 and 3332000 respectively in corresponding period of 54-55, showing an increase of 8.08 and 9.75% respectively.

3. *Wagon Loading*: The number of wagons loaded during May 1955 was 387073 and 219258 on BG and MG respectively which showed a decrease of 3.33 and 5.91% respectively over the loading in April 1955.

The total number of wagons loaded during the two months of April and May 1955 were 787485 and 452292 over BG and MG respectively which showed an increase of 6.35 and 10.4% respectively over the corresponding period of 54-55. The loadings for these two months were attributable to greater loadings over the BG of oil seeds, cotton raw, Jute manufactured, pig iron, other metallic ores, miscellaneous full wagons etc., offset to a certain extent by short loadings in cotton manufactured, raw jute, tea and miscellaneous smalls on the MG; the increase in loadings occurred in coal, oil seeds, cotton raw, cotton manufactured, pig iron, iron ore and other metallic ores and miscellaneous full wagons offset to a

certain extent by short loadings in cement, raw jute, sugar and tea.

* * *

Assembly of Railway Wagons

A new wagon assembly plant for erection of BG imported wagons is to be set up at Visakhapatnam. The wagons will be imported from abroad in a semi-knocked condition and assembled at the Railway yard. The assembly plant will initially have a capacity of about 30 wagons per month. Similar assembly plant for metre gauge wagons is already functioning at Okha Port in Saurashtra.

* * *

Publication of Newspapers

A Bill was introduced in the Lok Sabha on the 1st August 1955, by the Information and Broadcasting Minister, seeking among other things, to appoint a Press Registrar as recommended by the Press Commission.

The Press Registrar would maintain a prescribed Register containing full particulars about the several newspapers published in India.

It is obligatory on the publisher of every newspaper to furnish to the Press Registrar annually statements in respect of the newspaper containing details asked for and to publish in the Newspaper at such times and such of the particulars as may be specified in this behalf by the Registrar.

The Financial implication resulting from this appointment have been explained in a Financial memorandum appended to the Bill. It says: "The nuclear organisation, as at present envisaged, would require an initial non-recurring expenditure of about Rs. 20,000 and an annual recurring expenditure of about Rs. 50,000. The cost may increase depending upon the functions which may be assigned to this organisation and it is, therefore, not possible at this stage to form a more accurate estimate.

"For the year 1955-56, it is expected that the following sums will be required:

non-recurring Rs. 20,000 and recurring Rs. 30,000. No provision has been made in the budget for this purpose, but the necessary funds will be made available by reappropriation, if possible. Funds in respect of subsequent years will vary from year to year and will be provided for in the budget estimates in the normal way."

Changes in Railway Audit Organisation

It is understood that the separate Office of the Director of Railway Audit is being abolished and that the Office will be merged in the Auditor General's Office, the administrative and technical work relating to Railway Audit being attended to by one of the Deputy Auditors General. The Office of the Director of Railway Audit is also being moved from Simla to Delhi.

This step is in the right direction, because it is but meet that the head of the Railway Audit Branch should be at the Headquarters of the Railway Board (New Delhi). Consequent on the reorganisation, the Railway Audit Report may not be issued separately as heretofore under the signature of the Director of Railway Audit, but may be issued by the Auditor General separately or included in the accounts of the Government of India as a whole.

Sri V. Narahari Rao, former Auditor General of India is taking up the appointment of Auditor General and Financial Adviser to the Government of Sudan, on a two-year contract. Several other Indian Officers have also been invited by the Sudan Government to take up suitable posts with them. It is obvious that the newly-constituted Sudan Government have a high regard for the ability, intelligence and organising capacity of Indian Service Officers.

100 M. P. H. Diesel Train

The General Motors Corporation has entered the railway field by introducing a lightweight diesel train which can

travel at more than 100 miles per hour over long distances.

The first example of this venture is expected to be delivered to the Pennsylvania Railwayroad by October 1 for testing and exhibiting and made up of a single-unit locomotived and 10 coaches. It can carry 400 passengers. The carriages are adapted from General Motors, 40-passenger long distance road coaches.

The Company undertook the production of such a train at the instigation of a Committee representing U.S.A.'s rail-industry.

American Reporter, 21-7-55.

The Seventh Railway Zone

As already stated at page 123 of July '55 issue of this journal the two new railway zones formed by dividing the present Eastern Railway formally come into being on August 1, 1955.

Although reduced in route mileage, the new Eastern and South Eastern Railways will each carry a heavier load of traffic than some of the bigger railway systems in the country.

Out of every 100 tons of goods loaded on the Indian railway system, the undivided Eastern Railway accounts for 48 tons. The total traffic is likely to increase by about 50 per cent as a result of industrial expansion envisaged under the second Five-Year Plan. The burden of a major portion of this additional traffic will fall on the newly-constituted Eastern and South Eastern Railways. Between these two, the burden of new traffic is likely to be greater for the South Eastern Railway.

SOUTH EASTERN RAILWAY

The route mileage of the South Eastern Railway is 3,999, and track mileage 5,909. With headquarters at Calcutta, the Railway will work on the district system.

The Railway connects the capital cities of three States, viz. West Bengal

Orissa and Madhya Pradesh, and serves an area of 185,000 sq. miles in these States as also in Bihar, Andhra and Vindhya Pradesh. Connecting the ports of Calcutta and Visakhapatnam with their vast hinterlands, it serves the rich paddy fields of West Bengal, the extensive timber lands of Orissa and Madhya Pradesh, as also the coal and steel industries of Bihar and West Bengal. The area covered by the Railway is rich in deposits of essential raw materials such as iron ore, copper, coal, manganese, lime, bauxite and dolomite.

Many of the major development projects in eastern India lie on this Railway. The Hirakud project at Sambalpur, the two steel plants at Rourkela and Bhilai, the Hindusthan Shipyards at Vizagapatam where an oil refinery is being constructed are only some examples. The two existing steel works at Tata-nagar and Burnpur, too, have large expansion programmes. All these combined must make heavy demands for transport.

To provide line capacity for this enhanced traffic, the Sini-Gomharria, Anara - Burnpur, Rajkharwan Bara-Janda and Rourkela Mancharpur sections are being doubled. A new yard has just been completed at Jugsalai. The Burnpur yard is also being remodelled and a new one built at Hirapur.

For the movement of iron ore to the new million-ton steel works at Rourkela, a 37-mile long branch line from Rourkela to Taldih is being surveyed. A new yard will also be built near the works site. For the second new steel plant at Bhilai, also of the same capacity, the main line from Rourkela to Nagpur will be doubled. For the supply of iron ore at Bhilai, a 60 mile branch line from Bhilai to Dhalli Rajhara is being built.

To open up the areas served by the Hirakud Project and to provide a shorter link from the Rourkela steel works to the South, a line connecting Sambalpur with Titilagarh has also been programmed.

The big workshops at Khargpur where nearly 11,000 workers are employed, look after the maintenance of broad gauge power and rolling stock of the Railway.

EASTERN ZONE

The Eastern Railway will have a route mileage of 2,321 and a track mileage of 5,259. The Railway will serve an area of over 80,000 square miles and cover the States of West Bengal, Bihar and parts of Uttar Pradesh which have a heavy population density.

The truncated Eastern Railway will be composed of the five Divisions of the old East Indian Railway east of Moghalsarai, namely Dinapore, Dhanbad (Transportation division), Asansol, Howrah and Sealdah. The last named Division was attached to the East Indian Railway after the partition of the Bengal Assam Railway in 1947. Working on the divisional system, the Eastern Railway will have its headquarters at Calcutta.

The Eastern Railway connects the port of Calcutta with its rich and vast hinterland. It provides transportation facilities, among others, to the rice and jute producing areas of West Bengal and Bihar, the coal and steel industries in these two States, and the mica and iron ore mines of Bihar.

It serves important industries like metallurgical and steel manufacture at Burnpur and Kulti; chemical fertilizers at Sindri; and locomotives at Chittaranjan. The transport demands of the various industries like jute, chemicals, engineering, cement, leather and textiles, situated in and around Calcutta and at other industrial points are also met by the Eastern Railway.

Large-scale nation-building projects will rapidly increase the industrial potential of the Eastern Railway region. Multi-purpose projects like Damodar in Bihar and West Bengal and Mayurakshi in West Bengal; the proposed coke-oven plant the third steel plant; and also

the Ganga Bridge project near Mokameh in Bihar, are some of the great national undertakings situated on this Railway.

Demand for an Eighth Railway Zone

The different political and non political parties in Assam have started demanding of an eighth Railway Zone comprising of the old Assam Railway portion with Headquarters at Pandu on the ground that there have been chronic transport difficulties in the State. The Railway line within Assam is always in danger of being cut off from the rest of India by the fury of floods.

The strategic position and the economic development of this underdeveloped frontier state, the multifarious problems, overcrowding in trains, complete lack of passenger amenities, insecurity of the link lines; natural calamities etc. are adduced as sufficiently justifiable reasons for the proposal.

Public opinion is being mobilised in support of this demand and a seven man all-party committee has been formed to collect the necessary data to substantiate the demand with facts and figures so as to make the demand a convincing technical proposition.

Development of Railways

Mr. Lal Bahadur Shastri, Union Railway Minister while formally inaugurating the new railway station at Kalinarainpur, 48 miles from Calcutta, on the 8th July '55 revealed that under the Second Five-Year Plan period, the factory's production target was 300 locomotives. He pointed out that the target for the factory under the first Plan was 120 average-sized locomotives. It was proposed to put up a new foundry at the factory, which would accelerate locomotive production to achieve self-sufficiency for all time. He said that by November this year Chittaranjan would produce 150 locomotives and it was expected that the target, before the end of the First Five-Year Plan, would reach 200. He also indicated that in the distant future,

the Chittaranjan Factory would produce about 400 locos annually, which is double the present production target.

Mr. Shastri said that this was part of the Railway Board's plan for achieving self-sufficiency in locomotive production. The two-fold problem facing the railway administration was the rehabilitation and replacement of rolling stock and the expansion and development of factories.

Mr. Shastri drew attention to the need for a proper development of transport facilities. Explaining the Government's programme, Mr. Shastri said that wagons were under production in the Hindustan Aircraft Factory at Bangalore, besides imports from foreign countries. The Integral Coach Factory at Perambur would send out the first coach in October next. In addition to this, industrial undertakings in Calcutta were also producing coaches for the railway. He explained that the production targets were not final and they wanted to improve on them.

Referring to the Rs. 1,500 crore Railway Development Plan, Mr. Shastri said that the Railway Board had drawn up ambitious programmes to lay 5,500 miles of railway lines. This included provision for 3,000 miles of entirely new lines, besides doubling the line capacity of 2,500 miles. Doubling meant not only the laying of parallel lines but making detours, wherever necessary and feasible, to link new areas with a view to helping their development, he said. Provision had also been made for electrification schemes on an India-wide basis, estimated to cost Rs. 130 crores, he added.

Imported Locomotives

The first consignment of six locomotives out of the sixty ordered by the Government of India from Austria arrived in Bombay on the 28th July. Each locomotive with its tender weighs 125 tons. The Railway Board will distribute the locomotives to the various zonal railways in the country after assembling them.

Canada has made a gift to India of 120 locomotives under the Colombo Plan. A gift of 50 Boilers has already been received under the same aid programme. The locomotives are being inspected by an Indian Railway Officer who is in Canada for the purpose. The first consignment of BG locomotives arrived from Canada towards the end of July and will shortly be put into service on the Indian Railways.

Reorganisation of the Accounts Department on the Southern Railway

The regional set-up of the Southern Railway Accounts Department has been modified to some extent with effect from the 1st July '55 by downgrading the Regional Officer's post to that of Senior Accounts Officer from that of the Dy. Accounts Officer, by centralising some of the items of work like grainshop, inspection etc., and also by opening out a new section for fuel. The Deputies have been concentrated at the Headquarters Office and given charges of General Accounts, Traffic Accounts and Financial Advice. Further changes are still in the offing.

Railway Equipment Exhibition

Another showroom jointly set up by the Eastern Railway and the Chittaran-

jan Loco Works was formally opened at Calcutta on the 21st July 55. The object of this Exhibition is the same as that of those already held at Madras and Bombay, viz., move for creating self-sufficiency in the manufacture of indigenous railway stores.

Long Welded Rail Tests.

Field and laboratory tests, now being carried out by the Western Region of British Railways in connection with long welded rails, were the subject of an exhibit by Mr. M. G. R. Smith, Chief Civil Engineer, Western Region.

Because of the variations that occur in the temperature of the rails, considerable stresses are set up in the track. It has been established that expansion or contraction which relieves these stresses takes place only over a limited length at each end of the rail and is modified by the frictional resistance of the rail and resistance of the ballast against the sleepers. Special "breather switches" are fitted at the ends of the rails to allow these movements to take place. Movements and stresses that occur in the track are recorded by the apparatus exhibited, which also provides data on the most suitable type of rail fastenings and sleepers to be used.

The Railway Gazette, London.

The young couple couldn't afford a baby-sitter, so they took their two-year-old to the pictures with them. The manager of the theatre warned them that if the child got too noisy they would have to take their money and leave.

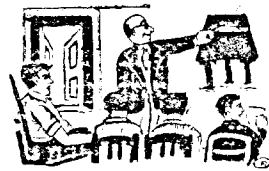
Half way through the film, the wife whispered: "What do you think of the picture?"

"Terrible".

"Pinch the baby, then".

Wife: In my next birth, if there is any, I hope I'm a man.

Husband: "I hope you are too, dear."



Readers Forum

Re : Levy of surcharge at 6½% on small consignments weighing less than 20 mds.

A doubt has arisen in the levy of surcharge in the following case which may kindly be replied through the Journal.

A surcharge @ Re. 0-1-0 per rupee is to be levied on small consignments weighing less than 20 mds. In the following invoice, a doubt has arisen whether the surcharge should be levied or not

Inv. No. 13 of 2-5-55 ex. A to B—Distance—60 Miles.

Description	Weight	Class chargeable
2 Bags Gum crude	Mds 10-0	4th Class
2 Bags Betel nuts	„ 12-10	8th Class
4 Bags Coco-nuts	„ 15-20	3rd Class

According to rule No. 86 (2) of IRCA Goods Tariff No. 29 the commodities should be grouped and each group charged as a separate consignment and be subject to a separate minimum, if applicable, unless the freight charge on the total weight of the whole consignment calculated at the highest rate applicable be less in which case the latter will be charged. In this case, if the freight charges are computed at different class rates, it would be cheaper than if computed on the total weight. Now the question arises whether surcharge at Re. 0-1-0 per rupee should be levied on the weights lesser than 20 mds. when freight is computed on individual weights treating them as separate consignment or not. A full clarification may kindly be given.

Badri Narain Mathur, Ajmer.

Note: Rule 86 (2) of I.R.C.A. Goods Tariff No. 29 draws distinction between a consignment consisting of several packages with commodities chargeable at different rates and with a package containing two or more classes of goods in a consignment. In the former case, each group of packages chargeable at the same rate should be treated as a separate consignment with a separate minimum therefor; subject overall to the differential rate in respect of the charges for all the packages in the entire invoice at the maximum rate. The distance in the case in question being only 60 miles, i.e., of short 75 miles, short distance charge of Re. 0-0-6 per maund has also to be levied in calculating freight and the surcharge has to be levied on the total freight inclusive of such short distances. The problem may, therefore be worked as under:

Class	Rate per Maund	Short distance charge	Total per Maund
4th	0 4 - 10	0 0 6	0 5 4
8th	0 6 0	0 0 6	0 6 6
3rd	0 4 7	0 0 6	0 5 1
All the packages, falling under each class, being less than 20 maunds would have to be surcharged at 6½%. Thus, the charges calculated would be as under:			
10 Mds. 4th class	10 x 0-5-4	3 5 4	
	Surcharge	0 3 0	
			3 8 4
			or 3 8 0
12 Mds. 8th class	12-10 x 0-6-6	5 4 5	
10 Seers class	Surcharge	0 5 0	
			5 9 5
			or 5 9 0
15 Mds. 3rd class	15-20 x 0-5-1	4 14 9	
20 Seers class	Surcharge	0 5 0	
			5 3 9
			or 5 4 0

Total freight for all the packages in the entire consignment would be Rs. 3-8-0 plus Rs. 5-9-0 plus Rs. 5-4-0 = Rs. 14-5-0.

The alternative freight at the highest rate would be for 37 maunds 30 seers at Re. 0-6-6 per maund—Rs. 15-5-0. This freight being higher than the freight of Rs. 14-5-0 calculated individually for each class of packages, the latter, viz., Rs. 14-5-0, would alone have to be charged. This freight charge would thus include the surcharge.

There, however, seems to be an impression on some Railways that because of the provision for the alternative calculation, the surcharge should not be levied on the individual rates. Discussion on this point is, therefore, invited from all Railways.

Editor, Rly. Accountant.

Cost of Amendments to I.R.C.A. Tariffs

A correspondent writes that the present price of Rs. 3/- per "complete set of amendments" to the I.R.C.A. Tariffs is too high; and should be considerably reduced and fixed according to the number or volume of correction slips available on a particular date and that this would enable the Examinees of the Accounts Department to keep their books up to date as the present practice has made it impossible.

Note: The system of pricing individual correction slips has always been in vogue and the consolidated price of Rs. 3/- is only the approximate method of compounding such individual prices. I am sure that, if any candidate is able to prove from past experience that the consolidated value has been in excess of the individual prices of these correction slips, the I.R.C.A. would consider the suggestion favourably.

Ed. R.A.

Eligibility for Appendix III Examination

The Code rule provides that an employee, who is otherwise competent will not ordinarily be considered eligible for appearing at the App. III A Examination unless he is permanent.

In view of the facts that

(a) the above proviso operates to restrict a considerable number of intending candidates from appearing at the said examination and thereby damps their spirit and enthusiasm; and

(b) it is recognised on all hands (even by the expert Committees) that the Examination system in the Accounts Department is intended to encourage the employees to qualify themselves for the higher posts fairly early early in their career;

It is very much desirable that non-confirmation in service should not be a bar to sitting for the App. III A (S. A. S. (Railways) Examination.

Pranabkumar Sinhabarma: (Calcutta)

Note: In view of the long tenure of temporary service which occurs now and again, individual cases may be considered by the Railway Board on their merits provided the Applicant has put in a service of over three years or so and is otherwise qualified to appear for App. III A Examination.

Ed. R. A.

Supply of Manuals

With reference to my suggestion regarding the 'supply of manuals to staff' (appearing at page 30 of the April 55 issue of your Journal), I beg to observe that I intended to refer to the non-availability of

(a) the Accounts Office Manuals referred to in paragraph 137A and

(b) the 'Departmental manuals of other departments' referred to in paragraph 343-A.

The manuals referred to above are marked 'for Official use only' and as such, these are not available for sale. But, a detailed study of these manuals is essential to enable a candidate for the Railway Departmental Examination [particularly, the SAS. (Railways) Examination] to be well conversant with the procedure obtaining on his Railway in regard to various matters. It is for this reason that I suggested free distribution

or sale at a nominal cost of these manuals amongst the examinees.

Pranabkumar Sinhabarma.

Note: It is for the individual Railway Administrations to consider the possibility of making available to their staff, copies of the Manuals in force on their Railway. If candidates apply in the normal course to their Officers regarding their requirements, it is hoped that the Administration will view their request sympathetically.

Ed. R. A.

Personnel

Shri S. Somasundaram, Dy. Chief Auditor, Southern Railway, Tiruchirapalli has been transferred as Deputy Director of Railway Audit, New Delhi.

Shri B. R. Srinivasa Murthi of the Accountant General's Office, Bangalore, has been posted as Dy. Chief Auditor, S. Railway Tiruchirapalli.

Shri S. P. Narayana Chetty, Deputy Chief Auditor, S. Rly., Mysore, has been transferred to the Civil side.

Shri S. Sethuraman, I.A. & A.S., has been appointed as Deputy Chief Auditor, Southern Railway, Mysore.

Sri M. R. Swaminathan, F.A. & C.A.O., Southern Railway has been granted 45 days leave from 13-8-'55 to 27-9-'55 and Shri J. J. Batliwala, Dy. C.A.O. (Gen.) has been appointed to officiate as F.A. & C.A.O. in his place.

Shri M. V. Naidu, A.A.O., S. Rly., Tiruchi, has been promoted to Officiate as S.A.O. (T), Tiruchi.

Sri S. V. Venkataraman, Sr. Accountant, Southern Railway, has been promoted to

officiate as Asst. Accounts Officer, Southern Railway, Madras.

Sri T. S. Gopalan, on return from leave, was appointed to officiate as S.A.O., Finance, Central Railway, Bombay from 1-6-'55.

Sri M. Krishna Rao, offg. S.A.O., Finance, Central Rly., was posted as Offg. S.A.O., Workshops, Parel, from 1-6-'55 in place of Sri R. A. Murti, proceeded on two months leave from 2-6-'55.

Sri D. Sandilya, Joint Director (Ry. Planning), Railway Board, has been transferred to the civil side as Accountant General, under the comptroller and Auditor General, Government of India, from 9-6-1955.

Sri Y. T. Shah, Dy. Director, Finance (Expenditure), Railway Board, has been appointed to officiate as Joint Director, Finance, (Expenditure and Planning), from 9-6-1955.

Sri B. Bhattacharya, S.A.O., Chittaranjan Loco Works, has been appointed to officiate as Dy. C.A.O., N.E. Ry., Gorakhpur.



STUDENTS' CORNER

On page 101 of the Journal for June 55, Station Accounts Paper (With Books) for S. A. S. (Railways) Examination 1954 was reproduced. A number of doubts have been raised in connection with the working of the Station Balance Sheet, Question No. I, by several candidates. They are briefly dealt with hereunder :—

(a) Item xii : Error sheets not received and shown in last Advice of Internal Check on hand Rs. 170.

Item xvi : Opening Balance Rs. 3,000.

A doubt has been raised whether the former is included in the latter. Since, we are given the transactions as at the station and asked to prepare the Station Balance Sheet and this Balance Sheet is for a period later than that in which the errors have been discovered and have been advised after the original balance sheet was sent away to the Accounts Office, it is clear that the opening balance for the current month, (which is the closing balance of the Balance sheet already with the Accounts Office) could not have taken into account the value of error sheets which were not at all received at the Station and about which advice was sent only far later. Thus Rs. 170 should be brought to account in the balance sheet under preparation independently of the opening Balance.

(b) Item xiv : Outstanding at the end of the month :

Parcels not to hand 100

Parcels on hand "to pay" 600

Item xv : Freight on consignments diverted to other stations Rs. 50.

The doubt in this case is whether the sum of Rs. 50 is included in Rs. 100, outstanding at the end of the month. It should be treated as inclusive since the Parcel Way Bill should have been accounted for concurrently though the

parcel itself was not received. Item xiv indicates the closing balance specifically.

(c) Item i. Value of Time Tables sold Rs. 30.

Item xvi. Opening Balance Rs. 3,000.

The doubt in this connection is whether the value of time tables sold was included in the Opening Balance or not. Nowhere in the question has any item been given for debit during the current period on account of time tables received. Obviously, therefore, the time tables sold must have been from stock, and thus the debit on this account must have been included in the Opening Balance.

* * *

Traffic Accounts (With Books)

Question I. Goods Balance Sheet : This balance sheet is on the same lines as that of "Panipat" Balance sheet given in Traffic A/cs (With Books) Paper of 1943. The only difference is that the figures have been entirely changed.

It is obvious from the working that the figures have been given offhand without any attempt at making the two sides of the Balance Sheet agree.

There are a few points in the Balance Sheet which require some attention :

(a) Demurrage	Rs. 800
Demurrage, old outstanding	Rs. 500
Demurrage, current outstanding	Rs. 30

A doubt has been raised whether there would be any outstanding demurrage items at all, as the basic principle is that demurrage accrued is not brought into the Balance Sheet unless the consignment itself is delivered and the demurrage is collected or is due for collection. Hence when demurrage is outstanding, it should be only when a remission order therefor is awaited. Since no mention has been made in the

question about such remission order while referring to the outstanding demurrage items, it is presumed that these cases are on account of consignments not delivered; in which case, the outstanding demurrage items should not be included in the Balance Sheet.

(b) Cash Balance on hand on 31-5-54: Rs. 260.

This figure is included in the Station Balance sheet on the Credit Side, on the last day of the month, irrespective of the fact that it is remitted to the Cash Office only on the 1st of June 54. Hence this figure should be added to the amount of cash credits for the month of May.

(c) Cashier's Memo outstanding: Rs. 7

This item is analogous to the error sheet raised by Audit and hence every such memo should be taken to debit by the Station for purposes of watching its clearance by remittance. In this case, obviously, the item has not been remitted and hence debit alone would appear, an equivalent sum being shown separately in the closing balance. A doubt that is possible in this connection is whether the outstanding is on account of a Memo issued during the current month or during a previous month. In the absence of any definite statement about this outstanding relating to the previous month it would be safe to assume that it relates only to the current month.

(d) There is a heavy difference between the two sides of the Balance Sheet. This figure

must somehow be accounted for. It is too large for classifying it as short remittance. There is already a freight outstanding of nearly Rs. 6000 and since the total freight debit during the current period is nearly Rs. 18,000 and there was an opening balance of over Rs. 6,000 we would not be far wrong in assuming that the difference in the Balance sheet may also be due to freight outstandings. This is only an explanation to suit the circumstances, as the figures have not been based on any actual transactions.

* * *

**Traffic Statistics and Traffic Book
(With Books) 1954.**

In Question X of the above paper, the candidate has been asked to explain the Accounts Office checks on the credit claimed by Station in respect of freight on parcels delivered short of destination.

A doubt has been raised in this connection by some candidates that there could be no outstanding at the original destination station. This view is not correct, as every Parcel Way Bill (as issued) should be accounted for at the destination station irrespective of whether the consignment was received there or not. In this connection, attention is invited to para 2417-T, where it has been specially stated that in such cases, the outstandings at the original destination Station should be cleared by a certified overcharge sheet.

There was a famous surgeon who was known for both his outspokenness and his high fees. A rich businessman who needed a delicate operation consulted him and, asking what the price would be, was told the charge would be a thousand dollars.

"But that's outrageous" cried the rich man.

"Then I suggest you go to Dr. Smith", said the surgeon. "His fee will be half of mine and you won't have to pay for it—your heirs will".

ANNEXURE

Summary of the Recommendations of the Railway Corruption Enquiry Committee

While commending to the Government that stress should be laid on the need for a "correct approach" to the problem of eradication of corruption on the railways, the Committee says that if correct ideals and standards of conduct are kept before the subordinate staff "our railway-men will make the proper response and put forth a determined effort to eradicate corruption from among their ranks."

The report was submitted to the Railway Minister on July 11; a summary of which was released for publication on the 17th July 1955.

The Committee was set up on October 3, 1953 under the chairmanship of Mr. H. N. Kunzru, who was later succeeded by Acharya J. B. Kripalani.

The Committee issued six questionnaires to different interests, including a general questionnaire to which it received nearly 500 replies. In all, it undertook five tours, visited 47 places, examined 1150 witnesses and held 178 sittings. Its report is divided into 14 chapters and appendices. It has made over 150 recommendations.

"NOT A NEW PHENOMENON"

Examining the problem in its setting, the report says that corruption on the railways was nothing new. During the early periods, under company management, the wages of the station staff were very low and what they collected as *bakshish* from the public was connived at. This form of corruption was almost universal.

The system of priorities introduced during wartime and the extreme shortage of transport resulted in new forms of corruption which continued even after the termination of the war as the transport position remained unsatisfactory.

"Railwaymen are not a separate community," the Committee remarks. Being drawn from the same social milieu as employees in other Government departments and subject to the same temptations, "it would be futile to expect them to be absolutely honest in a general atmosphere of corruption, dishonesty and sharp business practices." While taking steps to eradicate corruption amongst railwaymen, says the Committee, it is essential that the general aspects of the problem are not lost sight of.

It should not also be forgotten, says the Committee, that the first essential condition for eliminating corruption in any Government department is an efficient and honest police force trained in the latest and most scientific methods of detecting and apprehending crime.

"It is difficult for a department to discharge its special functions and also effectively tackle the anti-social elements working in its ranks. It has not the necessary machinery to do this" the Committee remarks.

It is also true, the Committee says, that the lack of adequate civic sense and business morality are to some extent responsible for the encouragement of corruption amongst the railway staff.

The report records that while some of the chambers of commerce and other trade associations complained bitterly of corruption, they were candid enough to admit that their organisations had given little thought to the problem in so far as it was encouraged by the conduct of merchants themselves. "Unless this deep-rooted attitude of indifference to public good and one's duty as a good citizen is changed, it would be difficult to eradicate corruption from Government employees," says the Committee.

The Committee recommends that chambers of commerce and passenger associations should make it a rule that an individual or firm found to have indulged in offering illegal gratification will be debarred from the membership of these bodies. They should come forward with information and evidence if they have knowledge when a charge of corruption is made against a railway employee.

ROLE OF TRADE UNIONS

The Committee is sorry to note that the development of railway unions has given the railway employee no idea of the important part he has now to play as a free citizen of a free country. "The majority of the local unions often adopt bullying tactics towards higher officers and their officebearers are sometimes interested in getting personal advantage for themselves and their friends through their influence," the Committee remarks, adding: "It also came to our notice that some local union officials charged fee for representing individual cases of employees to the Administration. This is the worst thing that a Railway Union could do."

The Committee recommends that the Central Executive of the National Federation of Indian Railwaymen and other unions should issue clear directives to all the unions affiliated to them laying down the new role that the unions have to play in free India. "Their rights must flow from duties faithfully and conscientiously performed," the Committee remarks.

The Committee asks the unions to co-operate with the railway administrations and assist in ensuring that the various privileges that have been conferred on the employees are really made available to them. Machinery for this has also been suggested.

Urging a psychological approach, the Committee says that the problem of corruption is not confined to the railways. "It is common to all Government departments and is deep-rooted." Change of

outlook on the part of all concerned is, therefore, essential for grappling with this evil. Since the attainment of freedom, the role of the railways has completely changed, and "there should be a corresponding change in the attitude of those who run this huge machinery as also of the using public." While there has been a growing consciousness of this problem, the Committee says, the steps taken so far have not borne satisfactory results.

The Committee advocates greater publicity being given through various media to facilities that are available to the public, the procedure to be adopted for making full use of them and the machinery that exists to bring to the notice of the administration any complaint regarding the same.

Suitable publicity should also be given to the various facilities available to the employees, particularly those in the lower categories. There should be constant propaganda bringing home the evils of corruption. Such propaganda should also be addressed to the public.

After making a general survey of the problem of corruption on the railways against its larger background, the Committee has proceeded to make a number of suggestions and recommendations on specific points. Implementation of these recommendations, the Committee says, would create an atmosphere congenial for honest and efficient discharge of duties by railway employees.

The Committee feels that supervision on the Railways is not effective enough to ensure strict observance of rules, regulations and departmental instructions. The jurisdictions assigned to inspectors are in many cases excessive and should be revised.

SHORTAGE OF OFFICERS

While there has been a substantial increase in the number of railway employees, there has not been, in the Committee's opinion, a corresponding increase in the number of gazetted

officers, with the result that supervision has become more attenuated. The volume of traffic has also increased. Paper work has increased at the cost of outdoor work.

The Committee, therefore, recommends that the Railway Board's Efficiency Bureau should be asked to analyse the quantum of work performed by gazetted officers and suggest measures for the reduction of desk work and increase in supervisory work. The Bureau may also suggest if any increase in the strength of Class I and II staff is necessary.

The Committee expresses the view that the geographical size of the new zones created after regrouping "is too big for effective and efficient supervision". It adds: "Like most large organisations, the re-arranged zones suffer from the defects of over-centralisation, indecision, red-tape and inertia." A sizable unit, it goes on, "will make possible the delegation of responsibility at different levels, since delegation is brought about as a result of confidence reposed in a subordinate officer adequately supervised by superiors and having personal touch with them."

The Committee recommends that the question of the existing size of zones be revised by a small high power technical committee, which should also thoroughly examine the question of divisional and district systems. "We are fully conscious of the fact that this may cause certain difficulties, but it is better that these be faced now rather than at a stage after considerable amounts have been spent to consolidate re-grouping."

ADMINISTRATIVE MEASURES

Among other administrative measures the Committee has recommended the following:

In making selections for key posts the utmost care should be exercised, due consideration being given to the reputation for honesty or otherwise of the officers concerned.

Departmental instructions in force on various Railways should be reviewed periodically by the Efficiency Bureau, introducing the maximum amount of standardisation compatible with local conditions.

The revision of the Establishment and Traffic Codes should be expedited. The Railway Service Conduct Rules should be included in the curriculum of the railway training schools. The rules of conduct of railway employees in relation to the public should be made known to the public.

The rule regarding periodical transfers of line staff and gazetted officers should be more rigidly observed. The enforcement of the rule requiring a Government employee to periodically declare particulars of his immovable property should be expedited.

Exceptional and outstanding work should receive special recognition by grant of honoraria, letters of appreciation and medals. The honoraria should be confined to non-gazetted employees only. Successful efforts of an officer to root out corruption should be a qualification for accelerated promotion.

Disparity in the emoluments of the lowest paid and highest paid Government employees should be narrowed down. Greater attention should be paid to the problem of staff welfare. The scheme for the provision of subsidised hostels should be finalised without delay. Provision should be made in the Second Plan for systematic expansion of medical facilities. The scheme for opening rest houses for staff should materialise without undue delay. The tempo of building staff quarters should be substantially increased.

TRANSPORT SHORTAGE

Shortage of transport according to the Committee, is one of the main reasons which encourages corrupt practices. It is, therefore, necessary that adequate provision be made in the second Five-Year Plan not only to make up for the

arrears but also to build up sufficient assets to enable the railways to cope with the present transport demands and the further demands that would be made by an expanding economy during the period.

The bottlenecks at the transshipment points should be eliminated by increasing transshipment capacity, and in the meantime intensive high level supervision should be provided. A systematic review of goods shed facilities at each important booking station should be made and those facilities should be augmented.

The Committee has recommended that a greater degree of uniformity should be introduced in the procedure adopted by the different Railways for indent, allotment and supply of wagons. A chapter should also be added in the Goods Tariff published by IRCA, laying down a clear procedure on this subject to guide the general public. Wider publicity should be given to restrictions, quotas etc.

Among other steps, the Committee has recommended a steady drive for improving the wagon position, elimination of ambiguities, in the classification of goods, advance planning and adequate arrangements for the clearance of traffic in perishables, regulation of entry into Marshalling Yards and goods sheds, registration of brokers, etc.

While a major part of corruption exists in the handling of goods traffic, the Committee observes that the booking of passengers and luggage is not free from it. Here, too, the last war accentuated an evil already in existence. There had been some improvement of late but the prevalence of corruption was still extensive.

The Committee deals in some detail with the forms of corruption prevalent in the booking of passengers and luggage, reservation of berths, fraudulent use of tickets, harassment of illiterate passengers and ticketless travelling.

The Committee has found "considerable misuse of monthly suburban

tickets" and has recommended that such tickets should in future carry the owner's photograph and signature.

The measures taken by the Railways to check ticketless travelling have been described by the Committee which has recommended further steps to curb this evil, including surprise checks by members of the National Railway Users' Consultative Council, better ticket checking and prompt and drastic action against responsible officials and students travelling without tickets.

Stern action in cases of harassment of poor and illiterate villagers by railway staff has been recommended.

DEPARTMENTAL CATERING FAVOURED

Expressing general agreement with the conclusions and recommendations made by the Catering Committee under the chairmanship of the Deputy Railway Minister (which have been largely accepted by Government), the Committee favours departmental catering on a "no profit and no loss" basis and suggests that any loss in the initial stages should be considered as having been spent on advertisement, and some of it may even be debited to the passenger amenities fund.

The Committee recommends the abolition of the system of giving catering contracts to big contractors, strict enforcement of the rule prohibiting sub-letting, greater vigilance, the awarding of contracts to co-operatives and social bodies, etc.

The Committee has asked that public men and high officials should refrain from giving certificates to catering contractors.

Dealing with engineering contracts, the Committee concedes that the majority of the officials in gazetted ranks refrain from taking direct monetary bribes, but, it adds, many of them are not above deriving indirect advantage from their position.

The Committee recommends the setting up of a board of three arbitrators to decide disputes, drastic action against staff involved in the theft of railway property, reduction of casual labour and temporary staff in relation to permanent staff and the formation of a three-man checking squad including an outside engineer at the headquarters of each Railway. The squad should periodically go round and check measurements, etc., and also make a periodic comparative analysis of rates offered by different divisions.

CLAIMS BILL

The Committee considers "most disturbing" the very steep rise that has occurred in the railways' claims bill since the war years indicating, in its opinion, that the day-to-day business of the railways is not being conducted with due degree of care, efficiency and honesty. Measures taken by the Railways had brought down the incidence of claims, but the claim bill was still high.

Among remedial steps recommended are the appointment of a Claims Prevention Officer on each Railway, time limit for settling claims and machinery for arbitration.

The Committee suggests that the responsibility of the railways for the goods handed over to them should partly be that of an insurer. This as well as the question of linking up the freight structure with the transit time of goods should be referred to the Railway Freight Structure Enquiry Committee.

A number of suggestions dealing with improvements in the complaints sections on the Railways have been made.

A separate chapter in the report deals with the internal working of the Railways as, in the Committee's view, corruption amongst the railway staff in their dealings with the public is closely inter-linked with corruption *inter se*. Such corruption is usually in respect of appointments, training, increments, promotions, leave, passes, P. T. Os., postings,

selection boards, Railway medical departments, and misuse of railway materials and railway labour.

Remedial steps recommended relate to the procedure for recruitment of Class IV staff, training in character building in schools at which lectures should occasionally be given by General Managers and heads of departments, etc.

In making promotions to selection posts, greater importance should be given to honesty and integrity. Selection to posts above Rs. 300 should invariably be made on the results both of a written and an oral test. The promotion policy should be closely co-ordinated with training.

Railway doctors should be debarred from private practice and their emoluments suitably increased. In proved cases of corruption, the Medical Council should be approached to disqualify doctors from practice.

Often the Government railway police officials themselves indulge in corrupt practices, says the Committee. It welcomes recent steps taken by the Railway Ministry to completely re-organise the Watch and Ward Department and suggests that the Department should be re-organised as a statutory force.

Dealing with the Special Police Establishment & the Anti-Corruption Organisations of the Rlys., the Committee makes a number of recommendations to improve their working. Among these is a suggestion that on each Railway the Anti-Corruption Organisation be placed under a Chief Investigation Officer who should maintain close liaison with the General Manager but should be responsible directly to the Railway Board.

It urges that publicity be given to the Anti-Corruption Organisations and direct complaints to it encouraged. These Organisations should be strengthened. In proved cases of bribery and corruption, punishment must be swift and deterrent.

ROLE OF CONSULTATIVE BODIES

Several paragraphs in the report are devoted to ways in which the railway consultative committees can play a positive role in eradicating corruption. It is recommended that the scope of these bodies should be extended to cover all matters of public interest barring individual cases of railway employees.

The Committee has emphasised that legislators should avoid sending recommendations to the Ministers or Government officials regarding individual cases of railway employees for promotions, transfers, cancellation or reduction of punishments, etc. In cases of punishment where legislators feel that injustice has been done, these may be forwarded to the Railway Minister for review. Questions relating to appointments, transfers, and promotions should be left to the administrations. Under no

circumstances should a legislator approach officials for favours.

In the concluding chapter dealing with miscellaneous matters, the Committee has made a number of recommendations the more important of which are the following:

Railway grain shops should be abolished as early as possible.

The Committee appointed by the Government of India to examine recruitment to Government service should go into the question of procedure adopted for recruitment on the railways.

The Railway Board should bring out a small brochure describing the different types of jobs offered by the railways and other relevant information.

The Committee also makes a number of recommendations in regard to stores purchases and connected matters.

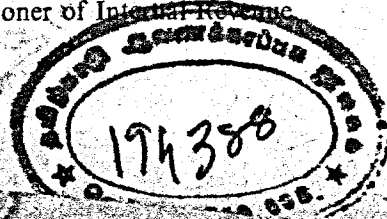
ALL THE WORLD LOVES A TAX-DODGER

"I have been shocked during my experience by the many instances in which deliberate tax evasion clearly had not prompted invocation of social sanctions against the evader, thus making it obvious that in those cases at least evasion had acquired social acceptance.

"Acceptance by society of tax dodgers, schemers, connivers, cheats, and other malefactors against the law is a sure road to national ruin. No Government by law can survive ascendancy and social acceptance of the scoundrel....

"The average person's indifference to the moral aspects of tax evasion is well known. I do not know of a single tax evader who has not continued to enjoy the status attributed to an honourable citizen, even after being convicted and serving a prison sentence for his transgression. Yet, these malefactors had, in effect, robbed every other taxpayer in the country, including their mothers, fathers, brothers, sisters and other relatives and, of course, their neighbours and friends. There is something seriously wrong with a society that does not impose social sanctions upon such wrongdoers.

"We are taught as Christians to forgive the sinner when he truly repents. Seldom have I heard any words, or seen any attitude or repentance on the part of tax evaders either before or after they have paid the penalties imposed by law for their crimes. What is worse, we not only seem to have lost our aversion to sin, but there is some evidence that the tax cheat enjoys in the eyes of some citizens at least, a degree of heroic stature."—T. Coleman Andrews, U. S. Commissioner of Internal Revenue.



"Australian Accountant", May '55.
(Current Taxation)

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Though the Journal has been accepted by many readers and subscribers as very useful to them, new subscribers are not coming in as speedily as is expected. We are nowhere near the target and the extent of untapped sources is still very large. It is hoped that those who have received benefit will induce their friends, who are non-subscribers, to enrol themselves speedily. Such a service will be helpful mutually to both. Each subscriber may try to secure at least two additions a month.

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